

UK gender pay gap reporting 2017-2020: patterns and progress

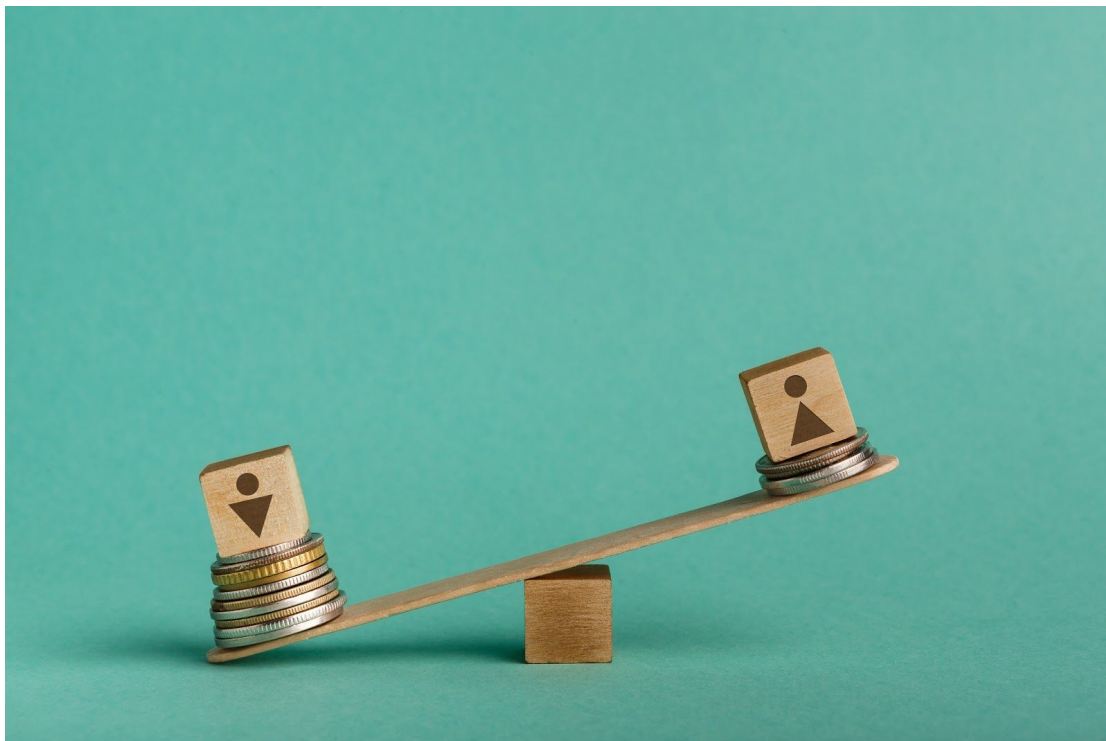


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November 2020

Introduction

This briefing aims to identify some of the key trends of note across three years of Government mandated gender pay gap reporting, offering some conclusions on the impact of mandatory reporting in reducing the gender pay and bonus gaps.

Executive summary

- The average gender pay gap has declined marginally since 2017 (by 1.4%), while the average bonus gap has increased massively (178.7%).
- The average gender pay gap for reporting companies decreased by just 0.5% since 2018/19. Additionally, 65% of last year's 20 worst offenders did not report this year, while the overall proportion of companies who did not report this year compared to last was around 48%. If we suspect that more companies with higher pay and bonus gaps have chosen not to report this year, this suggests that the pay gap may actually be increasing.
- Across all three years, the average bonus gap is significantly higher in larger companies (with 5,000+ employees). For 2019/20, the average bonus gap for companies with 5,000+ employees is 25% higher than for companies with fewer than 5,000 employees.
- This year, T Class Security Ltd. has the highest reported gender pay gap for 2020 (100%), followed by Mint Pay Solutions at 75%. 82 companies reported a gender bonus gap of 100%.
- More than one-third of companies with a gender bonus gap of 100% are operating in the public sector.
- 65% of 2018/19's 20 worst offenders for gender pay did not report this year.
- HSBC Bank PLC, Rush Hair, P.D Hook Group, Yours Clothing Ltd, and T. Class Security Limited have appeared two years in a row in the 20 worst pay gaps.
- Sweaty Betty, Norwegian OSM Ltd, Vida Healthcare Ltd, Integro Insurance Brokers Ltd and Stifel Nicolaus Europe Ltd, none of whom reported this year, appeared in the top 20 highest pay gaps for 2017/18 and 2018/19.
- Across the three years covered in this analysis, the Office for National Statistics' sample data shows a mean pay gap 2-3% higher than the average gender pay gap statistics of individual companies with over 250 employees and published on the Government website.

