

| | |
|-----------------------------|--------------------------|
| EMPLOYMENT COMMITTEE | AGENDA ITEM No. 4 |
| 2 MARCH 2023 | PUBLIC REPORT |

| | | |
|--------------------------------|---|-------------|
| Report of: | Mandy Pullen – Assistant Director HR & Development | |
| Cabinet Member(s) responsible: | Cllr Coles, Cabinet Member for Finance and Corporate Governance | |
| Contact Officer(s): | Mandy Pullen, Assistant Director HR & Development | Tel. 863628 |

GENDER PAY GAP RESULTS

| R E C O M M E N D A T I O N S | |
|---|-------------------------------------|
| FROM: Mandy Pullen | Deadline date: 30 March 2023 |
| <p>It is recommended that Employment Committee:</p> <ol style="list-style-type: none"> 1. Note the results of the gender pay gap calculations of 31 March 2022 that must be reported on the relevant gov.uk portal by 30 March 2023. 2. Note the results of the ethnicity pay gap calculations as of 31 March 2022 which will be published on the councils website. | |

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Employment Committee following a referral from Corporate Management Team on 12 October 2022.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to ensure that members are fully aware of the results of the gender pay gap analysis before the results are published on the government portal and the council's website.
- 2.2 This report is for Employment Committee to consider under its Terms of Reference No. 2.3.2.6
To promote and pursue a policy of equal opportunities in employment.

3. TIMESCALES

| | | | |
|---|-----------|----------------------------------|--|
| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | |
|---|-----------|----------------------------------|--|

4. BACKGROUND AND KEY ISSUES

- 4.1 From 2017, any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. Public sector organisations must calculate their figures on a 'snapshot' date (i.e. here the 31 March 2019) and publish results by 30 March 2020. Employers must both:
 - publish their gender pay gap data, and a written statement on their public facing website, and

- report their data to government online - using the gender pay gap reporting service.

Gender pay gap reporting compares the hourly rate on a fixed date at gender level only. The mean gender pay gap in the council has decreased from 6.3% in 2021 to 3.7% in 2022. The median gender pay gap has also decreased from 4.2% in 2021 to 0% in 2022.

There has been an increase in the numbers of females in the upper middle quartile, and a decrease in the other quartiles. There has been a slight decrease in the total numbers of females in the workforce.

All post/contract types for directly employed staff were included whether main or secondary posts. Further analysis has revealed:

Male employees had slightly longer average service with Peterborough City Council than female employees and so were more likely to have reached the top of their grade. Whereas women had shorter service and were lower down the grade. This is a result of natural progression.

The number of men has increased in every quartile except the upper quartile where it has decreased slightly from the previous year. The highest number of men is in the upper quartile. This distribution has changed from the 2021 gender pay gap figures and will have been an important reason why the mean and the median has decreased in the last 12 months.

The workforce was 72.34% female in 2021 and has now reduced slightly to 71.80% female in 2022.

- 4.2 Large organisations are not yet legally required to publish their ethnicity pay gap. However, we have decided to voluntarily publish our ethnicity pay gap for the first year as we believe it is a fundamental step on the Council's journey to improving workplace equality.

The ethnicity pay gap is the percentage difference in the average hourly pay rate for employees from minority ethnic groups compared to the average hourly pay rate for white employees. We calculate our ethnicity pay gap using largely the same methodology as set out in the Government regulations for calculating the gender pay gap.

Calculation of the hourly rate of employees of an ethnic origin other than white, compared against those declaring they are white, demonstrates that those employees of an ethnic origin other than white are earning an average of £2.03 less than white employees, and have a lower median hourly rate at £1.76 less than white employees.

However, it is difficult to give accurate Ethnicity Pay Gap figures as only 143 employees gave their ethnicity as other than white, and 206 employees either prefer not to say or the information is unknown.

- 4.3 Our job evaluation scheme and recruitment processes are designed to remove any bias and ensure all appointments are solely based on the requirements of the role and no other factor. Therefore, if challenged we could prove the robustness of our recruitment and promotion systems.

5. CORPORATE PRIORITIES

The Gender Pay Gap Reporting links to the following Council's Corporate Priority

1. Sustainable Future City Council
 - How we Work
 - How we Serve
 - How we Enable

6. CONSULTATION

- 6.1 This data has been shared with Directors and with the joint trade unions.

7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 Once members of the Employment Committee are briefed this information will be published and shared on the council's website. The gender pay gap figures will be uploaded to the national website set up for reporting gender pay gap data.

8. REASON FOR THE RECOMMENDATION

- 8.1 To be fully compliant with the requirements and expectations of this legislation. Obtaining this data allows us to monitor our pay gaps and determine actions to reduce it further where applicable.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 The data has to be published in the format set out in the legislation.

