



# London Borough of Camden Pay Gap Report 2016-17

Period 1 April 2016 – 31 March 2017

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## Introduction

Under new legislation that came into force in April, UK employers with more than 250 employees are required to publish their gender pay gap. Camden has a long tradition of promoting equality – we're proud to be one of the most diverse places in the country. Increasing pay transparency is a topic we've taken a leading and visible position on for some time. We have been voluntarily reporting our gender, ethnicity and disability pay gap since 2015. 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.

Camden have for a long time sought to be a leader in its approach to fair pay. We became one of the first accredited employers with the Living Wage Foundation in 2012 and have since set a minimum earning threshold above this rate. Analysing and reporting our pay gap over the past three years has also proved to be a critical measurement against which we can consider our progress. While all our data shows that we have identified – and are focusing on – the correct actions, it also shows that meaningful change needs a consistent focus.

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

We have summarised the key findings from our analysis of pay data by gender, ethnic origin and disability below.

1. We report positive overall gender pay results, with female median earnings 3.5% higher than those of men. Female mean earnings are also marginally higher, by 0.9%.
2. The headline results are indicative of high levels of female representation in middle and senior grades with women forming the majority of staff in the two upper earnings quartiles.
3. There is parity in the proportion of men and women receiving performance related payments, with them going to 33% of men and 34% women.
4. Gender pay gaps were identified within certain grades, stemming predominantly from men having longer lengths of service, which have enabled them to progress further through the respective pay ranges.
5. Our analysis of pay by ethnic origin revealed overall median and mean gaps of 11.6% and 14.3% respectively, which appears to be a result of lower representation of black, asian and ethnic minority (BAME) employees in more senior grades.
6. Gaps by ethnic origin at grade level were less significant however, including those grades with the highest numbers of staff. This meant the proportional median and mean pay gaps – which weight gaps at each grade by the proportion of staff in those grades – were lower at 1.5% and 1.6% respectively.
7. Our analysis of pay for employees who have declared a disability in comparison to those who have not did not reveal any significant gaps overall or at grade level.
8. In response to the findings we outline a number of actions to continue to support our staff to develop and progress in the Council.

# 1. Gender Pay Data and Commentary

We begin the gender pay section by setting out the statutory information<sup>1</sup> required under the gender pay legislation. Commentary is provided to inform understanding of the data and its context. As we are interested in further detail, we have provided additional data and analysis to better understand the patterns driving the results.

## 1.1 Headline Median and Mean Gender Pay Gap

Median female earnings were 3.5% higher than median male earnings on the snapshot date of 31 March 2017, with women paid £18.12 and men paid £17.50 per hour. Mean female earnings were 0.9% higher than the male equivalent, being £19.18 and £19.00 per hour respectively

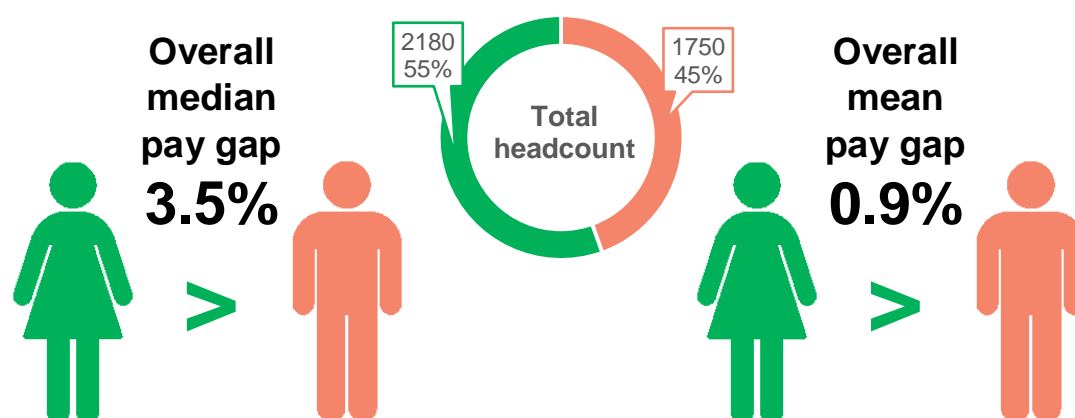


Figure 1.1.1: Median and Mean gender pay gap

## 1.2 Workforce gender composition by earnings quartile

We attribute the marginally higher median and mean rates of pay for women to the distribution of men and women across the earning spectrum at Camden. Figure 1.2.1 shows that females form the majority of staff in the three upper earnings quartiles, with 55% of staff in the top earnings quartile, 59% in the upper-middle quartile and 61% in the lower-middle quartile. It's only the lower quartile where men form the majority, with 53% of staff.

