

London Borough of Hammersmith and Fulham

Gender and Ethnicity Pay Gaps at March 2020

Introduction

The Council collects and make use of a variety of employee data in order to analyse and understand how inclusive and diverse we are as an employer and use this to help deliver on our commitment to creating a great place to work for all of our employees.

Statutory gender pay gap reporting is one of the ways in which the Council makes data available to evidence the progress we are making on reducing inequality and identifying areas where further improvement is required. In order to increase transparency of pay in our workforce, last year we started to publish our ethnicity pay gap on a voluntary basis. This year we will also publish our disability pay gap for the first time.

Headline Figures

The differences between the average hourly rates paid to men and women have increased between March 2019 and March 2020.

- The mean gender pay gap is now 5.9%. This is 4.1% **higher** than the previous year's figure of 1.8%.
- The median gender pay gap is now 5.5%. This is 2.9% **higher** than the previous year's figure of 2.6%.

The differences between the mean ethnicity pay gap has increased between March 2019 and March 2020 whereas the median has decreased.

- The mean ethnicity pay gap is now 12.5%. This is 1.8% **higher** than the previous year's figure of 10.7%.
- The median ethnicity pay gap is now 7.9%. This is 1.0% **lower** than the previous year's figure of 8.9%.

Hourly rates and details of difference in bonus payments and the representation of women and black, asian and minority ethnic employees in each pay quartile are contained in Appendix 1 for the period March 2018 to March 2020.

The differences between the average hourly rates paid to Disabled and Non-disabled employees in March 2020 are:

- The mean disability pay gap is 1.5%.
- The median disability pay gap is 0.0%.

Note: This is the first-time disability pay gap figures have been calculated for the Council. For the purposes of this report, only the differences in hourly rates of pay have been calculated. Further analysis will be undertaken for inclusion in next year's report.

How Does H&F Compare to Others

The Council's median gender pay gap of 5.5% is **significantly below** the median of 15.5% reported by the Office for National Statistics (ONS) for the whole of the UK in April 2020.

The Council's median ethnicity pay gap of 7.9% is **significantly lower** than the median of 23.8% reported by the ONS for the whole of the UK in 2019 (latest available data).

The most recent figure on the disability pay gap published by the ONS was 12.2% for the whole UK in 2018 (latest available data). The Council's median disability pay gap is **significantly lower** at 0%.

The data has not been compared against London Councils as this has not yet been published.

Background to Pay Gap Reporting

Since March 2017, all employers with more than 250 staff have been required by the Gender Pay Gap Regulations 2017 to publish data on gender pay. As a public sector body, the Council also has to comply with the Public Sector Equality Duty contained in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

It is important to note the difference between equal pay and the gender pay gap. Equal pay is about scrutiny of information at the level of the individual employee (to satisfy that there is equal pay for equal value work). The Council uses nationally recognised equality proofed job evaluation schemes to determine the grade for each job. Gender pay gap reporting involves the examination of aggregate data, so it provides statistical information on the workforce as a whole.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ("2017 Regulations") specify that the following measures must be published on an annual basis. They are:

- hourly gender pay gap as a mean
- hourly gender pay gap as a median
- bonus gender pay gap as a mean
- bonus gender pay gap as a median
- proportion of males receiving a bonus payment and proportion of females receiving a bonus payment

- proportion of males and females when divided into four groups ordered from lowest to highest pay.

The Council will publish the same information for the ethnicity pay gap.

Public sector organisations are required to publish data based on a 'snapshot' date of 31st March each year which must be published by 30th March of the following year. The data needs to be published on our website and the GOV UK website. The figures in this report are for the 31 March 2020 and have been calculated using a method set by above Regulations 2017. For 2021, the Government has given an extension to 5 October 2021 to account for implications associated with the pandemic.

Gender Pay Gap information – March 2020

The measures the Council is required to publish are as follows:

- The mean gender pay gap is **5.9%** (up from 1.8%)
- The median gender pay gap is **5.5%** (up from 2.6%)
- The mean gender bonus gap is **14.6%** (up from 8.6%)
- The median gender bonus gap is **20.5%** (down from 34.1%)
- The percentage of male employees receiving a bonus is **16.8%** (down from 20.8%)
- The percentage of female employees receiving a bonus is **8.9%** (down from 11.8%)

The biggest changes compared to March 2019 are the increases in the mean and median gender pay gaps.

