



London Borough of Camden Pay Gap Report

Period 1 April 2017 – 31 March 2018

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Introduction

Camden has a long tradition of promoting equality – we're proud to be one of the most diverse places in the country. We are committed to creating an inclusive workplace culture where everyone can reach their full potential. Increasing pay transparency is a topic we've taken a leading and visible position on for some time. The transparency and accountability that pay gap reporting brings is crucial in driving greater equality in the workplace.

We have been voluntarily reporting our gender, ethnicity and disability pay gap since 2015, one of only a few organisations to go beyond the statutory requirements, both then and now. We believe that by shining a light on any disparity in pay you are acknowledging there is an issue and you can then begin to talk about how to fix it.

We are pleased to report that we continue to see progress in closing pay gaps where they exist. We believe there is still more to do, particularly in relation to the gap between Black, Asian and minority ethnic (BAME) and non-BAME staff which continues to be driven by the fact there are more non-BAME employees in senior roles within Camden. However, this is different from equal pay. At Camden we are confident that employees are paid equally, irrespective of gender, race or disability, for doing equivalent jobs across our organisation and we continue to take action to address any gaps and to make sure our policies and practices are fair.

Our aim for our citizens is that no one gets left behind and it's the same for our employees. We want everyone to be able to build and sustain a successful career at Camden. We believe this requires a combination of deliberate actions and ensuring that we provide an inclusive culture and an agile, flexible working environment for people to work in.

By publishing a higher level of information we continue to welcome and encourage open scrutiny of our data and welcome any feedback from staff, trade unions, other employees and members of the public. We wish to challenge ourselves to find ways that we can make improvements and being open with our data is one way of doing that.

Jo Brown, Director of Human Resources & Organisation Development

Executive summary

Camden has published an analysis of its pay gap data for a number of years, reporting on gaps by ethnicity and disability as well as gender, and doing so at grade as well as organisational levels.

The key findings identified in this year's pay gap report:

1. The gender pay gap moved closer to parity but is still slightly in favour of women, with 1.6% median and 0.1% mean pay gaps recorded. This is largely caused by a higher proportion of women in the upper quartiles of the earning spectrum.
2. The proportional pay gap – which weights gaps at each grade by the proportion of staff in those grades then combines them into an overall measure - remains slightly in favour of men with 0.6% median and 1.0% mean pay gaps.
3. Gender pay gaps were identified in certain grades in the 2016-17 report, these gaps have generally decreased in 2017-18.
4. The performance related payments pay gap shows a larger proportion of men received performance related rewards in 2017-18, and this influenced the pay gap figures in this area, with the mean 18.7% and median 14.5%.
5. A slight improvement is demonstrated in the ethnicity pay gap with both median and mean decreasing, to 10.5% and 13.4% respectively.
6. Where they had been present, ethnicity pay gaps at most grades fell in line with the overall pay gap figure. These reductions were reflected in the proportional pay gap remaining at a low level of 1.5% (median) and 1.3% (mean), demonstrating that within grades there are not significant differences in pay.
7. Analysis of the workforce composition by grade and ethnicity demonstrates that the proportion of BAME employees increased in all grades except Level 1 and Chief Officers, and it was the latter which prevented the overall pay gaps from closing further.
8. The pay gap between disabled and non-disabled employees remained low (3.5% median and 4.4% mean), while the proportional pay gap is in favour of disabled staff which suggests the overall differences are due to representation at senior levels. This is supported by our analysis of the disability pay gap at grade level which did not reveal any significant differences.
9. The 2017-18 pay gap figures demonstrate that actions outlined in the 2016-17 report are starting to take effect and the position is gradually improving. We aim to continue implementing the existing action plan and also add additional aspects to improve the prospects for further progress to be made.

1. Gender Pay Data and Commentary

We begin the gender pay section by setting out the statutory information¹ required under the gender pay legislation. Commentary is provided to inform understanding of the data and its context. We then go on to provide additional data and analysis to better understand the patterns driving the results.

1.1 Headline Median and Mean Gender Pay Gap

The 2017-18 figures show women are still paid marginally more than men overall, but the gap has closed to bring the two levels of pay closer to parity than they were in 2016-17. The median gender pay gap decreased from 3.5% to 1.6% in favour of women, while the mean gap decreased from 0.9% to 0.1% in favour of women.

