

Our gender pay gap report

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Introduction from our Chief Executive



Rebecca Hilsenrath

Chief Executive, Equality and Human Rights Commission (EHRC)

I am very pleased to publish our second annual report on our gender pay gap. Over the last year our average pay gap has narrowed and now stands at a little over 1%.

Pay gaps remain one of the key indicators of gender inequality in the workplace and there is no doubt that reporting has led to greater transparency and is an important first step in helping employers to make positive changes.

As we have less than 250 employees at the EHRC, we are not required to publish our gender pay gap data. We recognise that in small organisations such as ours, minor workforce changes can have a disproportionate statistical impact, and average figures should be viewed with some caution.

However, as the organisation with responsibility for enforcing the Gender Pay Gap Regulations, we have chosen to publish our data because we

want to lead by example. We want to encourage more employers to publish their data and to use their reports to set benchmarks for improvement, to develop action plans on inclusion, diversity, pay and progression, to monitor progress and to showcase success.

All organisations with more than 250 employees are required to publish their gender pay gap data. We hope employers will use the opportunity to tell the story behind the numbers, and what they have done to make a difference. This in turn will provide the help to share best practice across business and wider society, and make a real difference in addressing inequality.

The publication of gender pay gap data has been a significant step forward in improving pay transparency. As a next step, the EHRC are calling for the monitoring of ethnicity and disability pay gaps. This will help to shine a light on wider pay inequality, and enable employers to take steps to ensure fair and inclusive workplaces where everyone is able to fulfil their potential.

Overview

This analysis is based on our 196 employees in post on 31 March 2018. At this date we employed 116 women and 80 men.

We have a traditional public sector approach to pay. All posts sit within one of eight levels (grades), informed by job evaluation, and each level has an associated pay range, with a starting point and a maximum.

We are an independent Non Departmental Public Body and act autonomously in the discharge of its statutory functions. For pay purposes we are governed by HM Treasury. As such, we are subject to public sector pay rules and pay restraint.

Our annual pay award comprises two elements; a consolidated award paid to all and a non-consolidated award linked to performance. For 2018–19, our strategic aims for consolidated pay were to give all of our colleagues a pay rise of at least 1% and to make progress towards a single rate for each level (by reducing the differential between minimum pay and the maximum at each level). To achieve these aims we made smaller pay awards (with a minimum of 1%) to those at or near the top of each range and larger pay awards to those at or near the bottom of each pay range.

Under HM Treasury guidelines, non-consolidated pay must be linked to performance. So the amounts awarded are directly related to the outcomes of our performance management process.

The value of both consolidated and non-consolidated pay awards is negotiated with recognised trade unions, and is subject to Ministerial agreement. We do not negotiate individual awards, and our pay system takes no account of sex or any other protected characteristic.

Gender pay gap data

Average pay gap

	2017-18	2016-17
Mean gender pay gap in hourly pay	-1.1%	-7.5%
Median gender pay gap in hourly pay	-3.0%	-8.2%

The mean hourly rate for women is £22.84.

The mean hourly rate for men is £22.59.

We have a negative mean gender pay gap of 1.1%. This means that on average women working here are paid 1.1% more than men. The key reasons for this small difference are:

- 58% of our senior staff (Deputy Director and above) are women
- 53% of staff with over 10 years' service are women, who have benefitted from the automatic annual pay progression that was a historical feature of public sector pay.

Our gender pay gap has narrowed significantly since 2016-17. Due to the size of our workforce even small changes can have a disproportionate statistical impact and during 2017-18 the shape of our workforce changed

significantly with extensive recruitment. These changes have impacted on our gender balance, grade mix and pay averages.

Non-consolidated (bonus) payments

	2017-18	2016-17
Mean gender pay gap in bonus pay	1.4%	8.6%
Median gender pay gap in bonus pay	-0.4%	0%
Proportion of women who received a bonus	66.4%	94.0%
Proportion of men who received a bonus	73.8%	90.3%

Non-consolidated bonuses were set at a ‘flat rate’ depending on the end of year performance mark awarded to each member of staff at the end of 2016-17. They were paid in October 2017.

136 people in post on 31 March 2018 were awarded a bonus during 2017-18; 77 women and 59 men. The table above demonstrates that although the number of men who received a bonus was smaller than the number of women, it was a higher proportion of male staff.

Of those who were eligible to receive a bonus during 2017-18, 100% of women and 97% of men received one.

Of those who were in post on 31 March 2018 but ineligible for a bonus due to their start date, two thirds (67%) were women, and this is the reason for the difference between the proportions of staff who received a bonus.

Following standard practice, the bonus payment is pro-rated according to the number of hours worked. As a result, part time workers received a lower bonus than full-time workers. A higher proportion of women than men work part time in our organisation.

- 23.3% of women work less than a standard week
- 12.5% of men work less than a standard week

As a result of this pro-rating for part-time employees, the mean average bonus paid to women was slightly lower than that paid to men.

Pay quartiles

	Women	Men	Total
Lower quartile	50%	50%	100%
Lower middle quartile	65.3%	34.7%	100%
Upper middle quartile	60.4%	39.6%	100%
Upper quartile	58.3%	41.7%	100%

Fifty-eight per cent of our senior management team in March 2018 were women.

Our inclusive policies

We already have in place extensive policies and practices that make our organisation an inclusive place to work, and demonstrate best practice in reducing pay gaps. Some of our key policies include:

1. We actively encourage job applications from under-represented groups; we recruit through fair and open competition using competency based selection.
2. Applications are anonymised to reduce the risk of unconscious bias. We ensure gender balanced selection panels and review the diversity of our applicant pools.
3. We offer a range of flexible working arrangements including part-time working, alternative working hours, job shares, and home working.
4. We have introduced paternity leave as a day one entitlement, we have added flexibility to our paternity leave, offering four weeks of full pay with the option to stagger when it is taken.
5. We offer enhanced parental pay for those who meet statutory requirements for adoption, maternity and shared parental leave. For all of these, employees can take up to 26 weeks off work on full pay, dependent on their circumstances.

Taking action

Our gender pay gap has moved much closer to zero over the 12 months since we last reported.

We already have in place a wide range of policies and processes that demonstrate good practice in inclusive working, and have been shown to address the underlying causes of gender pay gaps.

Therefore our focus for the next 12 months will be proportionate. We will:

- continue to monitor and analyse pay differentials and to seek opportunities to reduce them, in particular during our annual pay round
- continue to promote and encourage wider take up of our flexible and inclusive working practices
- continue to invest in the professional and career development of all of our colleagues
- complete our review of all of people policies and practices, ensuring that we learn from and reflect best practice in all areas, but in particular ensuring that we build on our inclusive approaches to recruitment, selection and career development