

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	28 JUNE 2023	
REPORT TITLE:	Gender, Ethnicity and Disability Pay Gap Report 2022	
CORPORATE DIRECTOR / DIRECTOR:	Elaine Jackson, Assistant Chief Executive Dean Shoesmith, Chief People Officer	
LEAD OFFICER:	Maxine Benjamin, HR Policy and Equality Manager	
LEAD MEMBER:	Jason Perry, Executive Mayor of Croydon	
KEY DECISION?	No	N/A
WARDS AFFECTED:	None	
EXEMPT INFORMATION	N/A	

1 SUMMARY OF REPORT

- 1.1** The gender, ethnicity and disability pay gap report outlines the mean and median pay gap calculations for gender, ethnicity, and disability characteristics applicable to the workforce for Croydon Council.
- 1.2** The council's gender pay gap (as of 31st March 2022) calculated as a mean figure was 0.0%. The council's gender pay gap calculated as a median figure was 0.0%. These pay gap figures are the same as the previous year (2021). The council's ethnicity pay gap (as of 31st March 2022) for all Global Majority ethnic groups (Asian, Black, Mixed and Other) against White ethnic groups was calculated as 8.5% (median) and 5.0% (mean). This indicates that since 2021, the mean ethnicity pay gap has increased by 0.7%, whilst the median pay gap has remained the same. The council's disability pay gap (as of 31st March 2022) was calculated as -1.2% (mean) and 0.0% (median). In 2021, the disability pay gap as a mean calculation was 0.8% and as a median calculation was 0.0%. This means that the disability pay gap as a mean calculation, has reduced by 2.0% from 2021 – 22 whilst the median pay gap has remained at 0.0%.
- 1.3** The council has a statutory duty to report gender pay gap figures via the government pay gap reporting website, and to publish its figures on the external website on an

annual basis. Ethnicity and disability pay gaps have previously not been reported on the council website on a regular basis and authorization is now sought to enable this to take place in line with our commitment within the People and Cultural Transformation Strategy (2022 – 2026, pillar two) to build an equality driven, diverse and inclusive workforce.

- 1.4** It is worth noting that 2021 and 2022 gender pay gap figures of 0.0% for mean and median calculations, marks the first time that the council can report statistically (since pay gap reporting started in 2017) that there was no difference between men and women in average hourly pay rates for two consecutive years.
- 1.5** Croydon council's gender pay gaps are less than the average UK gender pay gap of 8.2% (ONS 2022) and London Councils (all boroughs) pay gap averages (2.5% mean; 0.7% median) for 2021. The council's disability pay gaps are lower than the average UK disability pay gap of 13.8% (ONS 2021) and London Councils (all boroughs) pay gap averages (1.2% mean; 1.2% median) for 2021. Ethnicity pay gaps in 2021 and 2022 are lower than London Councils averages in 2021 (9.6% mean; 6.8% median).
- 1.6** The non-disclosure rate for council employees in scope for disability pay gap reporting has decreased by 5% overall from 2021-22. Non-disclosure rates for employees in scope for ethnicity pay gap reporting has decreased by 6% overall from 2021-22.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended:

- 2.1** to note the gender, ethnicity and disability pay gap reports (Appendix A, B and C)
- 2.2** to approve the action plans as detailed in the gender, ethnicity and disability pay gap reports (Appendix A, B and C) to reduce pay gaps within the council.
- 2.3** to approve the publication of the disability and ethnicity pay gap reports on the Council's website - as good practice to support openness and accountability - alongside the already published gender pay gap figures (which are legally required).

3 REASONS FOR RECOMMENDATIONS

- 3.1** Croydon Council is required to comply with the Public Sector Equality Duty (2011) which includes:

- Eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advancing equality of opportunity between people who share a protected characteristic and those who do not.
 - Fostering good relations between people who share a protected characteristic and those who do not.
- Therefore, by publishing pay gap reports and action plans, the council is showing its commitment to compliance with the Equality Duty.

3.2 By publishing our action plans to eliminate pay gaps within the council workforce, the council is also showing our commitment to put the People and Cultural Transformation Strategy (2022 – 2026) into action by building an equality driven, diverse and inclusive workforce (***pillar 3***) that is as reflective as possible of the people of Croydon.

4 BACKGROUND AND DETAILS

4.1 Croydon Council is committed improving equality, diversity, and inclusion within our workforce. The actions the council have taken to improve diversity have had a positive impact on gender and disability pay gap figures from 2021-22.