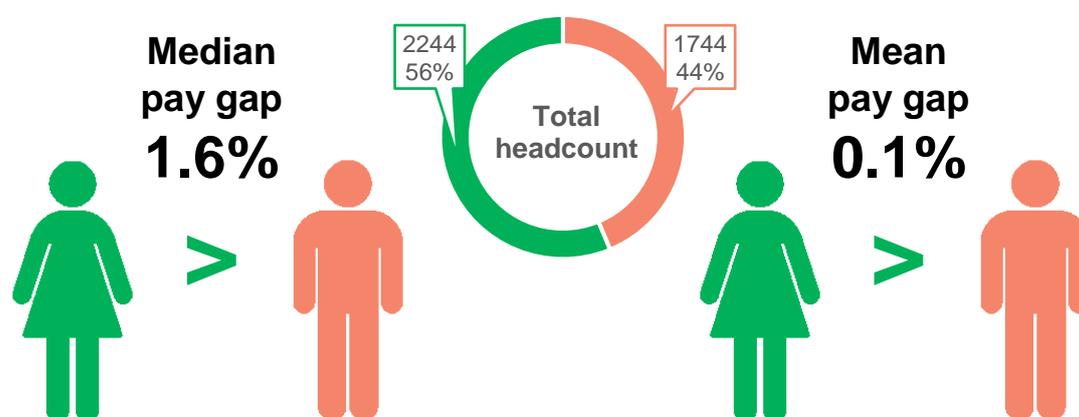


Figure. 1.1.1: Median and Mean gender pay gap

1.2 Part-time/Full-time Gender Pay Gap

To understand underlying patterns driving the headline results we have compared the full and part-time staff groups. Among full-time staff, the overall female pay rates remain marginally higher, but this increases significantly among the part-time population of men and women. For comparison, in the ONS Annual Survey of Hours and Earnings², the gender pay gap for full-time employees in 2018 is in favour of men both on mean (8.6%) and median (13.7%).

Work pattern	Mean Gender Pay Gap	Median Gender Pay Gap
Full-time	-0.7%	-1.5%
Part-time	-6.5%	-9.4%

Figure. 1.2.1: Median and Mean gender pay gap for full-time and part-time employees

- Women are more likely to work part-time at Camden (582 women vs 163 men), and more likely to do so in higher grades; 12% of women working part-time are at Level 5 and above while only 6% of men are. This raises the mean hourly rate of part-time women above that of part-time men

¹ Legislation requires publication of the mean and median gender pay gap, the mean and median gender bonus gap (referred to here as the performance related gender pay gap), the proportion of men and women to receive a bonus, and the proportion of men and women in each earnings quartile on the snapshot date of 31 March 2018.

² Source:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018>

- The Median part-time difference reveals a larger gap as 58% of men working part-time are at Level 1 and Level 2, while only 40% of part-time women are at these levels
 - These figures underline the value of policies linked to Council initiatives like Timewise³ which support the ability of staff to work flexibly at all levels

1.3 Workforce gender composition by earnings quartile

The gender composition at different earnings quartiles has not changed significantly, with the main difference being that women now also form a small majority in the lower quartile, meaning women outnumber men in all quartiles.

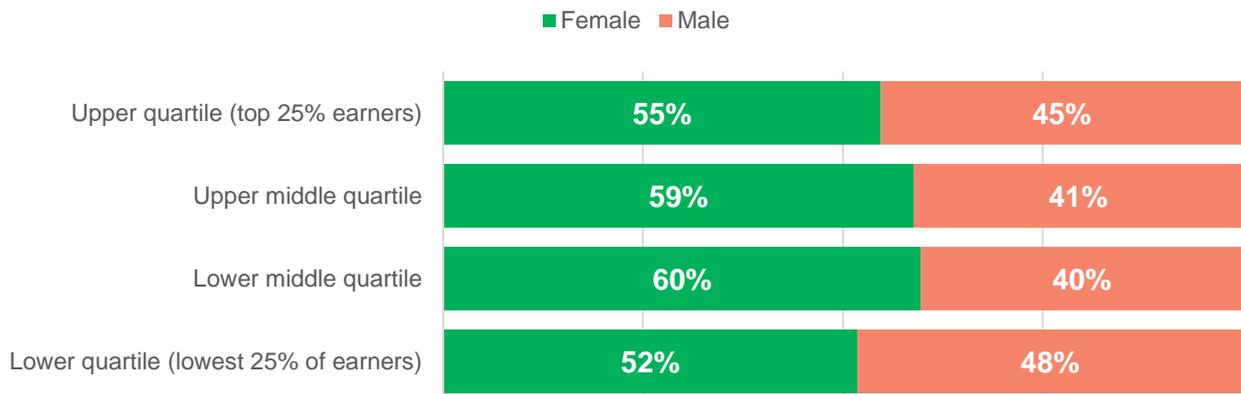


Figure 1.3.1: Workforce gender composition by earnings quartile

1.4 Performance related payments gender pay gap

Performance related payments in Camden consist of non-consolidated awards of 1% and 2% of an individual's salary, £40 vouchers and Chief Officer variable payments. Whilst these awards all fall under the definition of bonus payments specified by the government criteria, in reality they have vastly different impacts on pay levels and potentially influence the gaps in this area.

The overall proportion of bonuses and the mean bonus pay gap were close to parity in 2016-17, while in 2017-18 these moved in favour of men, with a particularly significant shift in the mean bonus level. The median bonus pay gap remained in favour of men. Factors which appear to have contributed to this are discussed under the findings on the following page, but this is an area which will be monitored to understand whether any patterns are emerging.