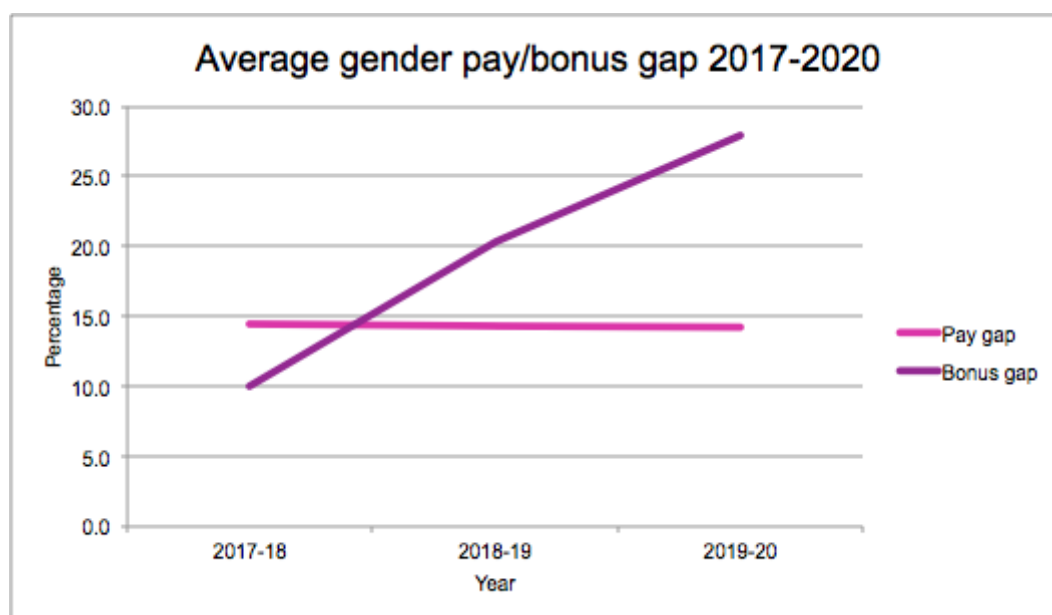
2019/20 key findings

This year, the Government decided to suspend the gender pay gap reporting requirements in order to lessen the burden on companies affected by Coronavirus. By 23 July 2020, only 5,739 companies had opted to report their figures, in comparison to 10,830 the previous year. As a result, with just over half of companies choosing to report, it is difficult to draw any firm conclusions from the 2019/20 figures.

