

Gender Pay Gap Report 2018

The below represents the picture for Reigate & Banstead Borough Council as at 31 March 2018. Read the report narrative for further information.

Key: ● women ● men - gap in favour of women + gap in favour of men

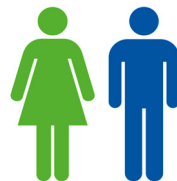
RBBC gender pay gap

Mean pay gap
-6.9%
 -4.46% in 2017

Median pay gap
-18.9%
 -16% in 2017

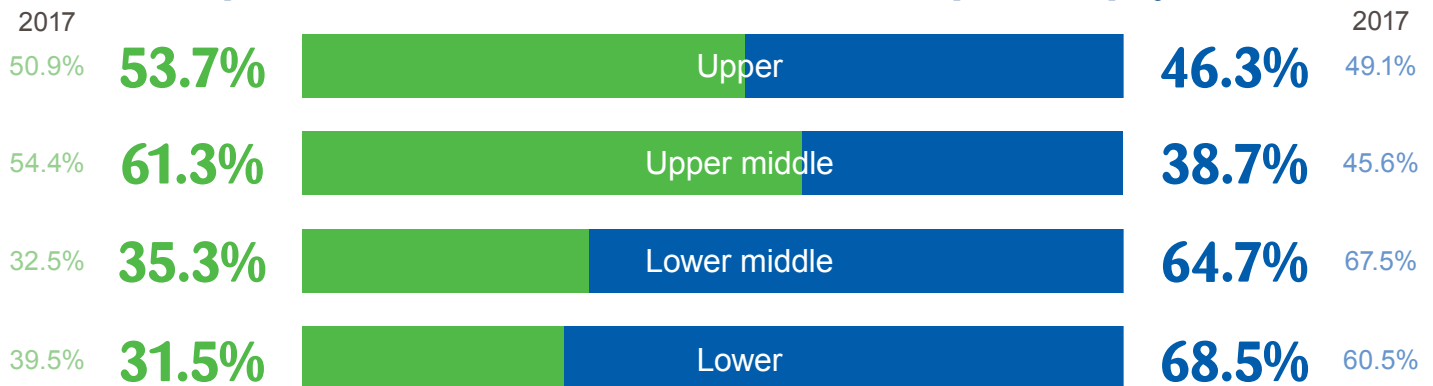
Employee gender distribution

45%
 44% in 2017



55%
 56% in 2017

Proportion of women and men in each quartile pay band



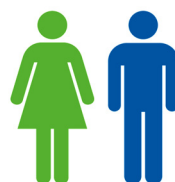
Bonus gender pay gap

Mean bonus pay gap
-23.2%
 -61.4% in 2017

Median bonus pay gap
-51%
 1.3% in 2017

Bonus gender distribution

23.3%
 25% in 2017
 of women
 received a bonus



41.9%
 42.5% in 2017
 of men
 received a bonus

Gender Pay Gap Report

Comparison between 31 March 2017 and 31 March 2018

The law requires organisations with 250 or more employees to publish the previous year's Gender Pay Gap (GPG) information each March.

The information provided in this report is based on a snapshot of employee data on 31 March 2017, and again on 31 March 2018. It compares the two years' data and provides context to the figures, by describing factors that may have contributed to our GPG.

Our organisation

The Council is made up of multiple business areas and teams – from Finance and Building Control to Parking and Greenspaces - and our employees have a vast range of professional backgrounds and expertise. In order to attract and retain high performing employees, we ensure that our roles are graded at competitive salary levels with those of other private and public sector employers.

For more information on the variety of work we undertake, and to view our payscales and pay policy statement, visit our website: www.reigate-banstead.gov.uk.

Our approach to pay and remuneration

We have a strong, fair and equitable framework for determining the pay and remuneration of employees, built into employee terms and conditions of employment. Changes to these terms and conditions must be made in consultation with two recognised Unions and the Staff Association, with approval sought in line with our Constitution and Scheme of Delegation.

To minimise the likelihood of gender bias in how we apply pay and remuneration, the following structured mechanisms are in place. These are documented in our Pay Policy Statement, which is reviewed and published annually on our website.

