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| Report to: | Tamar Bridge and Torpoint Ferry Joint Committee | |
| Date: | 9 March 2018 | |
| Title: | Gender Pay Gap Reporting | |
| Portfolio Area: | Cornwall Council: Transportation and Waste Plymouth City Council: Transport | |
| Divisions Affected: | all | |
| Relevant Scrutiny Committee: | | |
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| Approval and clearance obtained: | Y | |
| For Cabinet and delegated executive decisions only | | |
| Key decision? (\geq £500k in value or significant effect on communities in two or more electoral divisions) | N | |
| Published in advance on Cabinet Work Programme? | N | |
| Urgency Procedure(s) used if 'N' to Work Programme? | N | |
| Date next steps can be taken | N/A | |

Recommendations:

1. the report be noted;
2. the actions recorded at 2.25 be endorsed;
3. an updated report be brought to the June 2018 meeting.

1. Executive Summary

- 1.1 This report has been prepared for the Joint Committee following the first collection of data regarding the gender pay gap at Tamar Bridge and Torpoint Ferry (TBTF).
- 1.2 Schedule 2 of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires joint committees to publish data and this report provides Members with the information which will be published on the UK Government website which includes further analysis of the figures and an associated action plan.
- 1.3 The majority of statistics indicate a larger pay gap than that which exists within the constituent authorities. The larger gap is believed to arise in part because of the particular profile of roles within the undertaking and the dominance of shift working linked to fixed timetables.
- 1.4 Despite the profile of roles at TBTF, a proactive approach is likely to reduce the gap and a number of actions have been developed to accompany the statutory report.

2. Purpose of Report

Background

- 2.1 The requirement to report organisations' gender pay gaps arises from provisions within the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The regulations require employers with more than 250 employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees using the method of calculation published on the UK government's website. Whilst TBTF does not employ 250 employees, Schedule 2 of the regulations stipulates which public bodies are subject to the reporting regulations and including: "A joint committee constituted in accordance with section 102(1)(b) of the Local Government Act 1972(29) for an area in England". Whether or not the Regulations require a joint undertaking of TBTF's size to publish its pay gap, publication will ensure a transparent approach to governance of the undertaking.
- 2.2 TBTF employees are paid under the conditions of service contained in the National Joint Councils for Local Government Services (Green Book). In addition, some legacy terms from the previous "Purple Book" are applied, and also some locally agreed conditions exist where there is no specific provision in the Green Book and the previous Purple book. For example, call out arrangements and payments which are appropriate to a front line service have been locally agreed.
- 2.3 TBTF are required to report on the following:

| | |
|-----------------------|---|
| Mean gender pay gap | The difference between the mean hourly rate of pay of male employees and that of female employees as a percentage. |
| Median gender pay gap | The difference between the median hourly rate of pay of male employees and that of female employees as a percentage. |
| Mean bonus gap | The difference between the mean bonus pay paid to male employees and that paid to female employees as a percentage. |
| Median bonus gap | The difference between the median bonus pay paid to male employees and that paid to female employees as a percentage. |
| Bonus proportions | The proportions of male and female relevant employees who were paid a bonus during the relevant period. |
| Quartile pay bands | The proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands. |

Any gap favouring male employees appears as a positive figure, whilst any gap favouring females is reported as a negative.

- 2.4 The reported figures use the March 2017 payroll to calculate the gap whilst the quartile banding references hourly rates arising from national pay bands are consistent with the methodology used elsewhere in local government.

