



# SMB College Group

*#One of the family*

## Gender Pay Gap Report

31 March 2020

### Introduction

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the College has a legal duty to report on gender pay.

The College is required to publish information on an annual basis and this report is based on data from a snapshot date of 31 March 2020.

The College is obliged to publish:

- the difference in mean pay between male and female employees
- the difference in median pay between male and female employees
- the difference in mean bonus pay between male and female employees
- the difference in median bonus pay between male and female employees
- the proportions of male and female employees who were paid bonus pay
- the proportions of male and female employees in each quartile of their pay distribution

### Gender Pay Gap

Gender pay gap differs from equal pay.

**Equal pay** is the legal right of men and women to be paid at the same pay rate for work which is the same or like work or is of equivalent value.

Our agreed Pay Policy provides a fair, transparent and objective framework for the determination of salaries, ensuring equal pay for work of equal value, irrespective of gender.

We have adopted pay scales and grades which vary according to the level of responsibility associated with each role and pay progression within agreed grades is on an annual basis, subject to satisfactory performance.

We also review our pay Policy and Recruitment and Retention Payments Policy annually.

**Gender pay gap** analysis compares the average earnings (mean and median) of all women and all men across the College's workforce. A negative percentage indicates that the average pay for women is

higher than for men. A positive percentage indicates that the average pay for men is higher than for women.

As the ACAS Guidance 'Managing Gender Pay Reporting' indicates, it is helpful to use two different types of average to give a more balanced overview of an organisation's overall gender pay gap.

Mean averages place the same value on every number they use giving a good overall indication of the gender pay gap. However very large or very small pay rates can dominate and distort the result.

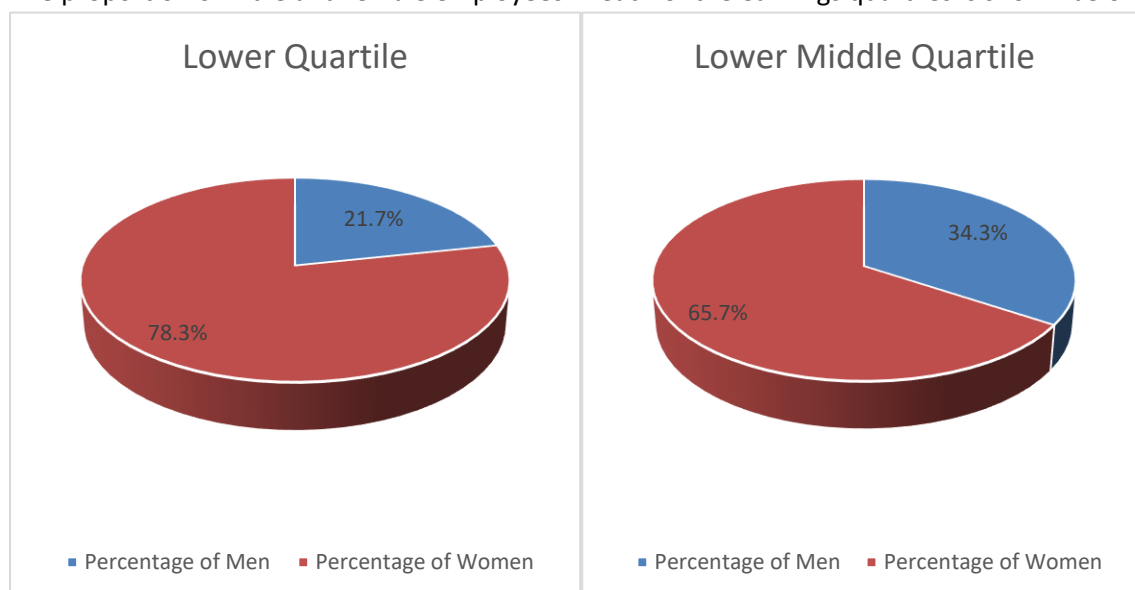
Median averages are useful in that they indicate what the 'typical' situation is i.e. in the middle of an organisation and are not distorted by very large or very small pay rates. However, this means that not all gender pay gap issues will be picked up.

