

Gender Pay Gap Report 2019



An introduction to our Gender Pay Report 2019 – Mike Maddick, Director of People.

As we move into our third annual Gender Pay Gap report, we continue to believe that reporting on the Gender Pay Gap is an important and positive step towards equality and transparency across all organisations.

At The Children's Trust we have reviewed our latest data and continue to challenge ourselves on whether we live up to our own expectations of fairness and equity. You will read in our Report that on average, men at The Children's Trust earn 21.6% more than women but at the midpoint of all salaries, men are paid 22.2% more than women. This is a significant change to the pay gap reported in 2018 when our mean pay gap was 11.8% and the median -1.8%. Viewed against our own previous reports and those of our sector, this is a report which requires deep thought and positive action.

We have laid out our more detailed analysis for the changes to our gender pay gap rates later in the report, but at a high level our analysis suggests that the main reason for the significant increase in the gender pay gap between 2018 and 2019 is the movement of employees leaving and joining the organisation. In particular there are fewer males as a percentage in lower paid roles and more males as a percentage in the highest pay quartile than in our previous report. Although these movements are small; in the case of the higher quartile less than a handful of employees, this has accentuated the organisation's pay gap as the male workforce is a much smaller group than the female workforce overall.

While this is not the report we hoped for, staff will notice that the report relates to data captured in April 2019; and so the data we are basing the report on is nearly 12 months old. We have reported looking backwards in previous years, because this is the process most organisations observe and also because our gender pay gap was well within appropriate benchmarking rates.

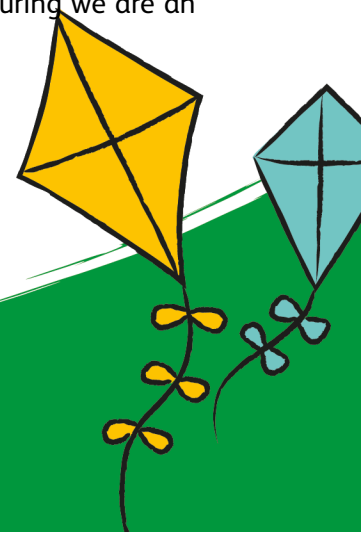
Going forward, we will complete our next report in June 2020, for data collected in April 2020. Although this timeline is tight, we want this report as soon as possible so we can agree a proactive plan of action with the Senior Leadership Team and Board, leading into our 2021 data collection. We cannot afford to be reactive in our approach given what we now know.

Last year we wrote about people questioning whether Gender Pay Gap reporting is making a difference. I, and many others, passionately support gender pay reporting and gender pay fairness and we now need to show our commitment in action as well as words. We look forward to updating our report in June and engaging in the debate this report will rightly provoke, with the aim of ensuring we are an inclusive and responsive organisation in regard to gender pay.

The data presented in this report was extracted from the April 2019 payroll and has been calculated and checked via a third party service, XpertHR, for external scrutiny.

I confirm that the gender pay data reported is accurate, as at 5th April 2019.

Mike Maddick, Director of People & Culture



The Gender Pay Gap

The gender pay gap measures the difference between the average pay of men and women across the organisation – not the pay difference between men and women who do the same jobs. The Children’s Trust uses several external pay scales and benchmarks, such as the NHS Agenda for Change, and Xpert HR Voluntary Sector Benchmarking to ensure pay is fairly set across the organisation regardless of gender. This report sets out our gender pay gap figures looking at The Children’s Trust as a whole.

Headline Findings

At The Children’s Trust:

- The mean gender pay gap is 21.6% - on average, men are paid 21.6% more than women. The ‘mean’ figure is the difference between the average men’s pay per hour and the average women’s pay per hour.
- The median gender pay gap is 22.2% - at the midpoint of all salaries, men are paid 22.2% more than women. The ‘median’ figure is the difference between the midpoints in the ranges of men’s and women’s pay per hour.
- The mean gender bonus gap is 50.0%
- The median gender bonus gap is 50.0%
- The proportion of males (1) receiving a bonus payment is 1.2%
- The proportion of females (1) receiving a bonus payment is 0.2%
- The proportion of males and females in each pay quartile:

Quartile	Males	Females
Upper quartile	19.6%	80.4%
Upper middle quartile	12.2%	87.8%
Lower middle quartile	10.9%	89.1%
Lower quartile	11.6%	88.4%

Mean gender pay gap

The mean gender pay gap in The Children’s Trust is 21.6%, the women’s mean hourly rate (£15.16) is 21.6% (£4.18) lower than men’s (£19.34).

