

Slough Borough Council Gender Pay Gap Report 2020

Introduction:

In 2017, the government introduced legislation that made it statutory for organisations with over 250 employees to report annually on their gender pay gap. The gender pay gap shows the difference in average pay between all men and women in a workforce. It is different to *equal pay* – that is men and women being paid the same amount for the same or comparable work. It is unlawful to pay people differently for work of equal value because of their gender.

The legislation requires us to look specifically at the mean and median **hourly** pay rates, based on full time equivalent salaries. This takes into account actual annual salary wage gaps based on part-time working (most part-time workers are women). The gap reported is the percentage difference between men and women – the gender pay gap. The mean and median gender bonus gap, the proportion of men and women receiving a bonus and the proportion of men and women in each pay quartile are also reported as part of the requirements.

The figures are based on the payroll snapshot date of **31 March 2020**. They have been independently calculated and verified by RSM Employer Services Ltd and are based on all obtainable payroll data available to us for analysis, as per the regulations. The figures only relate to directly employed staff of Slough Borough Council. Agency workers, self-employed consultants etc. are not included as per the reporting regulations.

Gender Pay Gap Figures: Mean and Median gaps

The figures show that on mean average, women **earn 10 % less than men**. This is an increase in the mean pay gap from last year (3.1%). The median average has remained at negative value of -3.1%, **meaning that women's median pay rate is higher than that of men's**. This gap has slightly increased in favour of women from last year (- 2.8%).

| | |
|-------------------------|-------|
| Mean gender pay gap % | 10 % |
| Median gender pay gap % | -3.1% |

In real salary terms:

- Mean male hourly rate: £18.62
- Mean female hourly rate: £16.75

- Median male hourly rate: £14.93
- Median female hourly rate: £15.39

Typically, when the median is lower than the mean, there are major outliers in the high end of the distribution. 2020 saw an increase in the mean average pay gap to 10%. However the median average pay gap has been maintained (<0.5 variance with last year at -3.1%). We can see this reflected in changes in the actual hourly rate averages: in 2019 the male mean hourly pay rate was £18.42 compared to the female hourly rate of £17.85. However, this year the male mean hourly pay rate was £18.62 compared to the female hourly rate of £16.75 (from these figures it is evident that not only has mean average male pay increased slightly but the female mean average hourly pay rate has gone down (leading to a widening of the gap).

Bonus Pay Gap:

The council does not pay performance -related bonuses. Small payments (£250 and £500) are offered as long term service awards (20 and 30 years service respectively). In the period 1 April 2019- 31 March 2020, a small number of staff (25 people, 1.8% of workforce) were in receipt of these.

| | |
|-------------------------------------|--------|
| Mean bonus gender pay gap % | -12.5% |
| Median bonus gender pay gap % | 0 % |
| Males receiving a bonus payment % | 0.9 % |
| Females receiving a bonus payment % | 2.3 % |

Distribution of Male and Females Employees in Salary Quartiles:

The quartile analysis below shows that females continue to outnumber males in **all** pay quartiles. However, there have been some fluctuations:

1. The Upper Middle quartile and Lower Middle quartile has remained broadly similar to last year
2. There are fewer females in the Upper quartile compared to last year (58.3% 2020vs 60.6% 2019)
3. There are fewer females in the Lower quartile than last year(58.8% 2020 vs 65% 2019)

The main organisational factor that is likely to have influenced this is the increase in staff headcount: total headcount increased from 1055 fully paid relevant employees in March 2019 to 1301 in March 2020 (when the GPG snapshot date is taken). This can be explained by the transfer back in house of around 200 staff who had been previously employed with an outsourcing partner.

This transfer of staff back into the organisation comprised more women than men largely in the lower to middle salary bands, thus impacting on the mean average hourly rate for females. This is coupled with a small increase in males in the upper quartile and a decrease in women in the upper quartile, impacting on the mean average.

The median average has remained very similar and increased the gap slightly in favour of women, reflecting that this metric is less influenced by outliers and as such, movements at either end of the pay spectrum.

The proportion of males and females in each quartile band

| Males and females in the quartile pay bands; upper (U), upper middle (UM), lower middle (LM), lower (L) | Bands | Total no. employees in band | Females (%) | Males (%) |
|--|--------------|------------------------------------|--------------------|------------------|
| | U | 326 | 58.3 | 41.7 |
| | UM | 325 | 67.1 | 32.9 |
| | LM | 325 | 60.9 | 39.1 |
| | L | 325 | 58.8 | 41.2 |

Current Position – impacts of organisational change:

In the summer of 2020, the council embarked on an organisation-wide transformation project, starting with a complete restructure of senior management positions, including reductions in the number of posts above £70,000. This, and the subsequent restructure of the entire workforce (still ongoing), will impact on future gender pay gap figures. The table below shows the current salary distribution as of March 2021.

| Salary Band | Female | Male | TOTAL |
|--------------------------|---------------|-------------|--------------|
| £15,000 - £19,999 | 47 | 22 | 69 |
| £20,000 - £29,999 | 371 | 240 | 611 |
| £30,000 - £39,999 | 265 | 123 | 388 |
| £40,000 - £49,999 | 71 | 48 | 119 |
| £50,000 - £59,999 | 48 | 27 | 75 |
| £60,000 - £69,999 | 3 | 2 | 5 |
| >£70,000 | 5 | 11 | 16 |
| TOTAL | 810 | 473 | 1283 |

As of March 2021 there is still some recruitment outstanding in Senior Leadership roles: however, it is clear that women remain under-represented in this cohort. More widely, whilst women outnumber men in all salary bands up to £70,000, across the

council there are a very wide range of job roles and occupational segregation persists in some sectors, with traditionally female-dominated sectors, such as care, still being subject to low pay. Women are still much more likely than men to work part-time, and this is known to negatively impact pay progression.

Organisation restructuring is ongoing and will impact on every level of the organisation. It is due to be concluded in the second quarter of 2021.

Conclusion:

SBC continues to attract and retain women into its workforce. More women than men apply to the council at almost all salary levels; however, some occupational gender segregation does still exist in some areas. The workforce profile is around 2/3 female. Commitment to gender equality is strong and in the 2020 staff engagement survey, 70% of respondents agreed that there was gender equality at the council. Commitment to transparent and fair pay at all levels is reflected in our lower than average mean gender pay gap and negative median pay gap figures. However, 2020 did see an increase in the mean average gap and in common with many organisations, men still outnumber women in the most senior pay grades of the council. The causes of the gender pay gap are complex and we continue to use both feedback from staff and HR analytics to understand the key issues in our organisation. The gender pay gap action plan will be refreshed and updated to take into account this and other research into effective interventions to improve gender equality in the workforce.