



20th November 2024

Dear The Rt Hon Bridget Phillipson MP, The Rt Hon Anneliese Dodds MP, The Rt Hon Sir Steven Timms MP, Seema Malhotra MP, Dame Nia Griffith DBE MP, Lord Collins of Highbury, The Rt Hon Baroness Smith of Malvern, The Rt Hon Angela Rayner MP, Sarah Owen MP, Equalities and Opportunities

**The Equal Pay Alliance is a group of charities, trade unions, campaign groups, academics and more, who demand action to address labour market inequality and improve employment rights.**

Delivering **equality in employment is essential** for the UK government to achieve its missions of **kickstarting economic growth and breaking down barriers to opportunity**.

We have therefore welcomed commitments to improve employment rights and advance labour market equality, including those in the forthcoming Employment Rights Bill, the Equality (Race and Disability) Bill, equal pay and strengthened pay gap reporting regulations.

The Equal Pay Alliance is clear that a **new deal for working people** must address intersecting inequalities for protected groups. We would advise that a **laser focus on women's employment rights** is enacted. There is evidence to suggest that women's employment is characterised by low pay, discrimination and harassment, underemployment, and precarious work. These inequalities are particularly acute for racially-minoritised women, Disabled women, younger and older women, and single mothers.

The persistent inequality faced by women, particularly racially-minoritised women and Disabled women, in the UK labour market puts them at **greater risk of poverty**.<sup>1</sup>

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<sup>1</sup> <https://www.wbg.org.uk/publication/womens-budget-group-submission-to-low-pay-commission-consultation-june-2024/>, <https://irr.org.uk/research/statistics/poverty/>



<sup>2</sup> The brunt of the cost-of-living crisis has fallen disproportionately on these groups. Women's poverty is also the **key driver of child poverty**, making action to tackle gender inequality critical to tackling child poverty and improving the life chances of all children and young people.<sup>3</sup>

Inequality in employer practice has long prevented women from accessing senior roles and decent-paid work. Discretionary allocation of pay and bonuses exacerbates both the pay gap and unequal pay as it disadvantages women and, more potentially, racially-minoritised people. Pay inequality has also caused a **widening pension gap** for women, racially-minoritised people, and Disabled people.

The introduction of mandatory gender pay gap action plans is welcome, but publishing a plan is not the same as implementing one. Evidence shows that employers are **unlikely to take action on equality unless they are compelled to do so by law**.<sup>4</sup>

Gender pay gap reporting has led to little change in employment practice, or in the gender pay gap, for this reason. It is therefore likely that **mandatory action plans will be limited in impact without accountability for implementation**.

To develop effective action plans, employers need to identify the most pressing inequalities in their organisation. The current gender pay gap regulations do not provide the level of detail necessary to identify patterns of occupational segregation, particularly in larger organisations, and the impact of this on their pay gap.

Proposals to extend pay gap reporting to ethnicity and disability are also positive, however, there is a need for these to be **designed to secure meaningful and useful data**. The gender pay gap as a calculation and measure is not comparable to pay gaps arising from ethnicity or disability, given the complexities of dividing each of these protected characteristics into comparator groups.

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<sup>2</sup> <https://www.disabilityrightsuk.org/news/2020/february/nearly-half-everyone-poverty-either-disabled-person-or-lives-disabled-person>

<sup>3</sup> <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-debate-on-eradicating-child-poverty-June-24.pdf>

<sup>4</sup> <https://www.kcl.ac.uk/qiwl/assets/gender-pay-gap-reporting-a-comparative-analysis.pdf>



International good practice is for a **twin-track approach<sup>5</sup> that mainstreams equality across all areas of policy alongside targeted action on the specific inequalities affecting protected groups**. The government must meet its obligations under the public sector equality duty, and mainstream equality in the Employment Rights Bill and wider policy change, alongside specific measures to tackle inequalities.

**The government has an opportunity to create a coherent set of measures that can work together to tackle the most persistent inequalities in the UK labour market.**

However, if equality is not effectively mainstreamed in this, labour market inequalities will be sustained, meaning a worse deal for women, racially-minoritised people, Disabled people, and other marginalised groups.

## Our calls:

- Mandatory action plans for gender, ethnicity and disability pay gap reporting.
- Employers publish annual progress reports on their action plans to secure accountability.
- Set the pay gap reporting threshold at employers with 50+ employees and/or workers.
- Employers publish occupational segregation information by decile, not quartile.
- Include information on representation of racialised and Disabled people in the employer's workforce in ethnicity and disability pay gap reporting.
- Consult with experts on ethnicity and disability employment inequalities in order to develop regulations that can deliver change.
- Strengthen the EHRC's enforcement powers on the improved pay gap and equal pay requirements and increase its resources so it can deliver on these.
- Give employees and workers the 'right to know' the salaries of colleagues.
- Ban requests for salary history in job interviews.

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<sup>5</sup> <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/How%20We%20Work/UNSystemCoordination/UN-SWAP/UN-SWAP-2-Guidance-on-UN-strategic-planning-and-gender-equality-and-empowerment-of-women-en.pdf>



- Ensure salary, bonus and fee ranges are included in job advertisements.
- Communicate workers' rights on, and entry to, collective bargaining on pay - e.g. through membership of a trade union.
- Inform workers about their rights to talk about pay.
- Mandatory equal pay audits for employers with over 50 employees.

## **Undersigned:**

- Jo Wittams and Priya Sahni-Nicholas, Co-Executive Directors, Equality Trust
- Anna Ritchie Allan, Executive Director, Close the Gap
- Dianne Greyson, Founder #EthnicityPayGap Campaign
- Professor Geraldine Healy, Professor Emeritus of Employment Relations, QMUL  
Lauren Fabianski, Head of Campaigns, Pregnant Then Screwed
- Jemima Olchawski, Chief Executive, the Fawcett Society
- Megan Fisher-King, Women's Campaign Unit, GMB Trade Union
- Dr Mary-Ann Stephenson, Director, UK Women's Budget Group
- Diane Ebanks, Head of Equality, PCS Trade Union
- Claire Reindorp, CEO, Young Women's Trust
- Ged Nichols, General Secretary, Accord HQ