



GENDER PAY GAP REPORT 2018

Background

In 2017, new regulations were introduced under the Equality Act 2010. The Equality Act 2010 (Gender Pay Gap Information) Regulations ('the Regulations') require all public sector organisations and UK companies with 250 or more employees to calculate and publish information about the gender pay gap in their organisation.

The gender pay gap shows the difference between the average earnings of men and those of women as at 31 March 2018.

As a concept, the gender pay gap is different from 'equal pay'. Equal pay deals with any pay differences between men and women who carry out the same or similar jobs, or jobs of equal value. In previous years, Cheshire Fire and Rescue Service (CFRS) has reported on equal pay among support staff and, separately, among operational staff. CFRS is satisfied that it pays equal pay for men and women in each role.

Calculating, analysing and reporting on the gender pay gap can provide a valuable measure of equality in the workplace. It can highlight any difference in men's and women's participation in work of different types and levels and how effectively talent is being maximised.

The Regulations require CFRS to include all employees and to calculate a number of gender pay gap measures with reference to all staff.

Cheshire Fire Authority's Annual Pay Policy Statement is reviewed and updated annually and published on its website. Its purpose is to provide transparency to the pay and recognition policy adopted by Cheshire Fire Authority. The Pay Policy Statement 2018/19 sets out a number of commitments, explicitly providing that Cheshire Fire Authority 'will publish information relating to pay inequalities in line with new gender pay gap reporting requirements'. This report explicitly meets this commitment.



Why might a pay gap exist and what is the national gender pay gap?



Factors contributing to the gender pay gap are complex. Social pressures and norms influence gender roles and often shape the types of occupations and career paths which men and women follow, and therefore their level of pay. Women are also more likely than men to work part-time and to take time out from their careers for family reasons which may affect their progression to higher paid posts.

According to the Equality and Human Rights Commission ('EHRC'), some factors contributing to the gender pay gap include:

- Many of the highest paying sectors are disproportionately made up of male employees. Women tend to work in employment sectors that offer narrower scope for financial reward (carers; teaching assistants; health care).

- The effect of part-time work. Women tend to work part-time more frequently than men, meaning the gender pay gap can be compounded by: the difference in years of experience of full-time work, or; the negative effect on wages of having previously worked part-time; or of having taken time out of the labour market to look after family.
- Stereotyping. Unconscious bias and discrimination – including assumptions about mothers not wanting or aspiring to promotion – can affect the gender pay gap.

The Annual Survey of Hours and Earnings (ASHE) provides the most recent analysis of median gender pay gap. For all occupations and taking full-time and part-time employees together, the median gender pay gap was 17.9% in 2018 (decreasing from 18.1% in 2016).

Labour Force Survey (LFS) data is used by the EHRC in their gender pay gap report. This indicates the mean gender pay gap was 10% in 2014 having fallen from 27% in 1993.



Information

Required calculations

The Regulations provide detailed definitions of the following: which employees should be included in the calculation of the gender pay gap; the meaning of ordinary pay; the meaning of allowances and bonuses; the meaning of “hourly” rate of pay; and how to calculate employees’ weekly working hours.

Local Government Association guidance has also provided examples of how this might be interpreted in cases where no regular weekly hours are worked. However, none of the examples or the pay formula specifically cover the case of on-call firefighters, who receive: a monthly retainer fee proportionate to the amount of availability they provide; an hourly rate for responding to incidents; and a disturbance allowance. As such, on-call firefighters are something of an anomaly under the Regulations. On advice from ACAS, CFRS has calculated the hours of on-call firefighters by using a 12-week reference period up to and including 31 March 2018. Where on-call firefighters were absent (for whatever reason) for any week during the reference period, data for earlier weeks has been used instead. CFRS then followed the standard formula in the Regulations for calculating pay.

The following calculations are required by the regulations and explained below. They are all expressed in percentages. For clarity, mean and median are defined as follows:

Mean - a calculated central value of a set of numbers

Median - the middlemost number in a set of numbers

- **Mean Gender Pay Gap** – this is the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees (regulation 8). The mean average is calculated in the normal way.
- **Median Gender Pay Gap** – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees (regulation 9). The median average is calculated in the normal way
- **Mean Bonus Gender Pay Gap** – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees (regulation 10). For the avoidance of doubt, CFRS has included the following in bonus calculations: CPD payments; recognition payments; and payments made to on-call staff for high levels of productivity.
- **Median Bonus Gender Pay Gap** – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees (regulation 11).
- **Proportion of male and female employees receiving bonus pay** – proportions are expressed as a percentage and calculated in the normal way (regulation 12).
- **Proportion of male and female employees according to quartile pay bands** – the proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands (regulation 13).