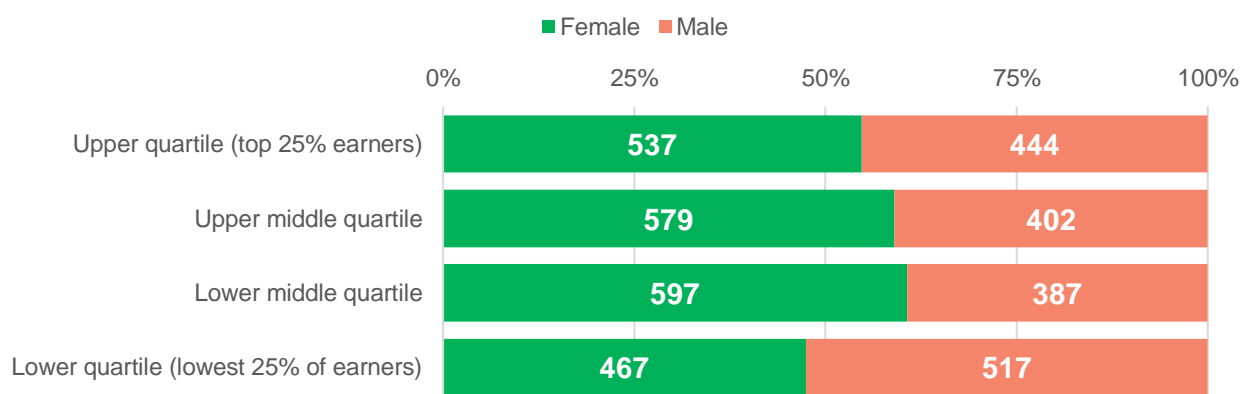


Figure 1.2.1: Workforce gender composition by earnings quartile

<sup>1</sup> 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 2017.

### 1.3 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.

Median male performance related payments were 9.2% higher than the female equivalent on the snapshot date. In contrast, the mean performance related pay gap revealed women receiving payments 0.4% higher than men. The proportion of men and women receiving performance related payments was also largely even at 33% and 34% respectively.

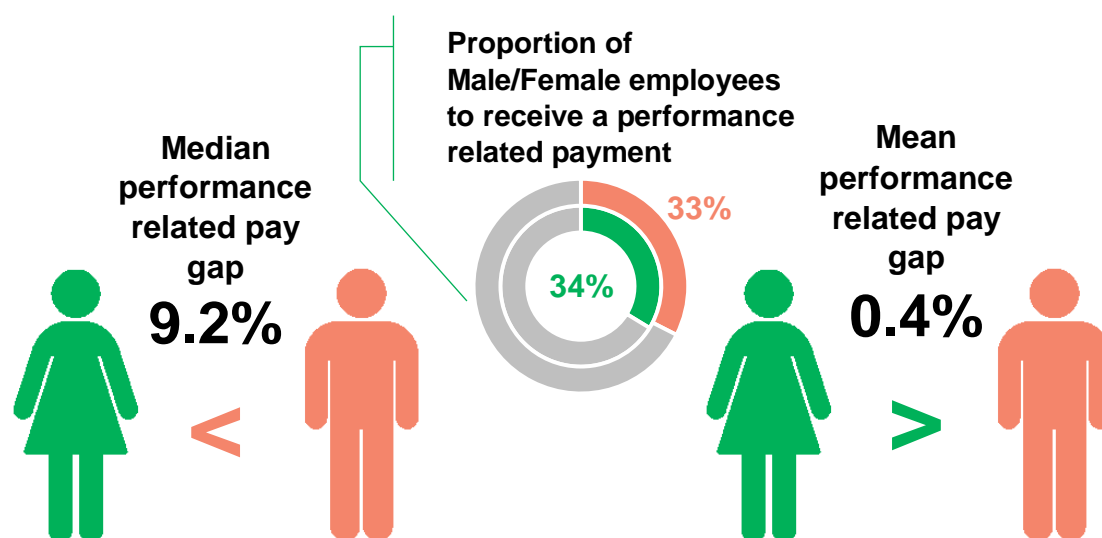


Figure 1.3.1: Median and Mean Performance related payments gender pay gap

In analysing the median performance pay gap, we identified that women received a higher proportion (59%) of the lowest value awards (£40 vouchers) than men did. Given the relative parity observed in the other measures of performance related pay, our conclusion was that these were bringing down the female median. When the £40 voucher was removed from the calculation the median performance related pay gap was much smaller, showing men receiving just 1% higher than women.

### 1.4 Conclusions relating to the statutory measures

The overall position is very positive, with men and women achieving at least parity in the majority of the dimensions. Where there is a pay gap – in median performance related pay – we have identified that this is predominantly due to women receiving a higher proportion of lower value awards than men. When considered alongside the fact that a slightly higher proportion of women received a performance related payment, and the mean performance related payment for women was marginally higher, we do not believe the median performance related pay gap presents a cause for concern.

In previous years we have looked at pay levels by grade. To better understand what is driving our positive results, and to ensure we continue to achieve them in the future, we have done so again on the following pages. This deeper level of analysis will help to inform the actions which we consider as part of this process.

## 1.5 Gender Pay Gap by Grade

This chart shows the median gender pay gap by grade. We can see that despite recording higher levels of median pay across Camden overall, women have lower levels of median pay than men in a number of grades. This is particularly evident in three grades, which are analysed further on page 8.

