# **Equality Action Plans and Outsourcing**



## What is the current policy/legal framework?

Since 2017, under the Equality Act 2010, employers with 250 or more employees are required to publish specific Gender Pay Gap data annually on a publicly available government website.

Enforcement for non-compliance is the responsibility of the Equality and Human Rights Commission.

## **Policy Intent**

Ensuring women can remain and progress in work is crucial to economic growth. We know that women often face barriers in the workplace which impact their pay, progression and economic participation. The intention is that large employers (those with 250 or more employees) will be required to detail the evidence-based actions they are taking to improve gender equality, and support employees during the menopause. This will motivate employers to take meaningful steps that will help all women to thrive.

In addition, we are aware that the success of an organisation is down to everyone who contributes, not just direct employees. Requiring organisations to state which companies they outsource from means they can be held accountable for gaps that exist in those organisations and motivate them to support efforts to improve gender equality in organisations they are linked to.

#### How will it work?

The detail on how both measures will work in practice will be provided within subsequent regulations.

For action plans, the intention is that we will provide employers with information and guidance about effective actions which are backed up by evidence, as well as support to help them to select actions. Employers will publish plans on the gender pay gap reporting service.

For outsourcing, the intention is that we will ask employers to name who they received outsourced work from, and we will ensure the gender pay gap reporting service visually reflects this.

## **Key Stats**

When workplaces fail to support women, they lose out on talent and skills. The national gender pay gap for all-employees stands at 13.1%<sup>1</sup>, but 8 out of 10 menopausal women who are in work say that their workplace has no basic support in place for them.<sup>2</sup>

Around 10,000 employers are currently required to publish Gender Pay Gap data annually<sup>3</sup>, and would therefore be in scope of the new requirements.

Research has found 1 in 10 women who worked during the menopause left their job due to their symptoms.<sup>4</sup> Increasing female labour force participation has been a key driver of economic growth

<sup>&</sup>lt;sup>1</sup> Office for National Statistics (2024) Gender pay gap in the UK: 2024.

<sup>&</sup>lt;sup>2</sup> Fawcett Society (2022) Menopause and the Workplace.

<sup>&</sup>lt;sup>3</sup> Office for Equality and Opportunity (formerly Government Equalities Office) (2020) <u>Employers' Understanding of the Gender Pay Gap & Actions to Tackle it: Research Report on the 2019 Survey.</u>

<sup>&</sup>lt;sup>4</sup> Fawcett Society (2022) Menopause and the Workplace.

in the 21st century. Around 40% of UK economic growth between 2000-2022 can be attributed to increases in female employment and working hours.<sup>5</sup> Continuing these trends will be critical for economic growth in the coming years. A 5% increase in female employment (equivalent to halving the gender employment gap) could boost UK GDP by up to £125bn every year.

## **Common questions**

What about smaller organisations?

There is nothing to prevent smaller organisations from reporting on the Gender pay gap reporting service, or from developing a plan.

We will ensure that all of the practical guidance we produce around the development and implementation of plans is made available to all employers, so that organisations of all sizes can benefit from the evidence around the most effective steps they can take.

What actions will you get employers to take?

We are ensuring that the actions proposed are backed up by research and best practice, and have been shown to be effective. Previous work by the Office for Equality and Opportunity has outlined the evidence-based actions that employers can take. We will be drawing on recent developments and findings to update our understanding, so that employers are prompted to act in line with the latest evidence

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<sup>&</sup>lt;sup>5</sup> OECD (2024) Gender equality and economic growth.