The positive results have included:

- Croydon Council's gender pay gap figures being calculated as 0% for both mean and median across two consecutive years in 2021 and 2022. This is the first time that this has happened since pay gap reporting commenced in 2018.
- The representation of women in the highest and upper middle quartile (i.e. top 1/2 of pay rates) have remained comparable to their workforce profile representation from 2020 - 2022.
- Mean and median hourly pay gap calculations for disability, have remained close to 0% since 2020.
- The representation within all pay quartiles for disabled employees is comparable to their workforce representation in 2022 and 2021.
- Non-disclosure for pay gap reporting overall has decreased from 2020-22 and is now at the lowest level (25% ethnicity; 27% disability) since reporting started in 2018.
- Ethnicity mean and median pay gaps in 2021 and 2022 were lower than London Councils average ethnicity pay gaps in 2021.

4.2 Negative results have also been highlighted which include:

- Awareness that gender representations in the lower middle and lowest quartile (i.e. bottom 1/2 of pay rates) are less representative (compared to the workforce profile) of the division of the sexes.
- The lower middle (third quarter) gender pay quartile is increasing in female representation levels compared to male from 2020 – 2022.
- Ethnicity pay gaps have continued to be the highest pay gaps reported for Croydon Council compared to gender and disability pay gaps since 2018.
- In 2022, all Global Majority ethnic employees (as a group) have their highest representation in the lower middle (third quarter) pay quartile (42%) compared to White employees whose highest representation is in the highest (top 1/4) paid

quartile (47%). This trend was also present in 2021 for both Global Majority and White ethnic groups.

- Each Global Majority ethnic group (Asian, Black, Mixed and Other) has their highest representations in the lowest (bottom 1/4) paid quartile.
- Non-disclosure of ethnicity and disability is highest in the lowest (bottom 1/4) paid quartile (over 40%), which may skew figures reported.

4.3 Action planning to reduce pay gaps (particularly ethnicity) are highlighted within the pay gap reports and include on-going and upcoming actions which are linked to objectives within the People and Cultural Transformation Strategy (2022 – 2026)

4.4 Ongoing actions:

- Taking a data driven and employee 'lived experience' approach which will include taking actions around attraction of new employees and development of existing staff. We are particularly aware that Global Majority staff from grade 15 and above are not as represented as they should be compared to our residents so will be taking actions to address this.
- **Taking actions around the attraction of new employees includes:**
 - Rebranding our website to highlight our commitment to a diverse and inclusive workforce with video clips showing the diversity of our staff, the work they do, and why they work for the council.
 - Taking positive action around recruitment campaigns to encourage more applications from a wider range of individuals.
 - Capturing data to measure impact and progress.
 - Clarifying in job advertisements that the council is a hybrid working employer and flexible working options can be discussed at interview and agreed from the start of employment.
 - Putting in place inclusive recruitment practices including:
 - Anonymized applications
 - Diverse and balanced recruitment panels for all job roles – which we assess by sampling panel compositions to ensure compliance with our recruitment policy. We also intend to publish compliance rates on an on-going basis.
 - Making sure that all interview panellists have minimum training in equality and diversity, unconscious bias and recruitment learning whilst at Croydon.
- **Talent development of existing staff includes:**
 - Developing leadership and management skills for staff in under-represented groups so that they can compete effectively for senior level roles.
 - Supporting employees to develop staff diversity network groups that support all protected characteristics including ethnicity.
 - Encouraging mentoring and leadership programmes

- Encouraging secondment opportunities across the council
- Capturing data to measure impact and progress.
- In addition, we will continue to ensure that mandatory equality and unconscious bias training is undertaken by all employees.
- We will also continue to run regular campaigns to reduce non-disclosure rates within the council particularly for ethnicity. Non-disclosure is reducing for most of the council staff, but the council acknowledge that there is more work to do regarding engaging with staff with limited access to IT systems in lower pay grades.