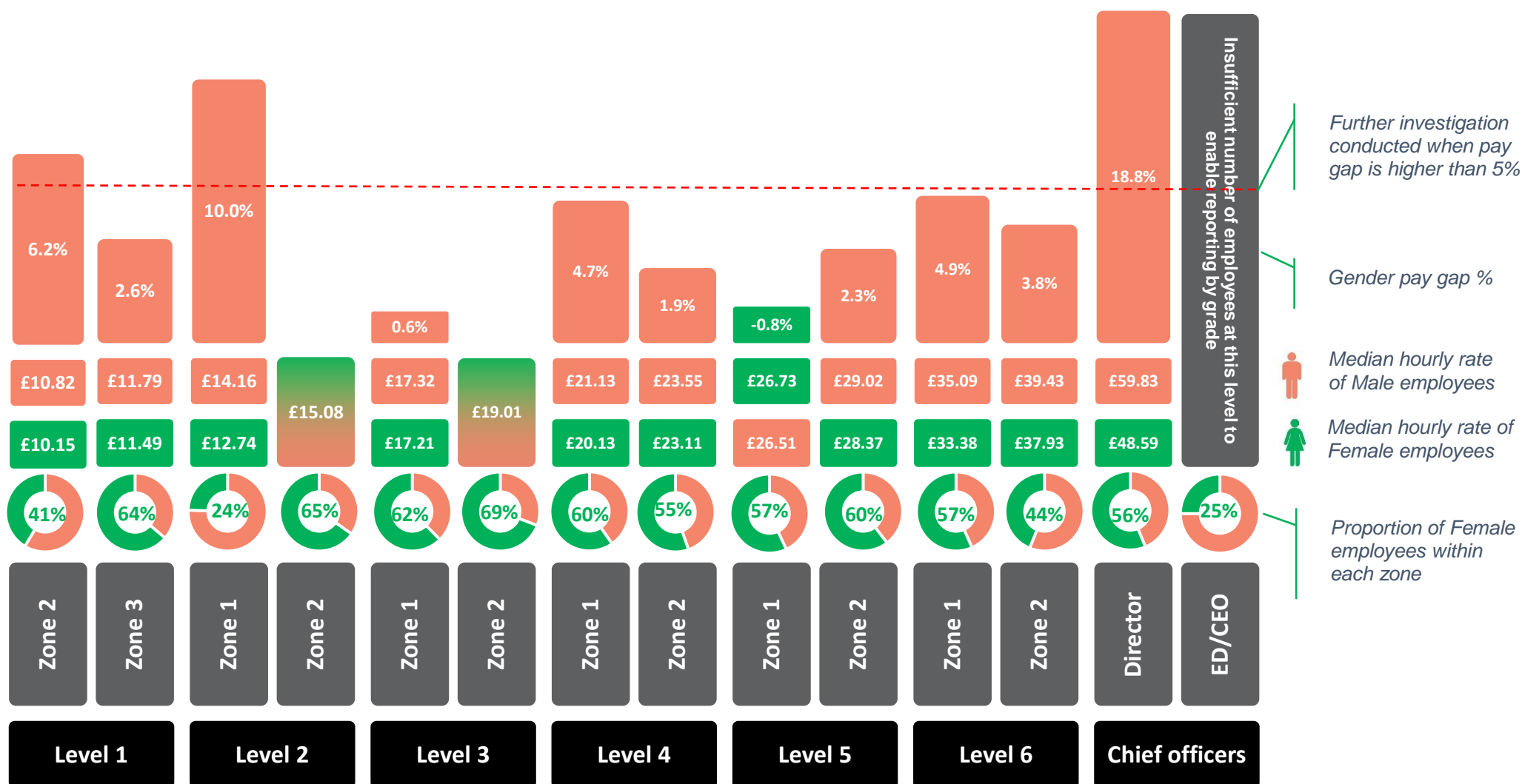


Figure 1.5.1 Gender Pay Gap by Grade



## 1.6 Average length of service by Grade

Median pay gaps in excess of 5% were identified in Level 1, Zone 2 and Level 2, Zone 1. From analysing the data for these grades, we observed that the average length of service also showed significant differences. As Figure 1.6.1 demonstrates, men averaged 16 years of service in Level 1, Zone 2 compared to seven years amongst females, and 12 years in comparison six years in Level 2, Zone 1. This has meant that higher proportions of men have progressed up their respective pay ranges than women.

Median pay gaps approaching 5% were also identified in Level 4 Zone 1 and Level 6 Zone 1 and whilst not as stark, the chart below demonstrates that the average length of service of men was also higher in those grades.

