

Agenda Item 16

Enclosure 12

**Health and Care Professions Council
22 May 2019**

HCPC Gender pay gap report 2018-19

To note

**From Joanna Mark Richards – Director of HR
and Organisational Development**

Gender pay gap report 2019

Executive Summary

This paper outlines the HCPC gender pay gap report 2019 which is for the snapshot date of 5 April 2018. The report has been published on the HCPC website and the data has been submitted to the Gender Pay Gap Service, a government body.

The report provides the following:

- Definition of the gender pay gap
- The HCPC gender pay gap
- The underlying causes of the HCPC gender pay gap
- What HCPC is doing to address this gap.

There was a reduction from 14.8% (2017) to 12.79% (2018) on the mean data when partner data was excluded This can be attributed to some the actions taken.

Previous consideration	This report has been considered before by the Executive Management Team in April 2019 and has been approved.
Decision	The Council is asked to note the report.
Next steps	Further actions on how to reduce the HCPC gender pay gap will be discussed with OMT in May and then reviewed bi-annually by SMT and OMT.
Strategic priority	Strategic priority 3 - Ensure the organisation is fit for the future and able to anticipate and adapt to changes in the external environment.
Risk	Strategic risk 5 - Failure of leadership or culture. The risk of not having engaged employees and a negative culture has associated risks in terms of reputation as well as performance, productivity and labour turnover. This also has an impact on the strategic risks 1,2,3 and 4.
Financial and resource implications	There are no resource and financial implications as the actions for this year have been included in 2019/2020 work plan and associated budget.
Author	Joanna Mark-Richards, HR and Organisational Development Director, Joanna.mark-richards@hcpc-uk.org

HCPC Gender pay gap report 2019

1. Introduction

1.1.1 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 2018.

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 2018 in seven areas as set out below.

1. The mean gender pay gap for the HCPC is 3.78% (9.3% in 2017).
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 quartile (Table 1)

Pay Quartile	% men 2018	% men 2017	% women 2018	% women 2017
Lower Quartile	36%	29%	64%	71%
Lower middle quartile	42%	42%	58%	58%
Upper middle quartile	43%	37%	57%	63%
Upper quartile	37%	41%	63%	59%

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 3.78%. 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 7 March 2019, around 1750 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 12.9% and the average median gender pay gap was 11.1%. This is slightly lower in comparison to the complete 2017 figures of 14.3% and 11.8%.

	2017		2018	
	UK average	HCPC statutory calculation	UK average*	HCPC statutory calculation
Mean gender pay gap	14.3%	9.3%	12.9%	3.78%
Median gender pay gap	11.8%	0%	11.1%	0%

*From government gender pay gap reporting website, 7 March 2019

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:

	2017	2018
Mean gender pay gap	14.8%	12.79%
Median gender pay gap	5.28%	6.88%

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	2017		2018	
	% men	% women	% men	% women
Lower quartile	32%	68%	38%	62%
Lower middle quartile	24%	74%	29%	71%
Upper middle quartile	44%	56%	46%	54%
Upper quartile	45%	55%	49%	51%

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 and show an improvement on 2017 figures.

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. There is evidence of progress against this objective when comparing the 2018 and 2017 quartile bands calculations in all areas besides the lower quartile.

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
- Developed the range of our diversity monitoring data, particularly around recruitment and promotions
- Reviewed our pay and reward policies and made recommendations for improvement

During the financial year 2019/2020 we plan to:

- Review the language of our recruitment materials to ensure that senior roles are attractive to women
- Implement the Review of Pay Structure, Principles and Policy Project recommendations
- Roll out live bias training to HR employees to reduce bias in recruitment
- Deliver unconscious bias training to all managers

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.

29 March 2019