Reported Figures for TBTF

- 2.5 The hourly rate at TBTF for these purposes includes allowances related to shift working including premiums for weekend work as is required by the Regulations.
- 2.6 The pay gap results arising from payroll data run on 31 March 2017 were as follows:

| | |
|-----------------------|---|
| Mean gender pay gap | 19.7% |
| | [Mean hourly rates: Male £14.26, Female £11.51] |
| Median gender pay gap | 14.4% |
| | [Median hourly rates: Male £14.26, Female £11.51] |
| Mean bonus gap | 0% |
| | [no bonuses paid] |
| Median bonus gap | 0% |
| | [no bonuses paid] |
| Bonus proportions | 0% |
| | [no bonuses paid] |

2.7 The quartile banding arising from March 2017 payroll was as follows:

| Numbers and Proportions of Male/Female in each Band | | | | | | |
|---|--------|------|--------|--|---------|--------|
| Rate | | Male | Female | | Male | Female |
| £0 | £10.44 | 5 | 8 | | 38.46% | 61.54% |
| £10.45 | £20.31 | 71 | 15 | | 82.56% | 17.44% |
| £20.32 | £35.96 | 4 | 0 | | 100.00% | 0.00% |
| £35.97 | | 1 | 0 | | 100.00% | 0.00% |

Comparison to national statistics and the Constituent Authorities

2.8 The UK average Gender Pay Gap using Office for National Statistics data shows the mean pay gap for all employees is 18.1%.

Cornwall Council reports the following regarding gender pay gaps:

| | |
|-----------------------|---|
| Mean gender pay gap | 12.1% |
| | [Mean hourly rates: Male £14.87, Female £13.07] |
| Median gender pay gap | 14.9% |
| | [Median hourly rates: Male £13.65, Female £11.62] |

Plymouth City Council reports the following gender pay gaps:

| | Mean | Median |
|------------|------|--------|
| Hourly pay | 2.6% | -3.3% |

The mean average standard hourly rate of pay for female employees is 2.6% **lower** than that of male employees, while the median average standard hourly rate of pay for female employees is 3.3% **higher** than that of male employees.

Measures Already Taken

- 2.9 Significant progress has been made since the Millennium in attracting female applicants to TBTF roles and current levels of female employment must be considered from the 1990s base when the workforce was exclusively male and had been for many years.
- 2.10 The organisation has operated established job evaluation schemes for many years which help ensure that pay is equal for roles of equal value.
- 2.11 All vacancies are advertised externally, using gender neutral language and providing key information about duties, qualifications, abilities and experience where relevant.
- 2.12 In areas where flexibility easier to apply, such as within the administration teams, there is some variety in the working arrangements which is likely to make those roles more attractive to a wider range of candidates.

Possible reasons for the gender pay gap at TBTF

a. Workforce composition

- 2.13 TBTF employs 106 employees of whom 83 are men and 23 are women. All the female employees are currently in the lower and lower middle quartiles of the pay band.
- 2.14 Eight staff are employed part time with the remainder on full time contracts. Of the eight part-time employees, four work 30 hours or more a week, which is used by HM Government to qualify or be excluded from some national benefits.
- 2.15 Whilst flexible arrangements exist within the administration teams, there is limited scope to adopt more flexible working patterns in other roles at TBTF which have set start and finish time in order to provide a scheduled service. The shifts on the ferry cannot easily be adapted for someone to start later, finish earlier or work a compressed week without engaging additional staff to cover at the times when the flexible working post-holder is not available.
- 2.16 There is more flexibility in the administration teams for different working patterns and there is some variety in the working arrangements amongst those teams but these teams represent only a fraction of the workforce.
- 2.17 Over half of TBTF employment is associated with work aboard the ferry in roles which may be perceived by prospective employees as traditionally male. There are currently significantly more male employees staff (48) than female (6) working aboard the ferry.
- 2.18 The dominance of male employment within the second quartile of the table in paragraph arises in part because women are significantly underrepresented within the ferry operational workforce. The onboard roles receive premium payments for shift work, weekend working and missed meal payment which lifts roles which would otherwise be reported in the first quartile to that second quartile. For example, the basic hourly rate for an experienced ferry collector from the £8.45 per hour Foundation Living Wage rate becomes an effective £11.98 per hour with the allowances.

b. Access to Opportunities

- 2.19 Hours of work are stipulated as are key facts about duties, pay, working patterns including the any necessity to work shifts, weekends or nights. This transparency will filter out those for whom those aspects of the role are unattractive.
- 2.20 The standard recruitment process will be the same for men and women. A record is kept and review of how many men and women have applied for each vacancy and the gender of the successful applicant confirms a smaller pool of female candidates are applying for TBTF roles.