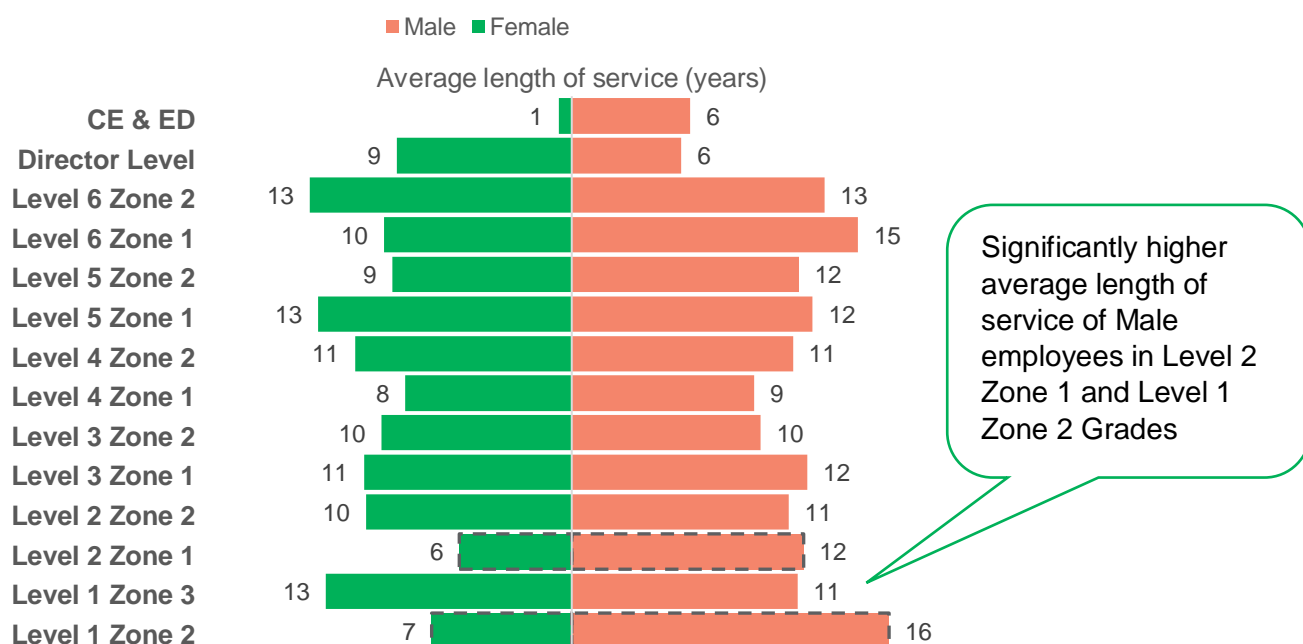


Figure 1.6.1: Average length of service by grade and gender

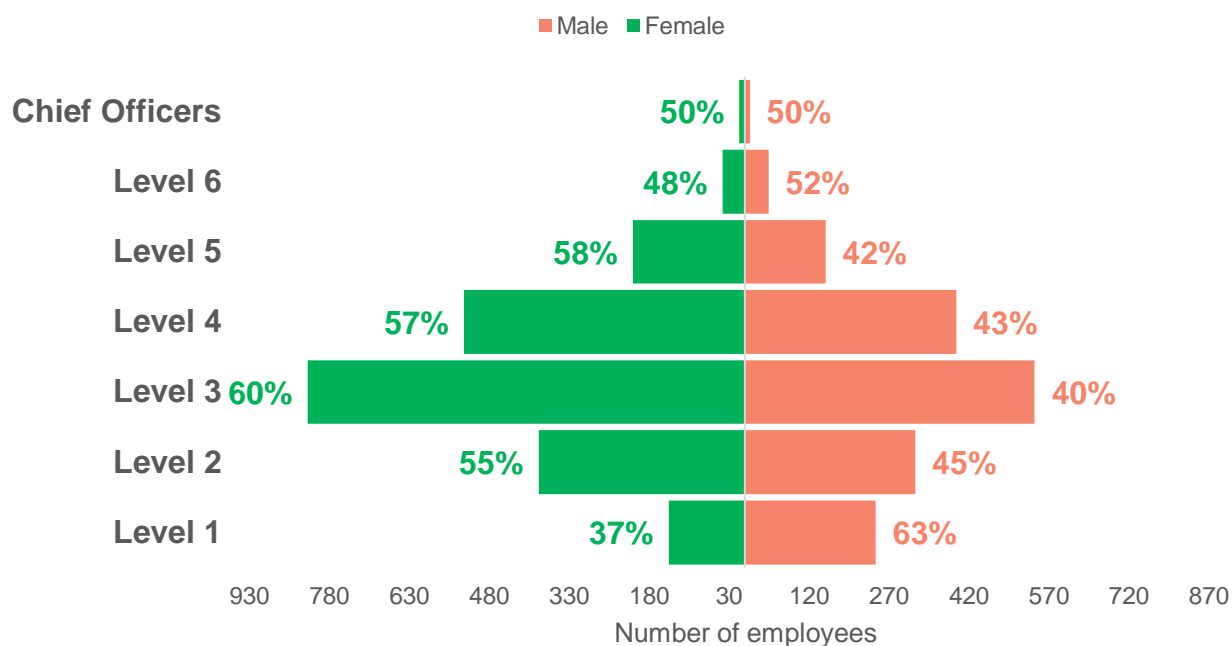
The other pay gap above 5% was observed at Director level. The chart above shows that length of service does not explain this as the nine females average longer service than the seven men at this level, though the female average is skewed upwards by two very long-serving women. The roles at this level are varied and market forces can inform levels of pay and in turn impact gender pay differentials. As the overall number of people in the grade is low, these individual differentials can make that impact disproportionate. Recognition of the gap at this level has informed our approach to pay at this level in the intervening period however, and underlined the value of exercises such as this.

## 1.7 Workforce gender composition by grade

To better understand the impact of gaps at different levels, and why they seem to contradict the overall figures showing higher mean and median rates of pay for women, we analysed the distribution of staff across grades. Figure 1.7.1 shows that the grades with the highest numbers of staff are levels 3 and 4, which is where there is pay parity or relatively small pay gaps. Conversely, larger gaps at Director level and Level 1 have lower numbers of staff so individual figures can have a proportionally bigger impact.



Figure 1.7.1: Distribution of employees across grades by gender



## 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.

This alternative overall measure of gender pay shows marginally higher rates of median and mean pay for men, of 1.9% and 2.1% respectively.

