

# STATES OF JERSEY



## PAY GAP REPORTING

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**Lodged au Greffe on 8th March 2024  
by Deputy L.M.C. Doublet of St. Saviour  
Earliest date for debate: 16th April 2024**

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**STATES GREFFE**

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to request the Chief Minister –

- (a) to set and publish a target before the end of June 2024 of a minimum percentage of local businesses with 50 or more employees that should voluntarily report their gender pay gap data (with accompanying narrative and action plan) by 8th March 2025 and annually thereafter;
- (b) to ensure that all local businesses with 50 or more employees are contacted before the end of June 2024 with a request that they voluntarily publish gender pay gap data (with accompanying narrative and action plan prior to 8th March 2025), and to provide such businesses with support (including, but not limited to, reporting templates and guidance on narrative and action plan formulation) in order to facilitate the provision of such gender pay gap information;
- (c) in the event the target identified in paragraph (a) is not met by 8th March 2025 through voluntary participation, to bring forward the necessary legislative framework by 8th March 2026 for the implementation of mandatory annual gender pay gap reporting by all local businesses with 50 or more employees; and
- (d) to investigate the possibility of providing support for local businesses in order to facilitate the publication of pay gap data for other characteristics, including (but not necessarily limited to) ethnicity pay gap data and disability pay gap data.

**DEPUTY L.M.C. DOUBLET OF ST. SAVIOUR**

## REPORT

The case for tackling the gender pay gap has been well established. There are demonstrable arguments, with regards to both equality and benefit to the economy, for ensuring that this pay gap is reduced.

As set out in the [PWC Channel Islands Women in Work Index 2023](#), the economic benefits of improving female labour force participation in Jersey would be significant:

- “Firstly, to address current critical skill gaps - Geek Talent identified just under 2,500 job vacancies in Jersey and Guernsey in August 2022 (a typically quieter month for job adverts).
- Second, to boost economic prospect. Our analysis indicates that if we were able to match the female labour rate of Sweden, a 2% increase in GDP would be achieved in Jersey (equating to £77m annually) and 6% increase in GDP in Guernsey (£194m annually).
- And third, closing the gender pay gap would deliver further gains in female earnings of 12% in Jersey (£187m) and 18% in Guernsey (£159m).”

There have been two reports published by a States Assembly Scrutiny Review Panel exploring the issue of the gender pay gap. [Is there a Gender Pay Gap in Jersey?](#) was published in 2019 by the Gender Pay Gap Scrutiny Review Panel and outlined 13 initial recommendations. The overarching recommendation and the first three recommendations were as follows –

**OVERARCHING RECOMMENDATION:** The Government of Jersey should take immediate action to close the gender pay gap.

- 1) The Government of Jersey should lead the way in collating, analysing and publishing data and evidence in relation to the public sector gender pay gap and related issues;
- 2) A public sector gender pay gap report should be published on an annual basis and at the same time every year, starting with a report by the end of 2020;
- 3) Action should be taken to reduce the gender pay gap and address any issues identified in the Government’s report;

The follow up [Scrutiny Review in 2022](#) concluded that the gender pay gap [had widened](#) and provided the following recommendations –

- Encourage Flexibility in the workplace;
- Provide greater access to childcare;
- Introduce Statutory reporting measures;
- Introduce a political lead for diversity, equality, inclusion; and
- Gather better data.

So far, in Jersey, I have identified that [Mourant](#) and [PwC](#) have voluntarily published their gender pay gap statistics – there may be others. There are other local subsidiary companies that have also published this data under the UK legislation.

Reporting is difficult to do in isolation and this may be why many companies have not published their pay gap data. Companies often need to know their contemporaries are also publishing. This provides a network of both support and accountability.

In the UK, gender pay gap reporting is mandatory for companies with over 250 employees. In Jersey such an eligibility threshold would need to be lower due to the smaller Island population and corresponding size of local businesses. The most recent [Jersey Labour Market Report](#) shows the amount of private sector businesses that employ more than 50 people to be 180 businesses in total (leaving a further 8,130 smaller enterprises as outside the scope of this proposition).<sup>1</sup> The same report shows that these 180 businesses employ over 25,000 individuals – nearly half of the adult working population.

