

<b>EMPLOYMENT COMMITTEE</b>	<b>AGENDA ITEM No. 5</b>
<b>11 March 2024</b>	<b>PUBLIC REPORT</b>

Report of:	Mandy Pullen, Service Director People, Transformation and Business Intelligence	
Cabinet Member(s) responsible:	Councillor John Howard, Deputy Leader and Cabinet Member for Corporate Governance and Finance	
Contact Officer(s):	Sarah Spendelow, Head of People and Development	Tel. 07572463896

## GENDER PAY GAP RESULTS

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Mandy Pullen, Service Director People, Transformation and Business Intelligence</i>	<b>Deadline date:</b> <i>N/A</i>
<p>It is recommended that the Employment Committee notes:</p> <ol style="list-style-type: none"> <li>1. The results of the gender pay gap calculations of 31 March 2023 that must be reported on the gender pay gap portal by 30 March 2024 and published on the Council's website.</li> <li>2. The results of the ethnicity pay gap calculations as of 31 March 2023, which will be published on the Council's website.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Employment Committee following a referral from Corporate Leadership Team on 20 February 2024.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 To ensure that members are aware of the results of the gender pay gap analysis before the results are published on the government portal and council's website.
- 2.2 This report is for Employment Committee to consider under its Terms of Reference No. 2.3.2.4.

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### 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 from a 'snapshot' date (i.e. the 31 March 2023) and publish results by 30 March 2024. Employers must both: publish their gender pay gap data, and a written statement on their public facing website, and report their data to the government using the gender pay gap reporting service.

Gender Pay Gap reporting compares the hourly rate on a fixed date at gender level only.

4.2 The mean and the median gender pay gap in the Council has increased between 2022 and 2023. However, the 2023 figures are more in line with the figures we saw for 2021, and although there has been an increase this year, the average gender pay gap figure for the previous 6 years (2017-2022) is actually also 6.1%. This indicates the impact on the figures that small changes in the workforce can mean to the overall figures.

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

The total number of staff included in this year's data (1208) saw a very slight reduction of just over 1% from 2022. This means less individuals were in receipt of their normal full pay in March 2023 than in March 2022 and therefore there were less staff that met the criteria to be included in the data.

The workforce was 72.34% female in 2021, reduced slightly to 71.80% female in 2022, and has increased to 73.6% in 2023.

There has been an 8% increase in the number of females in the lower quartile. However, there are proportionately more women in the upper quartile increasing from 68.6% in 2022 to 70.5% this year. The lowest number of males is in the lower quartile and the highest number in the upper quartile. This distribution change from the 2022 gender pay gap figures will have been an important reason why the mean and the median gap has increased in the last 12 months.

On 31 March 2023, 42.8% of staff had only commenced in their grade in 2023, 2022, or 2021 and of these 33% were female. 33% of the 42.8% of staff who had commenced in their grade in the preceding 3 years were female, and only 9.8% were male. This indicates that more females were new to their grade than males, and therefore at the bottom end of their grade. This would impact the figures if less females had reached the top of their grade than males. It could also indicate that existing staff had moved to new roles and grades so providing development opportunities.

The mean gender pay gap has gone up from 3.7% in 2022 to 6.1% in 2023. The actual difference in the mean hourly rate between men and women, between 2022 and 2023 is £0.56. This means that, on average men were paid £0.56 per hour more than women this year versus last year. It is important to note that this figure is still significantly below the National Public Sector Mean Pay Gap of 11.5%.

The median gender pay gap has also increased. In 2022 the median pay gap was zero as the hourly rate for both men and women was £16.98 per hour. In 2023 the median hourly rate for men was £18.79, and for women £17.97, a difference of £0.82 or 4.3%. Again, the National Public Sector Median Pay Gap is much higher at 14%.