4.5 Upcoming actions linked to the People and Cultural Transformation Strategy (2022 – 2026) will include:

- Building on work to date, a workforce EDI dashboard will be presented to the EDI internal control board to analyse the workforce profile and to highlight areas where positive action is needed to address underrepresentation. This may highlight areas of low global majority representation in directorates (***linked to Pillar 2, 'Build an equality driven, diverse and inclusive workplace'***)
- The council will develop an inclusive and distributed leadership tool which aims to improve inclusion across the council, improving employees' lived experience. This initiative also enables Pillar one, strengthening the council's leadership capability. (***linked to Pillar 2, 'Build an equality driven, diverse and inclusive workplace'***)
- The council will develop clear career and skills development pathways to ensure a systemic and holistic approach to workforce development which will be aligned to business planning and the fulfilment of the Mayor's Business Plan to optimise performance for residents' benefit. (***linked to Pillar 4, 'Build our skills and capabilities and optimise our performance'***)
- The council will invest in positive action development programmes for protected characteristic staff to ensure an equitable approach to address current and past organisational shortcomings. (***linked to Pillar 4, 'Build our skills and capabilities and optimise our performance'***)
- We will develop a range of different resourcing methods to seek to attract diverse and high-quality candidates to work for the council. As covered under Pillar 4, we aim to redevelop our recruitment landing pages to provide an authentic brand and compelling package to attract the best candidates possible. We need to be mindful around the diversity of recruitment for grade 15 and above staff levels as we know that lower levels of global majority recruits is contributing to the ethnicity pay gap. (***linked to Pillar 5, 'Acquire and retain talent, responding to skills gaps in the context of a more competitive recruitment market'***)

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 No alternative options have been considered.

6 CONSULTATION

6.1 There is no requirement to consult on the gender, ethnicity and disability pay gap publication. Action Planning to reduce gender pay gaps will have input from the EDI board (which includes staff network representatives).

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 The publication of pay gap reports and action plans supports a priority under Outcome 1 of the Mayor's Business Plan 2022-26 which is delivered via the People and Cultural Transformation Strategy (2022 – 2026):

- Develop our workforce to deliver in a manner that respects the diversity of our communities.

7.2 We need to strengthen leadership and management, develop behaviours aligned with the Council's values, improve staff skills, and create a psychologically safe and inclusive environment for all staff. We will support, develop, and value our staff to ensure the Council is accessible and visible to our diverse communities and that it delivers the proactive and respectful services they expect and deserve.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 There are no direct financial implications arising from the Annual Equalities Report 2023 or the updated Equality Strategy 2022-26.

8.1.2 Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. 05/5/23

8.2 LEGAL IMPLICATIONS

8.2.1 Publication of gender pay gap information is required in accordance with The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

8.2.2 In addition, the Council is required by the Regulations to publish information annually to demonstrate its compliance with the public sector equality duty imposed by Section 149(1) of the Equality Act 2010, and that information must include information relating to employees who share relevant protected

characteristics. Therefore, publishing pay gap information helps the Council to show it is complying with this requirement.

8.2.3 Comments approved by the Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 27/04/2023)

8.3 EQUALITIES IMPLICATIONS

8.3.1 As a public body, the Council is required to comply with the Public Sector Equality Duty [PSED], as set out in the Equality Act 2010. The PSED requires the Council to have due regard to the need to eliminate discrimination, harassment or victimisation and advance equality of opportunity and foster good relations between different people when carrying out their activities and functions. Failure to meet these requirements may result in the Council being exposed to costly, time consuming and reputation-damaging legal challenges.

8.3.2 The council is taking a positive action approach to equality which is permissible under Equality Act 2010. Positive action is defined as taking “proportionate” steps to improve equality in the workplace by removing or reducing barriers faced by certain groups with shared protected characteristics.

8.3.3 While remedial actions on gender and disability pay gaps have had positive outcomes, the actions on global majority ethnic groups pay gap against white ethnic groups has increased by 0.7%. This requires targeted positive action to ensure that no single group is left behind.

8.3.4 Comments approved by John Mukungunugwa, Equalities Officer, on behalf of Denise McCausland, the Equalities Programme Manager on 04/05/2023

8.4 HUMAN RESOURCES IMPLICATIONS

8.4.1 There are no additional human resources impacts beyond those described in the content of this report. Should any implications arise, these will be reviewed in line with the Council’s HR policies and procedures.

8.4.2 Comments approved by Gillian Bevan, Head of HR Resources and Assistant Chief Executives Directorates on behalf of the Chief People Officer (Date: 05/05/2023)

9. APPENDICES

9.1 *A Gender Pay Gap 2021-22*

B Ethnicity Pay Gap 2021-22

C Disability Pay Gap 2021-22

10 BACKGROUND DOCUMENTS – N/A