

Agenda Item 13

Enclosure 10

**Health and Care Professions Council
24 May 2018**

Gender Pay Gap report

For discussion

From Teresa Haskins, Director of HR

Council, 24 May 2018

Gender pay gap report

Executive summary and recommendations

Introduction

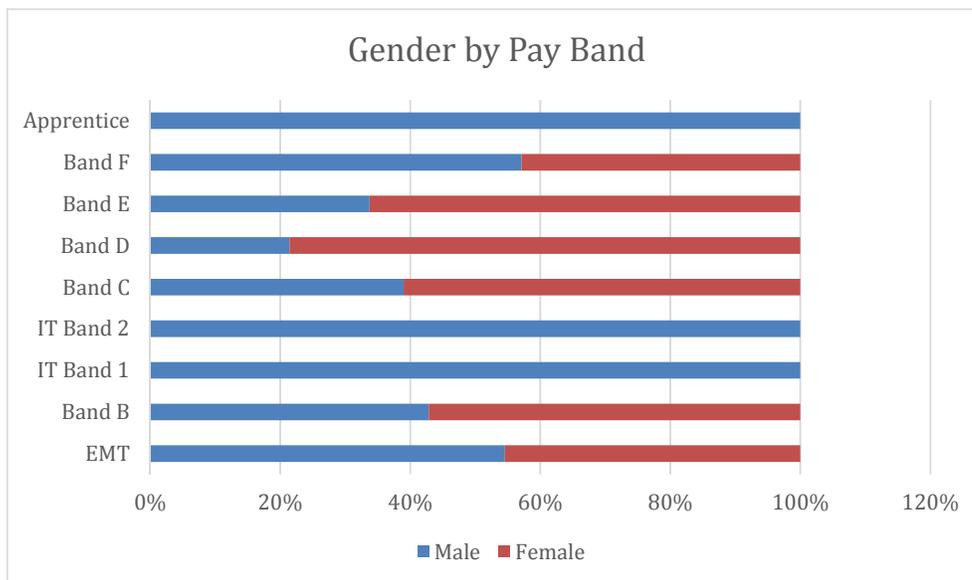
1. The HCPC published its first gender pay gap report just before the reporting deadline of 4 April 2018. The report is attached at *appendix 1*. This paper invites the Council to discuss the both the content of the report and the Council's aspirations around timescales and targets for reducing or eradicating the gender pay gap in the medium or longer term.
2. Section 8 of the report summarises the action taken so far to reduce the gender pay gap, and identifies three areas of action for financial year 2018/2019. These areas of action assume the aim of a gradual reduction of the gender pay gap over the next 5 to 7 years and are as follows:
 - Further develop the range of our diversity monitoring data and evidence base, particularly around recruitment, promotions and succession planning
 - Review the language of our recruitment materials and competency frameworks to ensure that senior roles are attractive to women
 - Review and refresh our pay and reward policies and pay structure

Background

3. The latest national average figures for UK employers on the government's gender pay gap reporting website show an average mean gender pay gap of 14.3% and an average median pay gap of 11.8%. The HCPC's statutory figures including partners of 9% and 0% respectively compare very favourably with UK-wide rates. However the percentages for employees only of 14.8% for the mean pay gap and 5.28% for the median pay gap are less favourable.
4. The Remuneration Committee's Review of pay structure, principles and policy is due to commence in July 2018. The review specification includes a requirement for the supplier to conduct an equal pay audit and to take full account of gender pay gap considerations in any recommendations that are made. It is hoped that the outcomes of this work will assist in reducing the gender pay gap.
5. The HCPC's employees are around 64% female and 36% male. The numbers of employees in each pay band in late 2017 were as follows

Pay Band	No. of Employees
Apprentice	1
Band F	7
Band E	83
Band D	84
Band C	59
IT Band 2	4
IT Band 1	6
Band B	14
EMT	10
Total	268

6. The distribution of gender by pay band shows that there are comparatively more females in lower pay bands, in particular in bands D and E where the majority of posts in the organisation are positioned.



7. The government Equalities Office recommends a number of areas for action which include;

- developing the evidence base to gain intelligence about the underlying causes for an organisation's pay gap
- ensuring pay and E, D and I related policies and practices are up to date
- training and supporting line managers in relevant policies
- managing family-friendly leave successfully

- enhancing flexible working
- encouraging and reviewing career and talent development
- minimising any negative impact from pay systems

The HCPC is already taking action, or plans to take action this financial year, in all of these areas.

Decision

The Council is asked to discuss the HCPC's gender pay gap report, no decision is required.

Resource implications

None

Financial implications

None

Appendices

Appendix 1 – HCPC Gender pay gap report 2018

Date of paper

14 May 2018

HCPC Gender pay gap report 2018

1. Introduction

- 1.1 All employers with 250 or more employees are now required to publish their gender pay gap data every year under new legislation. The data must be published by 4 April for the snapshot date of 5 April in the preceding year. This is the HCPC's report for the snapshot date of 5 April 2017.

2. What is a gender pay gap?

- 2.1 A **Gender pay gap** shows the **difference in the average pay between all men and women in an organisation. The Gender pay gap differs from Equal pay, which deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.**

3. What is the HCPC's gender pay gap?

To comply with legal requirements, we have provided data as at 5 April 2017 in seven areas as set out below.