- 4.4 Large organisations are not yet legally required to publish their ethnicity pay gap. However, for the second year we have decided to voluntarily publish our ethnicity pay gap, 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 £1.76 less than white employees per hour. This is a mean gender pay gap of 8.7% reduced from 10.6% in 2022. The median hourly rate is £1.47 less than white employees a reduction from 10.1% in 2022 to 7.9% in 2023.

However, it is difficult to give accurate Ethnicity Pay Gap figures as only 152 employees gave their ethnicity as other than white, and 173 employees either prefer not to say or the information is unknown.

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. We will continue to assess carefully our recruitment and development practices to ensure that this continues. Therefore, if challenged we could prove the robustness of our recruitment and promotion systems.

## **5. CONSULTATION**

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

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 Once members 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.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 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.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

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

## **9. IMPLICATIONS**

### **Financial Implications**

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

### **Legal Implications**

- 9.2 The Council is required to publish details in respect of the gender pay gap which this report seeks to do.

## **Equalities Implications**

9.3 This assists us with monitoring of data in respect of gender.

## **10. BACKGROUND DOCUMENTS**

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

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

## **11. APPENDICES**

11.1 Appendix 1 - Gender Pay Gap report.

# Appendix 1 - Pay Gap Report

## To be published March 2024

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 on 31 March 2023. 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. This is the second year that we have published this data.

Few employers in Peterborough can boast the breadth and variety of roles we enjoy at Peterborough City Council. With over 1,200 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. Our flexibility, working practices and wide range of roles on offer 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 profiles

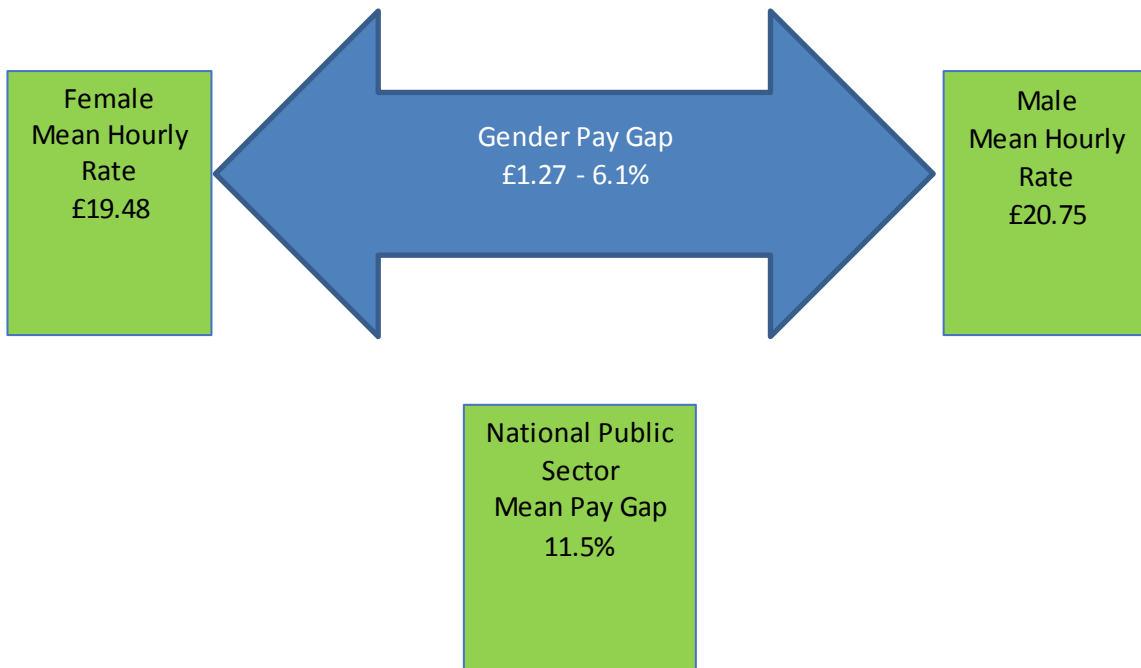
When calculating the gender pay gap, the staff number used only includes staff if they have received their full pay and not been on sick pay, maternity pay etc on the 'snapshot day'. The snapshot day for this report was 31 March 2023. On this day there were 1,208 eligible employees, of which 889 were female and 319 were male. The proportion of female staff in the workforce has increased from 71.8% in 2022 to 73.6% in 2023. The proportion of male staff in the workforce has decreased from 28.2% in 2022 to 26.4% in 2023.