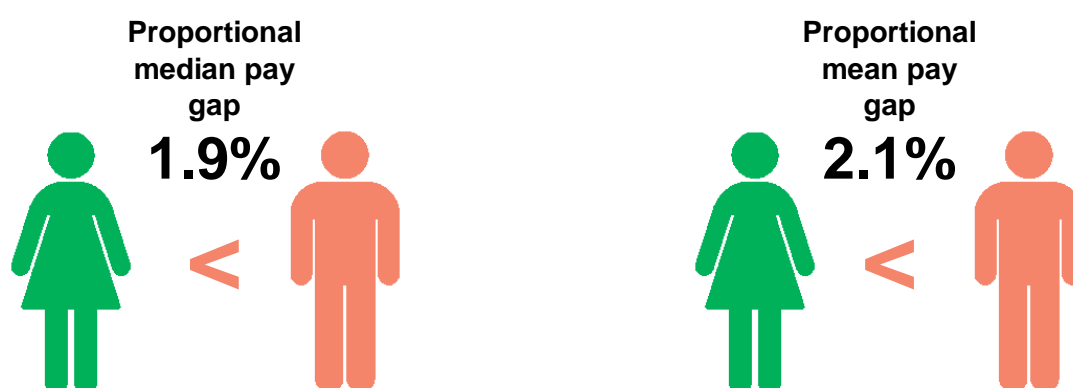


Figure 1.8.1 Proportional Pay Gap by Gender

## 2. Ethnic Origin Pay Data & Commentary

Increasing pay transparency is a topic we've taken a leading and visible position on for some time. We have been voluntarily reporting our ethnicity pay data for the last 3 years and we continue to view it as an essential part of our equalities agenda.

Due to small numbers in certain ethnic groups, we have based calculations on the grouping of staff from a black, asian and ethnic minority (BAME) background in comparison with non-BAME staff. However, we are mindful that quite different outcomes may be prevalent among different ethnic groups and will continue to analyse at this level on an internal basis.

### 2.1 Overall Ethnicity Pay Gap

The median and mean pay of white staff was 11.6% and 14.3% higher than BAME staff. As subsequent analysis shows, these gaps are driven by lower representation of BAME staff in senior roles.

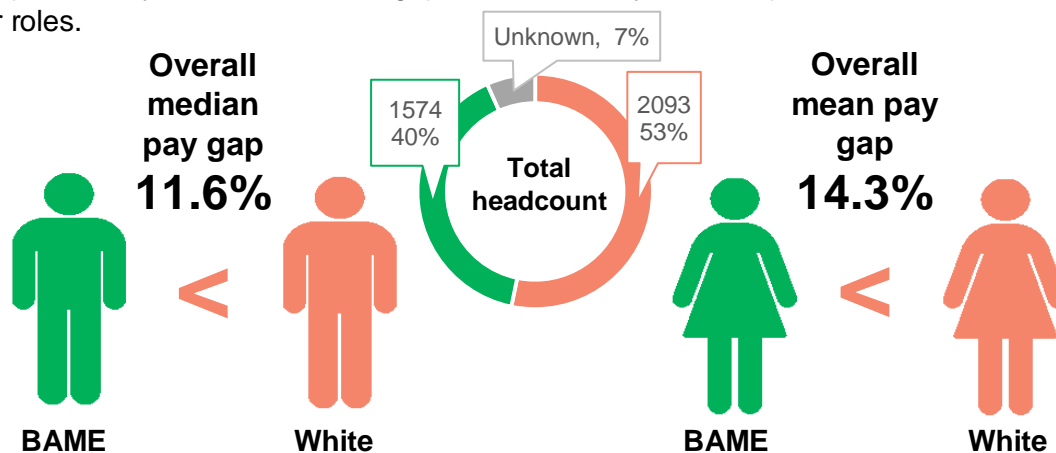


Figure 2.1.1. Median and Mean pay gaps by ethnic origin

These figures are not where we want them to be and we have recognised there is work to do, in particular in achieving improved representation of BAME staff at higher grades in the organisation. We routinely track metrics that track progress towards this aim and see encouraging signs, for example the proportion of employees who earn over £40,000 who are from a BAME background has increased from 20.6% in 2012-13 to 25.5% in 2016-17. External context is provided by the Greater London Authority's recent reporting of pay data by ethnic origin, where the median and mean pay gaps were marginally higher at 16% and 21% respectively<sup>2</sup>.

Nevertheless, we continue to actively review our processes for evidence of any barriers to the progression or recruitment of individuals from a BAME background into higher grades at Camden, and discuss actions which seek to improve outcomes in section 4 of this report.

### 2.2 Ethnicity Pay Gap by Grade

The chart on the following page shows that in contrast with the overall measures, the majority of gaps at grade level are small, or show parity between BAME and white rates of pay. This is encouraging as it tells us there are not significant issues at grade level, but supports the view that the lower proportions of BAME staff in the upper earnings quartiles is driving the overall gap. Where there is a significant gap at Level 1, Zone 2, analysis shows a sizeable gap in lengths of service, with white staff averaging 20 years compared to the 7 years' service of BAME staff. This means white staff have progressed further into the pay band than BAME colleagues on average.