- The average gender pay gap for reporting companies decreased by just 0.5% since 2018/19.
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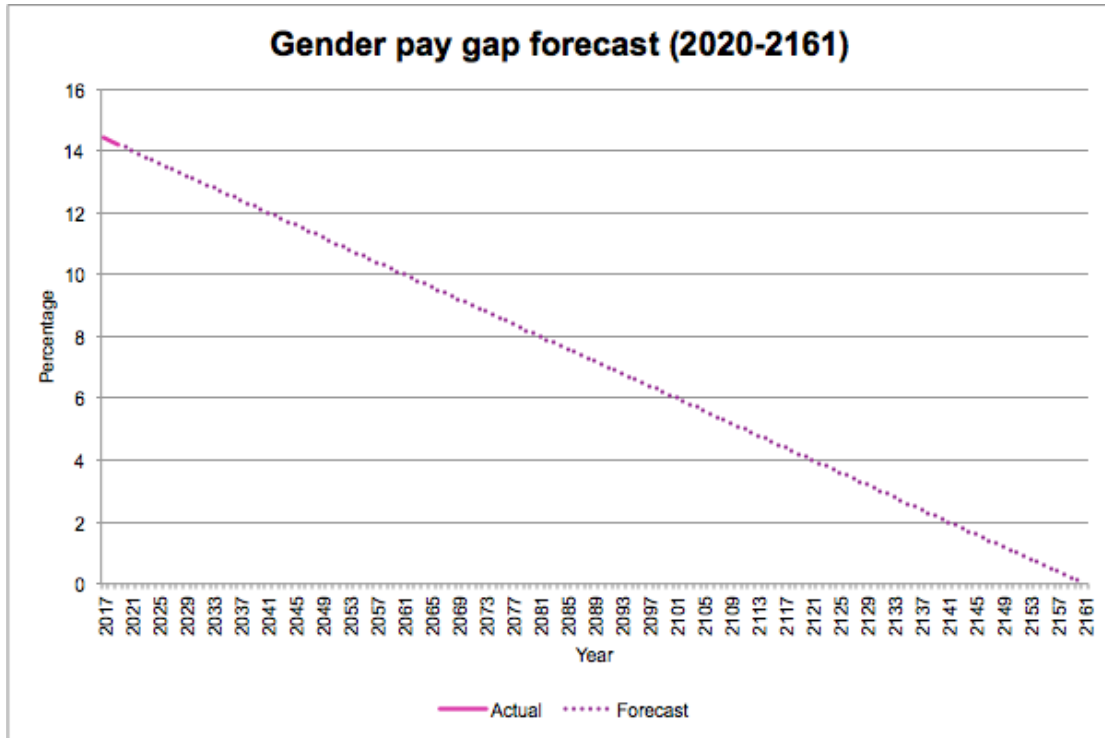
Direction of travel

While the average pay gap has declined marginally since 2017 (by 1.4%), the average bonus gap has increased vastly (by 178.7%).



	2017/18	2018/19	2019/20	% change 2017-2019	% change 2018-2019
Gender pay gap	14.4	14.3	14.2	-1.4	-0.5
Gender bonus gap	10.0	20.4	27.9	178.7	37.1

At the current rate of progress, it will take until 2161 (142 years) until large employers have closed the gender pay gap.



Worst companies for gender pay gaps

Key findings:

- 65% of 2018/19's 20 worst offenders for gender pay did not report this year.
- HSBC Bank PLC, Rush Hair, P.D Hook Group, Yours Clothing Ltd, and T Class Security Limited have appeared for the last two years in the top 20 worst pay gaps.
- Sweaty Betty, Norwegian OSM Ltd, Vida Healthcare Ltd, Integro Insurance Brokers Ltd and Stifel Nicolaus Europe Ltd, all of whom did not report this year, appeared in the top 20 highest pay gaps for 2017/18 and 2018/19.

NB: This list excludes football clubs, due to the extreme disparity in pay between players (all male) and all other staff employed by the club. If included, these would make up almost all of the top 20 highest pay gaps each year. Excluding football clubs from this analysis allows further interrogation across a wider range of industries and sectors.

