



Havering
LONDON BOROUGH

Gender and Ethnicity Pay Gap Report 2023

Snapshot of Data: 31st March 2023

Published: August 2023



Introduction

We believe every member of staff should be a team player and be respected and treated as equals by all, and that all colleagues regardless of their status, role, or level will be able to have their voice heard.

This is fundamental to the Council's [Choose Havering](#) commitment, which aims to create an organisation and a workforce that is the best it can be while breaking down the barriers that limits personal growth. We need to be a forward-thinking Council that is full of curious people ready to collaborate, innovate and talk about ideas while doing their very best every day for the borough and its residents.

Therefore it is critical that Havering is an organisation that stands up for equality, stands up against discrimination and upholds our values of integrity, creativity, ambition and respect.

Part of achieving this depends on careful analysis of our workforce data to understand if, how, where and why there are barriers that we need to challenge. Pay Gap data is just one part of the overall picture, and by publishing our pay gap data this will also help us to be more open and transparent about our workforce.

For several years now it has been a statutory requirement under the Equality Act 2010 to report annually on their gender pay gap data, and whilst it is not currently a statutory requirement to report on our ethnicity pay data we believe that by voluntarily publishing this information this will set an example that will encourage other organisations to do the same, whilst demonstrating to our workforce our commitment to achieving our ambitions.

This is why we are pleased to publish our first ever gender and ethnicity pay gap report, looking at both gender and ethnicity pay gap data together, and the intersectionality between these two characteristics. We believe that the continued publication of this combined gender and ethnicity report is the next step forward in the analysis of our pay gap data.

This annual report provides the required information on Havering Council's Gender Pay Gap that satisfies our statutory obligations, for the snapshot period date of 31st March 2023.

What is a Pay Gap?

The Pay Gap measures the difference between the overall average earnings between two groups of staff within an organisation, regardless of their role or seniority. That difference in the average earnings is the "Pay Gap".

In the case of a Gender Pay Gap, the gap is the difference between the average earnings of all women and all men within the workforce. In the Ethnicity Pay Gap we look at the difference between the earnings of all White staff and all Ethnically Diverse staff.

A pay gap in itself is not necessarily an indication of a pay equity issue or an imbalance in the Council's pay structures and policies. Nor is it necessarily an indication of a wider systemic problem within an organisation – it is simply a measurement of how even - or uneven - the distribution of people across the pay scales is. For example, a gender pay gap tells us the extent to which more men, or more women, occupy more of the higher paid roles than the other. This is why pay gap reports also show the distribution of staff within pay quartiles.

Pay Gap data is different to equal pay. Equal pay deals with the pay differences between people who carry out the same jobs, similar jobs or work of equal value, while Pay Gap data looks at the overall averages in pay differences between different groups of staff (regardless of the type of the work they undertake). It is important to reiterate that we don't pay people differently based on their ethnicity or gender, or indeed any other protected characteristic.

The Council is confident that our workforce, regardless of their diversity characteristics, are paid fairly and equally for doing equivalent roles and work of equal value, which is why this report does not look at matters of equal pay, only the pay gaps that may exist.

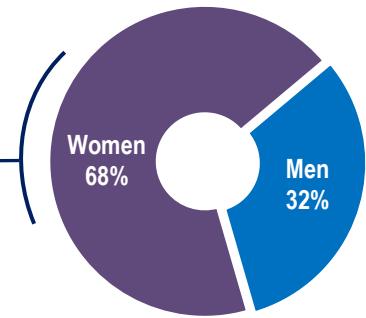
How are the Pay Gaps Calculated?

The Pay Gap is calculated by collating the earnings of all employees from our payroll system at a set point in time, i.e., the snapshot date of 31st March each year.

From this we are then able to calculate two different types of average hourly rates of pay – both Mean and Median – to give a more balanced overview of our gender and ethnicity pay gaps. The % mean and median difference in the overall average hourly rates of pay is the “pay gap”.

OUR GENDER PAY GAP

The number of directly employed staff in post on the snapshot date of 31st March 2023 was 2,346. The gender composition was as follows: 1,604 women (68%) and 742 men (32%).



Mean and Median Pay Gap

The average (mean) hourly rate of pay of women is £19.81, and the median point is £18.02.