The average mean gender pay from every organisation that submitted data to XpertHR is 13.1%, and the average from all the organisations within the charities/not for profit sector is 5.6%. The UK national

average mean gender pay gap for all employees is 16.2%¹ and 23.4% in the human health and social work activities sector. We recognise that The Children's Trust's mean gender pay gap is above the average organisation in our own sector, and has moved in line with the relevant comparisons in the health and social work industries.

Median gender pay gap

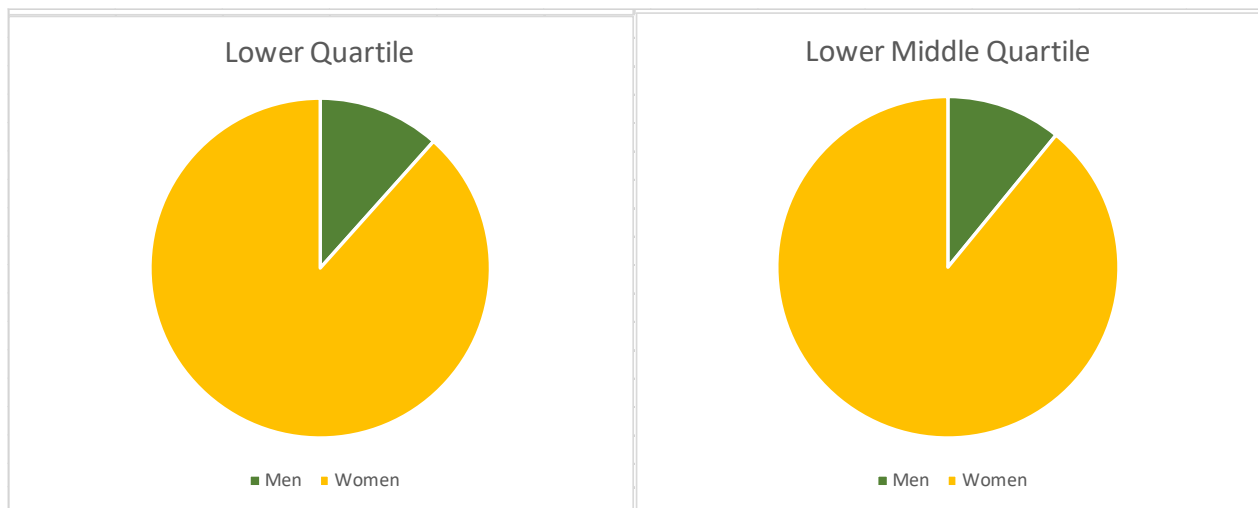
The median gender pay gap in The Children's Trust is 22.2%; the men's median hourly rate (£16.69) is 22.2% higher than women's (£12.99).

The average median gender pay gap from every organisation that submitted data to XpertHR, is 9.5%, and the average from all the organisations within the charities/not for profit sector is 1.5%. The UK national average median gender pay gap is 17.3% for all employees and 17.7% in the human health and social work activities sector. Our median pay gap is significantly more than the relevant industry benchmarks which is an area that we recognise will need to be better understood. Work will commence in May to better understand this data.

Pay quartiles

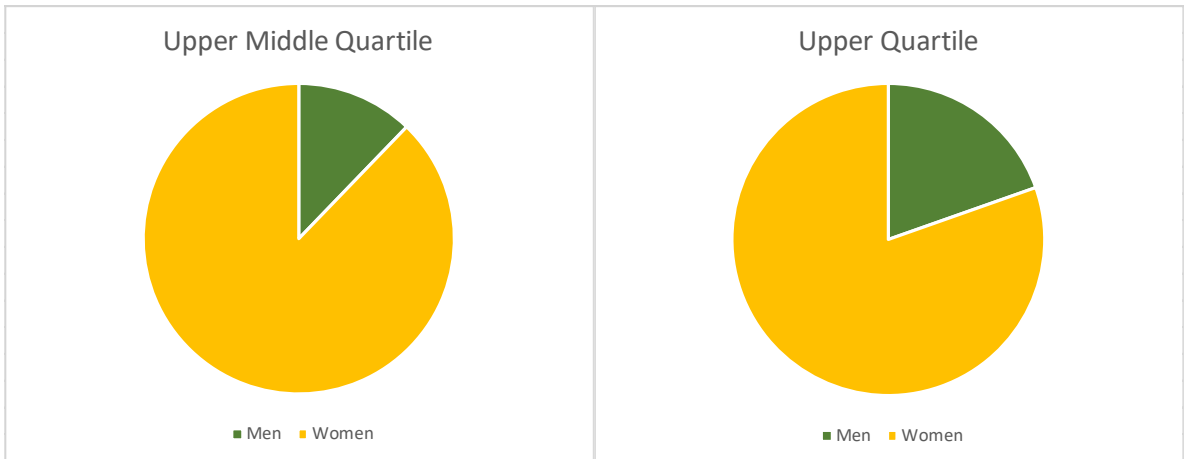
Our workforce is 86% female. It should be noted that a high proportion of female workers in the workforce is not particularly unusual for an organisation like ours with a majority of staff in health care roles.