2019/20		
	Employer	Gender pay gap
1	T. CLASS SECURITY LIMITED	100
2	MINT PAY SOLUTIONS LTD	75
3	P. D. HOOK (GROUP) LIMITED	72
4	RUSH HAIR LIMITED	69.2
5	WESTOVER HOLDINGS LIMITED	67
6	NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED	65
7	JLT MANAGEMENT SERVICES LIMITED	64.8
8	SUFFOLK GP FEDERATION C.I.C.	61.5
9	JLT REINSURANCE BROKERS LIMITED	61
10	CURRIE & BROWN UK LIMITED	59.7
11	YOURS CLOTHING LIMITED	59
12	BOUX AVENUE LIMITED	59
13	FRONTIER ECONOMICS LIMITED	58.7
14	MACQUARIE CORPORATE HOLDINGS PTY LIMITED	56.8
15	TWG SERVICES LIMITED	56.3

16	SECURE TRUST BANK PUBLIC LIMITED COMPANY	56.1
17	STEP TEACHERS PAY LIMITED	56.1
18	DYER AND BUTLER LIMITED	55.9
19	HSBC Bank PLC	55.1
20	J.P. MORGAN SECURITIES PLC	54.9

2018/19		
	Employer	Gender pay gap
1	ASH & LACY FINISHES LIMITED	100
2	T. CLASS SECURITY LIMITED	100
3	BOOST PAY LIMITED	93.1
4	LIVE NATION (MUSIC) UK LIMITED	80
5	INTEGRO INSURANCE BROKERS LIMITED	76.6
6	CLACTON DENTAL CARE LTD	72.1
7	VIDA HEALTHCARE LIMITED	70.4
8	RUSH HAIR LIMITED	68.8
9	ASH & LACY HOLDINGS LIMITED	68.2
10	NORWEGIAN OSM UK LTD	67.9
11	EXETER RUGBY CLUB LIMITED	67.1
12	ROCKSTAR NORTH LIMITED	66.2
13	P. D. HOOK (GROUP) LIMITED	66
14	YOURS CLOTHING LIMITED	65
15	SWEATY BETTY LIMITED	63.9
16	SABRE RETAIL FASHION LIMITED	62.7
17	Ryanair Ltd	62.2
18	STIFEL NICOLAUS EUROPE LIMITED	61.6
19	GLOUCESTER RUGBY LIMITED	61.4
20	HSBC Bank PLC	61

2017/18		
	Employer	Gender pay gap

1	MINT PAY SOLUTIONS LTD	94
2	HARGREAVE HALE LIMITED	81.3
3	NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED	76
4	BOUX AVENUE LIMITED	75.4
5	INTEGRO INSURANCE BROKERS LIMITED	75
6	PANDORA JEWELLERY UK LIMITED	71.9
7	COAST FASHIONS LIMITED	71
8	Mattioli Woods PLC	71
9	VIDA HEALTHCARE LIMITED	68.3
10	Holy Family Catholic Multi Academy Trust	68
11	Ryanair Ltd	67
12	P. D. HOOK (GROUP) LIMITED	66
13	NORWEGIAN OSM UK LTD	64.8
14	PHASE EIGHT (FASHION & DESIGNS) LIMITED	64.8
15	ROCKSTAR NORTH LIMITED	64
16	SWEATY BETTY LIMITED	62.4
17	JAMES FREW LIMITED	62
18	LIVE NATION (MUSIC) UK LIMITED	62
19	Lunesdale Learning Trust	60.6
20	STIFEL NICOLAUS EUROPE LIMITED	60.3

Worst companies for gender bonus gaps

Around 35% (29 out of 82) of the companies with a 100% gender bonus gap this year (2019-2020) are operating in the public sector.