³ The Council is an accredited [Timewise](#) employer and committed to promoting flexible working practices to enable staff to work in ways which suit them, in line with business needs

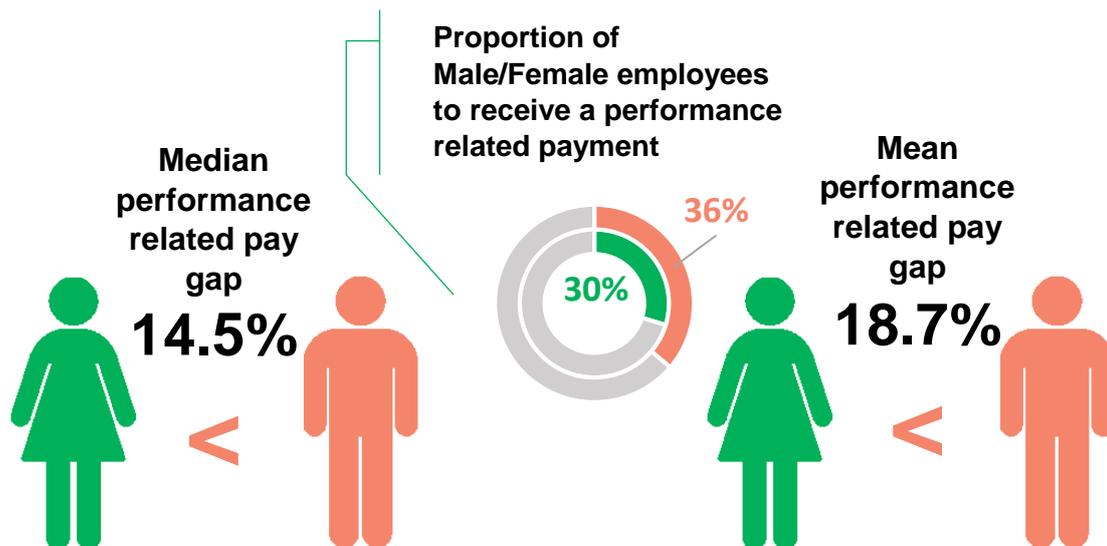


Figure 1.4.1: Median and Mean Performance related payments gender pay gap

We have identified a number of factors which appear to have contributed to this swing:

- Of part-time staff to receive bonus payments, a majority were female (90 women vs 23 men), and this accounts for 13% and 3.5% of all the bonuses paid respectively. As payments are calculated as a proportion of the actual salary, these numbers drag both mean and median bonus payments among women down. For comparison, among full-time employees the mean bonus pay gap is 16.1% and median bonus pay gap is 11.8%, which are both lower than the overall figures. If all employees who received performance related payment were full-time, the mean pay gap would have been 16.9% and median 10.9%.
- The Chief Officer pay scheme reserves some of the overall remuneration for variable award based on performance. The average Chief Officers performance related pay increased slightly in 2017-18. As three out of the four Executive Directors and the Chief Executive are male, the higher payments had a disproportionate impact on the overall mean bonus pay gap. We calculate that 5% of the 18.7% mean pay gap was derived from the payments at this level. The recent appointment of a female Chief Executive is expected to address some of the potential impact of senior bonus pay in future years.
- To account for the potential skewing effect of senior pay, we have calculated the proportional bonus pay gap. This captures the differences at each grade then weights them by the number of staff receiving payments in those grades to produce an alternative overall measure. The mean gap calculated on this basis was significantly smaller, at 3.7%. This suggests that in the grades with higher numbers of bonus payments, the distribution is more even, though still slightly in favour of men.

1.5 Gender Pay Gap by Grade

As in previous years, we have analysed the gender pay gaps at different grades to help us understand if any patterns can be observed. The chart below compares this year with last and shows median pay moving in favour of women at most levels. Where more significant gaps (above 5%) remain, it is among Directors which is a small group of staff where small changes can have disproportionate impacts, and Level 2 Zone 1 where there are a high number of long-serving men at the top of their pay scale. It's also apparent that the numbers of people in grades generally correlate closely with the gaps observed, with there tending to be smaller differences in more populated grades.