The charts below illustrate the distribution of men and women in each of the four pay quartiles as at April 19:

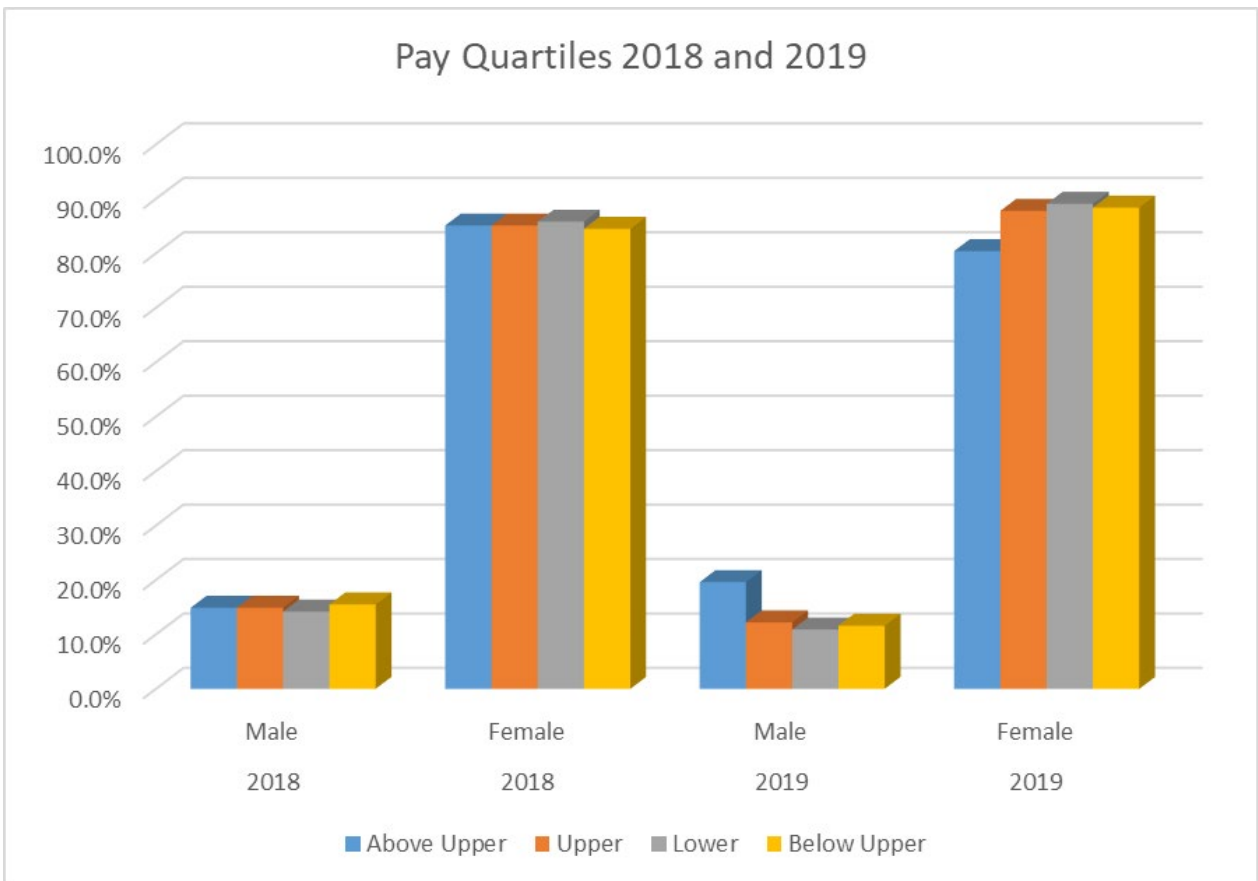


Source

¹ 2019 Annual Survey of Hours and Earnings, Office of National Statistics



As the proportion of our male workforce is much smaller at 14 %, any movement within this group have a more significant effect on the overall pay gap. In 2018 the split of male and females within each pay quartile was evenly spread. However changes within the workforce between April 2018 and Mar 2019 have led to a shift within the upper quartile as illustrated below:



Gender Bonus Gap

As part of legislative requirements, organisations are asked to include data on bonuses paid. Bonuses are very rarely paid as part of remuneration packages at The Children's Trust.

In actual terms, two bonus payments were made within the organisation and this reflects as a pay gap:

- The proportion of males (1) receiving a bonus payment is 1.2 %
- The proportion of females (1) receiving a bonus payment is 0.2 %
- The mean and median gender bonus gap is 50.0 %.