### Mean and Median Pay

The mean hourly rate of pay is calculated by adding together the hourly rate of pay of all male employees and dividing by the number of males, then adding together the hourly rate of pay of all female employees and dividing by the number of females. The mean gender pay gap is the difference between the two rates.

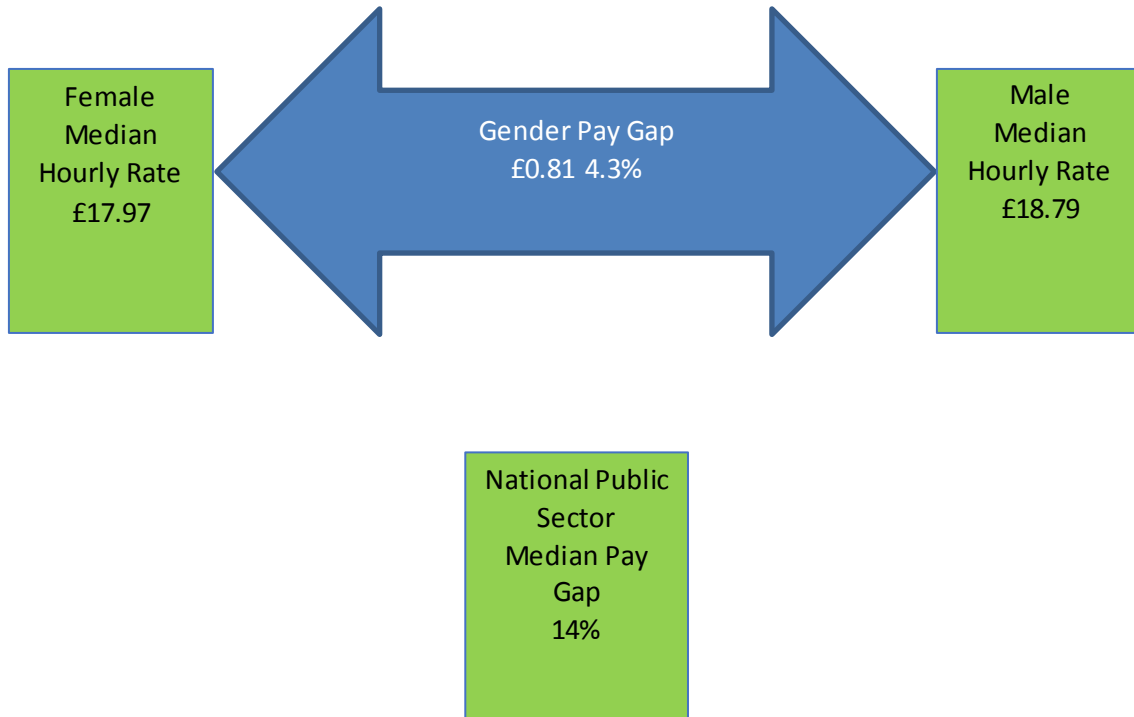
The median hourly rate of pay is the difference between the midpoints in the ranges of the hourly earnings of males and females. It is calculated by sorting all men in order of their hourly pay, with the lowest paid first and the highest paid last. The man in the middle of the list is used to determine the male median rate of pay. This exercise is repeated for females. The median pay gap is the difference between the two rates.

### Mean Gender Pay Gap in hourly pay: Average hourly rate of pay and percentage difference



The national public sector mean pay gap in 2023 is 11.5%.

## Median Gender Pay Gap in hourly pay: average hourly rate of pay and % difference



The national public sector median pay gap in 2023 is 14%.