The average (mean) rate of pay of men is £21.10, and the median point is £18.76.

| | Women | Men | PAY GAP (%) |
|------------------------------|--------|--------|-------------|
| AVERAGE (MEAN) HOURLY RATE | £19.81 | £21.10 | 6.1% |
| AVERAGE (MEDIAN) HOURLY RATE | £18.02 | £18.76 | 3.9% |

We have a mean Gender Pay Gap of 6.1%, and a median pay gap of 3.9%.

This means when comparing mean (average) hourly pay, men's mean hourly pay is 6.1% higher than it is for women. Or to put this another way, on average men earn £1.06 for every £1 that women earn when comparing mean hourly pay, or men earn nearly £1.04 for every £1 that women earn when comparing median hourly pay.

This does not mean that men earn more for doing the same job, or work of a similar value, but that men occupy slightly more of the higher paid positions overall compared to women.

Previous Pay Gaps

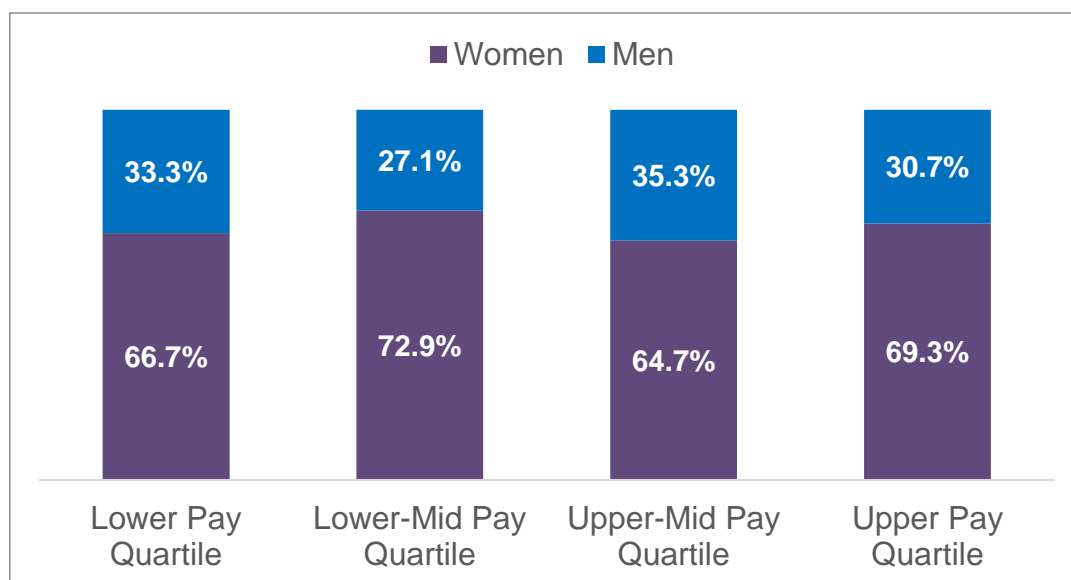
The gender pay gap has seen relatively modest changes over the last several years, as illustrated below. Between 2016 and 2018 the gender pay gap remained steady at c.4.5% before narrowing to just 2.6% at the end of 2019/20. Following an increase (to 5.9%) in 20/21 and again in 21/22 (to 6.4%) the pay gap narrowed slightly to the current gender pay gap of 6.1% recorded at the close of 22/23.

Havering Council's Gender Pay Gap 2016-2023



Pay Quartiles

Pay Quartiles are where the workforce is broken down into four quartiles based on pay – the top 25% of earners make up the Upper Pay Quartile, and the lowest 25% of earners make up the Lower Pay Quartile. This is a useful tool in providing further context to the pay gap.



While the proportion of women across all the pay quartiles is broadly representative of the share of women in the organisation overall (68%), and thus does not provide any clear insights into why or where the gender pay gap predominately occurs, indeed nearly 70% of the workforce within the Upper Pay Quartile are women.

However, if we look further into the data - in particular just the lowest 10% of earners – these are almost exclusively women working mostly within school kitchens, i.e., Kitchen Assistants and Cooks. There are 244 women working in these types of lower paid, part-time roles. If we were to remove these 244 women from the gender pay gap calculations then the gender pay gap is virtually eliminated, at just 0.8%.