<sup>2</sup> <https://www.london.gov.uk/about-us/governance-and-spending/spending-money-wisely/ethnicity-pay-gap-report-2017>

## 2.2 Ethnicity Pay Gap by Grade

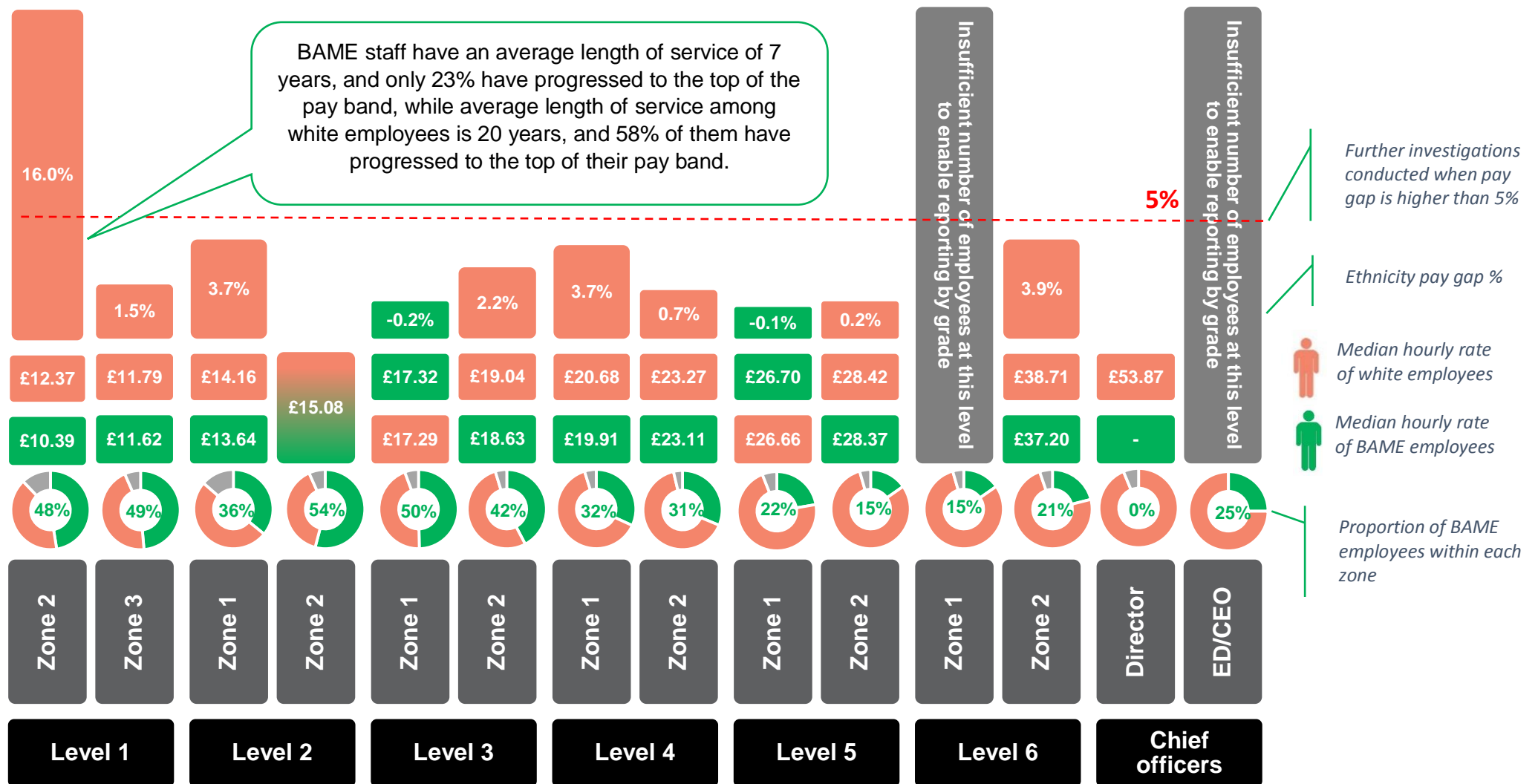


Figure 2.2.1 Pay gaps at grade level by ethnic origin

## 2.3 Workforce composition by grade and ethnicity

From the chart below we can see that BAME and white staff are evenly represented at levels 1 to 3. The proportion of BAME staff reduces significantly in higher grades. This distribution of staff has in turn impacted the overall pay gap findings.