The two bonuses in question were small and assessed and allocated fairly, regardless of gender.

Causes of the gender pay gap at The Children's Trust

We have analysed our 2019 Gender Pay Gap Report and, together with our own experience of recruitment and retention of staff, believe the following factors are significant.

- Our four highest earners across the organisation are men, and this impacts the mean gap. Our Senior Leadership Team (SLT) has a higher representation of males than the organisation as a whole, with 71 % being male although this has not changed between the 2018 and 2019 report. This structural analysis is a point of fact, and having reviewed our recruitment processes for transparency and gender fairness is not a current point of concern. Senior hiring at The Children's Trust continues to focus on the best possible candidate regardless of gender and uses an external search partner. The balance of men and women in executive roles may vary from year to year, and this will naturally have a significant influence on our pay gap, given their higher remuneration levels.
- Within the upper quartile of the organisation sits the Operational Leadership Team (OLT). Within the 12 months prior to April 2019 this group has seen a number of new appointments and has increased from being 10 % male in 2018 to 19 % in 2019. Whilst in actual terms this is the difference of 2 new starters, this combined with other male joiners within the upper pay quartile, has been a significant contributing factor in the increase of the mean gap this year. Again our recruitment processes are subject to due diligence in terms of fairness and the recruitment is based on the appointment of the best candidate for the job regardless of gender. A high proportion of our workforce at this organisational level is female, but the relative percentages of male and female employees has changed.
- When we look at the joiners and leavers across the organisation as a whole over this 12 month period we can see that the highest percentage of leavers within both male and female groups are within the lowest pay quartile. In comparison, whilst the highest number of female starters were also within the lowest pay quartile, the highest percentage of male starters were in the 'Above Upper' pay quartile. This movement of joiners and leavers has impacted our median pay gap. The breakdown below illustrates the changes within the reported group:

	No of Leavers Since April 18	% of Leavers Overall	% of Leavers within Gender	No of New Starters Since April 18	% of Starters Overall	% of Starters within Gender
Male	24	17%		15	12%	
Above Upper	5	3%	21%	9	7%	60%
Upper	6	4%	25%	2	2%	13%
Lower	3	2%	13%	1	1%	7%
Below Lower	10	7%	42%	3	2%	20%
Female	121	83%		112	88%	
Above Upper	33	23%	27%	14	11%	13%
Upper	28	19%	23%	21	17%	19%
Lower	20	14%	17%	28	22%	25%
Below Lower	40	28%	33%	49	39%	44%

In conclusion our analysis of the data suggests that the main reason for the significant increase in gender pay gap between 2018 and 2019 is the movement of employees leaving and joining the organisation, with males more likely to have left a lower paid role while male new recruits have joined the organisation within the higher pay quartile such as the OLT roles. This accentuates the organisations pay gap as male group being a much smaller grouping than the female workforce.

What we will do next

1. We will publish these results both internally and externally.
2. We will bring forward our Gender Pay Gap reporting for 2020 to June 2020, this enables the organisation to be able to identify any further trends that are impacting the pay gap and have time to analyse, plan and address any concerns prior to 2021.
3. We will undertake further analysis, particularly of the highest (SLT & OLT) and lowest pay quartiles to ensure that we fully understand the shifts within these groups and how they impact our pay gap (this will include, recruitment, role analysis, role benchmarking & historical retention analysis).
4. We will continue to support our successful policies of flexible working to ensure that females are encouraged to progress within the organisation and operate at the most senior level.
5. We will continue to review our recruitment policies and processes to ensure they are transparent and fair and we will review whether there is more we can do to promote equality and diversity at all levels of our workforce.
6. The Board will discuss and review our gender pay report, and review our recruitment policy and processes to ensure they continue to be fair and equitable.
7. We will undertake further analysis in June 2020 in regard to a direct gender pay comparison against other charities within our sector and against the healthcare sector.
8. We will continue to look to the external market for best practices to adopt as the wider discussion on gender pay develops and will continue to build a culture that encourages all of our employees to perform to their potential, and be rewarded fairly and appropriately for the work that they do.
9. We will be open to, listen to and act appropriately on internal views and discussions on gender pay, stimulated by this report.

Equality at The Children's Trust

The Children's Trust wholeheartedly supports and embraces gender equality and believes that for equal work, pay should also be equal. Equal pay means that men and women are paid the same, for doing the same job – this, quite rightly has been the law since 1970.

We welcome the requirement for all organisations with over 250 employees to publish gender pay gap information. At The Children's Trust, this is a helpful way of reviewing and checking our practice and learning where we need to improve.

The Children's Trust's Gender Pay Gap Report has been prepared in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. It reports on the differences between men's pay and women's pay across the organisation based on data on 5 April 2019.