

## Introduction

### Background

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 all private sector and voluntary sector employers with 250 employees or more are required to publish a range of data based on a standard methodology. These same rules apply to the public sector under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

All employers are required to publish their gender pay gap within the period of 12 months beginning with the snapshot date on 31<sup>st</sup> March 2018, and for public sector employers this means the report is due by 30 March 2019. The information must be then maintained on the organisations web site for a minimum of three years. The first gender pay gap snapshot date was 31<sup>st</sup> March 2017 and information relating to that gender pay gap are currently displayed on the College website. All employees who are paid their usual full pay on the snapshot date must be included in the calculations.

This report sets out the data which needs to be reported plus some further analysis.

### Reporting requirements

The regulations require the publication of the following information:

1. The difference in the mean pay of full pay men and women expressed as a percentage
2. The difference in the median pay of full pay men and women expressed as a percentage
3. The difference in the mean bonus pay of full pay men and women expressed as a percentage
4. The difference in the bonus pay of full pay men and women expressed as a percentage
5. The proportion of men and women who received bonus pay
6. The proportion of full pay men and women in each of four quartile pay bands

## College data

1. The mean gender pay gap for the College is 4.77% (prior year 5.27%).
2. The median gender pay gap for the College is 5.67% (prior year 4.75%).
3. 0.0% as no bonus payments made.
4. 0.0% as no bonus payments made.
5. 0.0% as no bonus payments made.
6. The proportion of full pay men and women in each of four quartile pay bands is set out below. The respective figures for 31<sup>st</sup> March 2017 are in brackets.

Quartile	Males	Females	Description
Quartile 1	31% (32%)	69% (68%)	Includes all employees whose standard hourly rate places them at or below the lower quartile
Quartile 2	38% (40%)	62% (60%)	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
Quartile 3	47% (46%)	53% (54%)	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
Quartile 4	43% (42%)	57% (58%)	Includes all employees whose standard hourly rate places them above the upper quartile

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The mean, commonly known as the average, is calculated when you add up the wages of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between mean male pay and mean female pay.

The median is the figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median gap is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages.

The use of the two different types of average is helpful in giving a more balanced overview of the organisations overall gender pay gap. The mean average gives a good overall indication but if very large or small pay rates dominate they can distort the picture. This is the case for the College where the majority of the senior post holders are female, when these are excluded, the mean is 6.5%. The median average is useful in that it indicates what the typical situation is in the middle of the organisation and is not distorted by pay rates at the two extremes. However used on its own it may result in gender pay gap issues not being picked up.

A positive percentage figure, which almost all organisations are likely to have, reveals that typically, overall female employees have lower pay than male employees.

### **The underlying causes of the College's Gender Pay Gap**

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

The College is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, it:

- Uses objective salary scales and spinal column points to establish salaries for particular roles.
- Only varying this approach where the job market dictates the need to do so to facilitate recruitment of good and outstanding staff members.
- Evaluates job roles and salary scales as necessary to ensure a fair pay structure.

The College is therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. The gender pay gap is the result of the roles in which men and women work within in the College and the salaries that these roles attract.

Across the UK economy as a whole, men are more likely than women to be in senior roles. This applies more so in the very senior roles at the top of organisations, although this is not the case within the College. Women are more likely than men to be in front-line and clerical/ administrative roles at the lower end of the organisation. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy as a whole is reflected in the make-up of the College's workforce in Quartile 1, where many of the roles are filled by more women than men. There is a more equal balance between men and women in Quartile 2, 3 and 4 with the majority of senior post holders being women. Within Quartile 1 there are larger numbers of women than men in virtually all occupations. There are no

men employed within the Nursery, and in the largest area of Quartile 1 employment, clerical/ administrative there is an overwhelming proportion of women. The only area in which men outnumber women is within Facilities.

This can be seen above in the table depicting pay quartiles by gender. This shows the College's workforce divided into four equal-sized groups based on hourly pay rates, with Quartile 1 including the lowest-paid 25% of employees (the lower quartile) and Quartile 4 covering the highest-paid 25% (the upper quartile). In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Quartile. However, within the College, 69% of the employees in Quartile 1 are women. The percentage of women in Quartile 2, 3, and 4, are 62%, 53%, and 57% respectively.

### **External Comparisons**

The median gender pay gap for the whole economy (according to the October 2018 ONS ASHE figures) is 17.9%. ONS report that in general terms the gender pay gap is smaller amongst younger employees. Review of the College data shows that the gender pay gap within the College shows a gender pay gap in favour of females for those employees under the age of 30.

Very few colleges appear to have currently reported their gender pay gap for 2018. Appendix A sets out the 4 colleges that have published their gender pay gap figures on the required government website. The average mean gender pay gap of the 4 is 13.55%, and the average median gender pay gap is 24.75%.

Review of all colleges who reported their gender pay gap on the government website last year has shown that that the average mean gender pay gap from the large sample was 9.66%, and the average median gender pay gap was 14.44%.

## **What is the College doing to address its gender pay gap?**

While our gender pay gap compares favourably with that of organisations across the sector as well as whole UK economy, this is not a subject about which the College is complacent, and it is committed to doing everything that it can to reduce the gap.

### **To date, the steps that the College has taken to promote gender diversity in all areas of its workforce include the following:**

- Having 'Family Friendly' policies and procedures in place and made known to all staff which encourages both male and female employees to discuss flexible working arrangements which should not inhibit career progression.
- Equality and Diversity training is a mandatory part of the new staff induction for all staff as well as there being a requirement for all staff to undergo refresher training every year.
- Equality and Diversity is embedded into all study programmes and apprenticeship programmes as well as the tutorial programmes, promoting equal opportunity and dispelling gender stereotypes
- Rigorous over-sight by HR to ensure there is no gender bias in any recruitment and selection or career process.
- HR have in place recruitment and selection training for all managers which helps ensure that all selection decisions are made following best practice and a thorough recruitment and selection process. In addition, it is HR policy to have mixed gender panels wherever possible.

The College is committed to reporting on an annual basis what it is doing to reduce the gender pay gap.

<b>Appendix A - 2018/19 FIGURES</b>			
<b>Employer</b>	<b>Employer Size</b>	<b>% Difference in hourly rate (Mean)</b>	<b>% Difference in hourly rate (Median)</b>
Hartlepool College of Further Education	250 to 499	18.9	38
New College Durham	500 to 999	14.8	28.8
East Surrey College	250 to 499	12.9	21
Lancaster & Morecambe College	250 to 499	7.6	11.2
	<b>AVERAGE:</b>	<b>13.55</b>	<b>24.75</b>