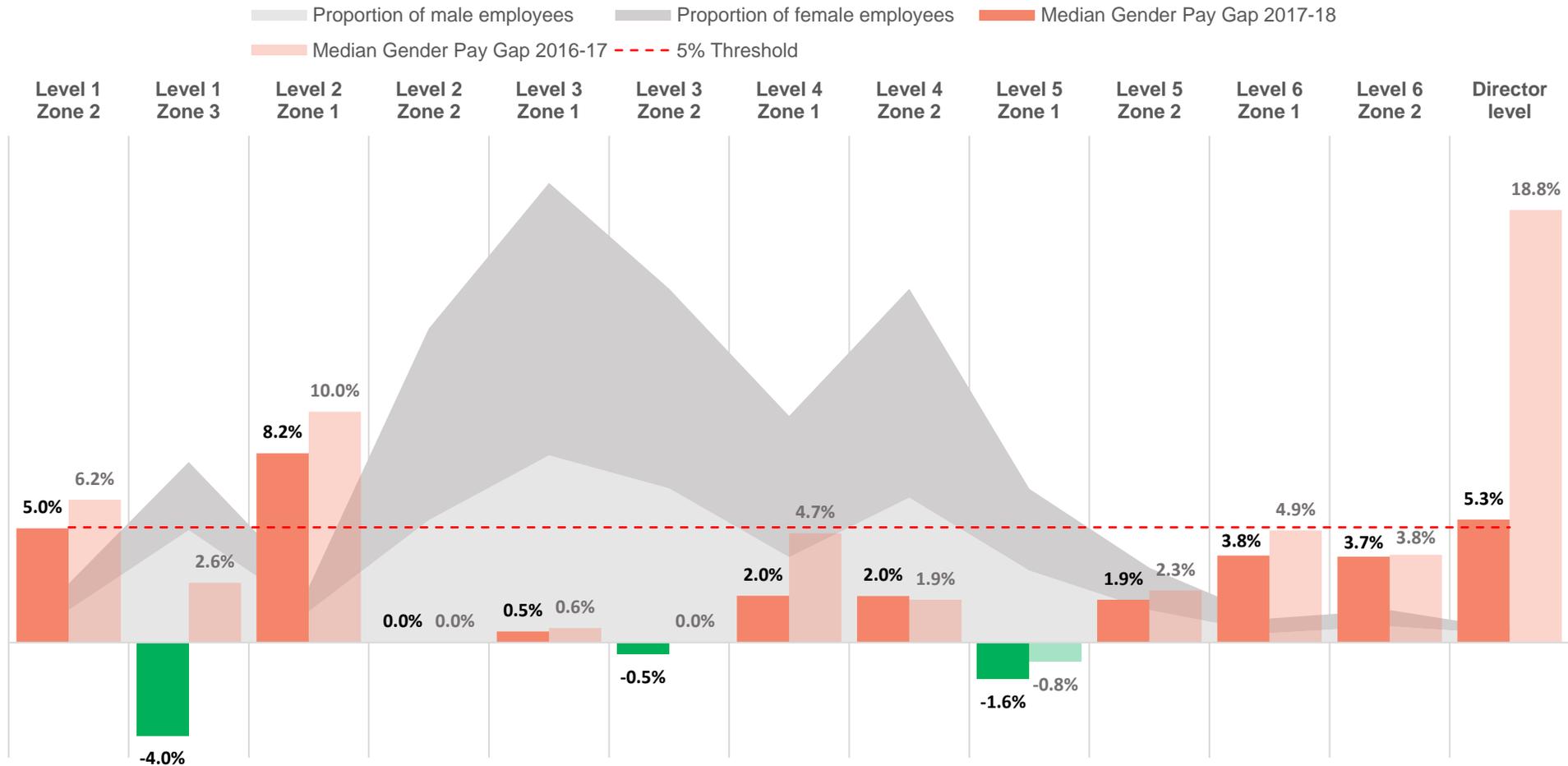


Figure 1.5.1 Gender Pay Gap by Grade

1.6 Average length of service by Grade

In the 2016-17 report, median pay gaps in excess of 5% were identified in Level 1 Zone 2 and Level 2 Zone 1 caused by a large number of long-serving male employees in these grades who reached the top of the pay scale. This difference in length of service is still in place, but due to natural attrition and further progression of female employees up the pay scale 2017-18 numbers demonstrate reduced pay gap in these grades.



Figure 1.6.1: Average length of service by grade and gender

The other pay gap above 5% in 2016-17 was observed at Director level. Higher levels of service among female Directors reflect the fact that some amassed service in lower grades before being promoted to Director. As they've progressed further through the pay range, overall female pay has moved closer to parity with men in the grade, with the pay gap reducing significantly in 2017-18 to 5.3%.

1.7 Workforce gender composition by grade

As part of our analysis we have also looked at the proportion of male and female staff at different grades. Figure 1.7.1 demonstrates additional detail beneath the earnings quartile figures in 1.3, showing that there were some underlying movements in senior grades. Chief Officers form a small group of staff overall, but their pay levels mean the switch to a male majority creates an impact in the bonus pay gap in particular, as reported in 1.4. The switch to a female majority at Level 6 provided some counterbalance, while the proportions below have not changed significantly.