The percentage of both male and female employees receiving a bonus has reduced. This is due to the removal of historical PRP schemes.

The changes in the bonus gaps reflect the more stringent approach taken on senior manager PRP payments that were paid for the financial years 2017/18 to 2019/2020. The scheme ended on 31 March 2020 with payments made in April 2020. This means the final payments will appear in the March 2021 figures that include bonuses paid in the previous 12 months.

Secondly, the definition of bonuses in the 2017 Regulations requires employers to include honoraria payments in addition to one-off payments under a performance related pay scheme that have been made during the previous 12 months to the 'snapshot' date. As a result of a pay freeze during the migration to a new payroll provider on 1 December 2018, some pay claims from staff were processed against wage types that were included in the definition of a bonus. This had the impact of

counting more staff as being in receipt of a bonus in March 2019 so a direct comparison to March 2020 is not reliable.

The pay quartile measures the Council is required to publish for March 2020 are below. March 2019 figures are in brackets for comparison.

Pay quartiles	Men	Women
Proportion of women and men in the upper quartile (paid above the 75th percentile point)	51.9% (up from 46.0%)	48.1% (down from 54.0%)
Proportion of women and men in the upper middle quartile (paid above the median and at or below the 75th percentile point)	44.8% (down from 45.4%)	55.2% (down from 54.6%)
Proportion of women and men in the lower middle quartile (paid above the 25th percentile point and at or below the median)	38.1% (down from 38.4%)	61.9% (up from 61.6%)
Proportion of women and men in the lower quartile (paid below the 25th percentile point)	44.7% (up from 44.5%)	55.3% (down from 55.5 %)

The most significant changes are reduction in the proportion of women in the upper and upper middle pay quartiles. The effect of which has been an increase in the hourly rates of pay between March 2019 and March 2020.

These figures were impacted by the transfer of Facilities Management and Housing Repairs staff back to the Council April 2019.

Ethnicity Pay Gap information – March 2020

The measures the Council will voluntarily publish are as follows.

- The mean hourly ethnicity pay gap is **12.5%** (up from 10.7%)
- The median hourly ethnicity pay gap is **7.9%** (down from 8.9%)
- The mean hourly ethnicity bonus gap is **-21.1%** (down from -13.6%)
- The median hourly ethnicity bonus gap is **-13.6%** (up from -44.3%)
- The percentage of White employees receiving a bonus is **16.0%** (up from 13.9%)
- The percentage of BLACK, ASIAN AND ETHNIC MINORITY employees receiving a bonus is **18.2%** (down from 19.0%)

The biggest changes compared to March 2019 are with the increase in the mean ethnicity pay gap whilst the median pay gap has reduced. The median bonus gap is now -21.1% compared to -13.6% (black, asian and minority ethnic employees receiving more) and the median bonus gap from -13.6% compared to -44.3% (black, asian and minority ethnic employees receiving more).

Ethnicity bonus figures for March 2019 would also have been affected by the transition to a new payroll provider in December 2018 so a direct comparison to March 2020 is not reliable.

The pay quartile measures for March 2020 compared to March 2019 figures in brackets for comparison are as follows:

Pay quartiles	White	BLACK, ASIAN AND ETHNIC MINORITY
Proportion of BLACK, ASIAN AND ETHNIC MINORITY and white employees in the upper quartile (paid above the 75th percentile point)	68.0% (down from 69.8%)	32.0% (up from 30.2%)
Proportion of BLACK, ASIAN AND ETHNIC MINORITY and white employees in the upper middle quartile (paid above the median and at or below the 75th percentile point)	54.8% (down from 58.7%)	45.2% (up from 41.3%)
Proportion of BLACK, ASIAN AND ETHNIC MINORITY and white employees in the lower middle quartile (paid above the 25th percentile point and at or below the median)	46.0% (down from 47.4%)	54.0% (up from 52.6%)
Proportion of BLACK, ASIAN AND ETHNIC MINORITY and white employees in the lower quartile (paid below the 25th percentile point)	41.8% (down from 44.4%)	58.2% (up from 55.6%)

The most significant changes are the increase in the proportion of black, asian and minority ethnic employees in all pay quartiles.

