

Date: 04 April 2022

Gender Pay Gap Report For 2021

Context

The Anna Freud National Centre for Children and Families is required by law to publish an annual gender pay gap report, reflecting the data of 350 paid employees and 390 contracts on the snapshot date of 05 April 2021.

The Centre has made a commitment to progress equity, diversity, and inclusion (EDI) as a key enabling condition for us to deliver on our mission, of working to close the gap on the mental health support of children and young people in the UK, and our part in tackling social injustice. Making progress in EDI includes developing an EDI strategy that also focuses on reducing workplace inequity particularly with regards to all diversity dimensions - including gender.

Although we are only mandated to publish our gender pay gap, we recognise that analysis of our pay across different diversity dimensions will help to inform and inspire us to implement positive actions to improve pay gaps where present.

We commit to building further internal reporting into measuring progress and success of our internal EDI work.

Executive Summary

- We have an overall gender representation of 15% / 85%, men to women, of those employees who identified in this way.
- Our overall mean pay gap is 20% and median pay gap is 13%.
- There are more women than men in the upper quartile with a female/male split of 73%/27% in 2021 (compared to 71%/29% in 2020).
- Since we started reporting in 2017, there has been an increase in the number of female employees in more senior positions/the upper quartile and this is reflected in improved numbers. However, this level of representation has remained the same since our last report in 2021.
- We had five staff on maternity or birth parent leave, who have been excluded from this analysis. This can influence the figures significantly.
- The Centre, as is typical across the charity sector, has a much higher representation of women across all salary ranges. However, we acknowledge men are still over-represented in the highest paid senior medical roles, as they are in

the wider UK healthcare sector. This is also reflected in the highest mean pay gap across the centre.

Actions

- We will develop targeted methods in our recruitment strategy, to better attract a gender balance more reflective of the wider job market and will be working with a pay and reward specialist to achieve this aim.
- We will use equality monitoring alongside pay and development to measure representation and to track how equality of opportunity is working at the Centre, and where necessary we will develop appropriate interventions.
- We will discuss in our divisional teams and reflect on what further targeted actions we can take.

Notes on reporting

Difference between the gender pay gap and equal pay

It is worth remembering that the gender pay gap is different to equal pay:

- The gov.uk website states - "**The gender pay gap** is an equality measure that shows the difference in average earnings between women and men."
- The ACAS website states - "By law, men and women must get **equal pay** for doing 'equal work' (work that equal pay law classes as the same, similar, equivalent or of equal value)."

Therefore, it is important to note that a gender pay gap comparison is different to an equal pay comparison, which would involve direct comparison of two people or groups of people carrying out the same, similar, or equivalent work.

The Centre is fully committed to the principle of equal opportunities. We have a policy of paying employees equally for the same or equivalent work and are therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work.

Standard approach to gender pay reporting

For organisations that meet the gender pay reporting threshold, there are specific calculations required, set by the Government, which we have opted to follow:

- mean gender pay gap in hourly pay
- median gender pay gap in hourly pay
- proportion of males and females in each pay quartile.

Who is included?

The data includes all employees who were being paid their full salary as of the 'snapshot dates' shown above. It does not include employees who were on reduced pay at the time, for example if they were on sabbatical, maternity, or birthing parent leave.

For this 2022 report, there were 350 employees, five of whom were not included in the calculations due to being on reduced pay on the snapshot date of 5th April 2021.

The difference between mean and median calculations

As described on gov.uk, the definitions of mean and median are:

- **mean figure** - the difference between the average of men and women's pay
- **median figure** - the difference between the midpoints in the ranges of men and women's pay.

Gender identity

The Government method for reporting on gender pay gaps requires that gender be reported in a binary way (i.e. male and female only) and we recognise that this is imperfect and does not recognise our non-binary colleagues or those who identify differently to these terms.

To produce this report we used the binary gender options selected in each employee's diversity monitoring form. If their gender was not recorded in this way or they opted not to disclose, they will have been excluded from this data set. Employees can update their gender in the People Hub at any time, as they wish.

Full time and part time hours

The data is based on each individual's equivalent hourly pay, so our employees' working hours do not impact the data here (i.e. if a person reduces from full time to part time hours across the year their hourly equivalent pay remains the same).

Results for the Anna Freud Centre

This is the report for the snapshot date of 5 April 2021.

- The mean gender pay gap for the Centre is 20%
- The median gender pay gap for the Centre is 13%
- The mean gender bonus gap for the Centre is 0%
- The median gender bonus gap for the Centre is 0%

The Centre does not pay bonuses.

A comparison across the three years in which the gender pay has been reported looks like this:

	2020 Reporting 2019	2021 Reporting 2020	2022 Reporting 2021	2021 - 2022 Difference
Mean gender pay gap	15.7%	20.0%*	20.0%	0%
Median gender pay gap	8.0%	10.0%*	13.0%	+3%

* These figures are corrected after initially reporting incorrectly, due to a system error. This compares with the UK mean gender pay gap for 2021 of 15.4%¹.

Sector comparison

In a sample of 100 charities undertaken by Civil Society for 2020 figures, 50 had a mean gender pay gap of 10% or more and 11 of those had a pay gap of more than 20%. The highest being a mean gender pay gap of 47.2% and a median pay gap of 33%. Seven of the charities paid women more than men.

Why do we have a gender pay gap?

Our previous reports have explained the key reasons why a gender pay gap exists at the Centre, including:

- A high representation of men in the highest paid salary range, noting our senior medical staff, where we see our highest pay gap (mean) across all the divisions of +7% on the overall mean pay gap figure for the Centre.
- A reduction in the number of men in the lower and lower middle quartiles.