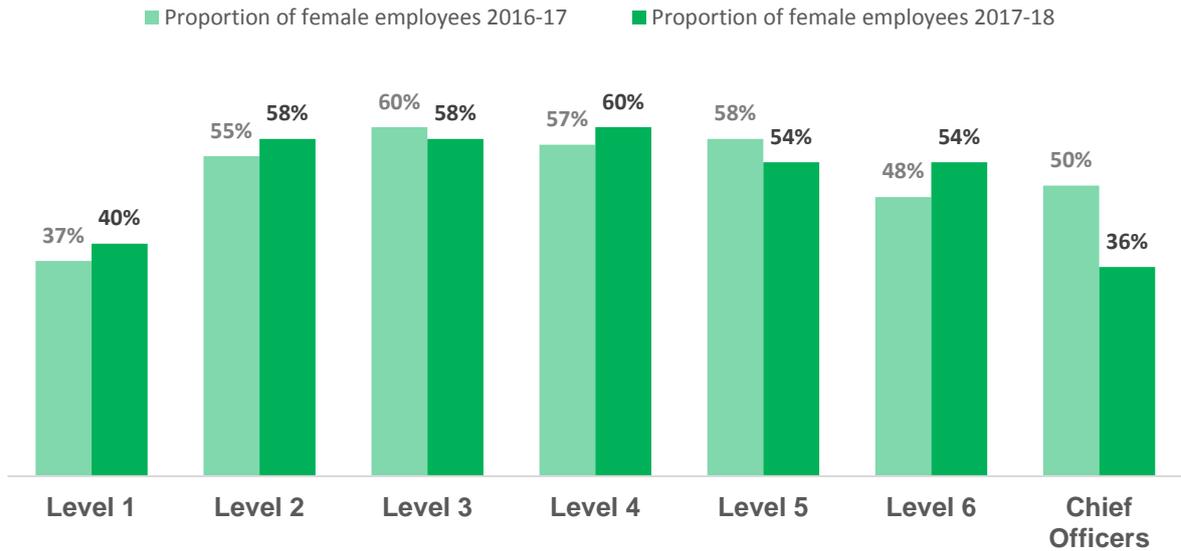


Figure 1.7.1: Proportion of female employees by grade difference with 2016-17

1.8 Proportional Gender Pay Gap

Following our analysis of the proportion of staff at different grades, we calculated the proportional gender pay gap. This accounts for differences in the number of employees across different grades by weighting them according to their share of staff, and then applies that weighting to the gaps at different levels before adding them together.

The proportional gender pay gap is still slightly in favour of men but has reduced in comparison to 2016-17, which corresponds with the pay gap decreases in individual grades.

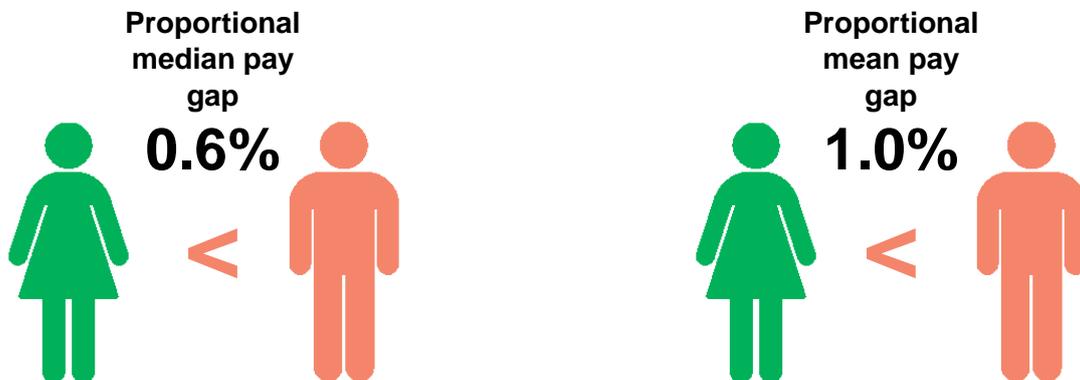


Figure 1.8.1 Proportional Pay Gap by Gender

2. Ethnic Origin Pay Data & Commentary

Having reported on the ethnic pay gap for a number of years, the Council switched to the government legislation's prescribed methodology last year. This year's figures allow a direct comparison to be made with the 2016-17 findings as a result.

Due to the small numbers of staff in different ethnic groups which can lead to some statistically insignificant results, we have continued to compare the pay of white staff with that of staff from a Black, Asian and minority ethnic (BAME) background. Though we understand this is an imperfect measure as it may not reveal some of the differences between different ethnic minority backgrounds, it is the most effective way for us to assess progress in this dimension of pay equality.

2.1 Overall Ethnicity Pay Gap

The overall ethnicity pay gap has narrowed in comparison with the 2016-17 numbers when the median was 11.6% and mean was 14.3%. The pay gap continues to be driven by the fact there are more non-BAME employees in senior roles within Camden. However, this is different from equal pay. At Camden we are confident that BAME and Non-BAME employees are paid equally for doing equivalent jobs across our organisation and we continue to take action to address the overall gap driven by lack of representation at our senior levels. Figure 2.3.1 demonstrates these actions are starting to have an impact, with representation at levels 4-6 increasing in comparison to last year.

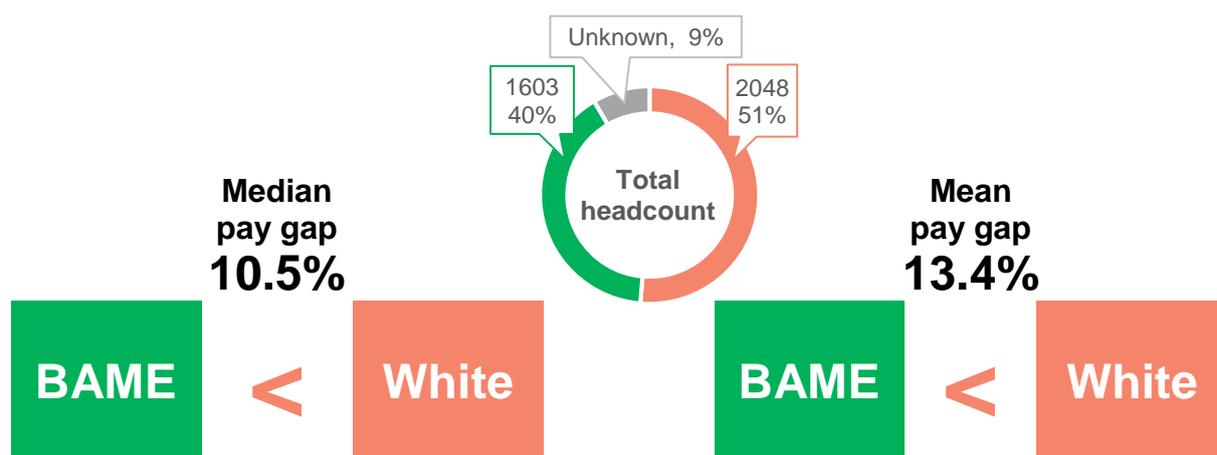


Figure 2.1.1 Median and Mean pay gaps by ethnic origin

For context, based on the Economic Fairness Research published by Greater London Authority in June 2018, Camden's ethnicity pay gap is below that for London, which is 22% (median) and 23% (mean).⁴

On the next page we analyse pay gaps by grade to identify any underlying patterns which may inform our actions in addressing the gap in future.