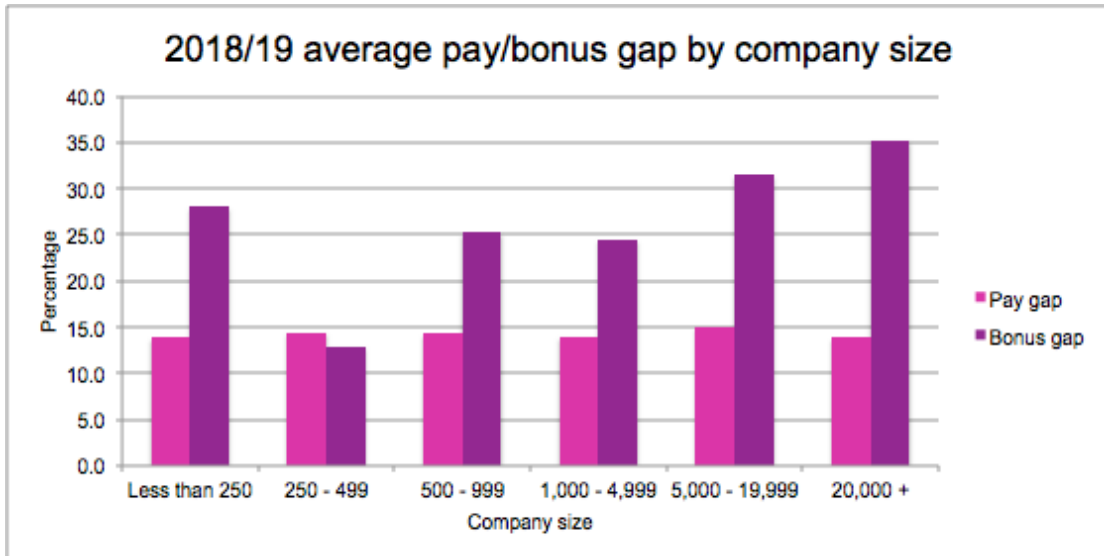
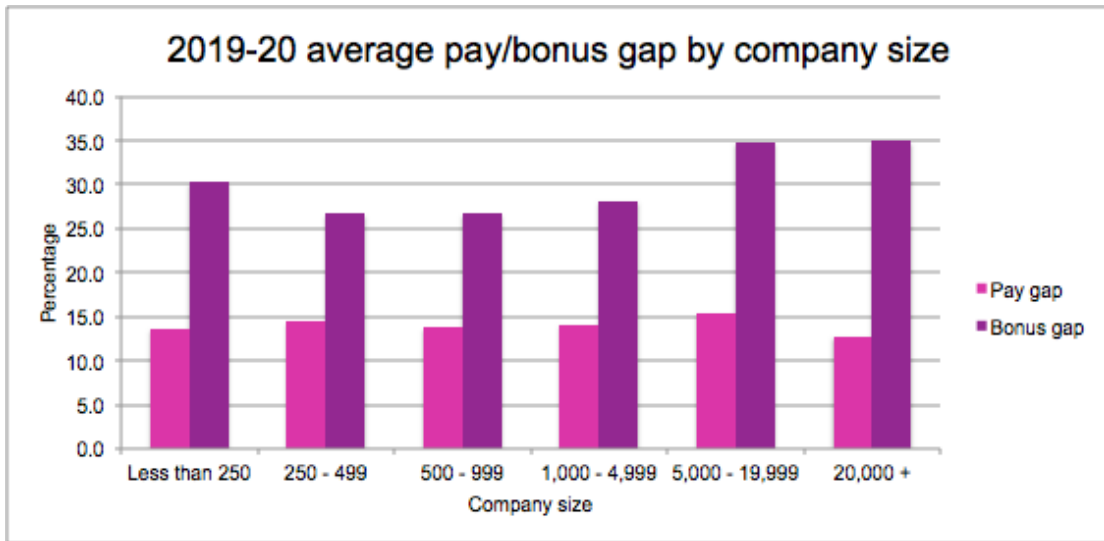
* NB: "Public sector" in this instance refers to any organisation delivering a public service, such as schools (including academies and academy trusts), universities, colleges, local councils, government departments, or organisations such as galleries or leisure centres that receive national or local government grants. This list also includes private companies that are delivering a public service, such as a train operating company, as well as a trading company owned by a university, for example.