Cheshire Fire and Rescue Service's Gender Pay Gap

Based on a snapshot of data available as at 31 March 2018 in relation to earnings of all staff, Cheshire Fire and Rescue Service's calculations for the purposes of gender pay gap reporting are as follows:

Mean, median, pay and bonuses

Data for 2017 is included so that annual comparisons can be made. What is clear is that both the median and mean gender pay gap at CFRS has reduced between 2017 and 2018. This is positive news, and shows that CFRS is effectively making progress towards closing the gender pay gap.

Category	31/3/18	31/3/17
Difference in mean hourly rate of pay between men and women	20.9%	25.5%
Difference in median hourly rate of pay between men and women	17%	18.9%
Difference in mean bonus pay	-32.1%	-31.8%
Difference in median bonus pay	0.0%	0.0%
Proportion of male employees who received bonus pay	58.8%	61.5%
Proportion of female employees who received bonus pay	15.9%	14.7%

A positive number indicates that the pay gap is in favour of men, whereas a negative figure indicates that the gap is in favour of women.

The median gender pay gap in 2018 is broadly similar to the national median figure for all occupations and employees (17.9%). However, the mean gender pay gap is 2 times higher than the 10% indicated by the LFS. Reasons for this are explored further below.

For interest only, excluding on-call members of staff from the gender pay gap calculations would reduce the mean gap to 17.7%. In 2017, this figure was 20%, further showing that the gender pay gap has reduced over the course of 2017/18.

The reasons for the pay gap in relation to bonuses is also explored further on page 5.

Quartile pay bands

Data for 2017 is included so that annual comparisons can be made. Again, the annual comparison shows positive outcomes. There has been a decrease in the numbers of women in the lower quartile band and an increase in their numbers in higher paid quartiles.

Category	31/3/18	31/3/17
Proportion of male employees in the lower quartile pay band	56.8%	51.1%
Proportion of female employees in the lower quartile pay band	43.2%	48.9%
Proportion of male employees in the lower middle quartile pay band	85.4%	87.7%
Proportion of female employees in the lower middle quartile pay band	14.6%	12.3%
Proportion of male employees in the upper middle pay band	92.2%	90.3%
Proportion of female employees in the upper middle quartile pay band	7.8%	9.7%
Proportion of male employees in the upper quartile pay band	91.3%	93.8%
Proportion of female employees in the upper quartile pay band	8.7%	6.2%

As at 31 March 2018, 19% per cent of CFRS' workforce (including operational and support staff) were women. As such, although the number of women in higher paid roles has increased since 2017, there remains a higher distribution of women in the lower quartile pay band and a lower proportion in the upper quartile. Reasons for this are explored further on page 6.

Possible reasons for the gender pay gap in Cheshire Fire and Rescue Service

The generic, societal reasons for the gender pay gap have already been referred to. What follows is an analysis of factors bespoke to CFRS, which might explain the gender pay gap. These remain largely the same as in 2017.

- **Disproportionality in the workforce**

The over-representation of men in the Fire and Rescue sector as a whole is well documented. As at 31 March 2018, 81% of CFRS' staff overall were men, rising to 94% when considering operational staff exclusively. As such, the lack of gender diversity goes some way to explaining the gender pay gap. With more men in the workforce, it is likely that differences in pay are exacerbated. In addition, with fewer women in the Service, there is a smaller pool from which to promote to higher paid roles, partly explaining the low proportion of women in higher paid quartiles. Although as will be seen, there has been an annual increase in the percentage of women in higher paid quartiles, they remain significantly under-represented therein.

- **Bonus Payments**

As can be seen from the mean bonus pay, female members of staff as a collective group received a larger bonus payment than their male comparators. As in 2017, this can be explained by a greater number of women receiving recognition payments

for their work, which are typically of greater monetary value than other bonus payments. By contrast, a greater proportion of men than women receive bonus payments. This is most likely due to CPD payments being paid to operational staff, the majority of whom are men.