Peterborough City Council's mean and median gender pay gaps are well below the national public sector average. There has been an increase in the council's mean and the median levels this year but gaps of 6.1% and 4.3% are very low in comparison with the national average. It is worth noting that this year's figures are more in line with the figures we saw for 2021. It is clear that small changes in the workforce can have a significant impact to the overall figures.

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

- The number of women has increased by 8% in the lower quartile, whereas the upper quartile has remained almost the same. The lowest number of men is in the lower quartile and the highest number in the upper quartile. This distribution change from the 2022 gender pay gap figures will have been an important reason why the mean and the median gap has increased in the last 12 months.
- On 31 March 2023, 42.8% of staff had only commenced in their grade in 2023, 2022, or 2021 and of these 33% were female. This indicates that more females were new to their grade than males, and therefore at the bottom end of their grade. This would impact the figures if less females had reached the top of their grade than males.

### 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

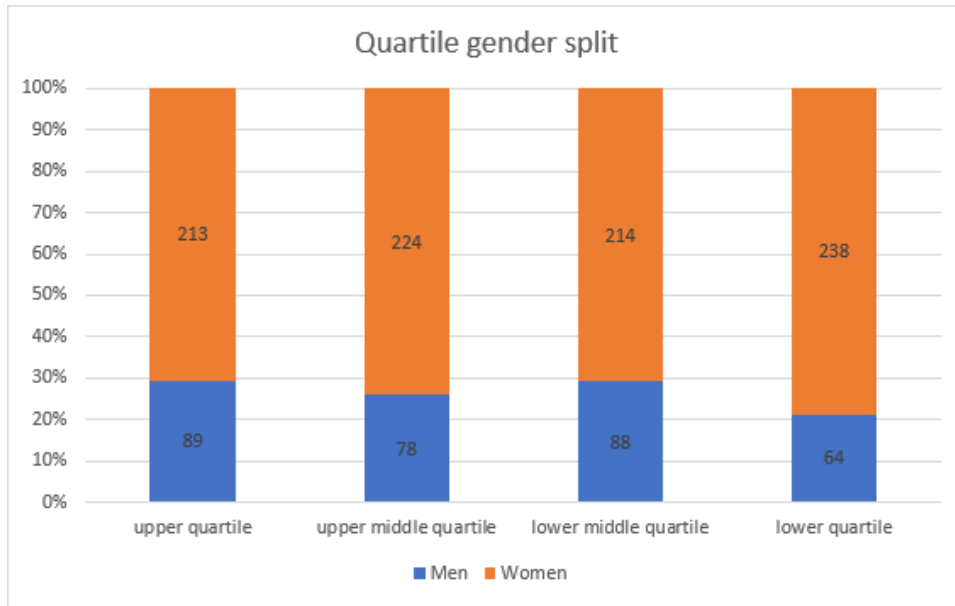
The graph below outlines the gender split by pay quartile. The lower quartile range relates to hourly rates from £8.88 up to £14.68. The lower middle quartile is hourly rates from £14.68 up to £18.03. The upper middle quartile is hourly rates from £18.03 up to £22.53. The upper quartile relates to hourly rates of £22.53 and above. These calculations are based on 302 staff in each of the quartiles, a total of 1208. In 2022, there were 1224 staff included. This reduction in numbers will of course impact on the results.

### 2023 quartile gender split

The graph below focuses on the 302 staff in each quartile. The graph shows the split of men and women in each quartile. It clearly demonstrates that our workforce is predominately female. Although there are a higher number of

women in the lower quartile the split is fairly consistent across each quartile. The lowest number of men is in the lower quartile.