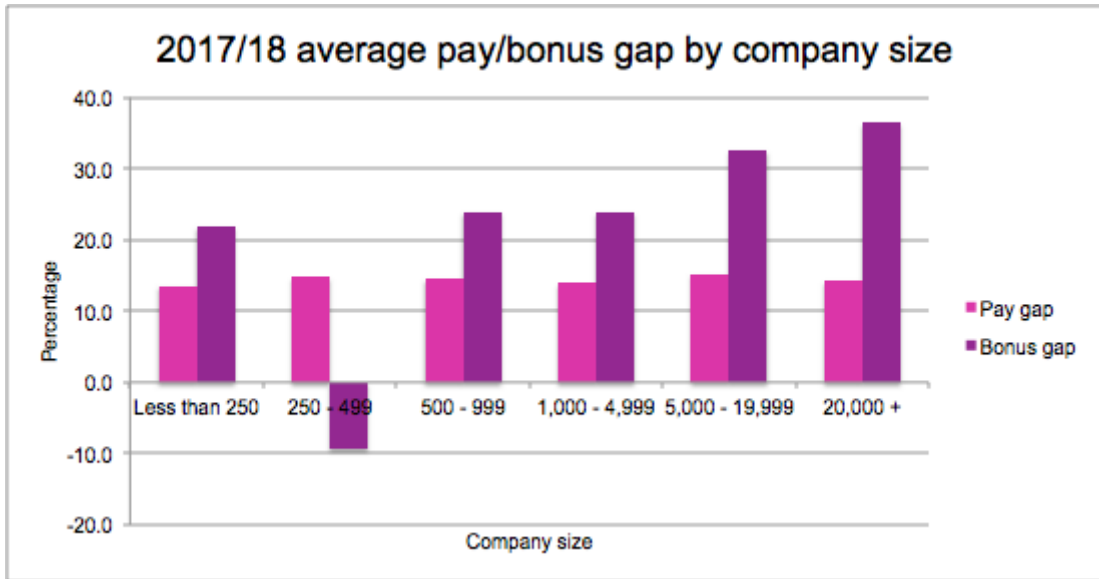
Breakdown by company size

Across all three years of reporting, there is no correlation between company size and gender pay gap size, which falls consistently between 12% and 15%.

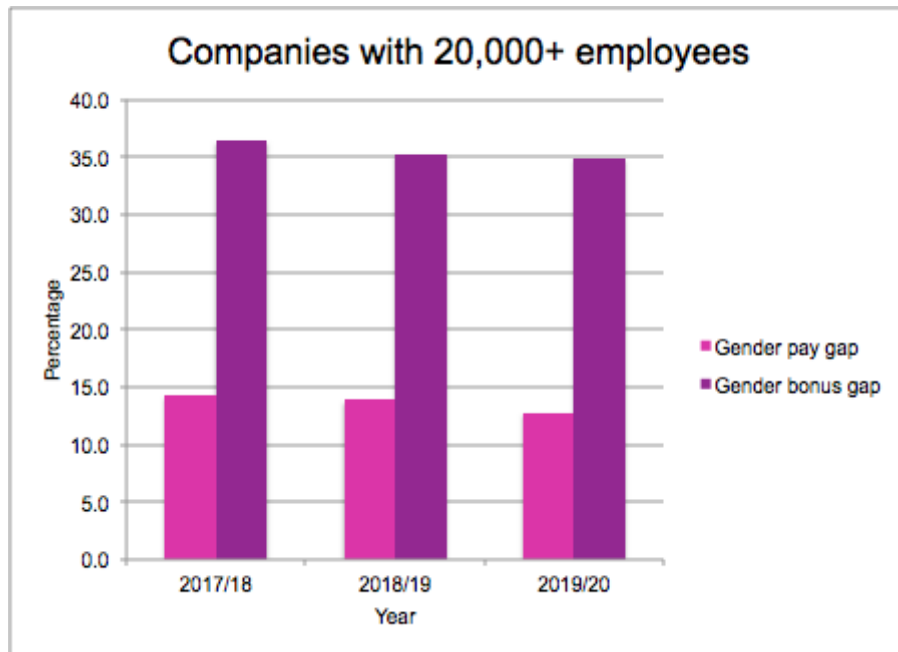
However, companies with more than 5,000 employees have produced higher gender bonus gaps across all three years of reporting.