1. The mean gender pay gap for the HCPC is **9.3%**.
2. The median gender pay gap for the HCPC is 0%.
3. The mean gender bonus gap for the HCPC is 0%.
4. The median gender bonus gap for the HCPC is 0%.
5. The proportion of male employees in the HCPC receiving a bonus is 0%
6. The proportion of female employees receiving a bonus is 0%.
7. Pay quartiles by gender – see Table 1 below

Distribution of men and women by pay quartile

Pay Quartile	% men	% women
Lower quartile	29%	71%
Lower middle quartile	42%	58%
Upper middle quartile	37%	63%
Upper quartile	41%	59%

Table 1

4. How were the gender pay gap figures calculated?

- 4.1 The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
- 4.2 The calculations cover "relevant employees". For the purposes of the Regulations, the definition of an "employee" is very broad and includes anyone who works under a contract or agreement requiring them to carry out work personally. We are therefore required to include HCPC partners in the calculation, although for the

avoidance of doubt they are not considered to be employees or workers for any other purpose.

5. What do the pay gap figures tell us?

- 5.1 The HCPC's **mean** gender pay gap is **9.3%**. Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap. However, very large or small pay rates can dominate and distort the answer.
- 5.2 The HCPC's **median** gender pay gap is **0%**. This is an unusual result. It has occurred because there are relatively high numbers of partners who all receive the same hourly rate, which falls in the middle of pay value ranges. Median averages are useful to indicate what the 'typical' situation is in the middle of an organisation and are not distorted by very large or small pay rates.
- 5.3 The figures for bonus calculations are all 0% because the HCPC does not pay bonuses to anyone.
- 5.4 The data for pay quartiles shows that there are relatively higher numbers of females than males in roles on lower pay rates in the organisation. This distribution is one of the main reason for the HCPC's gender pay gap.

6. What are the underlying causes of the HCPC's gender pay gap?

- 6.1 **The HCPC has been monitoring Equal pay**, which deals with the pay differences between men and women who carry out similar jobs, for a number of years. The current pay policy was set up to reduce the risks of any unfair disparity between pay for the same or similar work or work of equal value. The HCPC is therefore confident that its gender pay gap does not stem from paying men and women differently for the same work.
- 6.2 The key reason for the HCPC's gender pay gap is that there are comparatively more women in roles in lower pay bands than men. This is shown in the quartile information in table 1 above.

7. How does the HCPC's gender pay gap compare with other organisations?

- 7.1 The vast majority of organisations have a gender pay gap, and the HCPC's pay gap compares favourably with that of other organisations. By 28 March 2018, around 5600 UK employers had published their gender pay gap report on the Government's Gender pay gap reporting website: The average mean gender pay gap was 13.8% and the average median gender pay gap was 12.6%.

	UK average*	HPCP statutory calculation
Mean gender pay gap	13.8%	9.3%
Median gender pay gap	12.6%	0%

*From government gender pay gap reporting website, 28 March 2018

8. What happens if we exclude partners from the calculations

8.1 As explained in section 4, we have a legal obligation to include HCPC partners in our gender pay gap calculations. However, we carried out a separate set of calculations for employees only, because there is much more variation amongst pay rates for employees than for partners. The calculations for employees only are as follows:

1. Mean gender pay gap: **14.8%**.
2. Median gender pay gap: **5.28%**
3. All bonus gaps were still 0% because the HCPC does not pay bonuses.

Distribution of men and women by pay quartile excluding partners

Pay Quartile	% men	% women
Lower quartile	32%	68%
Lower middle quartile	24%	74%
Upper middle quartile	44%	56%
Upper quartile	45%	55%

8.2 Although the gender pay gap percentages for employees only are less favourable than our main results, they are still favourable overall compared with the UK national averages.

8. What is the HCPC doing to address its gender pay gap?

The HCPC is committed to doing everything that it can to reduce the gender pay gap. The main reason for our gender pay gap is that there are comparatively more women than men in roles in lower pay bands. Therefore, our main aim over time is to attract more women into senior and managerial roles.

In order to support this aim we have already:

- Renewed and enhanced all of our flexible working policies during 2017 so that we are more attractive as an employer and can offer a better work life balance
- Continued to provide recruiting managers with anonymised applications to avoid unconscious bias in decision making

- Launched a career development programme to support all employees in managing their careers
- Made additional cash increases over and above our standard annual percentage increase in to all employees in lower pay bands to help to reduce the gap between higher and lower paid roles

During the financial year 2018/2019 we plan to:

- Further develop the range of our diversity monitoring data, particularly around recruitment and promotions
- Review the language of our recruitment materials to ensure that senior roles are attractive to women
- Review and refresh our pay and reward policies

None of these measures will reduce the gender pay gap immediately and it may take several years before there is a significant impact. In the meantime, the HCPC is committed to developing its action plan further and reviewing its gender pay gap regularly.

Confirmation that the information in this report is accurate.

Signed

A handwritten signature in black ink that reads "Marc Seale". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Marc Seale
Chief Executive and Registrar, HCPC

29 March 2018