

## Gender Pay Gap Report 2019

The Peterborough College Gender Pay Gap (at the snapshot date of 31 March 2018) is set out below. Details on the reasons for reporting the Gender Pay Gap, how it is calculated and what the College is doing to address the gap are contained in the narrative report.

### Women's hourly rate is

<b>16.8% Lower</b> (Mean)	<b>21.6% Lower</b> (Median)
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### Pay quartiles

How many men and women are in each quarter of the employer's payroll\*:

	<b>Men</b>	<b>Women</b>
Top quartile	53.6%	46.4%%
Upper middle quartile	44.4%	55.6%
Lower middle quartile	34.6%	65.4%
Lower quartile	22.8%	77.2%

\*Compares to proportion of males/ females in the whole workforce: 62% Female/ 38% Male

### Women's bonus pay is

<b>71.9%</b> <b>Lower</b> (mean)	<b>85.0%</b> <b>Lower</b> (median)
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### Who received bonus pay

<b>0.8%</b> <b>of Men</b>	<b>0.6%</b> <b>of Women</b>
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## Gender Pay Gap - Narrative Report

### 1. Introduction

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 requires all organisations with more than 250 employees to report on and publish their gender pay gap.

Gender pay reporting is different to equal pay because 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 shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

### 2. Gender pay gap reporting requirements

The regulations required all employers with 250 or more employees to collect and analyse their pay data as it stands on a 'snapshot' date of 31 March 2018 (public sector), but they had until 30 March 2019 to publish their reports. The College meets this employee threshold for its main business; its subsidiaries are not included, as there is only the requirement to include them if they have more than 250 employees themselves.

All employers are required to report their data in the same way, calculated as follows:

- The mean average gender pay gap for the organisation
- The median average gender pay gap for the organisation
- The bonus gender pay gap for bonus payments over the preceding 12 months
- The proportion of males and females paid a bonus
- Proportions of males and females working across four salary quartiles

The data is based on the average hourly rates of pay for employees who were paid in the pay period (i.e. at the 'snapshot date of 31 March 2018). The data was provided by Bury Payroll Services, the College's payroll provider for employees meeting the definitions in the regulations.

The regulations define 'pay' as including the following elements: basic pay, paid leave (at full pay); sick pay; and all allowances (in the College, this includes market rate allowances, first aid, team teach and personal care allowances, and bonuses).

However 'pay' does not include the following: overtime pay, expenses, maternity, paternity, adoption, parental and shared parental leave pay, any amounts sacrificed under a salary sacrifice scheme, benefits in kind, redundancy pay, and arrears of pay (such as pay in lieu of leave) and tax credits. Pay must be calculated before deduction for PAYE, NICs, pensions, student loans repayments and any voluntary deductions.

The regulations define 'bonus' pay as including profit sharing, productivity, performance and other bonus or incentive pay, piecework and commission, long term incentive plans and cash equivalent of shares.

In order to calculate the salary quartiles, employees are ranked by highest paid (hourly rate) to lowest, and divided into four quartiles as far as possible, with the four bands containing equal numbers of male and female employees.

### **3. Narrative on the pay gap**

The gender pay gap is set out on the first page of this report. This section of the report includes our narrative on the pay gap, to explain some of the reasons for the pay gap and provides information about the actions that are being taken to reduce or eliminate the pay gap.

#### **Key points**

- The College gender pay gap in terms of the hourly rate of pay is 16.8% lower for women expressed as a mean, and 21.6% lower as a median
- The gap has widened since the 2017 report published in 2018 (where the hourly rate pay gap for women was 10.5% as a mean and 14.1% as a median)
- Analysis of all the data on the gender pay gap published on the Government website in 2018 showed that 78% of organisations paid men more than women, and the average median was pay gap was 18.4% (other FE Colleges reported a wide range of gender pay gaps and the College gender pay gap was within that range) - this will be reviewed again once all the data for 2018 is uploaded to the Government website
- The bonus pay gap in 2018 was in favour of men, whereas in 2017 the mean pay gap was in favour of women (although numbers receiving a bonus are very small)
- The distribution of pay between males and females across the four salary quartiles shows there are less females than males in the top quartile, even though there are more females than males in the workforce (46.4% in top quartile compared to 62% in workforce) and there are disproportionately more females than males in the bottom three quartiles, in particular the bottom quartile, 77.2% of which is female.

#### **Challenges**

The College is committed to equality and diversity and has policies and processes in place to ensure that men and women receive equal pay for work of equal value; that they are

supported by family friendly and flexible working policies; and there are processes to ensure they are not discriminated against in decisions on recruitment and pay.

However, an initial analysis of the data has revealed the following factors as likely contributors to the pay gap, but more work is needed to analyse the background data to check for any other causes.

### **Males predominating in top earning roles**

The highest paid staff in the organisation - the Senior Leadership Team- at the date of the 2018 report were all male, as was the situation in 2017 so this does not fully explain the gender pay gap, nor the widening of the pay gap since 2017.

