

Gender Pay Gap Report 2020



An introduction to our Gender Pay Gap Report 2020 – Mike Maddick, Director of People & Culture.

As an organisation, The Children's Trust wants to hire and retain the best possible staff. In so doing, we directly and positively impact the lives of the children, young people and their families. The Gender Pay Gap Report is an essential part of our ongoing pay strategy. Its goal is to create better pay equity through transparency of pay data. Fairness in the way we pay our staff is essential to ensuring we continue to attract, motivate and engage all of our staff, in common pursuit of our charitable objectives.

This is now the fourth year of our Gender Pay Gap Report and the mean and median pay gaps we reported in 2019 remain almost unchanged. You will read in our detailed analysis, that on average, men at The Children's Trust, earn 20.4% more than women. At the midpoint of all salaries, men are paid 21.3% more than women. There has not been any significant positive shift from the corresponding 21.6% average and 22.2% midpoint pay gaps from 2019.

We have laid out our more detailed analysis for the changes to our gender pay gaps rates later in the report. At high level, our analysis shows that the main reason for the significant increase in the gender pay gap between 2018 and 2020 is the natural movement of employees leaving and joining the organisation. Overall, the organisation is around 87% female and 13% male, but as our report shows, there are fewer males as a percentage in lower paid roles and more males as a percentage in the higher paid roles. The movement of men in and out of the organisation over the last 12 months, while small in absolute number terms, has impacted this. As the male workforce is considerably smaller than the female workforce, gaining a small number of highly paid men and losing a small number of less well-paid men, is at the heart of the gender pay gap.

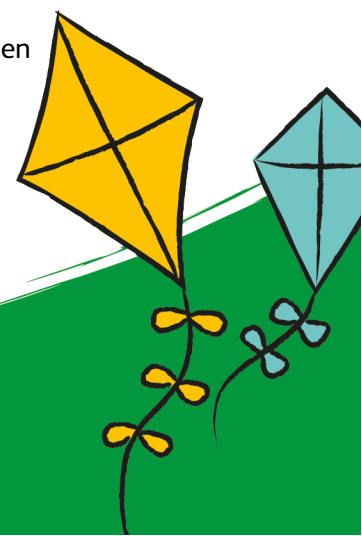
While we understand why the gap exists, and while we do not currently believe there is a fundamental issue with how we recruit and retain men or women, we owe it to all of our staff, to continue to work to understand how we can better monitor and understand the gap. Where possible, we would actively like to close the gap through an action plan focused on assuring equity and transparency in how we recruit, promote and retain all of our staff regardless of gender. We are also very keen to ensure staff can ask questions and engage in the debate and discussion around gender pay.

To that end we have brought forward our reporting from April 2021 so we can implement a proactive action plan, agreed by and monitored by our Board of Trustees, which is laid out later in this report. We will also share the report with our Equity, Diversity and Inclusion working groups for their review and response.

The data presented in this report was extracted from the April 2020 payroll and has been calculated and checked via a third-party service, Xpert HR, to ensure external scrutiny.

I confirm that the gender pay data reported is accurate, as at the 5th April 2020.

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 20.4% - on average, men are paid 20.4% 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 21.3% - at the midpoint of all salaries, men are paid 21.3% more than women. The ‘median’ figure is the difference between the midpoints in the ranges of men’s and women’s pay per hour.
- No bonuses were paid during the reporting period and therefore there is no bonus pay gap data to report
- The proportion of males and females in each pay quartile:

Quartile	Males	Females
Upper quartile	19.0%	81.0%
Upper middle quartile	10.2%	89.8%
Lower middle quartile	12.2%	87.8%
Lower quartile	9.5%	90.5%

Mean gender pay gap

The mean gender pay gap in The Children’s Trust is 20.4%, the women’s mean hourly rate (£16.28) is 20.4% (£4.16) lower than men’s (£20.44).

Based on full time employment of 37.5 hours a week, this equates to women being paid £8,112 a year less than men on average.

Median gender pay gap

The median gender pay gap in The Children’s Trust is 21.3%; the men’s median hourly rate (£17.71) is 21.3% (£3.77) higher than women’s (£13.94).