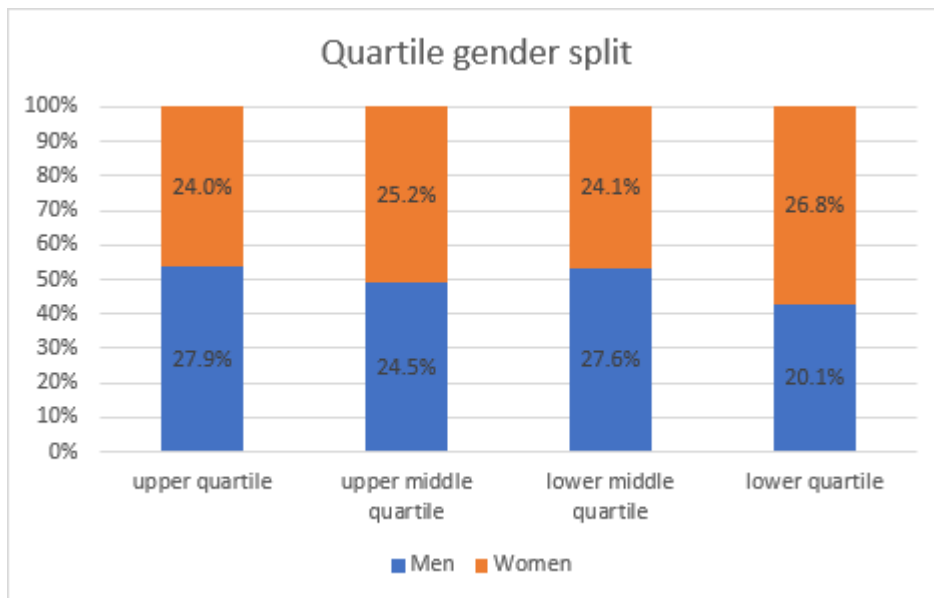
### Nos of men and women



There has been an increase in the % of women in the lower quartile from 70.6% to 78.8%, a decrease in the lower middle from 73.9% to 70.9%, but an increase in the upper middle quartile from 72.5% to 74.2%. The upper quartile has remained virtually the same at 70.5% from 70.6%.

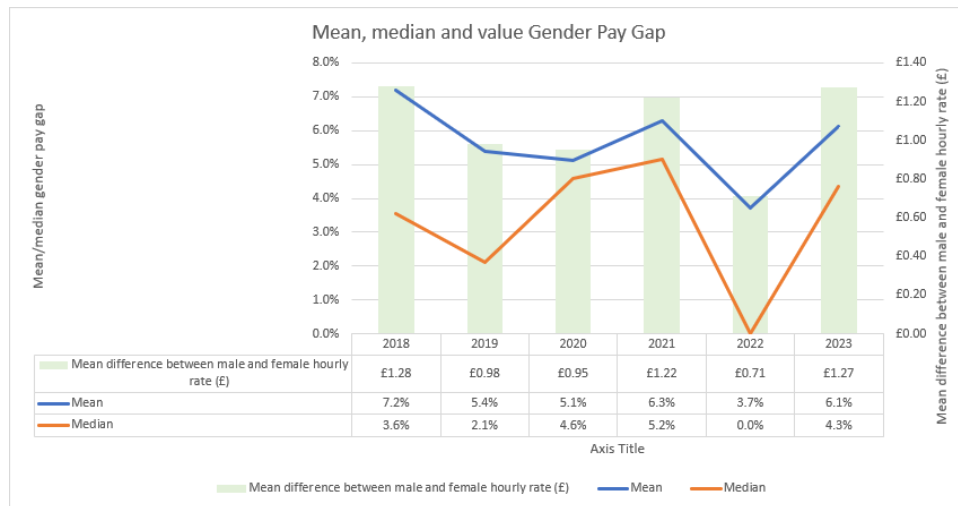
The graph below shows how the percentage of men and women is spread across the quartiles and is another way of demonstrating that there is a fairly consistent split between males and females across all pay quartiles.

### Percentage of men and women





The graph below shows the mean and median gender pay gap as percentages, along with the actual difference in £'s, since 2018. The Gender Pay Gap for 2023 is more in line with the previous 4/5 years versus last year's figures which were unusually low.