- Job evaluation, and routine examination of external pay rates (benchmarking) to determine minimum and maximum levels of pay for a role (grading process),
- Structured incremental payscales,
- Performance related pay schemes,
- Clear criteria, process and procedure to approve an honorarium bonus payment.

Employee gender distribution

On 31 March 2017, 208 out of 474 members of our workforce were women, approximately 44%. Of this, three of the nine Senior Management Team members were female.

This has remained relatively static as on 31 March 2018, 219 of 479 were women, approximately 45%. At this time, four of the nine Senior Management Team members were female.

What is the Gender Pay Gap?

This is a high level snapshot of pay within an organisation and shows the difference in the



average pay between all men and all women in a workforce. It compares the average hourly rate of a male employee with the average hourly rate of a female employee, irrespective of the type of role being performed.

Figures preceded by a positive indicator (+) demonstrate higher male earnings, and figures preceded by a negative indicator (-) demonstrate higher female earnings.

If a workforce has a particularly large GPG, the supplementary calculations may help to identify the cause of the gap and prompt a review to address this.

Gender pay not equal pay

The Gender Pay Gap is a different concept to equal pay. Equal pay is a more specific legal concept that deals with the pay differences between men and women carrying out jobs with comparable duties or value to an organisation. Men and women in comparable jobs are normally entitled to the same pay unless an employer can show differences in pay are justified.

A GPG does not mean that there is an equal pay problem, although it may be a trigger for further investigation about the reasons why the gap exists.

Our Gender Pay Gap

There are two different calculations; the mean and the median GPG.

Mean Gender Pay Gap

This is the figure that is commonly discussed in the media.

It is calculated by adding up all the hourly rates of male employees, and then dividing it by the number of male employees, and then doing the same for female employees.

Our 2017 mean GPG was -4.5% which means that our female employees' mean hourly rate was 4.5% higher than that of our male employees. This increased to a gap of -6.9% in 2018.

In other words, on average (rounded up to the nearest penny), female employees earned £1.05 for every £1 earned by our male employees in 2017, and £1.07 for every £1 earned by our male employees in 2018.

Median Gender Pay Gap

This figure is calculated by ranking all male employees from the highest paid to the lowest paid, then taking the hourly rate of the person in the middle. The same is then done for female employees. The median GPG is the difference between the female employees' median hourly rate (the middle paid woman) and male employees' median hourly rate (the middle paid man).

Our 2017 median GPG was -15.6% which means that our female employees' median hourly rate in 2017 was 15.6% higher than that of our male employees. This increased to a gap of -18.9% in 2018.

In other words, when comparing the median hourly rates, our female employees earned on



average (rounded up to the nearest penny), £1.16 for every £1 earned by our male employees in 2017, and £1.19 for every £1 earned by our male employees in 2018.

Why we have a Gender Pay Gap

It is important to remember that the GPG is not an indicator of an equal pay issue, and given our current organisational makeup a small gap in favour of women is what we'd expect to see.

Our gap in favour of female employees reflects that a greater number of our female employees occupy roles which demand a higher salary level than our male employees. These salaries are determined (graded) by job evaluation and/or external market salary benchmarking, as outlined above in the 'our approach to pay and remuneration' section.

There are several departments within the Council which attract salaries on the lower end of our payscales, and these are also male dominated professions (such as Refuse & Recycling, Street Sweeping and Greenspaces). This is a key factor in our GPG as it lowers the average male employee hourly rate, affecting both the mean and median figures. Further examination is provided in the 'pay by quartiles' section below.

Our mean and median GPGs have increased slightly between 2017 and 2018. This is a result of the salaries for several roles having been adjusted to better reflect external market salaries, and the roles with the higher increases happened to be occupied by female employees.

Pay by quartiles

Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay, and indicating the percentage of women and men in each group.

Our figures show that the roles within our lower and lower middle pay quartiles tend to be occupied predominantly by men, whereas the gender balance is more even in the upper middle and upper pay quartiles. Given our organisational makeup we'd expect to see this.

For instance, in 2017 134 employees (29% of our workforce) – of which 127 were men - worked in our Refuse & Recycling, Greenspaces and Street Sweeping teams.