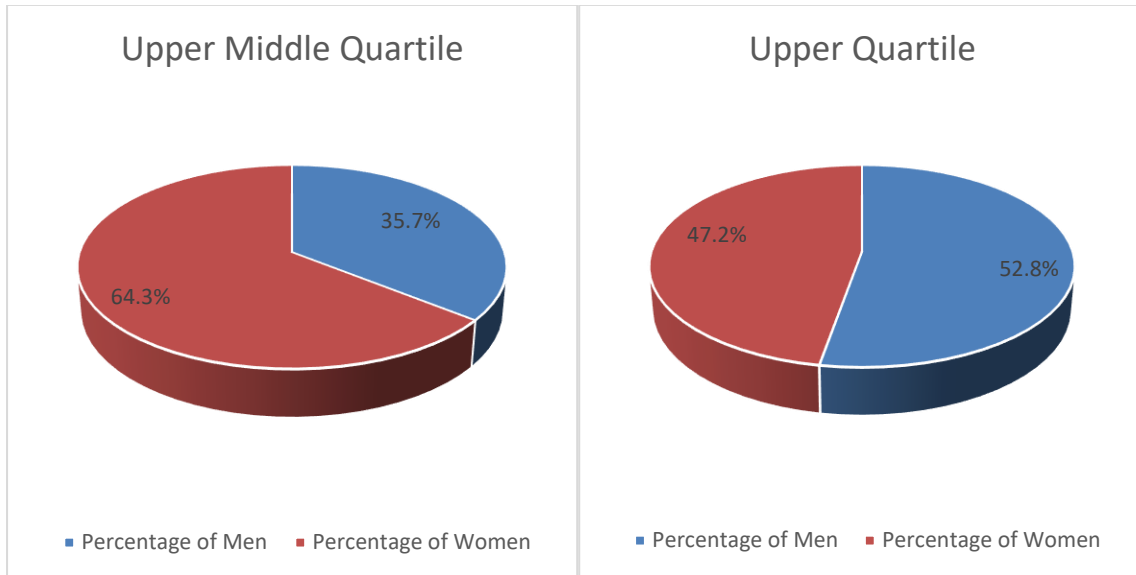
The Gender Pay Gap information which we are required to report is as follows:

Mean Gender Pay Gap	14.1%
Median Gender Pay Gap	21.7%
Mean Bonus Gender Pay Gap**	0%
Median Bonus Gender Pay Gap **	0%
Proportion of male employees receiving a bonus payment	0 %
Proportion of female employees receiving a bonus payment	1.98%

\*\*There were no males employed within the team that received bonuses during the reporting period

The proportion of male and female employees in each of the earnings quartiles is shown below:

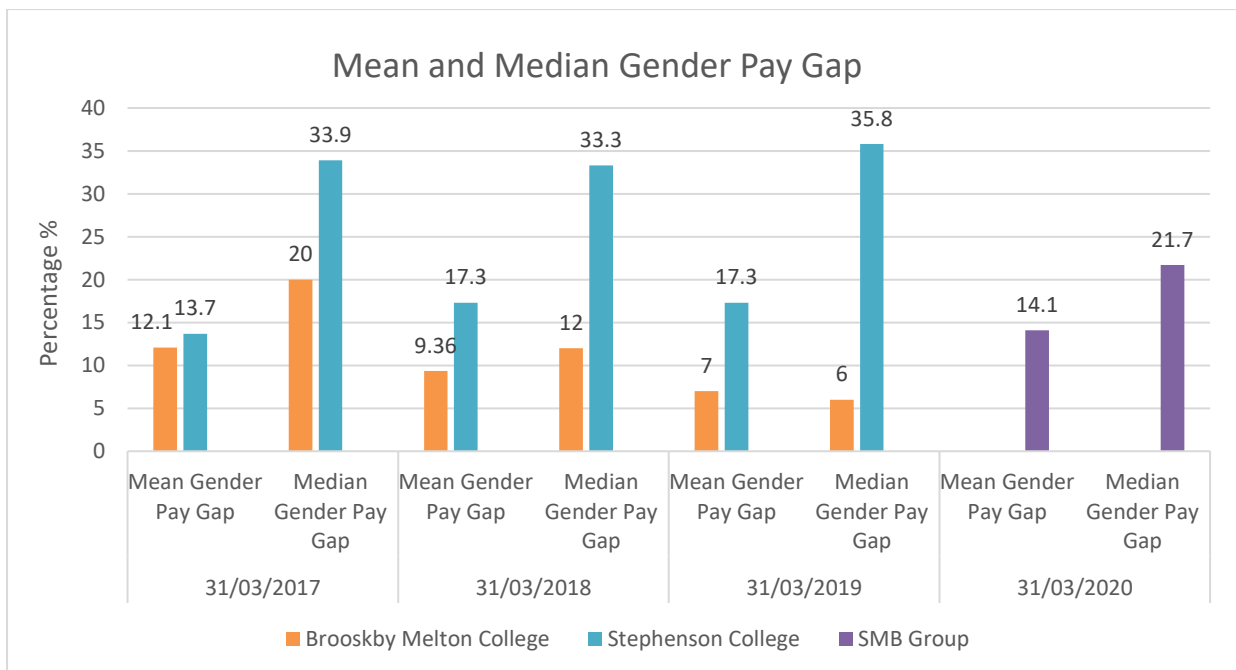




### Comparisons with previous Gender pay gap reports

This is the first Gender Pay Gap report for the SMB Group which was formed on 01 February 2020 as a consequence of the merger between Stephenson College and Brooksby Melton College.

Therefore the below graph shows the previous mean and median gender pay reporting for each of the separate entities compared to the data for the SMB Group.



## Explanatory Information

The Government and Equalities Office (2019) has identified four main drivers of the gender pay gap as below which can be applied to the College:

1. **Occupational Segregation** - Women are more likely to work in more junior roles and men in more senior roles and are more likely to be overqualified for the role that they are in.
2. **Industrial Sector** - Women are more likely to work in sectors that have low pay which is associated with limited pay and progression. According to the Government and Equalities Office (2019), 50% of UK's female workforce currently works in either the education, Health or Social Care which are seen as low pay sectors.
3. **Unobserved** - These are the things that the data doesn't capture like discrimination and unconscious bias during recruitment, appointment, reward and promotion.
4. **Labour Market History** – Women are more likely to take time out to care for children and to work part time.

At the snapshot date of 31 March 2020, we employed 573 relevant full-pay employees. Employees who were receiving reduced pay at the snapshot date are not included, in accordance with statutory requirements.

Women make up 64% of the College's workforce and 61% of this group work part-time (working less than 37 hours per week) or term-time only.

Men make up 37% of the College's workforce and 32% of this group work part-time (working less than 37 hours per week).or term-time only.

These figures are broadly in line with those reported from both Brooksby Melton College and Stephenson College prior to merger.

The College's gender pay gap remains largely explained by the high percentage of women in the lower and lower middle earnings quartiles, which has remained broadly consistent to the previous reports of both Stephenson College and Brooksby College.

These roles are business support roles and include business administration, learning support, catering and cleaning. They attract a disproportionate number of female applicants and the roles are predominantly part-time and/or term-time, offering flexibility for employees to balance work and home life.

It is important to note that nearly two thirds of the College's female workforce are situated in the lower and lower middle earnings quartiles. It appears that these women may not be progressing into roles with higher earnings.

This reflects the traditional wider labour market where women have tended to be clustered in sectors or roles which tend to attract lower pay and in roles that offer part-time opportunities given that women continue to take on the significant share of child care and caring responsibilities.

Two thirds of the male workforce are situated in the upper middle and upper earnings quartile. Again, this remains consistent with the figures from previous reporting periods. This includes lecturers who work full-time in technical areas such as Construction and Engineering and these roles have traditionally attracted significantly more men than women. In line with the FE Sector, the College

experiences difficulties in recruiting successfully to these areas and is cognisant of the market rate to attract staff from industry.

In line with government priorities our provision within STEM (Science, Technology, Engineering and Maths) continues to grow. These areas have traditionally attracted more male applicants so it continues to be a priority for us to do all that we can to attract women into these areas of the College's business, though this does remain a challenge as this originates back to the subject choices which females are undertaking at school, (Government and Equalities Office, 2019).