⁴ Source: Ethnicity pay gap data research published by Greater London Authority, June 2018: <https://data.london.gov.uk/economic-fairness/>

2.2 Ethnicity Pay Gap by Grade

The chart below demonstrates that in the grades with largest number of employees pay gap is below 5%, while larger pay gaps are only observed in grades with smaller proportion of employees, which might skew the numbers. Reduced pay gaps are revealed at Level 1 Zone 2 and Level 6 Zone 1 in comparison with the 2016-17 report, which is in line with progress in the overall mean and median pay gaps.

The increased pay gap at Level 2 Zone 1 grade (compared to 2016-17) is caused by a group of higher paid BAME employees being regraded to a higher level. Due to a small headcount in this grade it had a significant impact on the median hourly rate of BAME employees. The 8.2% pay gap at Level 2 Zone 1 is also caused by a large number of long serving white staff (16.3 years on average) at this level who progressed to the top of the pay scale, while a large number of BAME employees have shorter lengths of service (7.9 years on average) and are not as high up the pay scale.

An increased pay gap at Level 6 Zone 2 (compared to 2016-17) is a result of BAME employees progressing into the grade but entering near the bottom of the pay scale. Also, as some of these appointments were made in March 2018, the average hourly rate of the new and the previous grade was used for the calculation and as numbers are small at this level this can have a disproportionate impact.

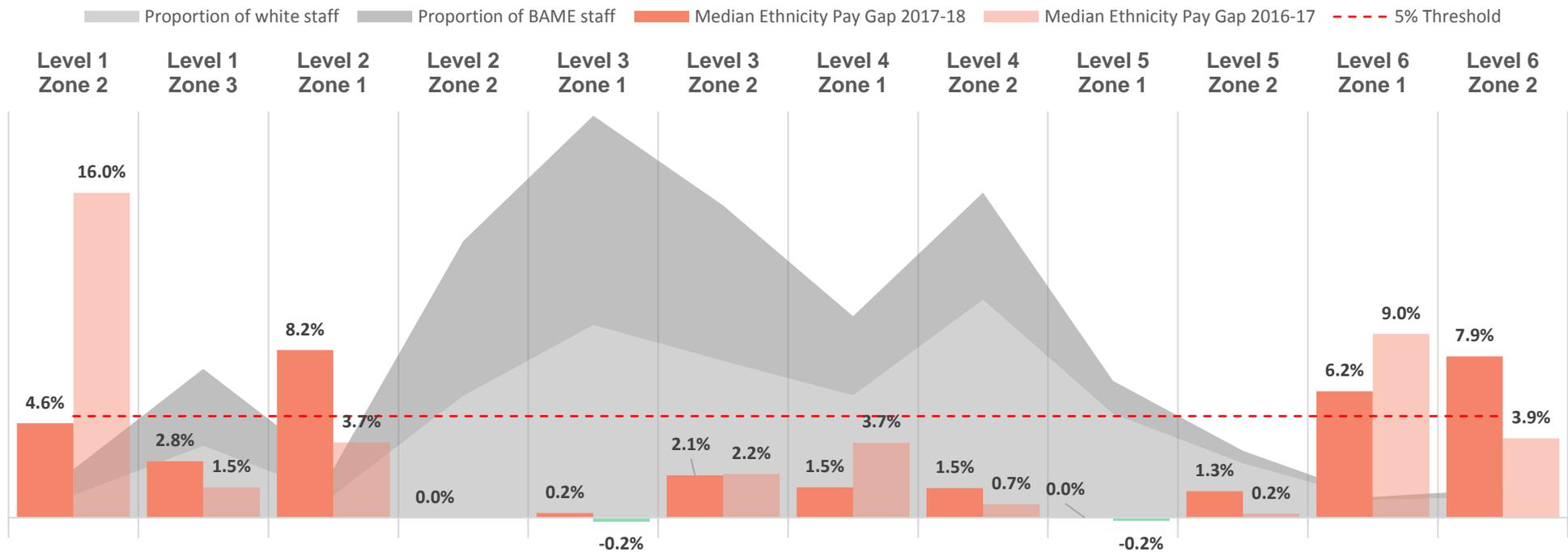


Figure 2.2.1 Pay gaps at grade level by ethnic origin

2.3 Workforce composition by grade and ethnicity

From the chart below we can see a slight increase in the proportion of BAME staff in all grades except Level 1 and Chief Officers. We expect appointments to senior roles after March 2018 to have a positive impact on the composition in the 2018-19 report and contribute to a further narrowing of the overall pay gap, but it's apparent that the representation of ethnic minorities at senior levels remains a key factor in addressing the overall pay differences.