A male dominated workforce is common in these fields of work and they sit within the lower and lower middle pay quartiles. This trend of male dominated roles in the lower and middle pay quartiles continues to be the case in 2018.

We're comfortable that the salaries for these roles are comparable to external market rates for these professions.

The gender distribution in our pay quartiles does not cause us concern or indicate there is an issue to be addressed, however we will continue to monitor it for longer term trends.

Our Bonus Pay Gap

Firstly, for our 2017 GPG data return – submitted in March 2018 - we reported a mean bonus pay gap of +5% and a median bonus pay gap of +3.7%, both in favour of men. Since we



published that information we have established that how we had interpreted the guidance for calculating those figures was incorrect. We have therefore revised those figures and the correct ones are below and in this report's infographic.

Bonus schemes

A number of different types of bonus are taken into consideration in calculating this gap.

We operate two performance related pay and bonus schemes.

- All employees are entitled to an incremental pay increase within their payscale after demonstration of high level or outstanding performance in the previous year.
- A bonus (a percentage of the salary, dependent on level of performance) may be payable in addition to, or instead of, an incremental increase if an employee is at the top of their payscale. We call this a 'top of bar', 'top of grade' or 'appraisal bonus' payment.
- A separate senior manager performance related pay scheme exists, which follows the same principles as above, but with higher percentage bonuses available.

In addition;

- A bonus payment may also be awarded for exceptional work or responsibilities outside of any employee's normal role. We call this an 'honorary payment'.
- A notional payment ('Christmas weekends') is made to those in the Refuse & Recycling team (approximately 35 employees) who work three weekends over the Christmas and New Year period, outside of their contracted week. 100% of this group are male employees, as is common in this field of work.

The latter has particularly skewed the percentage gender split of the workforce that has received bonus payments in both 2017 and 2018.

Mean Bonus Pay Gap

This figure is calculated by adding up all the bonus payments of male employees, and then dividing it by the number of male employees who received a bonus. The same calculation is then done for female employees. The mean bonus pay gap is the difference between the female bonus value and the male bonus value. Our mean bonus pay gap has reduced from -61.39% in 2017 to -23.24% in 2018, but remains in favour of women.

Median Bonus Pay Gap

This figure is calculated by ranking all male employees who received a bonus payment, from the highest value to lowest value, then taking the bonus value of the person in the middle. The same calculation is then done for female employees. The median bonus pay gap is the difference between the female employees' bonus value (the middle woman) and male employees' bonus value (the middle man).

There has been a significant change in the median bonus pay gap from +1.26% in favour of men in 2017, to -51.01% in favour of women in 2018.



In part this is due to four fewer men receiving a bonus payment in 2018. Although this is a small headcount number, due to the size of our workforce it has a big impact.

When examining the detail of the 2018 median, the mid-point female employee who received a bonus received £76 more than the mid-point male employee who received a bonus.

Bonus gender distribution

Our 2018 bonus gender distribution data shows that 23.3% of women received a bonus, compared to 41.9% of men,

If we removed from the 2018 calculation the 35 male employees in the Refuse and Recycling team who receive the 'Christmas weekend' bonus, the percentage of employees who received a bonus payment would reduce to 29.07% of men and 23.26% of women – a more even distribution. This demonstrates that the volume of men receiving the 'Christmas weekend' bonus plays a significant part in skewing the distribution of bonus payments towards men.

The mean bonus pay gap also reduces to +8.69% (or £67.48) in favour of men in this revised hypothetical circumstance.

These bonus pay gap figures do not cause us concern, as we are confident that bonuses are applied fairly and equitable in line with our published policy and procedures, and performance related bonuses in particular (which are the reason for the majority of the bonuses) are accessible and applied consistently, regardless of gender.

Conclusions

Our gender pay figures do not cause us concern as we are confident that we understand the variables which have caused them, namely the variety of roles attracting diverse salary ranges, and significantly higher numbers of men in some departments.

However, further examination will be carried out to identify the potential root causes of the trend for office roles to be held by a greater proportion of women, and physical manual roles to be held by a significantly higher proportion of men.

We will also look at the potential work we can undertake to attempt to bring a better gender balance into roles and teams, and therefore pay quartiles.

John Jory
Chief Executive

Kate Brown
Head of Organisational Development

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