These figures were also impacted by the transfer of Facilities Management and Housing Repairs staff back to the Council in April 2019.

Additionally, activity associated with the movement of agency to fixed term and permanent roles has also had an impact particularly in the Economy where we have recruited to trades and professions which are predominantly male-orientated.

Actions taken that contribute to reducing pay gaps during 2020/21

Reducing gender and ethnicity pay gaps requires increasing the proportion of women and black, asian and minority ethnic employees in highest paid quartiles of the workforce. Key areas of focus for the Council during the last two years has been providing opportunities for career development through the Get Ahead scheme and providing more access to learning, particularly leadership development.

The Get Ahead scheme was launched in 2018 to increase the number of opportunities available for employees to progress their careers with the Council. This was achieved by providing training for the job application and assessment process and increasing the number of secondment and permanent vacancies advertised on an internal only basis.

Despite financial pressures, the Council has maintained levels of investment in the learning and development opportunities available to employees. Leadership development courses have been an area of particular focus to support the aspirations of all levels of our workforce to progress whether it is to secure a first line management position or make a break-through from middle to senior management.

During 2019/20, the senior manager performance related scheme was reviewed. Following formal consultation, it ended on 31 March 2020. From 1 April 2020, senior manager pay became more transparent as only salaries were to be paid from this date.

The Council offers a range of flexible working opportunities that can assist those with parenting and caring responsibilities. We are also signed up to the TUC Dying to Work pledge to support those with terminal illnesses to remain in employment for longer and have been awarded Gold Armed Forces Covenant to encourage applications for ex-forces personnel.

Actions planned for 2021/22

In addition to the continuation of the Get Ahead scheme and our commitment to career progression and learning and career development there will be new activities introduced aligned with our equality, diversity and inclusion agenda and action plans that have been developed by our staff-led race equality groups and the H&F Way Inclusive Workgroup.

We continue to encourage staff to 'share not declare' personal data as we still have a quantity of 'unknown' data sets across various protected characteristics. This is now at 18% at the end of March 2021. It should be noted that this is a combination of no data provided and prefer not to say.

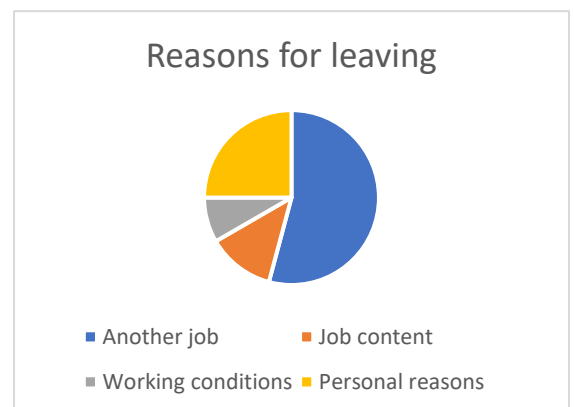
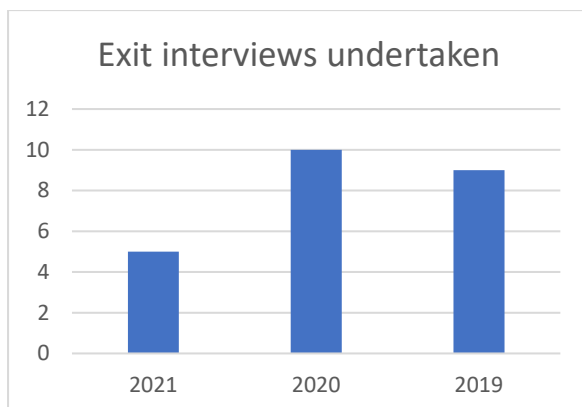
Inclusive recruitment

