

GENDER PAY – ANNUAL REPORT 2018

MAIN REPORT

1. Introduction

The Government has introduced world-leading legislation that made it statutory for all organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 that came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data by 30 March each year, including mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. The calculations make use of two types of averages:

A **mean average** involves adding up all the numbers and dividing the result by how many numbers were in the list.

A **median average** involves listing all the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

The gender pay gap is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. The gender pay gap is a measure of workplace disadvantage, expressed in terms of a comparison between what, on average, men earn and what on average, women earn.

We are required to publish the results on our own website for at least three years. The information will have to be accompanied by a statement confirming its accuracy and signed by a director or equivalent. In addition we publish the data on the gov.uk website with the name and job title of the person who signed the statement as accurate. We need to do this within one calendar year of 31 March 2018 i.e. by 30 March 2019.

The ACAS guide to managing gender pay reporting (December 2017) and the CIPD guide for Gender pay gap reporting (March 2017) have been used in understanding the requirements and calculations necessary.

2. Context

In April 2018 the gender pay gap for **full time** employees was 8.6% which means that the average pay for full time female employees was 8.6% lower than for full time male employees, the gap had reduced from 9.4% in 2016. The gap for **all employees, full and part time** was 17.9%, down from 18.1% in 2016. This is due to more women working in part time jobs which are lower paid (average hourly rate is £9.36, compared with £14.31 for full time jobs (ONS, 2018)

The government considered that the rate of progress was too slow between 1997 (27.5%) and 2016 (18.1%) and have committed to closing the gender pay gap within a generation. Closing the gender pay gap is more than just achieving gender equality, it's also about boosting the economy. It is estimated that the under-utilisation of women's skills costs the UK economy 1.3-2% of GDP annually and that by eradicating the gender pay gap would contribute additional spending into the economy of £41 billion each year (CIPD March 2017).

3. Analysis

This is the college's second report. It is based on a snapshot of all staff as at 31 March 2018.

There were 284 staff (301 last year) employed by the college as at 31 March 2018 (this includes staff with multiple contracts, if they had two different roles at different rates of pay then they have been counted as 2 headcount for the overall figures, because it is two posts and ordinarily would be two postholders).

As at 31 March 2018, there was a split of 30% male (33% last year) and 70% female (67%) staff.

3.1. Base Pay

The mean gender pay gap (the difference between men and women's average hourly pay) is 13.43% (6.75% last year) and the median gender pay gap is 20.87% (0.57% last year).

A positive percentage figure shows that overall female employees have lower pay than male employees and a negative percentage shows that male's employees have lower pay than female employees.

Therefore the mean gender pay gap shows that on average male employees at Worthing College are paid 13.43% more than females. The median range also shows that on average male employees are paid 20.87% more than females. One reason for this is that the dataset is skewed by the presence of low earners, particularly bank staff who are paid at national minimum wage for age and the majority that are under 25 are female. However both measures of the gender pay gap demonstrates the fact that the upper end of the earnings

distribution is dominated by men and so it is still an important measure of women’s labour market disadvantage.

3.2. Bonus Pay

Worthing College offers performance related pay to senior postholders and Assistant Principals following a review of performance against objectives. The college Staff Performance Management Development Appraisal system forms the basis of this review.

This is awarded by the Remuneration Committee retrospectively for the previous academic year i.e. 2017/18.

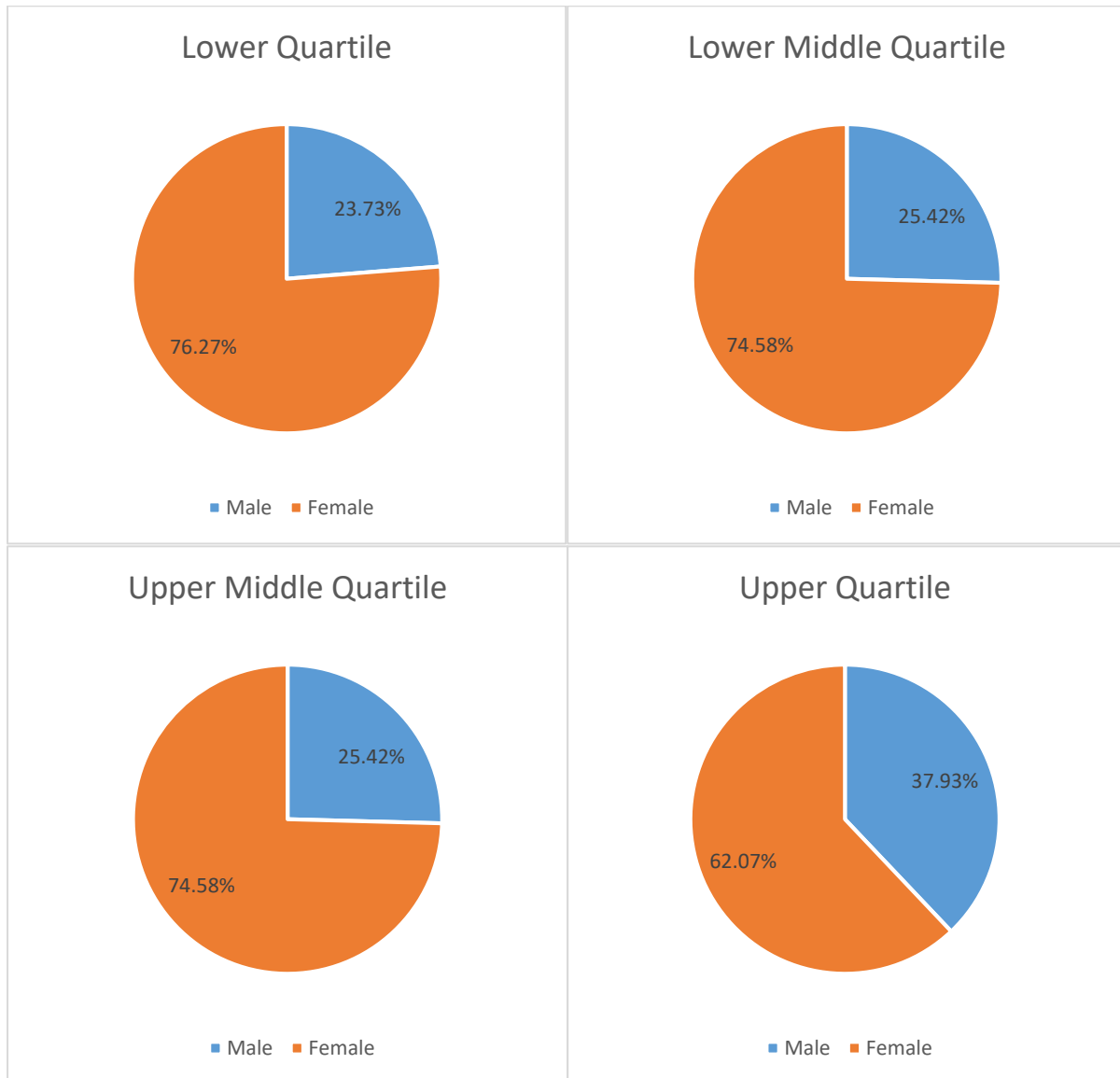
Median bonus pay gap - 0%	0% of women received a bonus
Mean bonus pay gap – 0%	0% of men received a bonus

