UN Women have identified 2030 as the date to end gender inequality and achieve parity. "Planet 50-50 by 2030: Step It Up for Gender Equality" launched in 2016 asks governments to make national commitments to address the challenges that are holding women and girls back from reaching their full potential. - See more at: http://www.unwomen.org/en/get-involved/step-it-up/about#sthash.T2CkdjDD.dpuf.

This campaign forms part of the wider UN 2030 Sustainable Development goals and relates directly to Sustainable Development Goal 5 (SDG 5) to “Achieve gender equality and empower all women and girls”. SDG 5 is formed of 9 underlying targets, the first of which is to ‘end all forms of discrimination against all women and girls everywhere’ (5.1). The agreed global indicator for target 5.1 was “whether or not legal frameworks are in place to promote, enforce and monitor equality and non discrimination on the basis of sex”.

We represent the UN Women National Committee UK, and congratulate the UK government on its decision to implement the provisions of the Equality Act 2010 on gender pay gap reporting and welcome the forthcoming inquiry from the Committee on the Gender Pay Gap. The timing of the inquiry, directly after the passing of the statutory deadline for the first year of gender pay gap reporting, sends an important public message about the on-going need to ensure that this issue receives appropriate priority in government as well as the necessary resources to support sustained change.

The UK Government is to be congratulated in its decision to implement the provisions of the Equality Act 2010 on gender pay gap reporting. It has stimulated a lively and passionate public debate not only in parliament and the media but in workplaces, communities and households across the country. There is now increasing recognition that this is an issue which impacts not only women but society as a whole and has a detrimental impact on our economic and social well being. It is no longer a problem that can be ignored.

We hope that the requirement for employers to report year-on-year will create a significant incentive for sustained improvement in the national pay gap as well as help to change cultural perceptions of women’s role in the economy. Greater transparency of wage rates and incentive structures will inevitably lead to increased scrutiny and challenge to existing norms. Investors will increasingly look to this data as part of their risk assessment processes.

It is welcome that many employers have already responded positively to the new legislative requirements. Focused discussions at boardroom level have led to new initiatives, priorities and the setting of stretching targets with a recognition that change cannot be achieved overnight but requires sustained effort with the support of senior leadership. The work of the Government Equality Office in raising the profile of this issue with employers and the public is to be commended particularly given the considerable constraints on their own budget.

The recent public statements from both the Prime Minister and Home Secretary in support of further steps to tackle the significant wage disparity between men and women is heartening and we hope that it will be met with substantive actions and appropriate resources to maintain the momentum generated from this first step at compulsory notification. The Government have an ideal opportunity to pursue an ambitious agenda working in partnership with employers and trade unions that will seek to meet the targets set in the Sustainable Development Goals.

We ask the Committee to consider the following as part of its inquiry:

1. **Inquiries into why major discrepancies exist:** In some business sectors, there are wide differentials between companies in their pay gap - for example, British Airways
reported a median gap of 10% against a gap of over 45% at Easyjet and over 70% at Ryanair. The Government should provide resources to the Equality and Human Rights Commission (EHRC) to carry out statutory inquiries where data reveals marked differences in companies, sectors or geographical locations as part of a rolling annual programme, which would help establish the reasons behind such wide differentials.

2. **Identification of follow-up for non-reporting**: The EHRC stated that about 1,500 qualifying companies missed the April reporting deadlines. The government should clearly outline what will happen to these companies and how they intend to track progress.

3. **Target date for change**: The data published shows that more than three quarters of companies pay men more than women and the average pay gap (based on the median measure) is 9.7%. With this extensive data, and in recognition of the scale of the problem, we ask the Committee to consider how the Government will assist companies in adopting best practice within an agreed timescale.

4. **Codes of Conduct**: The Government should indicate its willingness to utilise existing legislation permitting the EHRC to issue Codes of Conduct where serious structural problems exist leading to pay gaps.

5. **Public procurement to drive best practice**: The Government has the opportunity to lead by example with a detailed plan for public procurement to drive best practice in tackling gender pay gaps.

6. **Targets for government departments on gender pay gap**: We are concerned that in the recently published Single Departmental Plans, there are no consistent benchmarks or baselines to measure progress against SDG 5. We would recommend that the Government now re-examines these plans with a view to embedding substantive and transparent change for each department in relation to achieving gender equality, including how they will address gender pay gaps within their own workforce.

7. **Accuracy of reporting**: The Government should indicate how it intends to analyse and investigate the accuracy of data provided by employers and provide a detailed plan as to how they intend to enforce the legislation. A significant number of employers have recorded a median pay gap of zero, which is statistically improbable.

8. **Budget Provision**: We consider that the additional budget of £300,000 provided to the EHRC for enforcement work is likely to be inadequate. Public confidence must be maintained in the accuracy of the data provided.

In addition, it would be helpful for the Committee’s inquiry to consider these further issues and we recommend the following:

- The Government should provide advice to employers and trades unions on best practice in this area.
- The Government should take further steps to address the costs of childcare which continues to form a barrier particularly to women seeking better job opportunities.
- The Government should carry out a formal evaluation of the value of extending the Right to Request Flexible Working from the start of any employment contract.
- The Government should outline what additional measures will be taken to alleviate the pay gap for women over 40 years of age.

*April 2018*