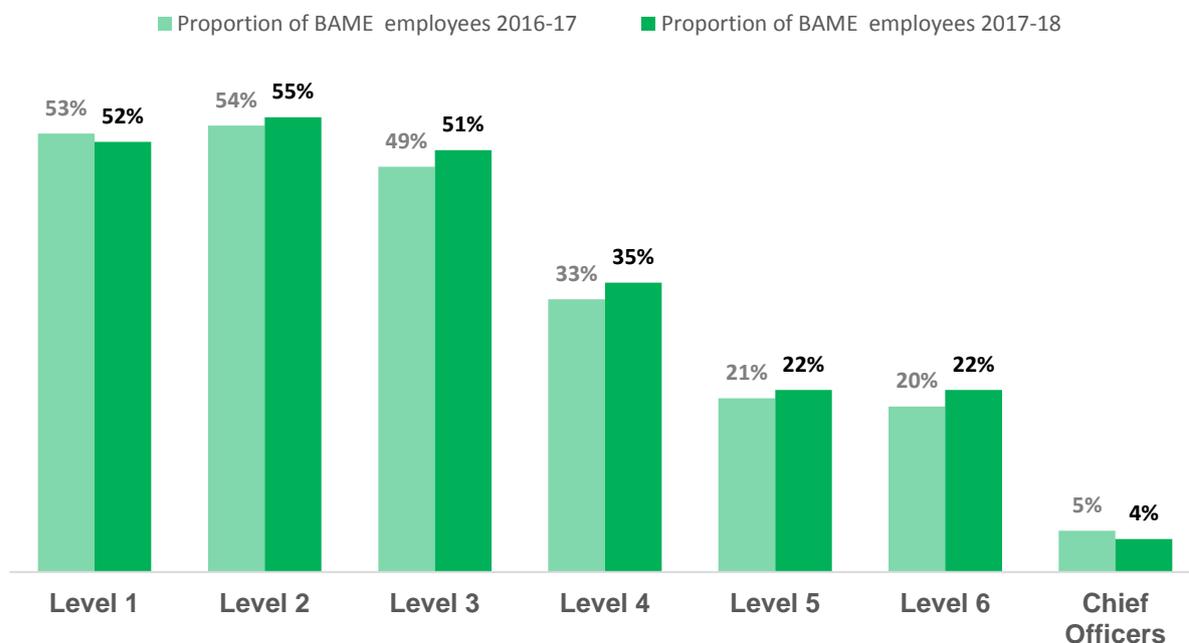


Figure 2.3.1 Proportion of BAME employees by grade difference with 2016-17

2.4 Proportional Ethnicity Pay Gap

The proportional pay gap takes the gaps at grade level and weights them according to the proportion of staff in those grades. In line with the overall figures, the proportional ethnicity pay gap has reduced slightly in comparison with last year, further demonstrating that there are no pay gaps in the most populated grades in Camden.

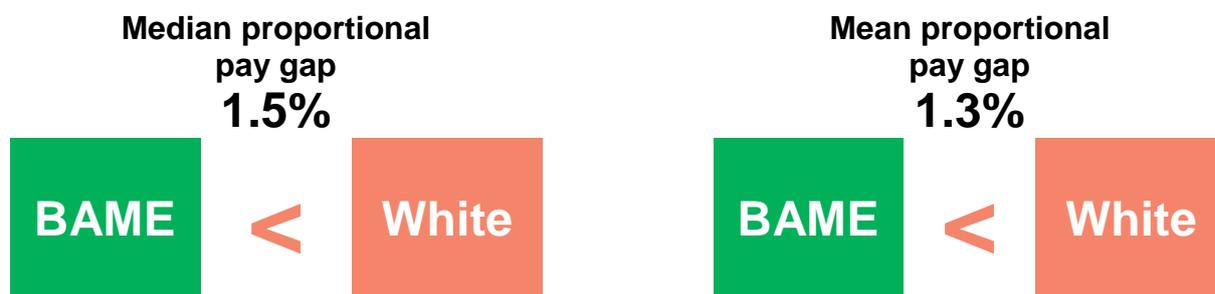


Figure 2.4.1 Proportional Pay Gap by Ethnic Origin

3. Disability Pay Data and Commentary

Detailed analysis of pay data by disability is restricted by the low number of staff who have declared a disability overall (3%) and the proportion of 'Unknown' declarations (18%). This means that it is not possible to make meaningful comparisons across all grade levels. However, it is still possible to look at the overall picture and set benchmarks for future years.

3.1 Overall Disability Pay Gap

Small gaps are evident in both median and mean calculations, with the pay of disabled staff lower by 3.5% and 4.4% respectively.