There were only four eligible post holders however all postholders decided not to take any performance related pay. There were no bonuses paid to any staff and this is the reason for the mean and median bonus pay gap of 0%.

3.3 Hourly Pay Quartiles

The hourly pay quartiles show the proportion of men and women that are in each pay quartile, when we arrange staff in order of hourly pay rate.

The pie charts on the following page show the proportion of men and women in each quartile.



These figures do not reflect the split of males and females in the college of 30% males and 70% females. However the biggest differences are in the lower and upper quartiles. There is a greater percentage of females in the lower quartile and a greater percentage of males in the upper quartile compared to the college gender profile.

There are also fewer staff (by 17) in the calculations in 2018 compared to 2017 and the number of males is lower (by 13). The effect of this is highlighted in the lower quartile figures as this is the quartile which has changed the most since 2017 with 24% of males (compared to 31% in 2017) and 76% of females (compared to 69% in 2017). In 2017 there were slightly more male apprentices than female apprentices but in 2018 the numbers of male and female apprentices are more or less equal. This could be a partial explanation.

It is also worth noting that the data may have been distorted slightly in respect of the childcare voucher salary sacrifice scheme. The ACAS guide states that salary sacrifice schemes are excluded from the calculations however it continues to say that the employer should use the employee's gross pay after any reduction for a salary sacrifice scheme. It is worth stating that during the pay period of 31 March 2018 there were 6 members of staff receiving childcare vouchers, of which 4 were female and 2 were male. This could be an explanation to explain part of the gender pay gap in the college.

Although the SMT gender balance as at March 2018 was in favour of males (6 males to 1 female) it is worth noting that at manager level (including both Curriculum Team Manager and Service Team Manager) the gender balance is in favour of females. There are 17 managers, 4 are male and 13 are female.

4. The causes of the gender pay gap

According to the CIPD, the key drivers for the gender pay gap are unpaid caring responsibilities, part time working, differences in human capital, occupational segregation, undervaluing of women's work and pay discrimination. These drivers are complex and often feed into each other.

At the college we have a high proportion of female staff who are part time and this could also explain the gender pay gap. As referenced in the college Equality and Diversity report 2017, 66% of staff are part time. Females represent 78% of those that are part time compared to 22% of males. Women are over represented in certain occupations within the college i.e. catering and nursery. There were 7 catering staff at 31 March 2018, 5 female and 2 male and there were approx. 25 nursery staff, all of which are female. There are also more female bank staff which are paid at national minimum wage for age. The majority of these staff are in the lower quartile.

5. Action to address the gender pay gap at Worthing College

5.1 Continue to actively encourage flexible working across our organisation, in every role, at every level, to ensure that our people have the opportunity to work in a way that works best for their career aspirations and home life.

5.2 Continue to support women returning to work through parental leave, job sharing, compressed hours, part-time, and term-time only opportunities.

5.3 Encourage men to take advantage of arrangements which enable them to fulfil their caring responsibilities, such as shared parental leave, part time working and compressed hours.

5.4 Monitor pay to identify pay differences and take targeted action where appropriate.

5.5 Continue the management development programme for all managers including Service Team Managers.

5.6 To ensure gender mixed recruitment panels where possible, although as an equal opportunities employer we firmly believe in appointing the best candidate into the role, regardless of their gender or other factors covered by the Equality Act.

6. Conclusions

6.1 The mean gender pay gap is 13.43% compared to the national gender pay gap of 17.9% and the median gender pay gap is 20.87%. The Worthing College gender pay gap has increased since 2017.

6.2 The gender pay gap at Worthing College is a cause for concern as it has increased since last year. We should ensure the actions and recommendations stated should be taken to reduce the gender pay gap and achieve a broader gender balance across the organisation. The gender pay gap may be different next year as there were a number of females promoted to manager level at the start of 2018/19.

6.3 Worthing College pay approach supports the fair treatment and reward of all staff irrespective of gender.

6.4 Unconscious bias training has been arranged for the Principal, Head of Human Resources and a Governor in February 2019. Although this was arranged as a result in relation to diversity as part of the McGregor Smith review of race in the workplace this will also have implications in relation to gender in addressing the issue of unconscious bias within recruitment.

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