Therefore it could be said that the gender pay gap is present not due to the lack of women in senior / higher paid roles but more because of the fact that 100% of our 244 kitchen assistants / cooks are women who make up the lowest paid section of our workforce.

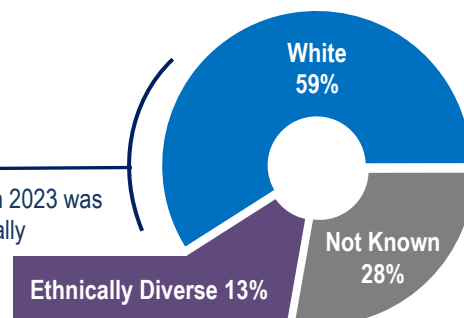
Bonus Payments

Non-consolidated bonus payments are payments that are made in addition to the basic salary that an employee receives that specifically relate only to profit sharing, commission, productivity or performance.

Havering Council does not pay these types of bonus payments.

OUR ETHNICITY PAY GAP

The number of directly employed staff in post on the snapshot date of 31st March 2023 was 2,346. The ethnicity composition was as follows: 1,385 White (59%), 309 Ethnically Diverse (13%) and 652 for whom their ethnicity is Not Known (28%).



Mean and Median Pay Gap

For the purpose of calculating our ethnicity pay gap, those employees where their ethnicity is unknown have been excluded. Therefore some caution should be applied to the potential for some misrepresentation of the true ethnicity pay gap when you consider that more than one in four of the workforce have not self-declared their ethnicity. There is an action plan currently in progress to encourage staff to declare all of their protected characteristics.

The average (mean) hourly rate of pay of White staff is £20.82, and the median point is £18.30.

The average (mean) rate of pay of Ethnically Diverse staff is £21.87, and the median point is £21.09.

| | White | Ethnically Diverse | PAY GAP (%) |
|------------------------------|--------|--------------------|-------------|
| AVERAGE (MEAN) HOURLY RATE | £20.82 | £21.87 | -5.1% |
| AVERAGE (MEDIAN) HOURLY RATE | £18.30 | £21.09 | -15.2% |

We have a mean Ethnicity Pay Gap of Minus 5.1%, and a median pay gap of Minus 15.2%.

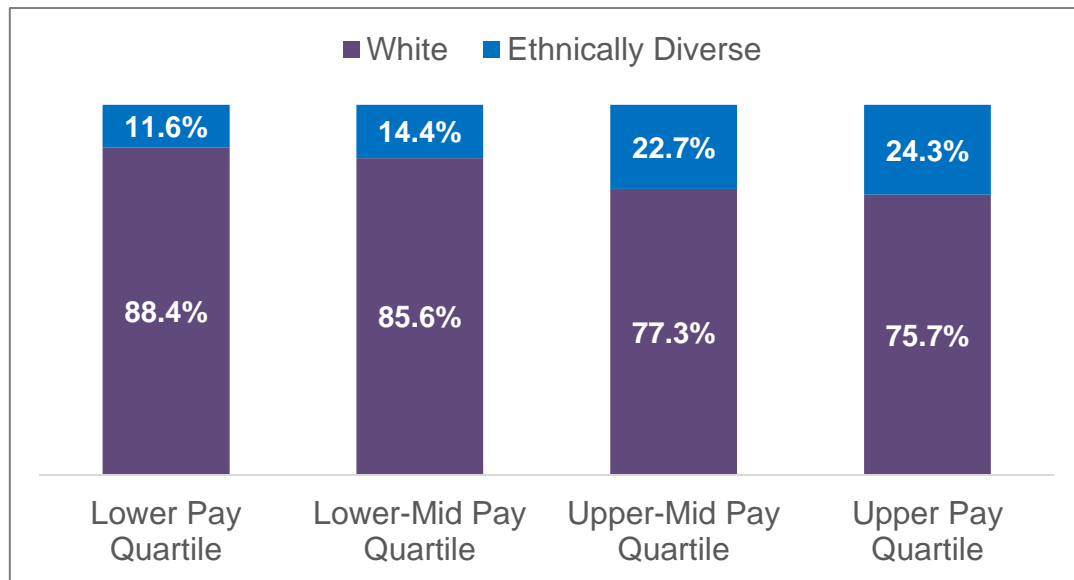
This means when comparing mean (average) hourly pay, the mean hourly pay of White staff is minus 5.1% compared to Ethnically Diverse staff. Or to put this another way, on average White staff earn £0.95 for every £1 that Ethnically Diverse staff earn when comparing mean hourly pay.