- We are now gathering data sets associated with the various stages of the recruitment process including data associated with unsuccessful applicants.
- We have updated our resources management board approval form for hiring managers to confirm the diversity of interview panels
- We have updated our practice that hiring managers should feedback to internal candidates who have been unsuccessful at both shortlisting and interview stage for the purposes of internal progression

- We now run mandatory hiring manager best practice training
- We have launched mandatory unconscious bias and equality and diversity at work online modules for all staff
- We are revising our role profile and adverts to make them more inclusive

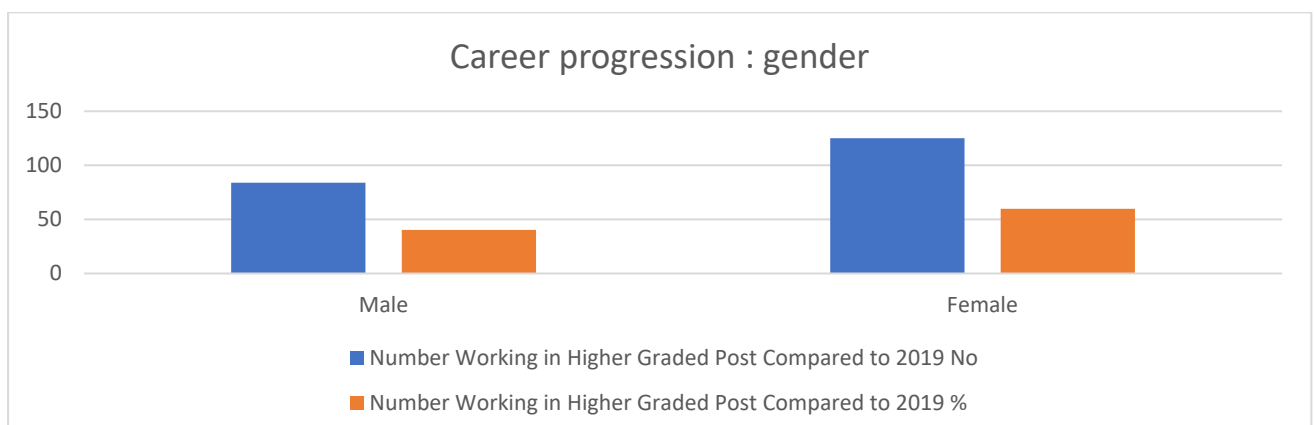
Leavers

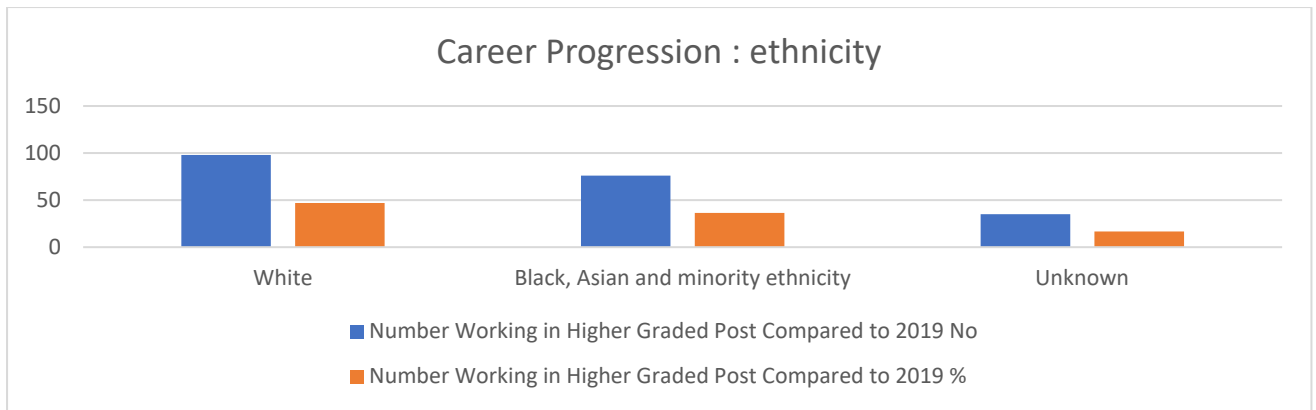
Intelligence gathered through exit surveys tells us why people are leaving. Up until now engagement from leavers submitting exit surveys has been very low, however, recent changes have been made to the IBC self-service portal which will encourage greater participation in the exit survey process which we will continue to monitor. We are already seeing an increase in participation this year as a result.