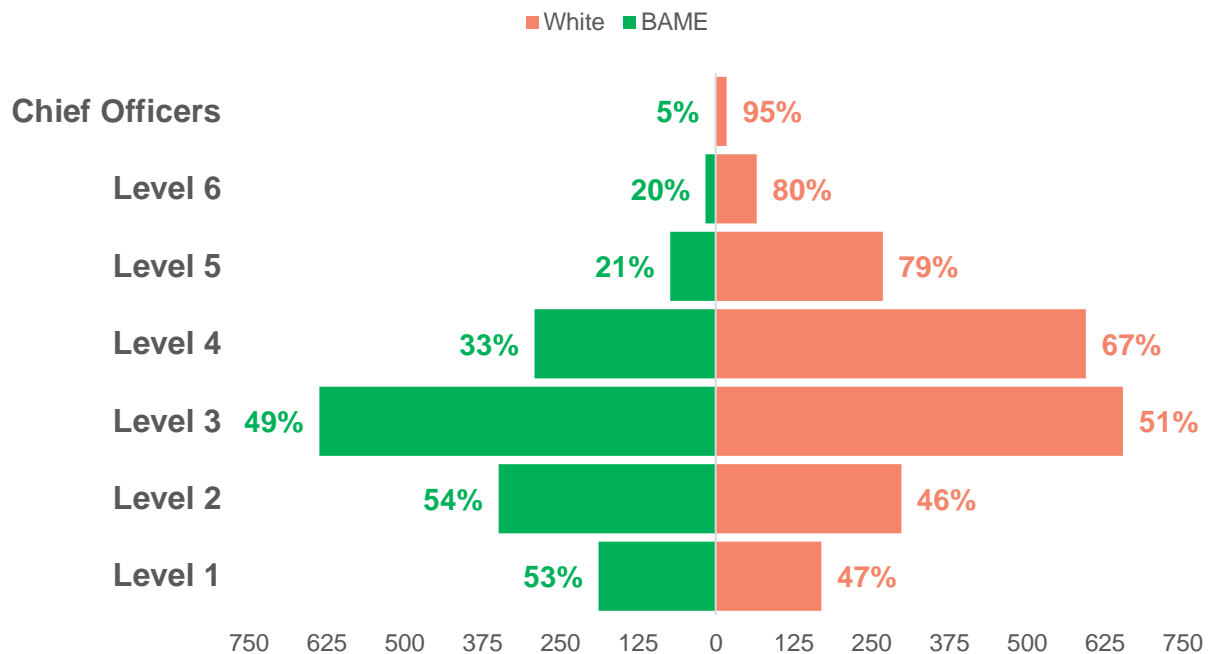


Figure 2.3.1 Distribution of employees across grades by ethnic origin

## 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. As the gaps in grades with highest numbers of staff are small (or marginally favour BAME), the overall proportional gaps are just 1.5% (median) and 1.6% (mean).

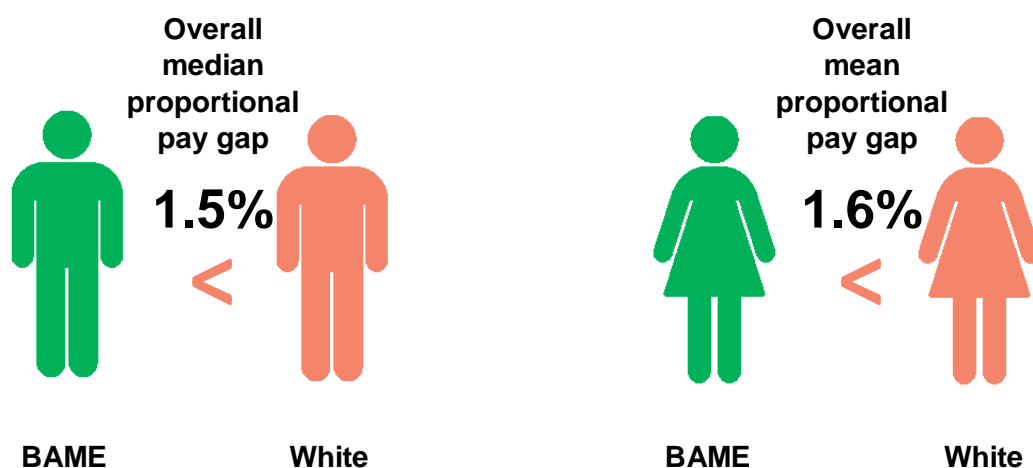


Figure 2.4.1 Proportional Pay Gap by Ethnic Origin

### 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 (11%). 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 1.8% and 1.7% respectively.

