

EMPLOYMENT COMMITTEE	AGENDA ITEM No. 5
5 SEPTEMBER 2024	PUBLIC REPORT

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

GENDER PAY GAP RESULTS

R E C O M M E N D A T I O N S	
FROM: Mandy Pullen, Service Director People, Transformation & Business Intelligence	Deadline date: N/A
<p>It is recommended that the Employment Committee:</p> <ol style="list-style-type: none"> 1. Provides any considered feedback and note the results of the gender pay gap calculations of 31 March 2024. 2. Provides any considered feedback and note the results of the ethnicity pay gap calculations as of 31 March 2024 which will be published on the Council's website. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Employment Committee following a referral from Corporate Leadership Team on 20 August 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 the 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	
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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 2024) and publish results by 30 March 2025. 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 gender pay gap has gone down from 6.1% in 2023 to 5.2% in 2024. The actual difference in the mean hourly rate was £1.11. It is important and pleasing to note that this figure is significantly below the 2023 National Public Sector Mean Pay Gap of 11.5%.

The median gender pay gap has increased from 4.3% in 2023 to 4.9% in 2024. Again, the 2023 National Public Sector Median Pay Gap is much higher at 14%.

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 (1487) was an increase on the 2023 figure. However, the breakdown of the workforce remained very similar with 73.5% being female (73.6% in 2023). The actual workforce number is higher this year due to the inclusion of the City College workforce data.

The gender pay gap calculation requires the employer to split the workforce into four quartiles. The number of females in the lowest paid quartile has reduced from 78.8% female to 72.6% very much in line with the workforce representation overall. The number of females in the highest paid quartile is also higher than in 2023.

- 4.4 There are no legal requirements yet for large organisations to publish their ethnicity pay gap. However, for the third 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.

When we look at the average hourly pay of employees from ethnic backgrounds other than white and compare it to the pay of white employees, we find that on average, non-white employees earn £1.98 less per hour. This difference in pay is about 9.6% on average. If we consider the median hourly rate, non-white employees earn £1.39 less than their white counterparts, which is a slight improvement from 7.9% in 2023 to 7.4% in 2024.

However, it is difficult to provide accurate Ethnicity Pay Gap figures as only 199 employees gave their ethnicity as other than white, and 155 employees chose not to supply their ethnicity information. Work is ongoing to gather more complete ethnicity data from our workforce.

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 will be shared 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 as set out in the government guidelines for all employers of over 250 staff 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.

10.2 The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

11. APPENDICES

11.1 Appendix A – Gender Pay Gap report

Appendix A – Gender Pay Gap

Mandatory gender pay gap reporting was introduced in 2017 and is a metric used to monitor progress on gender diversity.

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 31 March 2024 (*known as the 'snapshot day'*). On this day there were 1,487 eligible employees, of which 1093 were female and 394 were male. The proportion of female staff in the workforce has marginally decreased from 73.6% in 2023 to 73.5% in 2024 meaning the proportion of male staff in the workforce has marginally increased from 26.4% in 2023 to 26.5% in 2024.

Mean and Median Pay

The mean hourly rate of pay is calculated by adding together the hourly rate of all male employees and dividing by the number of males, then adding together the hourly rate 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.

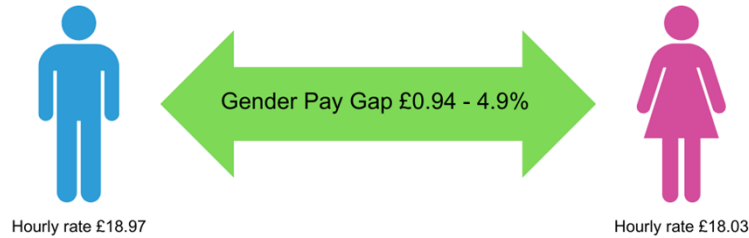
Mean Gender Pay Gap in hourly pay: Average hourly rate of pay and percentage difference



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

The national public sector mean pay gap 11.5%.

The national median pay 14%. (2024 still published)



in 2023 is

public sector gap in 2023 is to be

Peterborough City Council's mean and median gender pay gaps are well below the 2023 national public sector average. There has been a significant decrease in the mean pay gap this year, but a slight increase in the median pay gap. This reflects the commitment of Peterborough City Council to ensure there is no bias in its recruitment, retention, development and reward practices.

All post/contract types for directly employed staff were included whether main or secondary posts.