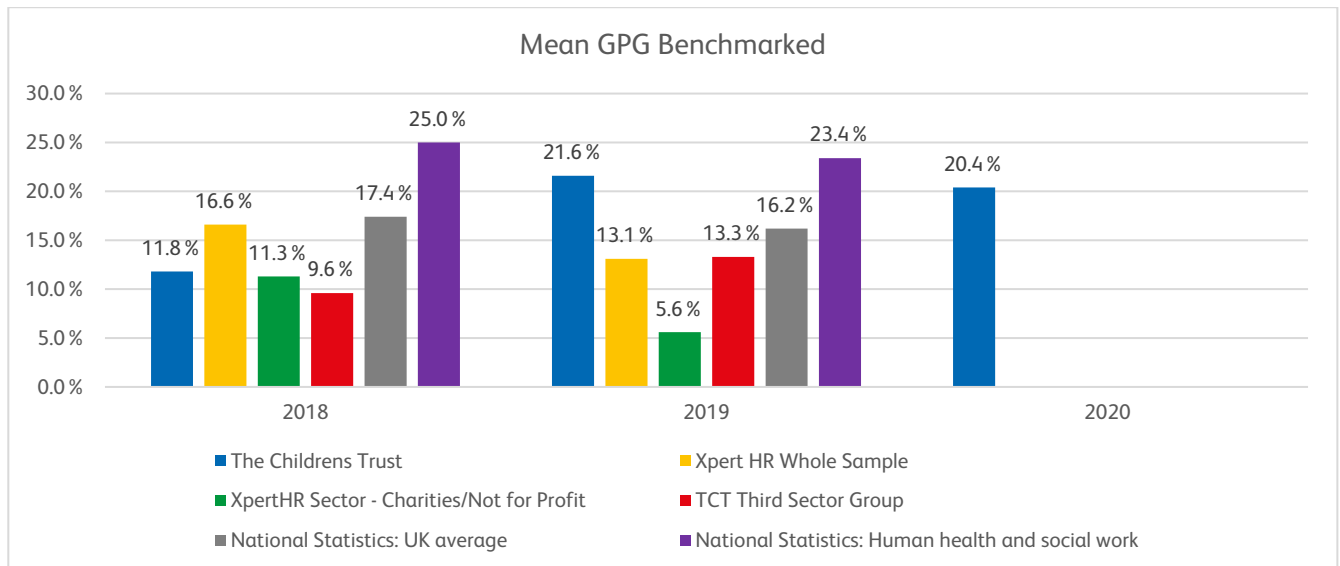
Based on full time employment of 37.5 hours a week, this equates to women at mid-point salary being paid £7,352 a year less than male mid-point salary.

Benchmarking

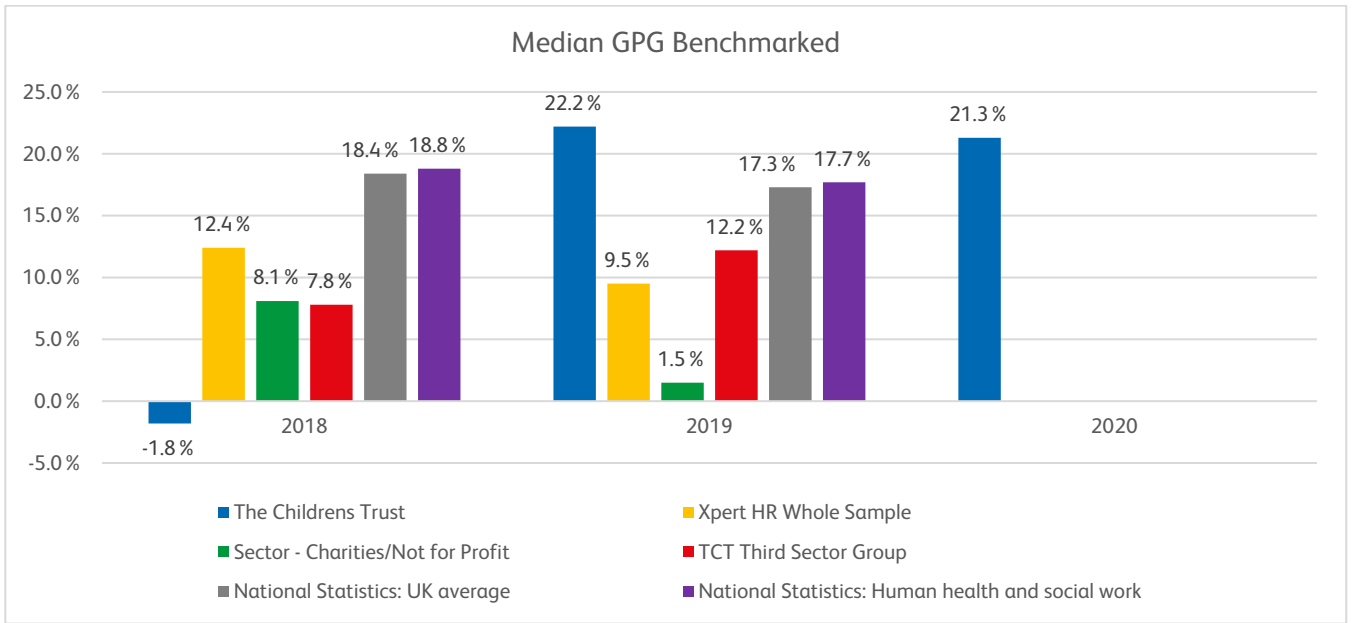
As stated in last year’s report we have further explored some relevant benchmarking for comparing our gender pay gap data. At the time of reporting, organisations have not submitted their 2020 data so we are able to benchmark against 2018 and 2019.

