



Business Services Association
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The Rt. Hon. Nicky Morgan, M.P.,
Secretary of State for Education and Minister for Women and Equalities,
Government Equalities Office,
100 Parliament Street,
London.
SW1A 2BQ

11th March, 2016

Dear Nicky,

I am writing in response to the consultation from the Government Equalities Office on the draft regulations for mandatory gender pay gap reporting.

The Business Services Association - the BSA - supports the Government's aim to increase transparency around gender pay and raise awareness of the challenges surrounding closing the gender pay gap. Many BSA members are signed up to the Government's Think, Act, Report framework for promoting workplace equality and have existing initiatives to support and encourage women within their organisations. The BSA responded to the initial consultation on closing the gender pay gap last year and is pleased to see many of the points we made reflected in the Government's response.

The draft regulations take positive steps towards introducing meaningful reporting on gender pay issues while considering the burden upon companies. In particular, we welcome the Government's recognition that additional narrative on gender pay should be voluntary but strongly recommended in accompanying guidance. This approach provides businesses with the flexibility to report the most relevant information alongside their figures and to show how they plan to close gaps.

The minimum standard information required from employers represents a reasonable but constructive starting point for gender pay reporting. The inclusion of mean, median, bonus and quartile figures lays a sensible foundation upon which greater analysis can be built and takes account of the cost of regulation on business.

To ensure that useful comparison can be made, it would be helpful for the Government to provide more detail on the accepted methodology for the calculation of the required figures. We suggest that standard software, made freely available to all employers, would support comparable analysis and reduce the general burden of the regulations on businesses.

We are concerned that the intention for gender pay gap reporting requirements to apply to 'employees' as defined in the Equality Act 2010 widens the scope of the regulations significantly and means that the regulations are likely to apply to some self-employed contractors. We are supportive of reporting for apprentices and all employees who are directly employed by the company. However, this widening of the scope of the regulations would disproportionately increase the burden on businesses to provide additional information of only limited use.

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It is the Government's stated aim to use these regulations to support companies as they seek to close their gender pay gaps. It is important therefore that the Government remains consistent in its positive message, not trying to "name and shame" organisations, particularly when it is recognised that the data alone cannot tell the full picture. We are concerned that the proposals to publish league tables of employers' pay gaps by sector are not in the spirit of the policy and will not usefully communicate information about gender pay trends.

Instead of ranking all organisations, we suggest the Government publishes the top performers by sector. This will create an incentive for businesses to compete on their gender pay initiatives and reward those who are successfully tackling pay gaps. Furthermore, highlighting best practice will increase understanding of what measures are successful in supporting women in the workforce and will help underperformers to take positive steps.

We support this initiative as part of the wider objective of the Government Equalities Office to help address this issue. It is clear that gaps that exist today may have arisen unconsciously and that there are many contributing factors, a number of which are outside of an employer's control. For example, under-representation of women in a career that may be seen as traditionally male will take longer to address and will be subject to national investment in education before broad scale changes are seen.

Businesses are already working with the Government to increase the proportion of women in the boardroom, provide opportunities for shared parental leave and promote female engagement in sectors such as technology and engineering. We hope that gender pay information will improve our understanding of the barriers to female participation and progression and will inform future policies that work with both employers and women to create equality.

In conclusion, the BSA welcomes the draft regulations on gender pay reporting and urges the Government to ensure new regulations are used to drive lasting positive change. We would welcome the opportunity to discuss how our sector can build upon this, including a more detailed discussion on how any of the above proposals might be implemented.

Yours sincerely,

Melanie Maxwell Scott
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BSA - The Business Services Association

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