For 2019/20, the average bonus gap for companies with 5,000+ employees is 25% higher than for companies with fewer than 5,000 employees.

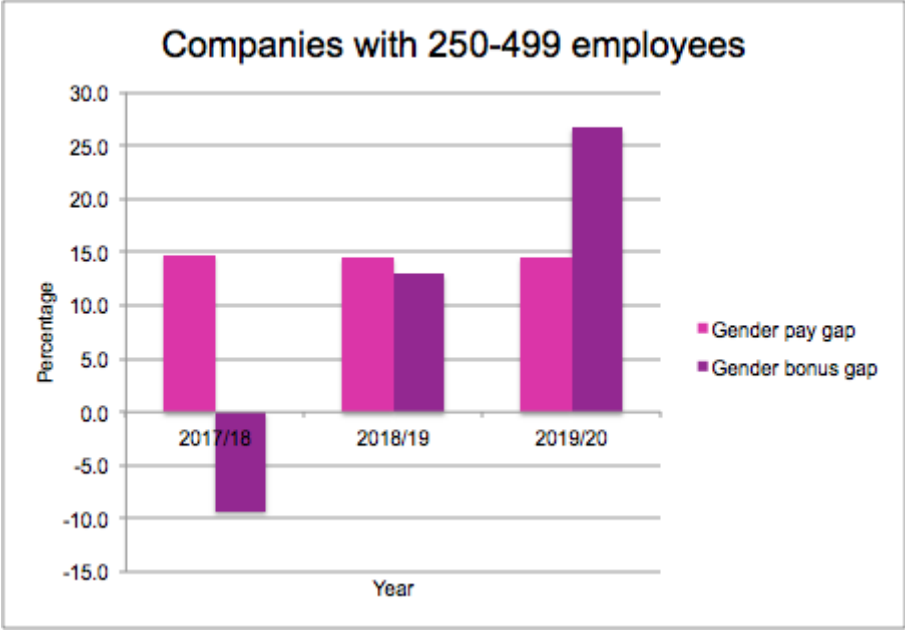




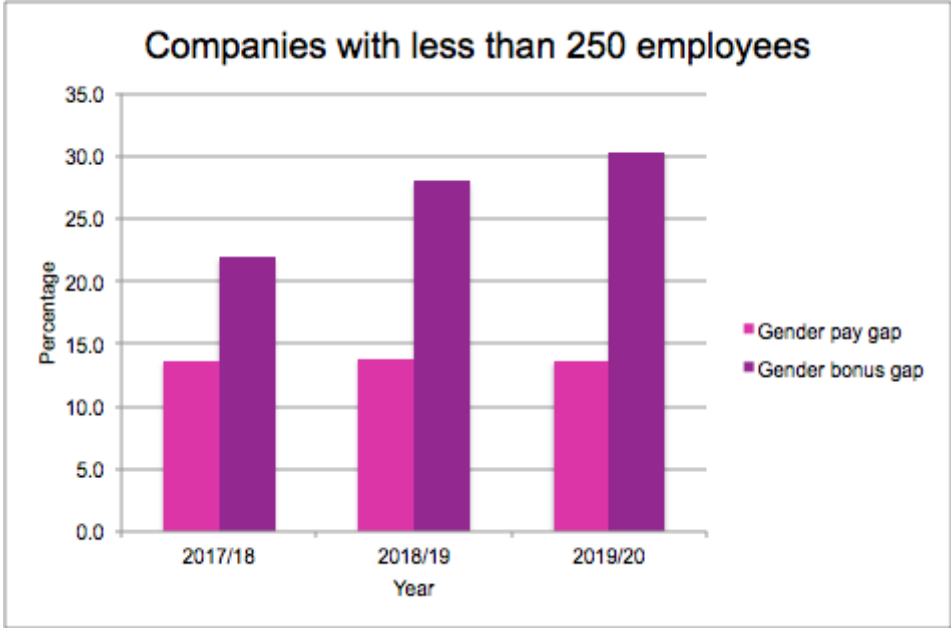
Companies with over 20,000 employees have improved both their gender pay and bonus gaps most significantly (by 10.1% and 4.1% respectively). However, it is to be noted (as above) that these larger companies still boast the highest gender bonus gaps despite some improvements over the past three years.