Our benchmarked groups are

- All organisations that submit data to XpertHR for verification purposes
- The charities/not for profit sector organisations that submit to XpertHR
- The group of third sector organisations that we also benchmark our employee survey results against (where available)
- The UK average as published by the Office of National Statistics
- The Health and Social work average as published by the Office of National Statistics



We recognise that The Children’s Trust’s mean gender pay gap is above the average organisation in our own sector, and has moved move in line with the relevant comparisons in the health and social work industries.

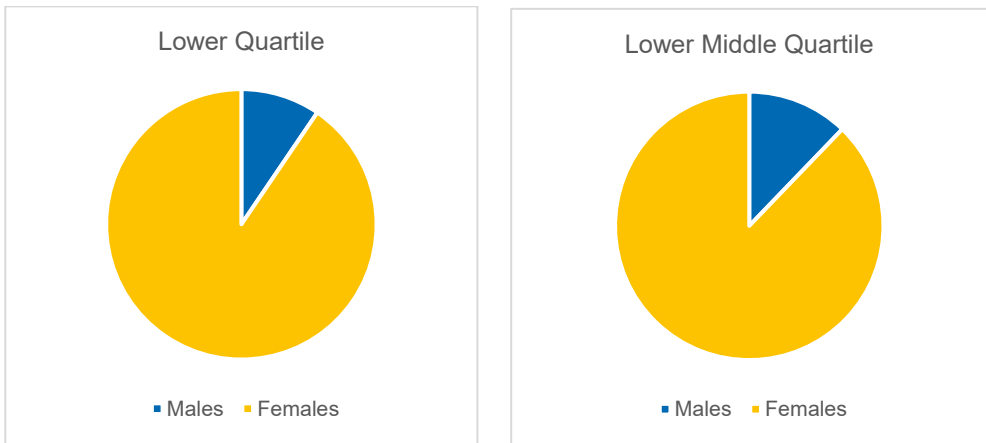


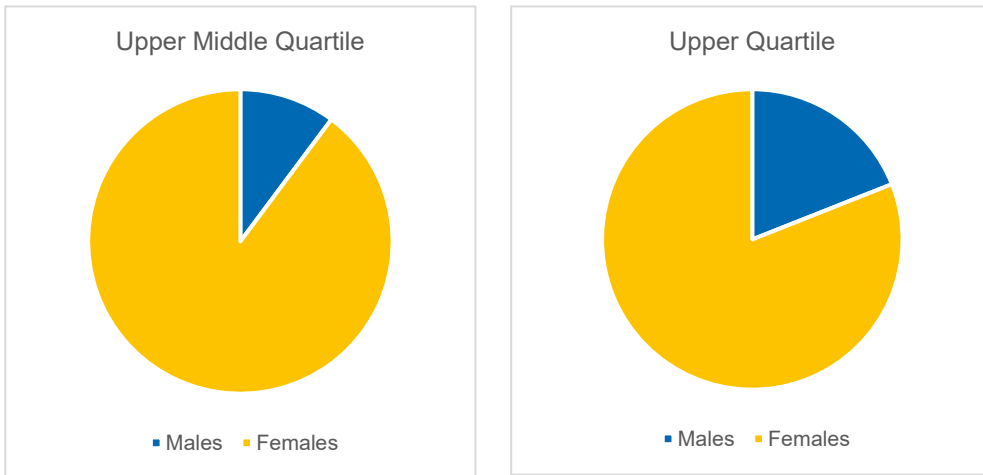
Our median pay gap is significantly more than the relevant industry benchmarks which is an area we will start to address in our action plan.