In addition to the information we are obliged to report, the College has also undertaken further analysis of mean and median pay rates for each quartile and also for different job types. A negative percentage, for example the mean gender pay gap for management, indicates that the average pay for women is higher than for men.

Quartile	Mean Gender Pay Gap	Median Gender Pay Gap
Lower Quartile	1.50%	-3.04%
Lower Middle Quartile	-2.02%	-0.09%
Upper Middle Quartile	4.61%	6.65%
Upper Quartile	-8.26%	-12.435%

Employee Type	Mean Gender Pay Gap	Median Gender Pay Gap
Lecturer	5.7%	11.2%
Business Support	2.4%	2.8%
Management	-11.9%	2.4%

## Comparisons

	Mean Gender Pay Gap	Median Gender Pay Gap
SMB Group	14.1 %	21.7%
National Average**	15.5%	Not available

\*\* Office for National Statistics Annual Survey of Hours and earnings 2020

## Closing the Gender Pay Gap

It is worth noting that the merger between Stephenson College and Brooksby Melton College took legal effect on 01 February 2020, 8 weeks prior to the mandatory snapshot reporting date of 31 March 2020. Therefore, at that time the SMB Group had not been able to determine appropriate actions and been able to outline our new group commitment in closing any identified Gender Pay gap.

Prior to merger, both Stephenson College and Brooksby Melton College published their 2019- 2020 gender pay reporting as separate entities and committed to taking a number of actions in order to reduce the gender pay gap.

In *'Fair Opportunities for all – A Strategy to reduce pay gaps in Britain'*, the Equality and Human Rights Commission sets out what it considers needs to change and what actions government, its agencies and employers need to take to tackle identified pay gaps. In summary they recommend action to:

- Unlock the earning potential of education by addressing differences in subject and career choices, educational attainment and access to apprenticeships
- Improve work opportunities for everyone, no matter who they are or where they live
- Make all jobs at all levels available on a flexible basis
- Encourage men and women to share childcare responsibilities
- Reduce prejudice and bias in recruitment, promotion and pay
- Report on progress in reducing pay gaps

Given the above, our recruitment processes at the SMB Group remain robust with rigorous oversight by the Human Resources Department to ensure that there is no gender bias in any recruitment and selection or career promotion process.

The HR team continue to work closely with line managers to carefully consider how to attract a wide range of candidates which includes females in under-represented areas. This includes advertising in our traditional forums, along with industry specific media. In addition, the College includes a positive action statement in all relevant adverts, demonstrating our commitment to encourage females to apply for those roles which have traditionally attracted a higher proportion of male applicants.

Employees with caring responsibilities continue to be well served at the SMB Group with options including part-time and term-time working, other flexible working patterns and salary sacrifice child care vouchers. The rate of return after maternity leave remains high.

CIPD (2019) noted that the uptake of flexible working has not increased in the UK since 2010. However, the impact of the Coronavirus pandemic led to a significant amount of the College's workforce working remotely. Despite restrictions being lifted, the College continues in its commitment in making it a requirement of managers to consider whether jobs can be carried out flexibly (including a hybrid approach of working from home) or with job share arrangements, including the most senior roles, and ensuring this is clearly advertised.

The College has also taken positive steps during 2021 in the harmonisation the terms and conditions of employment including salary as a consequence of the merger. It is envisaged that the impact of this will be seen in forthcoming mandatory reporting.

Taking into consideration the key actions recommended, by the Equality and Human Rights Commission, the College remains committed to closing the gender pay gap by:

- Seeking to attract more women into traditionally male dominated roles within our Engineering and Construction faculties, taking positive action as appropriate.
- Ensuring a detailed assessment and monitoring of starting salaries for all employees
- An annual review of our Pay Policy and Recruitment and Retention Payments Policy
- Further promoting family friendly working opportunities to encourage both male and female employees to discuss arrangements which will not inhibit their career progression and ensure that managers are open to innovative ways of working flexibly, including job share arrangements, at all levels of the College.
- Further promoting shared parental leave arrangements to encourage take up by male employees.
- Implementing a framework that encourages a more systematic approach to career development for all employees including, succession planning, talent management and learning and development. This framework needs to link to a meaningful, robust performance management process that supports all employees make the best use of their skills and experience, whilst meeting the College's strategic objectives.