There are less females (46.4%) than males in the top salary quartile despite 62% of the workforce being female. The salary range of the top quartile is wide in comparison to the other quartiles. Posts in this quartile include the Senior Leadership Team, Directors, Managers and teaching staff including Curriculum Leaders and some Lecturers in receipt of Market Rate Allowances are also in this group (which does have an impact on the gender pay gap - see below). The College pay scales are applied equally to males and females and there are rules on starting pay and pay progression which should eliminate bias. The College also has robust recruitment and selection procedures to ensure that there is no gender discrimination at any stage of the process. However, we will keep this under review and also conduct further analysis of the next level posts under the Senior Leadership Team to identify any causes for concern regarding gender pay as well as putting the actions in place to address this as set out in section 4.

### **Impact of additional allowances**

The overall pay gap is to an extent explained by there being more men than women receiving allowances in addition to basic pay. Furthermore, the allowances paid to men tend to be of a higher value. The main example is the Market Rate Allowances (MRAs): all lecturers are on the same pay scale, whether male or female, but some posts attract a MRA which is included in the average hourly pay calculation. More men than women are in posts that attract an MRA, and this has contributed to the pay gap. Since the last report, the MRA for plumbing staff who are predominantly male, was doubled to help recruit and retain staff, and more recently the MRA for Electrical Installations, also predominantly male, also doubled for the same reason, which will have an impact the pay gap in future reports. The College has a process for justifying and setting MRA rates to ensure that payments are not discriminatory, however, most of the hard to fill lecturing (and assessing posts) which attract an MRA are in traditionally male-dominated trades, such as plumbing, construction and engineering (which is also common across the sector according to benchmarking data with the Association of Colleges<sup>1</sup>). The MRAs were all reviewed in 2018/19 and will be kept under review. A review of all allowances and additional payments is underway and all such payment are scrutinised. Some amendments this year in allowances paid should see a positive impact on the pay gap in future.

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<sup>1</sup> Association of Colleges, AoC College Workforce Survey 2017, summary of findings March 2018

## **Impact of bonuses**

There are very few staff in the College who receive a bonus, and a high variation in the different bonus and incentive schemes and payments (for the definition of a bonus see section 2). Only 0.6% of the workforce receiving a bonus are female and 0.8% are male (a total of 12 staff). The bonus differential has shifted from being in favour of women expressed as a mean in 2017, to being in favour of men, as more males received a higher bonus than that received by females in 2018. The definition of a bonus also includes incentive payments (which in the College are known as 'Golden Hellos') which were paid in 2018 to staff in roles that were predominantly male. Information on bonuses will be reviewed as part of the action plan to address the gender pay gap.

## **Impact of male and female dominated roles**

Data on the four salary quartiles shows that other than the top quartile where the proportion of females decreased to 46.4% the proportion of females increased in all the other quartiles, with women now making up 77.2% of the lowest quartile. The roles in the bottom quartiles includes cleaners, nursery assistants/nurses, administrators and support workers, many of which are traditionally female dominated roles. Across the UK economy as a whole, men are more likely to be in senior roles. In addition, women are more likely than men to have had breaks from work that affect career progression, for example to bring up children. They are also more likely to work part time, and jobs that are available across the UK on part time basis are relatively low paid.

## **4. What the College is doing to address the pay gap**

### **What we are doing now**

Inequalities can become embedded in pay systems and gender bias can influence salary review decisions and discretion on pay progression which will have an impact on the gender pay gap<sup>2</sup>. Following an equal pay audit, the College initiated a Salary Framework Review Project in 2016/17, the purpose of which was to conduct a root and branch review of the current pay frameworks, spot salaries, allowances/ additional payments and pay progression and put forward recommendations to ensure they are equal pay proofed. The outcomes of the project include:

- Phased adoption of a new Single Pay Spine (SPS) with a series of grades, as well as a job evaluation scheme, which will enable challenges on equal pay to be addressed and to ensure fairness and equity
- A review of pay progression criteria and routes with a view to ensuring fair and equitable methods of pay progression linked to performance to reduce opportunities for bias and monitoring of pay points by gender to check for any inconsistencies

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<sup>2</sup> Equality and Human Rights Commission 'Closing the Gender Pay Gap' (2018), [www.equalityhumanrights.com](http://www.equalityhumanrights.com)

- Adoption of new robust pay and reward policies, to clearly set out the College approach to, and ways of implementing pay and reward so they are open and transparent to all staff
- Further monitoring of pay to check for bias, including reviewing starting salaries, market and other allowances and additional payments and bonuses

Other themes that will be developed during the year include:

- Recruitment, development and promotion
- Flexible working and caring responsibilities
- Apprenticeships – addressing sex segregation in apprenticeship occupations

### **Our plans for long-term results**

Many of the issues identified in the initial analysis stem from men and women being clustered into traditionally male and female dominated roles, the latter of which having lower rates of pay than the former. We will keep this under review, benchmarking with other FE Colleges and the education sector, and put in longer term plans to tackle the underrepresentation of women in traditionally male dominated roles such as construction and engineering, for example through running a recruitment campaign for junior roles that particularly encourages women to apply, and at a wider/ societal level, continuing to encourage our learners into these fields of study and occupations.

### **Statement**

This statement confirms the accuracy of information contained in the Gender Pay Gap report.

Signed



Rachel Nicolls  
**Principal**

March 2018

The report is published on the College website every year and left there at least three years, as well as being published on the College website and staff infozone and the government website, [www.gov.uk](http://www.gov.uk), gender pay gap viewing service.