Pay quartiles

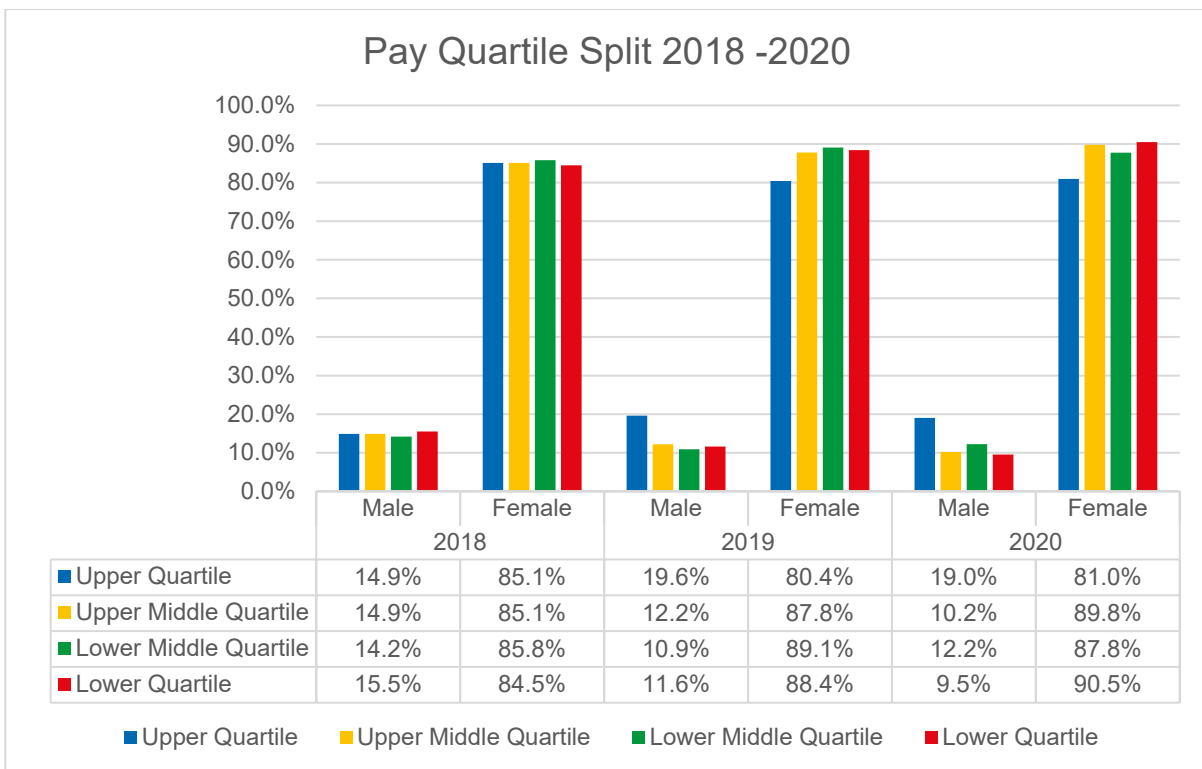
Our workforce is 87 % female. It should be noted that a high proportion of female workers in the workforce is not particularly unusual for an organisation like ours with a majority of staff in health care roles.

The charts below illustrate the distribution of men and women in each of the four pay quartiles as at April 20:





As the proportion of our male workforce is much smaller at 13 %, any movement within this group has 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 April 2020 have led to a shift within the upper and lower 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 and there were no bonuses paid in this reporting period.