- 2.21 The gender breakdown of lower and middle management posts in TBTF is as follows:

| ROLE | MALE | FEMALE |
|-------------------------------|-------------|---------------|
| Ferry Controllers | 9 | 0 |
| Ferry Supervisors | 5 | 1 |
| Bridge Supervisors | 6 | 0 |
| Leading Hand Technicians | 2 | 0 |
| Customer Services Supervisor | 0 | 1 |
| Support Services Manager | 0 | 1 |
| Assistant Engineering Manager | 1 | 0 |
| Ferry Technical Manager | 1 | 0 |
| Ferry Operations Manager | 1 | 0 |

The position reflects the organisation's historic position of low levels of female employment coupled with low turnover rates which limits opportunities for progression.

- 2.22 Within the senior management team of eight, one post is filled by a female.
- 2.23 As is the case with all vacancies any management vacancies are advertised using gender neutral language and the recruitment process is applied equally to all candidates. However, number of management posts require a background in a specific area where female participation is under-represented in the national and international workforce, for example in engineering and IT. Difficulties in recruiting to some posts with specialised skills has required the use of recruitment specialists to supplement normal processes.

Further actions to reduce the gender pay gap.

- 2.24 TBTF continues to be committed to the principle of equal opportunities and gender diversity, demonstrating that commitment through appropriate processes and procedures. It will for example continue to ensure that all new and revised jobs are graded through a comprehensive job evaluation scheme which is administered on behalf of TBTF by Plymouth City Council.
- 2.25 The following further focussed actions will be promoted in the public report linked to publication of the 2017 gender pay gap statistics:
- i. drafting a consolidated Pay Policy Statement to be approved by the Joint Committee;
 - ii. use of existing career development and training opportunities with a particular emphasis on development for females;
 - iii. promotion of the benefits of flexible working practices to managers and ensure managers engage teams on this subject;

- iv. encouraging managers to consider job redesign to encourage more flexible working and part-time opportunities when vacancies occur;
- v. analysis of terms and conditions, to identify any barriers they create to gender diversity and reduction of the gender pay gap.

2.26 Whilst these actions singularly or together do not offer any guarantee that the gap will be narrowed, they improve transparency and may provide greater insight into the issue.

3. Benefits for Customers/Residents

3.1 Promoting the organisation as one which is inclusive to all in terms of work opportunities is of benefit to the reputation in the wider community.

4. Relevant Previous Decisions

None

5. Consultation and Engagement

Not Applicable

6. Financial Implications of the proposed course of action/decision

No direct implications.

7. Legal/Governance Implications of the proposed course of action/decision

None.

8. Risk Implications of the proposed course of action/decision

There is potential that the analysis of terms and conditions may identify issues which are only capable of resolution by modifying terms, potentially affecting some employees' remuneration negatively thus causing staff dissatisfaction and disruption to service. A detailed impact assessment will need to be undertaken before considering any such change.

9. Comprehensive Impact Assessment Implications

Not Applicable.

10. Options available

Not Applicable.

11. Supporting Information (Appendices)

None.

12. Background Papers

None

13. Approval and clearance

All reports:

| Final report sign offs | This report has been cleared by (or mark not required if appropriate) | Date |
|---|---|------|
| Governance/Legal (Required for all reports) | Simon Mansell, Corporate and Information Governance Manager | |
| Finance (Required for all reports) | Leah Thomas, Interim Strategic Finance Manager | |
| Equality and Diversity (If required) | Not Required | |
| Service Director (Required for all reports) | Nigel Blackler | |
| Strategic Director (If required) | N/A | |

Draft reports process checklist for Cabinet/individual decision reports:

Complete the checklist below while you are drafting your Cabinet or individual decision report. It will be removed before publication.

| Process checklist | Completed |
|---|------------|
| Portfolio Holder briefed | Yes |
| Strategic Director briefed | No |
| Service Director sign off | No |
| Data protection issues considered | N/A |
| If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny) | N/A |
| If not on Cabinet Work Programme, Scrutiny offered the opportunity to consider the report | N/A |