10. IMPLICATIONS

Financial Implications

- 10.1 There are no specific financial implications related to this item.

Legal Implications

- 10.2 This reporting fulfils the council's legal obligations in respect of employment equalities reporting.

Equalities Implications

- 10.3 This assists us with monitoring of data in respect of gender.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 Employment data extracted from the payroll system.
The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

12. APPENDICES

- 12.1 Gender Pay Gap report

Appendix A

Pay Gap Report

To be published March 2023

Peterborough City Council is required by law to carry out gender pay reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This involves carrying out calculations that show the difference between the average earnings of men and women in our council; it does not involve publishing individual employees' data. The data used for the calculations is the council's pay data as of 31 March 2022.

We are required to publish the results on a government gender pay gap [website](#), and in addition it is advisable to publish the high-level results on the Peterborough City Council website alongside our pay and transparency data.

Gender pay reporting is used to assess:

- the levels of gender equality in the workplace
- the balance of male and female employees at different levels

Although not a legislative requirement, we have also chosen to publish our ethnicity pay gap and have included recommendations as a result of the figures into the action plan below.

Few employers in Peterborough can boast the breadth and variety of roles we enjoy at Peterborough City Council. With over 1,300 employees, we are one of the biggest employers in the city with a diverse workforce to be proud of. We are committed to equality within our workforce and our flexibility, working practices and wide range of roles ensure that we encourage and support employees to come to work for us, and develop their long-term career to stay with us.

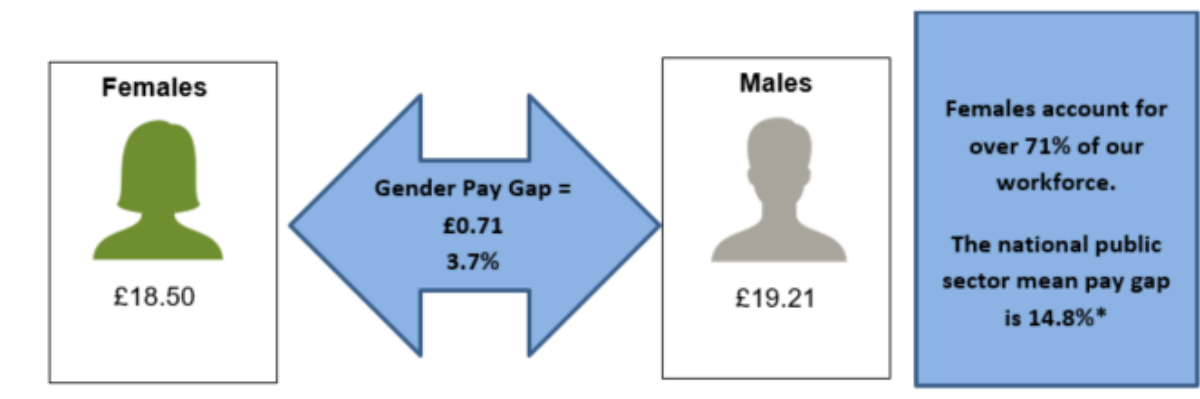
Gender Pay Gap

Our workforce profile

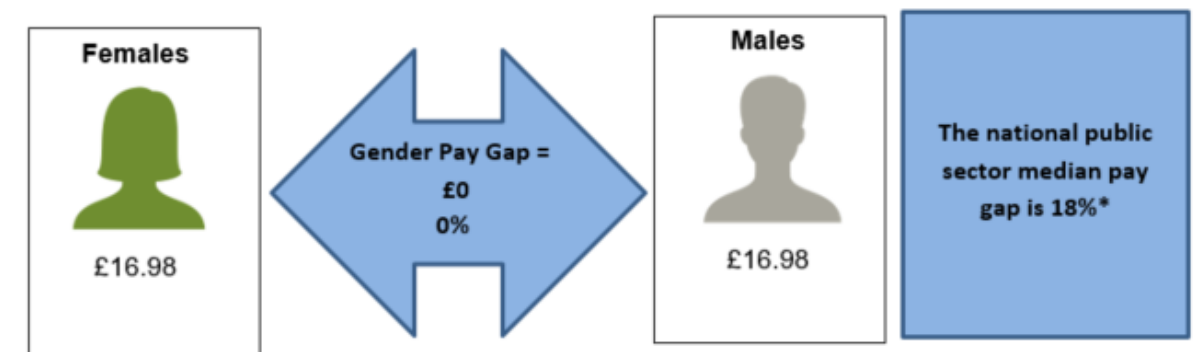
On 31 March 2022 we had 1,280 employees, of which 71.80% (919) were female and 28.20% (361) male.