Progression

This year we are introducing new data sets on the breakdown of career progression across the council. The below charts are based on a very simple analysis from our HR personnel system, however, activity will be undertaken to explore and analyse data across the protected characteristics, and wider where possible, to better understand and take action based upon known outcomes.





Next reporting period

The next statutory deadline is to publish the 'snapshot' for the gender pay gap as at 31 March 2021 no later than 30 March 2022. This will also include ethnicity pay gap data and further analysis of disability pay gaps. The removal of the senior manager and some other performance related pay schemes will be reflected in these figures.

Appendix 1 – Figures for Gender and Ethnicity Pay Gaps March 2018 to March 2020

GENDER

Year	The percentage difference in mean pay between males and females			The percentage difference in median pay between males and females			The percentage difference in mean bonus pay between males and females			The percentage difference in median bonus pay between males and females		
	Mean Male	Mean Female	% Difference	Median Male	Median Female	% Difference	Bonus Mean Male	Bonus Mean Female	% Difference	Bonus Median Male	Bonus Median Female	% Difference
2020	£22.29	£20.98	5.9	£20.07	£18.97	5.5	£2,164	£1,848	14.6	£2,062	£1,640	20.5
2019	£21.41	£21.02	1.8	£19.55	£19.04	2.6	£1,508	£1,379	8.6	£1,436	£947	34.1
2018	£21.53	£20.40	5.2	£19.39	£18.67	3.7	£3,366	£4,567	-35.7	£2,241	£3,478	-55.2

Year	The proportion of males and females receiving a bonus		The proportion of males and female employees in quartile bands							
	Bonus Received Male	Bonus Received Female	Upper Quartile Male	Upper Quartile Female	Upper Middle Quartile Men	Upper Middle Quartile Female	Lower Middle Quartile Men	Lower Middle Quartile Female	Lower Quartile Male	Lower Quartile Female
2020	16.8	8.9	51.9	48.1	44.8	55.2	38.1	61.9	44.7	55.3
2019	20.8	11.8	46.0	54.0	45.4	54.6	38.4	61.6	44.5	55.5
2018	14.9	4.2	50.7	49.3	39.6	60.4	37.1	62.9	43.8	56.2

ETHNICITY

Year	The percentage difference in mean pay between White and BAME			The percentage difference in median pay between White and BAME			The percentage difference in mean bonus pay between White and BAME			The percentage difference in median bonus pay between White and BAME		
	Mean White	Mean BAME	% Difference	Median White	Median BAME	% Difference	Bonus Mean White	Bonus Mean BAME	% Difference	Bonus Median White	Bonus Median BAME	% Difference
2020	£23.10	£20.21	12.5	£20.21	£18.62	7.9	£1,940	£2,349	-21.1	£1,578	£2,445	-54.9
2019	£21.97	£19.62	10.7	£20.04	£18.26	8.9	£1,409	£1,600	-13.6	£1,026	£1,481	-44.3
2018	£22.26	£19.61	11.9	£19.98	£18.02	9.8	£5,021	£2,655	47.1	£3,702	£2,164	41.5

Year	The proportion of White and BAME receiving a bonus		The proportion of White and BAME employees in quartile bands							
	Bonus Received White	Bonus Received BAME	Upper Quartile White	Upper Quartile BAME	Upper Middle Quartile White	Upper Middle Quartile BAME	Lower Middle Quartile White	Lower Middle Quartile BAME	Lower Quartile White	Lower Quartile BAME
2020	16.0	18.2	68.0	32.0	54.8	45.2	46.0	54.0	41.8	58.2
2019	13.9	19.0	69.8	30.2	58.7	41.3	47.4	52.6	44.4	55.6
2018	8.4	11.4	70.8	28.9	56.7	43.3	48.6	51.4	43.5	56.5