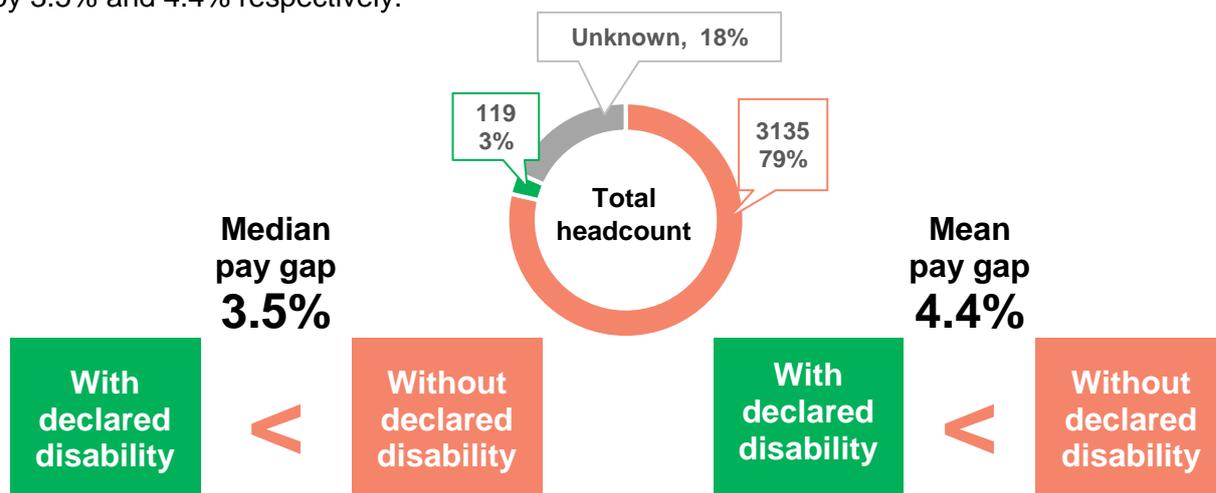


Figure 3.1.1 Median and Mean Pay gaps by Disability Declaration

3.2 Proportional Disability Pay Gap

Low numbers of disabled people in a number of grades mean it is not possible to analyse individual grade differentials. However, we have used the figures to perform the proportional gap calculation and it shows that once relative grade sizes are accounted for, median and mean rates of pay are marginally higher overall for disabled staff.



Figure 3.2.1 Proportional Pay Gap by Disability Declaration

4. Conclusions and Actions

4.1 Gender: Our findings reveal that the gender pay gap doesn't show a disparity in male and female earnings in Camden council, and that some gaps at the grade levels have decreased in comparison to the 2016-17 figures. We will continue our existing set of actions and further explore the factors which appear to have influenced the gaps in performance related payments.

Actions:

- Continue to embed agile and flexible working practices as well as collect data from those colleagues leaving to better understand reasons of this decision.
- Monitor performance related payments to identify patterns and ensure that the criteria for nominations are clearly understood and applied across the organisation

4.2 Ethnic Origin: Reductions in the overall figures and pay gaps by grade demonstrate improvements in comparison to the 2016-17 report. This suggests the action plan outlined last year is starting to help Council to address the gaps. However, as the figures are largely determined by representation levels, change tends to happen over years rather than months so in addition to the continuation of initiatives outlined last year, the following actions are planned. These have been developed in conversation with the Camden Black Workers Group and informed by a systemic analysis of the causes of under-representation supported by input from external agencies who reviewed a number of the Council's processes.

Actions:

- Establish a sponsorship and mentorship programme for under-represented employee groups to support their career progression with the organisation
- Increased use of internal secondments to allow staff move within the organisation more easily
- Support managers making career and recruitment decisions to improve awareness and address the propensity for unconscious bias to impact outcomes
- Provide better networking opportunities to employees at all levels
- Continue to embed our approach to performance development with a focus on continuous performance conversations, feedback and coaching for development
- More broadly, the Council is playing its part with commitments in the Camden Plan 2025 which seek to ensure that every child is able to access the pathway that is right for them, whether academic or vocational, and every part of the education system works together to ensure opportunities are available across diverse groups

4.3 Disability: Having made concerted efforts to ensure our recruitment and working arrangements are in line with best practice in recent years, we view the near parity observed in this reporting dimension as an indicator of the success of these efforts. We will continue to seek out ways to support disabled candidates and employees and also seek better visibility in this area by reducing the number of unknown disability declarations.

Appendix 1: Methodology

This report adopts the methodology prescribed by the government legislation which came into force in April 2017, a summary explanation of which is provided below. The full methodology can be accessed [here](#).

What do we report on?

Parameter	Calculation details
Employee headcount	Only full-pay employees employed by the Council as of 31 March 2018 are included in the calculation. That means that an employee must be paid full usual pay during the pay period (1 April 2017 – 31 March 2018). If the employee is paid less than his usual rate because of being on unpaid leave for that period, he is not included in the calculation.
Hourly Pay rate	Includes any monetary payment: basic pay, allowances, pay for piecework, pay for leave, shift premium pay, performance based payments. Does not include overtime pay, redundancy pay, pay related to termination of employee, any repayment of authorised expenses, benefits in kind, interest-free loans.
Mean pay gap	The difference between the average hourly rate of pay of male and that of female expressed as a percentage of the average hourly rate of pay of male employees
Median pay gap	The difference between the actual midpoint of hourly rates of pay of male and that of female expressed as a percentage of the actual midpoint hourly rate of pay of male employees
Quartile pay bands	The proportion of male and female full-pay relevant employees in the top 25% of earners, 2 nd highest 25% of earners, lowest 25% of earners and 2 nd lowest 25% of earners
Performance related payment	My Reward and My Recognition schemes which consist of £40 vouchers, 1% and 2% of current pay rewards as well as Chief officer variable pay

Median pay gap calculation