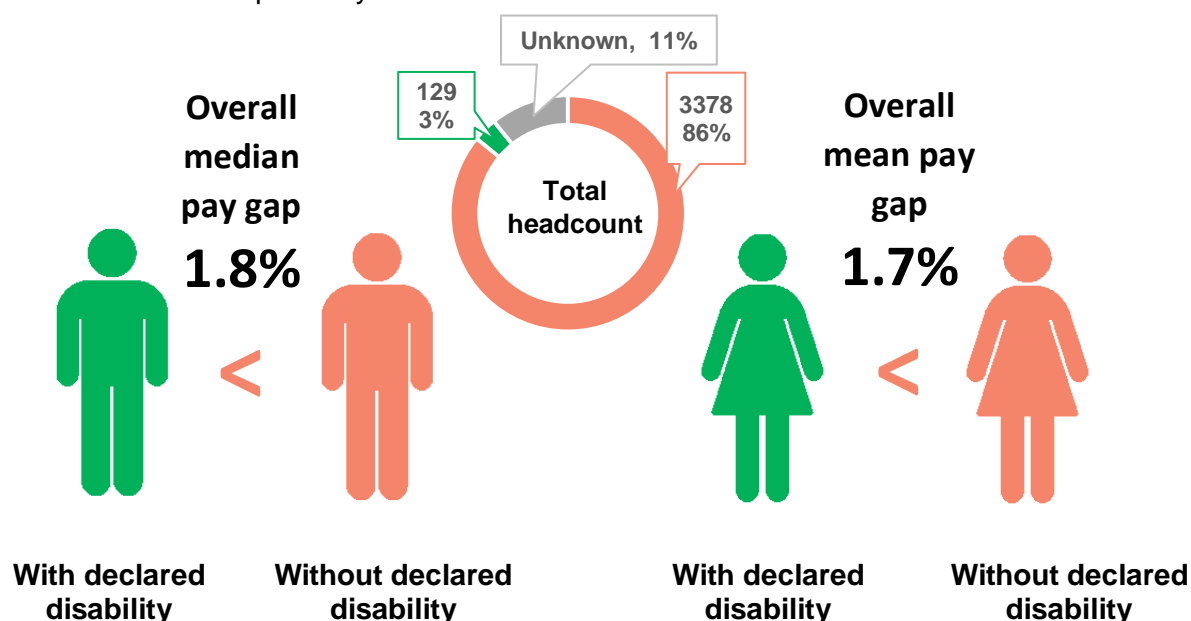


Figure 3.1.1 Median and Mean Pay gaps by Disability Declaration

#### 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.

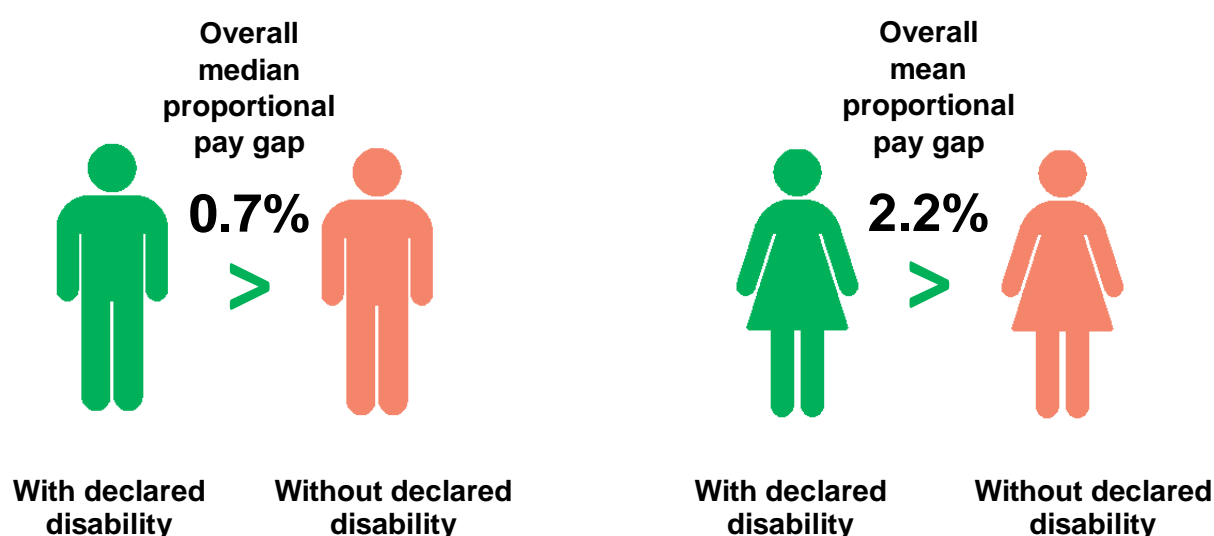


Figure 3.2.1 Proportional Pay Gap by Disability Declaration

## 4. Conclusions and Actions

**4.1 Gender:** We are proud that our overall mean and median headline figures for gender show no meaningful gaps, being indicative of high levels of female representation in middle and senior grades. We observed gaps at grade level, though these appear to stem from length of time in the grade and progression through the pay range, so understanding staff turnover patterns will inform how we approach these.

### Actions:

- Continue to embed agile and flexible working practices: Camden became the first Local Authority to become a Timewise Council in 2014, enhancing the ability of employees to manage their work around their individual circumstances.
- Continue to collect data from those colleagues leaving Camden to better understand reasons for leaving: As pay gaps at grade level appear to stem, in part, from respective lengths of service, our questionnaire will seek insights on why people are leaving to inform our understanding of how we can help people to make informed choices.

**4.2 Ethnic Origin:** In contrast to gender, the overall gaps by ethnicity were larger due to lower representation of BAME employees in higher grades. This is an area where we want to do better and will continue to invest resources and focus to improve our position. Gaps at grade level were not as significant, as demonstrated by the lower proportional pay gap. As a result, our actions chime with an existing drive to improve progression and recruitment of people from a BAME background into middle and senior grades.

### Actions:

- In December 2017 we conducted an analysis of staff progression rates by ethnicity and committed to a set of actions that would support progression of BAME staff into the middle and senior levels
- We have launched and continue to monitor mandatory training on equality, diversity and unconscious bias for all staff
- We are ensuring all face-to-face manager learning and development – including recruitment and selection training - incorporates content on diversity, inclusion and conscious and unconscious bias
- We will continue to embed our approach to performance development with a focus on continuous performance conversations, feedback and coaching for development.
- We are helping our staff to have greater insight into development opportunities at Camden by
  - Providing greater clarity about selection and assessment processes and criteria, as well as access to targeted feedback to improve the future prospects of those who are unsuccessful
  - Sharing success stories and experiences to role model progression
  - Making internal job opportunities more visible and promoting them more widely

**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 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.

## 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
<b>Employee headcount</b>	Only full-pay employees employed by the Council as of 31 March 2017 are included in the calculation. That means that an employee must be paid full usual pay during the pay period (1 April 2016 – 31 March 2017). If an employee was paid less than their usual rate because of being on unpaid leave in that period, they are not included in the calculation.
<b>Hourly Pay rate</b>	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.
<b>Mean pay gap</b>	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
<b>Median pay gap</b>	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
<b>Quartile pay bands</b>	The proportion of male and female full-pay relevant employees in the top 25% of earners, 2 <sup>nd</sup> highest 25% of earners, lowest 25% of earners and 2 <sup>nd</sup> lowest 25% of earners
<b>Performance related payment</b>	My Reward and My Recognition schemes which consist of £40 vouchers, 1% and 2% of current pay rewards and Chief officer variable pay

### Median pay gap calculation