## 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 second 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. An issue to consider with Ethnicity reporting however is that 173 employees chose not to declare their ethnicity which is of course their right. We have separated the categories below indicating those who did not declare an ethnicity and those who opted for the 'Prefer not to say' option.

### Workforce split by declared ethnicity (2022 & 2023)

Year	White	Ethnicity other than White	Unknown	Prefer Not to Stay
2022	875 employees	143 employees	183 employees	23 employees
	71% of workforce	12% of workforce	15% of workforce	2% of workforce
2023	883 employees	152 employees	149 employees	24 employees
	73% of workforce	13% of workforce	12% of workforce	2% of workforce

This table shows the ethnicity declared by our employees in 2022 and 2023 using 31 March as the reporting date. As the table indicates in 2022, 206 employees did not declare their ethnicity, but this had reduced to 173 in 2023. Work continues to encourage staff to complete this data.

### Mean & Median Hourly Rates (2022 & 2023)

Year	White	Ethnicity other than white	Unknown	Prefer not to say
2022	Mean hourly rate £19.21	Mean hourly rate £17.18	Mean hourly rate £17.54	Mean hourly rate £18.25
2023	Mean hourly rate £20.20	Mean hourly rate £18.44	Mean hourly rate £18.95	Mean hourly rate £19.81
2022	Median hourly rate £17.34	Median hourly rate £15.58	Median hourly rate £16.94	Median hourly rate £17.45
2023	Median hourly rate £18.67	Median hourly rate £17.20	Median hourly rate £17.98	Median hourly rate £19.20

### Pay Gap

Year	Difference in Mean Hourly Rate	Ethnicity Pay Gap Mean	Difference in Median Hourly Rate	Ethnicity Pay Gap Median
2022	£2.03	10.6%	£1.76	10.1%
2023	£1.76	8.7%	£1.47	7.9%

The pay gap is calculated using the hourly rate of employees of an ethnic origin other than white, compared against those who declare they are white. The data indicates that a pay gap remains, but it has reduced in the last twelve months.

### Action we are taking to reduce Gender & Ethnicity pay gaps

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 are constantly aiming to improve our recruitment practices to ensure there can be no discrimination within the processes. Our objective is to recruit the best person for the role regardless of their gender, age, ethnicity, disability or any other protected characteristic.

We continue to promote and advertise apprenticeships to all staff, allowing them all the opportunity to gain qualifications from level 2 to level 7 whilst they continue in their existing role. We believe that this will encourage staff to improve their promotion prospects whilst applying their learning on-the-job. We have employed a dedicated full-time Apprenticeship Programme Advisor who works with managers and apprenticeship providers to ensure that all staff are aware of, and have the opportunity to complete, apprenticeships that are relevant to their career goals. Having a dedicated Advisor, has also allowed us to increase the number of apprenticeship roles we offer to new staff, having taken on apprentices in Communications and Finance.

The focus has been on increasing the higher levels of apprenticeships to help with our succession planning, particularly in roles that are more difficult to fill with fully qualified staff, offering a range of professional apprenticeship, such as Social Workers, Town Planners, and Teachers. In addition, Senior Leader 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 six years. This has enabled staff to adapt quickly and to work from home as appropriate, combining work with caring responsibilities, 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. The flexibility, which was essential during the covid pandemic has continued. However, staff are now required to be in the office a minimum of two days per week. This is necessary to enhance creativity by collaboration within teams and allows staff to develop further by gaining experience and knowledge from their colleagues. This flexibility will continue where possible, and if applicable to the role, to allow for a truly hybrid workforce.

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 post and with the same length of service are paid on a different grade to each other
- 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.

### **Summary:**

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. During 2024 we will uncouple the shared arrangement from Cambridgeshire County Council which will give a solid focus and drive in Peterborough. 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. The staff survey which took place in 2023 indicated that, on average, everyone agrees that PCC is committed to its objectives around equality, diversity and inclusion. There was no discernible difference between how any of the groups responded to the question regarding the organisation's commitment to this agenda.

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 2023 figures