Our gender pay gap is also affected by a range of other factors, some of which are historical or systemic and will take time to address, while others are more able to be affected now, for instance by continuing to keep our promotions under review. It is helpful to note that a small number of promotions, new starters or leavers can impact the data in a noticeable way.

There has been an increase in the number of female employees in more senior positions since we started reporting in 2017, and this is reflected in the improved numbers. However, this level of representation has remained the same since our last report in 2021. The Centre, as is typical across the charity sector, has a much higher representation of women across all salary ranges.

Average pay by quartile

¹ See ONS 2021 - <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2021>

	Apr-20	Apr-21	Apr-22
L Quartile male	12.53	12.96	13.86
L Quartile female	14.22	14.65	14.82
£ difference	-1.69	£-1.69	-0.96
% difference	-13%	-13%	-7%

	Apr-20	Apr-21	Apr-22
LM Quartile male	21.43	20.70	21.42
LM Quartile female	20.72	20.52	20.21
£ difference	0.71	£0.18	1.21
% difference	3%	1%	6%

	Apr-20	Apr-21	Apr-22
UM Quartile male	25.39	25.88	25.24
UM Quartile female	25.14	25.75	24.74
£ difference	0.25	£0.13	0.50
% difference	1%	1%	2%

	Apr-20	Apr-21	Apr-22
U Quartile male	44.98	46.14	40.15
U Quartile female	37.58	38.54	37.35
£ difference	7.40	£7.60	2.8
% difference	16%	16%	7%

Gender split across the four quartiles

The table below shows the pay quartiles by gender. For there to be no gender pay gap, there would need to be a more equal ratio of men to women in each quartile.

	Men			Women		
	2020	2021	2022	2020	2021	2022
Top quartile	29%	27%	27%	71%	73%	73%
Upper middle quartile	22%	16%	16%	78%	84%	84%
Lower middle quartile	13%	10%	9%	87%	90%	91%
Lower quartile	14%	14%	9%	86%	86%	91%
All employees	19%	17%	15%	81%	83%	85%

The changes in the makeup of each quartile have not affected the mean gender pay gap either positively or negatively.

We have more women than men in the upper quartile, which shows a female/male split of 73%/27%. However, men are still over-represented in the highest paid medical roles, as they are in the wider UK healthcare sector, and this combined with more women joining in the middle quartiles, negatively affects our gender pay gap figures.

Having such a high percentage of female staff also means that not including staff on maternity pay has an impact on our gender pay gap. In 2021, we had four senior women (£40k plus) on maternity pay. As a small organisation, slight changes can have a substantial impact.

What is the Centre doing to address its gender pay gap?

While the Centre's gender pay gap compares favourably with that of organisations across the whole UK economy, we are committed to further reducing the gap.

We already provide:

- **enhanced maternity or birth parent pay** of 8 weeks at 100% of the employee's average weekly earnings, followed by 18 weeks at 50% of their average weekly earnings, with the last 13 weeks of paid maternity or birthing parent leave at the statutory rate. Compared with statutory maternity pay of six weeks at 90% of the employee's average weekly pay, followed by 33 weeks at either £151.97 or 90% of the employee's average weekly earnings, whichever is the lowest.
- **enhanced flexible working policies**, extending flexible working applications to all staff, rather than just those with the statutory requirement of a minimum of 26 weeks' service.
- **a high number of part-time roles**. On 05 April 2021, 69.5% of our roles were part-time, and 84.6% of part time roles were occupied by women.

We will be looking more closely at review and development of staff as part of our work on the People Roadmap in 2022, with particular attention to addressing underrepresentation of men and any other group characteristics to develop our internal talent pipeline.

Summary and Actions

Whilst the number of individual salaries that are influencing the increase in our pay gap are low, we have opportunity to move forward with intentional positive action as we begin to review pay and reward across the centre. It is important that we do so within the lens of our commitment to progressing EDI at the Centre.

We recognise that this is not simply about pay and will continue to keep our promotion and recruitment opportunities under review to ensure that our improved gender pay gap is not only maintained but further improved, and we take a longer term view to improving equality of opportunity.

To ensure that we reduce this gap again, we will be focusing on the following areas:

1. **Review of pay and reward:** Work is already underway to revisit our pay and reward with an external consultancy and internal working group, as the landscape both within the Centre and in the external job market has changed significantly since the benchmarking in 2021. An improved pay banding framework that reflects the external market will enable us to improve our internal controls on pay whilst remaining competitive for our employees' varying skillsets.
2. **Continuing to review family friendly policy and enhanced offering:** Whilst we reviewed our family leave policy last year, there is more that can be explored to enhance our value proposition to support families, both in addressing the current realities of caring responsibilities, and support all genders to feel welcomed to balance internal and external responsibilities.
3. **Equality monitoring including gender:** We will utilise equality monitoring data collected to ensure that our processes are supporting fairness and attracting diversity, including gender representation at every level of the organisation. This will include collecting data (voluntarily) from internal employees moving to new roles to help to assess equality of opportunity in whether any particular groups are more or less likely to be promoted, as well as introducing further checks where changes are proposed to ensure that no group is disproportionately affected.
4. **Setting aspirational targets for representation:** An example of this could be, in consideration of the lower quartile, setting aspirational targets for increasing gender representation of men. For example, we could ensure we pivot our attraction methods to reach men to apply for Parent Participation Assistant (PPA) roles. Currently 18 of the 20 posts have identified as women.