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

We have analysed our 2020 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 62.5% being male although this has not changed between the 2018 and 2020 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). The operational leadership team have seen more changes over the period with an increase of males within this group. From 10% (3 males) in April 2018, to 19% in April 2020 (7 males). This was in the main the introduction of five new starters within 2019 and then a further two males have joined in 2020. The increase of males within the current operational leadership team means that it has a slightly higher representation of males compared with the rest of the organisation with 19% of this group being male. 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.
- In addition to the increase in males in the Upper pay quartile, the decrease in males within the Lower pay quartiles is just as important to understand as a factor in why TCT has had an increase in gender pay gap. Between April 2018 and April 2020, the percentage of male employees in the Lower pay quartile has decreased from over 15% to under 10%. 140 permanent employees sat within the Lower quartile in April 2018, of these, 84% (118) were female and 16% (22) were male. Just under 50% of both males and females in this group have left TCT during the period. However the number of male leavers have been greater than the number of male joiners with 12 males leaving the organisation from this pay quartile whereas only 5 new male starters joined this quartile. In comparison, 68 females have left but 96 female new starters have joined in this quartile. This higher number of female joiners is having the same effect on the Lower quartile as the higher number of new male joiners is having on the Upper quartile, causing an unequal distribution of genders across the pay quartiles and contributing to the increase in gender pay gap for the organisation.
- When we look at the joiners and leavers across the organisation as a whole over this 24 month period we can see that within the period more males have left the organisation than have joined, whereas the opposite is the case for females. 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 was in the '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 April 2018 - 2020			No of New Starters April 18 - April 20		
	% of Leavers Overall	% of Leavers within Gender	% of Starters Overall	% of Starters within Gender		
Male	37	16%	26	10%		
Upper	11	5%	14	6%		
Upper Middle	8	3%	3	1%		
Lower Middle	6	3%	4	2%		
Lower	12	5%	5	2%		
Female	197	84%	224	90%		
Upper	48	21%	37	15%		
Upper Middle	46	20%	49	20%		
Lower Middle	35	15%	42	17%		
Lower	68	29%	96	38%		

Conclusion

In conclusion, analysis of the data suggests that the main reason for the significant increase in gender pay gap between 2018 and 2020 is the movement of employees leaving and joining the organisation, with males leaving the Lower quartile and TCT not recruiting more males into these roles but males joining the organisation in the Upper pay quartile roles.

The gender pay gap has not had any further significant shift since April 2019 as the male employees leaving and joining the organisation have both largely been from the Upper quartile while the female joiners and leavers as well as the core group of staff across the period have also stayed at a consistent level. In order to tackle the organisations pay gap, there must be a proportionate balance of both genders across the pay quartiles.

What we will do next

So we can continue to assure the organisation we understand and can manage our gender pay gap proactively, we will take forward the following actions to publish, discuss, monitor and further understand how our pay gap works. Our long term aim is to reduce the gender pay gap through this work.

1. We will publish these results both internally and externally.
2. We will develop a Gender Pay Gap Action Plan (*Appendix A*), based on recommendations made by the Government Equalities Office to ensure that we are doing all we can to reduce the gender pay gap and promote gender equality.
3. We will introduce analysis of the recruitment process and candidate selection to be reported to the Equity Diversity and Inclusion Group to ensure robust and transparent review.
4. 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.
5. 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.

6. We will be open to, listen to and act appropriately on internal views and discussions on gender pay, stimulated by this report.

Equity at The Children's Trust

The Children's Trust wholeheartedly supports and embraces gender equity 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 as at 5 April 2020.

Appendix A – Action Plan

Action	Tasks	Timeframe
Equal Pay Audit	Review of same role pay equity for high frequency roles.	Data analysis undertaken December 2020 – January 2021 Report produced Feb 2021
	Review promotions data for equity.	Data analysis undertaken December 2020 – January 2021 Report produced February 2021
	Review in year pay rises for gender bias.	Data analysis undertaken December 2020 – January 2021 Report produced February 2021
	Compare starting salaries by gender within comparable roles.	Data analysis undertaken December 2020 – January 2021 Report produced February 2021
Recruitment Audit	<p>Review shortlisting practices to ensure multiple mixed gender of candidates</p> <p>Ensure all adverts are worded in an appropriate style to attract those from all backgrounds.</p> <p>Review how roles are advertised with respect to flexible working and salary range.</p> <p>Enhance the data gathering of diversity details within recruitment practices.</p>	Review completed by March 2021
Exit Interviews	Enhance the exit interview process to capture more complete information on reasons for leaving.	Process updated by March 2021
Gender Recruitment and Leaver trend analysis	Quarterly reporting of recruitment and leavers details by gender to enable forewarning of changes that may	Initial report to be provided February 2021

	<p>negatively impact the Gender Pay Gap.</p> <p>Analyse whether men and women leave the organisation at different rates.</p>	
Maternity and Paternity Returners	Review the number of employees returning from Maternity and Paternity leave across pay quartiles.	Data analysis undertaken December 2020 – January 2021. Initial Report to be provided February 2021