When comparing the median pay point, White staff earn minus 15.2% compared to Ethnically Diverse staff, or to put this another way, White staff earn nearly £0.85 for every £1 that Ethnically Diverse staff earn when comparing the median hourly pay point.

This does not mean that Ethnically Diverse staff earn more for doing the same job, or work of a similar value, but simply that Ethnically Diverse staff occupy more of the higher paid positions overall compared to White staff.

Pay Quartiles

Pay Quartiles are where the workforce is broken down into four quartiles based on pay – the top 25% of earners make up the Upper Pay Quartile, and the lowest 25% of earners make up the Lower Pay Quartile. This is a useful tool in providing further context to the pay gap.



It is clear from the ethnicity composition of the pay quartiles why there is a minus ethnicity pay gap. Nearly 1 in 4 of the workforce within the Upper Pay Quartile are ethnically diverse compared to just over 1 in 10 of the workforce who are ethnically diverse in the lowest pay quartile.

Further, the proportion of the workforce who are ethnically diverse increases in every pay quartile from the lowest (11.6%), to the highest quartile (24.3%) – illustrating perfectly how the distribution of jobs (according to pay) favours those staff who are ethnically diverse.

However, the composition of these pay quartiles do not include those staff for whom their ethnicity is unknown and therefore should only be considered within that context.

Bonus Payments

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GENDER & ETHNICITY INTERSECTIONALITY

What is Intersectionality?

Intersectionality is the idea that everyone has their own unique and interconnected set of circumstances or characteristics that can impact their life experiences. A person's advantages or disadvantages in work or in life cannot always be explained with reference only to, for example, just their ethnicity, or just their gender, but by the totality of all factors.

While reporting on a gender pay gap or an ethnicity pay gap in isolation still provides critical insights into the pay gaps within those characteristics, it's only when you look at how different characteristics combined can you better understand the degree to which some people may experience more disadvantage than others.

It is evident that not all Men or all White people are equally privileged, or that all Women or people from Black, Asian and other ethnically diverse communities are equally disadvantaged, particularly also when other characteristics are taken into consideration, i.e., disability, sexual orientation, age, religion, social-economic background, etc., any of which may cause an individual to experience workplace discrimination.

Average (Mean) Hourly Rates of Pay – Gender & Ethnicity

Given that we have already established that, on average, men earn slightly more than women, and that ethnically diverse staff earn more than white staff, it is not unexpected therefore that when looking at the intersectionality of both characteristics that it is **ethnically diverse men that have the highest mean hourly rate of pay (£22.41) and that white women have the lowest mean hourly rate of pay (£20.31).**



Intersectional Pay Gaps

The table below illustrates the % pay gap (mean hourly rate of pay) between the gender and ethnicity intersections.

| | Ethnically Diverse Men | White Men | Ethnically Diverse Women | White Women |
|--------------------------|------------------------|-----------|--------------------------|-------------|
| Ethnically Diverse Men | N/A | 2.4% | 3.3% | 9.4% |
| White Men | -2.5% | N/A | 1.0% | 7.1% |
| Ethnically Diverse Women | -3.5% | -1.0% | N/A | 6.2% |
| White Women | -10.3% | -7.7% | -6.6% | N/A |

Both Ethnically Diverse Men and White Men both have an average (mean) hourly rate of pay greater than their female counterparts, with the pay gap between Ethnically Diverse Men and Ethnically Diverse Women at 3.3%, and the pay gap between White Men and White Women at 7.1%.

It therefore follows that the greatest pay gap in the intersection of gender and ethnicity is that between Ethnically Diverse Men and White Women – with that pay gap currently at 9.4% (or minus 10.3% if you take White Women as the comparator first).