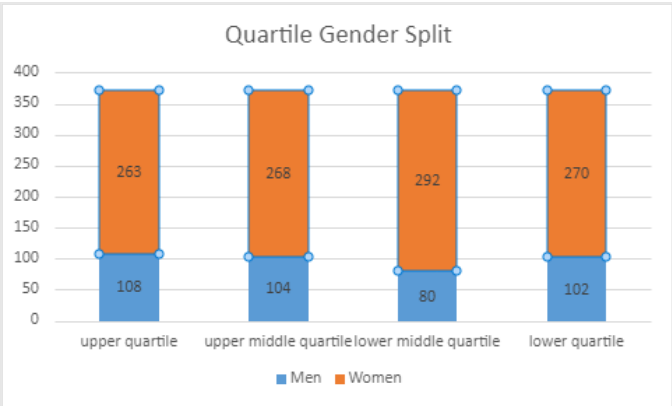
Mean, median and proportion of males and females receiving a bonus payment

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

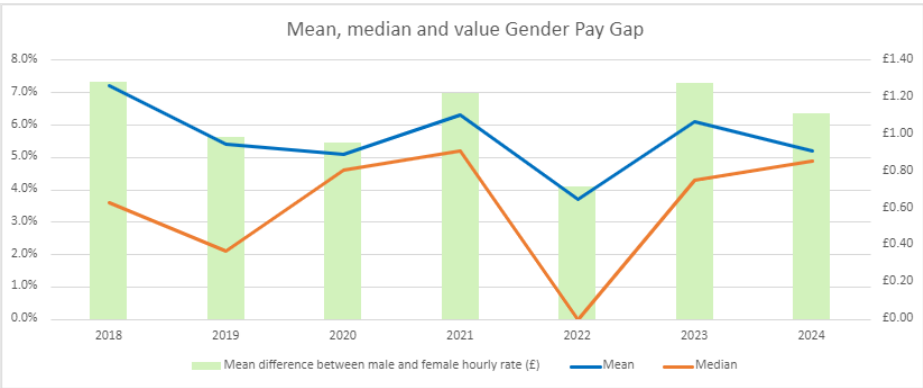
Proportion of males and females in each pay quartile

Quartile	Staff number in quartile	Pay ranges
Lower quartile	372	£9.57 up to £15.41
Lower middle quartile	372	£15.41 up to £18.50
Upper middle quartile	372	£18.50 up to £23.00
Upper quartile	371	£23.00 and above

The graph below outlines the gender split by pay quartile. It clearly demonstrates that our workforce is predominately female. The highest number of women, and therefore lowest number of men is in the lower middle quartile; the split is relatively consistent across each quartile.



The graph below shows the mean and median gender pay gap as percentages, along with the actual difference in the hourly rates of pay since 2018. The Gender Pay Gap for 2024 is more in line with the previous 4/5 years versus 2022 which was unusually low.



Ethnicity Pay Gap Report

There is currently no legal obligation for large organisations to publish their ethnicity pay gap. However, the Council has decided to voluntarily publish its ethnicity pay gap for the third 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 % 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. 155 employees chose not to declare their ethnicity which is of course their right but does impact the results. This is less than previous years and supports the council's determination to further improve equality across the organisation. Work continues to encourage staff to complete this data.

Workforce split by declared ethnicity (2022, 2023 & 2024)

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
2024	1133 employees	199 employees	130 employees	25 employees
	76.2% of workforce	13.3% of workforce	8.8% of workforce	1.7% of workforce

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%
2024	£1.98	9.6%	£1.39	7.4%

Mean & Median Hourly Rates (2022, 2023 & 2024)

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 the median rate continues to close the gap. Despite the mean pay gap increasing this year it does remain lower than it was in 2022. Slight variations can be explained by changes to the workforce over the year.

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

2024	Mean hourly rate £20.75	Mean hourly rate £18.77	Mean hourly rate £19.52	Mean hourly rate £21.15
Year	White	Ethnicity other than white	Unknown	Prefer not to say
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
2024	Median hourly rate £18.97	Median hourly rate £17.58	Median hourly rate £17.58	Median hourly rate £21.95

Action we are taking to reduce Gender & Ethnicity pay gaps

The council is committed to reviewing the results of gender and ethnicity equal pay 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. An Apprenticeship Lead 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. This role has allowed us to increase the number of apprenticeship roles we offer to new staff, having taken on apprentices in Communications, Finance, Workforce Development and expanding into Youth Justice, Health & Safety, Democratic Services, Highways and IT.

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 available to existing employees that do not have the opportunity to study away from the workplace which enables them to continue to develop in their careers. 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 seven 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 which enhances 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.

An Inclusion Lead was appointed in 2024 to further enhance our equality agenda. Additionally, we are in the process of enhancing our recruitment tools to capture relevant equal opportunities data to ensure our attraction strategy appeals to all.

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.
- Enhanced data analysis.

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 continue to uncouple the shared arrangement from Cambridgeshire County Council which will give a solid focus and drive in Peterborough.

In addition, 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. Monthly 'staff conversations' meetings on teams to discuss and promote equality & diversity take place.

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