Companies with 250-499 employees have increased their gender bonus gap at the highest rate, moving from -9.3% in 2017/18 (i.e. a bonus gap that favours women) to 26.7% in 2019/20; an increase of 378.8% over the three years.



Companies with fewer than 250 employees also saw a sharp increase in their gender bonus gaps, with the average for these companies rising from 21.9% in 2017/18 to 30.3% in 2019/20.



ONS comparisons

While the Government's reporting requirement analysed in this paper relates to around 11,000 large companies in the UK, the Office for National Statistics (ONS) also compiles data on gender pay through its Annual Survey of Hours and Earnings (ASHE). This survey acts as a national estimate of the gender pay gap, using a sample of approximately 1% of employee jobs in the Pay As You Earn Tax Scheme in the UK.

In comparing the two similar but different data sets, the ONS estimate figures show a 2-3% higher mean gender pay gap figure than the Government's large company reporting.

	2017	2018	2019
ONS ASHE estimates	17.2	17.2	16.2
Government reporting	14.4	14.3	14.2

Removing negatives from analysis

As part of the analysis, the same calculations were undertaken as above, but the companies reporting a "negative" gender pay or gender bonus gap (i.e. a gap favouring women) were excluded. By excluding these anomalies, it is possible to analyse trends specifically within the companies that pay men more than women.

As expected, with negatives removed, both the gender pay and bonus gaps are higher across all three years. The gender pay gap sits at around 17%, while the bonus gap falls from 44-48% depending on the year.

The significant increase in both pay and bonus gaps, once negatives are removed, highlights that those with a problem have a significant problem.

Conclusions

Analysis of gender pay gap reporting across the past three years has shown that, despite increasing transparency, current reporting regulations have not forced concrete action to close the gender pay gap. Progress has been incredibly slow and is coupled with a significant increase in the gender bonus gap, suggesting that companies are paying men increasingly higher bonuses while placating women with minute pay rises. At the current rate of change, it will take 142 years to close the gender pay gap among large companies.

The same names continue to appear every year in the list of the “worst offenders”, except for this year, where many have used the pandemic as an opportunity to keep themselves out of the headlines. Almost half of all large employers took this year’s opportunity not to report and to hide from any scrutiny of their pay and bonus gaps. This demonstrates that there is a lack of political will at senior management level within large companies to be transparent and take real action to address the gender pay gap.

Meanwhile, the number of public sector organisations with gender bonus gaps of 100% raises questions regarding the public sector’s compliance with the Public Sector Equality Duty.

Notes

- All data were retrieved from the Government’s gender pay gap reporting portal on 23 July 2020.
- All gender pay and bonus gap figures used in this analysis refer to the mean difference in pay and bonuses between men and women.
- Reference to the 20 “worst” companies for gender pay and bonus gaps excludes football clubs.
- References to percentage change (increase/decrease) when referring to changes in the gender pay or bonus gap across years use the calculation: $(\text{New percentage} - \text{original percentage}) / \text{original percentage} * 100$. For example, where we note that the average pay gap has decreased by 0.5% since last year, this is calculated by finding the difference between this year and last year’s average pay gap (14.2-14.3), divided by last year’s gap (14.2), times by 100.
- To take action or find out more about our campaign to end unequal pay, please visit: <https://www.equalitytrust.org.uk/equalpay50>.

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