When calculating the gender pay gap, the staff numbers used only includes staff if they have received their full pay and not been on sick pay, maternity pay etc. This equates to 874 female and 350 male employees.

Mean gender pay gap in hourly pay: average hourly rate of pay and percentage difference



Median gender pay gap in hourly pay: middle hourly rate of pay and percentage difference



Peterborough City Council’s mean and median gender pay gaps are well below the national public sector average. With both the mean and the median decreasing significantly in the last 12 months, resulting in the median pay gap at zero and the mean almost halving. There has been an increase in the numbers of females in the upper middle quartile, and a decrease in the other quartiles. There has been a slight decrease in the total numbers of females in the workforce.

All post/contract types for directly employed staff were included whether main or secondary posts. Further analysis has revealed:

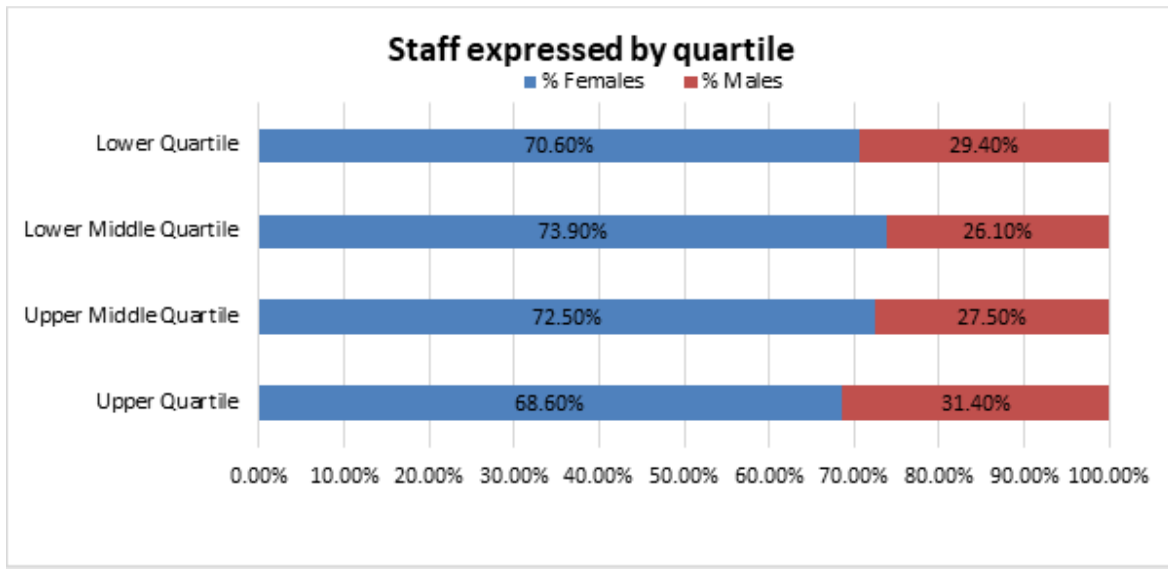
- Male employees had slightly longer average service with Peterborough City Council than female employees and so were more likely to have reached the top of their grade. Whereas women had shorter service and were lower down the grade. This is a result of natural progression.
- The number of men has increased in every quartile except the upper quartile where it has decreased slightly from the previous year. The highest number of men is in the upper quartile. This distribution has changed from the 2021 gender pay gap figures and will have been an important reason why the mean and the median has decreased in the last 12 months.

Mean, median and proportion of males and females receiving a bonus payment

Peterborough City Council does not operate a bonus payment scheme. Therefore, has no bonus payment pay gap.

Proportion of males and females in each pay quartile

The graph below outlines the gender split by pay quartile. The lower quartile range relates to hourly rates from £8.35 up to £13.42. The lower middle quartile is hourly rates from £13.42 up to £16.98. The upper middle quartile is hourly rates from £16.98 up to £21.53. The upper quartile relates to hourly rates of £21.53 and above.



Further analysis of the data demonstrates that there is a fairly consistent split between males and females across all pay qu artiles, with the largest gap is in the lower middle quartile.

Ethnicity Pay Gap Report

Large organisations are not yet legally required to publish their ethnicity pay gap. However, we have decided to voluntarily publish our ethnicity pay gap for the first year as we believe it is a fundamental step on the Council’s journey to improving workplace equality. We will use this information to help us reflect on what we are doing both internally and externally to achieve a truly diverse and inclusive organisation and where we need to take action to tackle inequality.

