

London Borough of Hammersmith and Fulham

Gender and Ethnicity Pay Gaps at March 2019

Introduction

The council collects and makes use of a variety of employee data in order to analyse and understand how inclusive and diverse we are as an employer. The council uses this data to help deliver on our commitment to creating a great place to work for all 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, we are also voluntarily publishing our ethnicity pay gap for the first time.

Headline Figures

The differences between the average hourly rates paid to men and women have reduced between March 2018 and March 2019.

- The mean average gender pay gap is now 1.8%. This is 3.4% **lower** than the previous year's figure of 5.2%.
- The median average gender pay gap is now 2.6%. This is 0.9% **lower** than the previous year's figure of 3.7%.

The differences between the average hourly rates paid to BAME and White employees have reduced between March 2018 and March 2019.

- The mean average ethnicity pay gap is now 10.7%. This is 1.2% **lower** than the previous year's figure of 11.9%.
- The median average ethnicity pay gap is now 8.9%. This is 0.9% **lower** than the previous year's figure of 9.8%.

Hourly rates for March 2018 and March 2019 are contained in Appendix 1.

How Does H&F Compare to Others

The council's median gender pay gap of 2.6% is **significantly below** the median of 17.5% reported by the Greater London Authority for large employers in London. Compared to the March 2018 data for other London Boroughs, the council's mean pay gap is **lower** (1.8% compared to 3.4%) whilst the median gap is **higher** (2.6% compared to 0.5%).

The council's median ethnicity pay gap of 8.9% is **significantly lower** than the median of 21.7% in London reported by the Office for National Statistics. There is no benchmarking data currently available for London Boroughs because less than ten

published this information last year. However, where figures are available, ethnicity pay gaps all are noticeably **higher** than the gender pay gap. This is consistent with the council's position.

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 must 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.

The Gender Pay Gap Regulations specify that the following measures must be published on an annual basis. They are:

1. average gender pay gap as a mean average
2. average gender pay gap as a median average
3. average bonus gender pay gap as a mean average
4. average bonus gender pay gap as a median average
5. proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
6. 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 2019 and have been calculated using a method set by above Regulations 2017.

Gender Pay Gap information – March 2019

The measures the council is required to publish are as follows.

1. The mean gender pay gap is **1.8%**
2. The median gender pay gap is **2.6%**
3. The mean gender bonus gap is **8.6%**
4. The median gender bonus gap is **34.1%**
5. The percentage of male employees receiving a bonus is **20.8%**
6. The percentage of female employees receiving a bonus is **11.8%**

The biggest changes compared to March 2018 are with the average bonus figures and percentage of employees receiving a bonus. The mean bonus gap has increased from -35.7% (women receiving more) to 8.6% and the median bonus gap from -55.2% (women receiving more) to 34.1%.

The percentage of employees receiving a bonus has increased from 14.9% of men to 20.8% and from 4.2% of women to 11.8%. These changes were affected by two factors.

Firstly, the more stringent approach taken on senior manager PRP payments that were paid during 2018 for the 2017/18 financial year. These reduced the average level of bonus payments for the workforce but had a greater impact on women because of the higher proportion of women at senior levels receiving a bonus. Secondly, the definition of bonuses under the above Regulations requires employers to include lump sum 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 from 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.

The pay quartile measures the council is required to publish for March 2019 are:

Pay quartiles	Women	Men
Proportion of women and men in the upper quartile (paid above the 75th percentile point)	54.0%	46.0%
Proportion of women and men in the upper middle quartile (paid above the median and at or below the 75th percentile point)	54.6%	45.4%
Proportion of women and men in the lower middle quartile (paid above the 25th percentile point and at or below the median)	61.6%	38.4%
Proportion of women and men in the lower quartile (paid below the 25th percentile point)	55.5%	44.5%

The most significant changes compared to March 2018 are an increase in the proportion of women in the upper quartile from 49.3% to 54.0%. There was also a corresponding decrease in the percentage of women in the upper middle quartile.

Ethnicity Pay Gap information – March 2019

The measures the council will voluntarily publish are as follows.

1. The mean ethnicity pay gap is **10.7%**
2. The median ethnicity pay gap is **8.9%**
3. The mean ethnicity bonus gap is **-13.6%**
4. The median ethnicity bonus gap is **-44.3%**
5. The percentage of White employees receiving a bonus is **13.9%**
6. The percentage of BAME employees receiving a bonus is **19.0%**

The biggest changes compared to March 2018 are with the average bonus figures and percentage of employees receiving a bonus. The mean bonus gap has reduced from 47.1% to -13.6% (BAME employees receiving more) and the median bonus gap from 41.5% to -44.3% (BAME employees receiving more).

The percentage of employees receiving a bonus has increased from 8.4% of White employees to 13.9% and from 11.4% of BAME employees to 19.0%. These changes in bonus figures are for the reasons noted above under gender pay i.e. the more stringent approach to senior manager performance related pay and the transition to a new payroll provider.

Pay quartiles	BAME	White
Proportion of BAME and white employees in the upper quartile (paid above the 75th percentile point)	30.2%	69.8%
Proportion of BAME and white employees in the upper middle quartile (paid above the median and at or below the 75th percentile point)	41.3%	58.7%
Proportion of BAME and white employees in the lower middle quartile (paid above the 25th percentile point and at or below the median)	52.6%	47.4%
Proportion of BAME and white employees in the lower quartile (paid below the 25th percentile point)	55.6%	44.4%

The most significant changes compared to March 2018 are an increase in the proportion of BAME employees in the upper quartile from 28.9% to 30.2%. There was also a corresponding decrease in the percentage of BAME employees in the upper middle quartile.

Actions taken that contribute to reducing pay gaps

Reducing gender and ethnicity pay gaps requires increasing the proportion of women and BAME 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 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 will end on 31 March 2020. From 1 April 2020, senior manager pay will become more transparent with only salaries paid from this date. The performance related pay scheme in Planning was also removed.

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

The council has established an equalities commission to increase levels of diversity and inclusion.

Actions planned for 2020/21

In addition to the continuation of the Get Ahead scheme and our commitment to the learning and career development of our workforce, new activities will be informed following assessment against the Equalities Framework for Local Government.

Next reporting period

The next statutory deadline is to publish the 'snapshot' for the gender pay gap as at 31 March 2020 no later than 30 March 2021. This will also include ethnicity pay gap

data. This next set of data will reflect the transfer of Housing Repairs and Facilities Management to the council in April 2019.

The removal of the senior manager performance related pay scheme will not be reflected in the pay gap figures until March 2022. This is because final payments will be made at the start of the 2020/21 financial year.

Appendix 1 – Figures for Gender and Ethnicity Pay Gaps March 2018 and March 2019

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
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		
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
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		
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		