A threshold of 50 or more employees is reasonable to set, as a company of this size is likely to have a dedicated HR function either in-house or outsourced. Indeed, many of these 180 companies are likely to have parent companies based in the UK where this reporting is already carried out and their systems set up to produce the data. Based upon the advice I have received; I would not recommend a lower threshold due to the potential for personal data to be made discoverable.

In order for this proposition to be implemented, the Chief Minister will be given the responsibility to decide on the percentage of companies to voluntarily report their pay gap data. I did consider setting this myself, however I wish to give the Chief Minister some latitude in this respect. I would recommend around 70-80% of companies with 50+ employees. This would be enough so that companies who did publish would not feel exposed in producing their data, and those who did not publish in the first year or so may be encouraged to start doing so once the majority of their contemporaries have taken this step. It would become a matter of reputational importance.

It is not enough to simply report the data on gender and pay within a company. An accompanying narrative and action plan is essential to assist leaders in reflecting on why any reported gaps exist and how they can be tackled.

On the importance of an action plan, the [Chartered Institute of Personnel and Development](#) say that –

*“Uploading an action plan on your website, alongside a narrative, lets people know what action you are planning to take to address the gap, and that you are serious about doing so. In addition to helping you tackle the gender pay gap itself, drawing up an action plan will help you to answer questions about what you are doing”*

Furthermore, the [Chartered Management Institute](#) found that –

*“having a GPG [gender pay gap] action plan makes their workplace more attractive and gives them a competitive edge over other employers”*

Setting a deadline of one year from the date of lodging this proposition is a proportionate approach, giving companies plenty of time to seek any assistance they may need.

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<sup>1</sup> Further data can be found at the following link –  
<https://opendata.gov.je/dataset/labour-market-manpower/resource/3f468dfc-0796-4cc0-9d1b-06f9a0bce805>

UK legislation is already in place, and it may be advantageous to utilise similar reporting templates, both for ease and for the ability to compare data. There are also a number of supporting guides that Government could adapt and provide to companies, with appropriate advice, at the time of use. The advice from the UK government can be found [here](#).

I further believe that supporting businesses to also publish pay gap data for other characteristics including ethnicity pay gap data and disability pay gap is the right course of action. Gender is not the only characteristic that results in inequality of remuneration within workplaces.

The UK Government has provided [guidance](#) on “how to measure, report on and address any ethnicity pay differences”. This includes guidance on areas such as how to collect the data, understanding and reporting your data, and making calculations.

Investigation of all these areas promotes and sustains equality in the workplace, resulting in better outcomes for all.

## **Conclusion**

As I mentioned at the start of this report, the gender pay gap is not a new issue – Islanders have been calling for change in this area for some time. Women in Jersey are **running out of time** – a [UK report](#) found, on Equal Pay Day last year, that *progress to close the gender pay gap is “glacial”* – at the current rate of change, the pay gap between men and women will not close until 2051. Most women aged 38+ will be retired from the workplace by then.

Pay gap reporting, with meaningful narratives and action plans that are effectively implemented, is the absolute minimum we must do. Improving access to affordable and funded high-quality childcare, improving parental leave entitlement and funding, and implementing flexible working as the default are all areas that must also be progressed.

This proposition seeks to take a step forward in reporting, analysing, and tackling gender pay inequality in the workplace and I hope that all Members will be in support of this outcome.

## **Financial and staffing implications**

If this Proposition is adopted the scheme would require support from Government, in relation to contacting and assisting businesses. There is an existing work scheme within Justice and Home Affairs, entitled Equity, Diversity and Inclusion (“EDI”), which could support this work. The role of Government would be principally administrative and advisory in the first instance.

Should the voluntary target not be reached, it is appreciated that there will be additional costs incurred in relation to legislative drafting time and implementation costs, which should be anticipated within the next Government Plan.

The last part of this Proposition seeks the investigation into providing support to local businesses in relation to other pay gap areas. As with the gender pay gap reporting

support, the anticipated work is considered to fall within the existing staffing resources of Government.

### **Children's Rights Impact Assessment**

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the [States Assembly website](#).