The ethnicity pay gap is the percentage difference in the average hourly pay rate for employees from minority ethnic groups compared to the average hourly pay rate for white employees. We calculate our ethnicity pay gap using largely the same methodology as set out in the Government regulations for calculating the gender pay gap.

| White | Ethnicity other than white | Unknown | Prefer not to say |
|------------------|----------------------------|------------------|-------------------|
| 875 employees | 143 employees | 183 employees | 23 employees |
| 71% of employees | 12% of employees | 15% of employees | 2% of employees |

| | | | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Mean hourly rate = £19.21 | Mean hourly rate = £17.18 | Mean hourly rate = £17.54 | Mean hourly rate = £18.25 |
| Median hourly rate = £17.34 | Median hourly rate = £15.58 | Median hourly rate = £16.94 | Median hourly rate = £17.45 |

Pay Gap

Calculation of the hourly rate of employees of an ethnic origin other than white, compared against those declaring they are white

| | |
|---------------------------------|-----------------------------------|
| Mean Ethnicity Pay Gap 10.6% | Median Ethnicity Pay Gap 10.1% |
|---------------------------------|-----------------------------------|

The data above demonstrates that those employees of an ethnic origin other than white are earning an average of £2.03 less than white employees, and have a lower median hourly rate at £1.76 less than white employees.

Action we are taking

The council is committed to reviewing the results of equal pay audits it carries out (including gender and ethnicity pay gap analysis) to ensure there is no gender or ethnicity bias in respect of pay or in recruitment and other processes.

We continue to advertise apprenticeships, allowing existing staff to undertake qualifications from level 2 to level 7 whilst they continue in their existing role. We believe that this will encourage staff to gain additional qualifications allowing them to improve their promotion prospects while learning on-the-job. We are concentrating on developing our current staff by offering a higher level of professional apprenticeship, such as Social Worker. In addition, Master level apprenticeships are now on offer for existing employees that do not have the opportunity to study away from the workplace, this enables them to continue to develop. This provides our female workforce, the group that have historically been unable to acquire formal work-related qualifications, the opportunity to develop and have their skills formally recognised.

We have been a fully agile workforce, (except shift workers), for over five years. This has enabled staff to adapt quickly and to work from home during the Covid19 pandemic, combining work with the care and support that they may provide, allowing them to also develop their careers and achieve a satisfactory work life balance. This also allows staff the maximum flexibility within their working day, providing the delivery of the service is not compromised. We will continue to offer this flexibility as we move out of the pandemic and become a truly hybrid workforce.

We are delivering services for and with other local authorities in the area. This has provided opportunities for staff to develop their skills and broaden their career aspirations going forward.

We are reviewing our career development opportunities, and aim to implement a succession planning process to identify and develop new, potential leaders who can move into leadership roles when they become vacant by 2023.

The council offers a wide range of flexible working options to encourage employees to return to work after maternity and other carers leave.

Our aim is to simplify the range of terms and conditions on which staff are employed whilst maintaining protection where appropriate for (a) staff that have been transferred into the council from other organisations and (b) those that are covered by specialist professional conditions. By bringing staff together the process to evaluate roles under a single job evaluation scheme is made simpler over time as job roles are assessed on a consistent set of factors. The council's use of the National Joint Council job evaluation scheme ensures that there is a consistent, rigorous evaluation of individual job roles against agreed criteria, which does not allow for any personal gender bias.

To mitigate against gender and ethnicity pay bias this council ensures:

- Salaries are the same for posts which have been evaluated as being of equal worth regardless of the gender (or any other protected characteristic) of the individual filling the role.
- Staff in most cases progress through the increments within a grade automatically.
- There are no circumstances within the standard grading structure where men and women in the same grade and with the same length of service are paid different basic salaries.
- There are no opportunities for managers to pay bonus or any other non-objective form of payment to any employee.
- Gender bias is eliminated as far as possible within the recruitment and development processes.
- All existing staff are provided with a monthly review which includes consideration of their development.

The challenge in our council, as it is nationally, is to eliminate any gender and ethnicity pay gap. The council is continuing to review its recruitment and retention practices to ensure that there is no discriminatory practice within our processes. This remains a priority. We will continue to ensure that our pay and reward system is fair and transparent. We will strengthen our employment monitoring and use it to continue to show an equal balance of males and females in each quartile. We have agreed an action plan as we revise our Equality, Diversity and Inclusion Strategy to address any potential areas of inequality. This will be

complimented by our staff surveys which include questions relating to equality and diversity, providing us with a holistic picture of our workforce as well as highlighting areas for improvement. This data will be presented to members of our Employment Committee to ensure it is properly scrutinised.

*[Office of National Statistics](#) Annual survey of Hours and Earnings Provisional 2021 figures