- **Different conditions of service**

The majority of CFRS' female staff are support staff and are employed under Green Book terms and conditions. The majority of its male staff by contrast are operational and are employed under the Grey Book. Pay and allowances differ under each set of terms of conditions, which might further explain the gender pay gap. In particular, this can account for the higher proportion of men receiving bonus payments than women; CPD payments are paid only to Grey Book staff, the majority of whom are men.

For the avoidance of doubt, the difference in terms and conditions of employment is not based on gender but instead is due to the different roles carried out by staff.

- **Bluelight Collaboration**

As a result of Bluelight collaboration and the transfer of the majority of CFRS' support staff to Cheshire Constabulary, the number of women employed by CFRS is reducing, which has impacted on its gender pay gap. The final tranche of transfers took place on 1 April 2018, which will be reflected in the gender pay gap analysis in 2019.

Comparisons with 2017



As discussed, there has been a reduction in 2018 in both the mean gender pay gap (-4.6%) and the median gender pay gap (-1.9%), as compared to 2017. This is clearly a positive outcome, and indicates that CFRS has made positive progress in respect of closing the gender pay gap.

One explanation for this trend may be an increase in the number of women in the lower middle and upper quartile pay bands (+2.3% and +2.5% respectively). By contrast, there has been a reduction in the number of women in the lower quartile pay band (-5.7%). Compared to 2017, women (relative to men) have moved upwards in terms of the quartile pay bands, thereby positively impacting on the gender pay gap. However, the percentage of women in the upper middle quartile pay band has decreased by 1.9%, helping to explain the persistence of the gender pay gap.

Looking specifically at the mean gender pay gap excluding on-call roles, data shows that although there has been a reduction in the number of women CFRS employs, their average pay has increased.

As such, this helps explain the closing of the gender pay gap.

There is a risk that the method for calculating on-call pay has skewed the data. Pay for on-call staff varies on a monthly basis, largely on the basis of the number of incidents attended. If there is a particularly quiet month in the 12-week reference period, this will result in the calculation of an average rate of pay in accordance with the Regulations that is not necessarily representative of the pay throughout the year. It would appear that this may have occurred in 2018 and consequently may explain the increase of men in the lower quartile rate of pay.

CFRS is committed to a continuing course of action as outline below to address the gender pay gap.

The mean and median bonus gender pay gap has largely remained the same as in 2017. However, there has been an increase in the proportion of women receiving bonuses.

Actions

CFRS is committed to a programme of work designed to increase the diversity of its workforce and consequently address the gender pay gap. This builds on the long term work and projects reported last year.

- **Positive action in recruitment**

CFRS' work in recent years to increase the number of female, BAME and LGBT applicants to operational posts is well documented and reported. In 2018, CFRS established a positive action working group to ensure a joined up approach to positive action campaigns. This work will continue into 2019 and will include: engaging with under-represented community groups; arranging taster days and fitness sessions on stations targeted at under-represented groups; and sponsoring female sports teams across the county to raise awareness.

CFRS is also developing an innovative communications campaign to encourage under-represented groups to join the Service and raise the profile of opportunities. CFRS is committed to working with staff networks specifically and employees more widely to ensure the campaign is forward-thinking and will attract members of under-represented groups.

- **Onboarding support**

CFRS recognises that not only is it important to recruit more women, but that they need to be supported upon joining the organisation. As such, CFRS is working hard to develop its women's network, Limitless, so

that it can effectively support female employees. The Service already has in place an informal buddying scheme for female applicants and intends to develop a more formal mentoring and coaching scheme for women across the organisation.

- **Attraction and retention**

As reported in 2017, on 1 April 2018, CFRS introduced enhanced maternity and adoption policies, which effectively allow for up to a year's maternity or adoption leave to be fully paid. These policies are being promoted internally and externally as part of positive action campaigns, in particular to attract women to consider a career with CFRS.

- **Training and development**

CFRS continues to look at training and development opportunities for female staff to ensure they are in the best position possible to access promotion opportunities. Limitless intends to be a driving force to this training.

- **Facilities and equipment**

CFRS is currently undertaking a programme of refurbishments to some of its station facilities. Equipment, including uniform and PPE, is also regularly updated. CFRS regularly consults with staff on these measures and carries out Equality Impact Assessments. The aim is to ensure that they are appropriate to the needs of female members of staff, thereby encouraging them to join and remain with CFRS.

For further information or questions on this report, please contact Cheshire Fire and Rescue Service's Equality and Inclusion Officer - email equalities@cheshirefire.gov.uk or telephone [01606 868414](tel:01606868414).