

Gender pay gap 2023

Narrative

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Gender pay and bonus gaps 2023 – analysis of data

1. In line with our legal responsibilities under the [Public Sector Equality Duty](#), we're committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.
2. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, we:
 - carry out pay and benefits audits at regular intervals
 - evaluate job roles and pay grades as necessary to ensure a fair pay structure, and
 - publish annually a pay policy which sets out clearly our pay matters
3. At **-1.5%** (in favour of females) and **1.3%** (in favour of males) our mean (average) and median (mid- point) **gender pay gaps** continue to be progressively lower than the norm for the public sector.

This is particularly encouraging given the range and nature of services we provide, with:

- a number of traditionally low paid services, such as refuse collection, retained in house
 - a cohort of relatively low paid passenger transport assistant employees who, on 1 March 2023, transferred into the council
4. Our pay approach supports the fair treatment and reward of all staff irrespective of gender with pay systems and grades aligned to nationally negotiated pay spines. Employees are expected to move through the relevant pay range for their grade. The longer period of time in a grade, the more they're expected to earn, irrespective of gender, until they reach the maximum pay for their grade.
 5. We're confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather, the gender pay gap (GPG) is linked to the number of females occupying roles with lower salaries and/or allowances, compared to male employees occupying equivalent roles.
 6. Changes to the [National Joint Council \(NJC\) pay spine](#) from 1 April 2019 and mapped to Luton pay grades from that date, continue to be partly responsible for the shift in both the mean and median GPG in 2022 and 2023.
 7. This is because the number of pay points for the lowest three grades at the council were reduced by half, thereby narrowing the differential in pay between employees on the lower grades. Significantly grade L1a had been reduced to a single pay point so that **all** employees on the lowest grade were paid exactly the same rate with no pay progression linked to time in post.
 8. A flat rate pay award of £1,925 per annum across all pay points effective from 1 April 2022 meant that the lowest paid employees received a 10.5% uplift in pay. For those at the top of the pay spine a £1,925 payment represented only a 2.8% increase.

9. Further changes to the pay spine agreed by the NJC effective from 1 April 2023 will result in grade L1b also being reduced to a single pay point and this is likely to have an impact on the GPG from 2024 onwards.
10. The table in section A ([Appendix 1](#)) depicts pay quartiles by gender, showing the council's full pay workforce divided into four equal-sized groups based on hourly pay rates. This ranges from band A which includes the lowest-paid 25% of employees (the lowest quartile) to band D, covering the highest-paid 25% (the upper quartile).
11. In order for there to be no GPG, there would need to be a ratio of men to women in each band reflecting exactly the council's gender make with no GPG within each quartile. Specifically, this is **62.5% female** and **37.5% male**. This ratio is most closely reflected in the upper quartile (65%:35% female:male) where there is now a 2.5% overrepresentation of women.
12. The most significant deviation from this ideal is in the lowest quartile where females are now underrepresented by 8.5% (previously 10% in 2022.) The transfer out of the predominantly female low paid catering staff in 2021 and the transfer in of a smaller number of predominantly female low paid passenger transport assistant staff in March 2023, accounts for this year on year shift.
13. The combination of these factors has resulted in a mean GPG that now increasingly favours women in our workforce. However, recent analysis of employees occupying the most senior roles within the council at M6 and above (circa £55k per annum) shows that only 55% at this level are women.

This is a **reduction of 6% since 2022** and approximately in line with the percentage of females in the lowest quartile.

14. Across the UK economy as a whole, it's generally accepted that:
 - men are more likely than women to be in senior roles (especially very senior roles at the top of organisations)
 - women are more likely than men to be in front-line roles at the lower end of the organisation
15. This is borne out by the situation in Luton where in the lower middle quartile there are almost three times as many women as men. Overall this has resulted in median female pay (at £17.04 an hour) falling within the lower middle quartile whilst median pay for males is in the upper middle quartile (£17.27 an hour).

This is why there is GPG in favour of men for median pay. The variation between median pay at 23p an hour has **almost halved since 2022** when there was a 44p an hour differential.

16. The [Chartered Institute of Personnel and Development](#) (CIPD) on its website explains that research has found that there currently exists a 'motherhood penalty' where working mothers face disadvantages in the workplace with regards to perceptions of their competence, dedication and aspiration.

Furthermore in its GPG reporting guide states that: 'If a woman either leaves the labour market altogether for even a short period of time, or continues to work, but on a reduced hours' basis, she's more likely to be in a low-paid and low-skilled job, and to remain there throughout her working life.'

17. The CIPD also states that relatively small changes in the distribution of men across the different pay quartiles in an organisation can have a significant impact on the GPG.
18. The reduction in the distribution of the female workforce is likely to have been a contributory factor to the changes to both the mean and median pay gap. Demographics and the nature of our services will remain as influential factors in our ability to further close the median and mean pay gaps in the future.
19. In addition, the CIPD also states that, although there has been progress in female representation at the top of organisations, there's still a long way to go until we can claim equality of opportunity in career progression on the basis of gender.
20. The CIPD also states that if an organisation reports a GPG, it does not mean women are paid less than men for doing the same job, but it does show that, on average, men occupy higher-paying roles than women.
21. Whilst we have a gender profile in the upper quartile (D) that almost matches the gender profile of the whole workforce, the mean and median pay gap within this quartile clearly favours males (4.7% and 5.0% respectively).

Within quartiles A and B, both the mean and median pay gaps favour females. In quartile C the mean pay gap marginally favours males (0.2%) and the median pay gap marginally favours females (0.4%).

22. Within the council, women in the lower middle quartile band B, where the highest proportion of women can be found (72%), are typically in administrative roles that do not attract allowances or supplemental payments or in front line care roles which do.
23. However as women are more likely than men to have had breaks from work that have affected their career progression, for example to bring up children, they may also not have progressed as far in the incremental scales as their male counterparts.
24. Women are also more likely to work part time, and many of the jobs that were available at 31 March 2023 across the council on a part-time and/or term time only basis, were at the lower end of the pay scale, such as home carers and support workers.
25. The vast majority of organisations have a GPG, and we're pleased to be able to report that with the further narrowing of the pay gap, our gap appears to **compare very favourably with that of other local authorities and organisations** (ONS Annual Survey of Hours and Earnings).

Please refer to [appendix 1 section C](#) for comparative data with the wider public, private and third sectors.

26. This year's analysis has been based on data as at 31 March 2023 and excludes those predominantly female low paid in-house catering staff who, two years previously, were transferred to other employers under the TUPE regulations or became directly employed by some of Luton's community schools.
27. As predicted in previous years, the removal of this cohort of employees from the calculations has been a factor in the overall narrowing of the GPG by reducing the proportion of females in the lowest quartile A.

Females remain underrepresented in this group (when compared with 62.5% of the entire full pay workforce), the incoming transfer of term time only passenger transport assistants in March 2023 account for the 2% increase in females in the lowest quartile workforce since the year previously.

28. In line with the regulations, recruitment and retention incentives in the form of market supplements and long service awards have been taken into account for the purposes of the **gender bonus gap** calculations.
29. In contrast to comparatively small percentage shifts in the GPG, there was a marked narrowing of both the mean and median gender **bonus gap** for Luton Council, in favour of females. This is largely as a result of the elimination of the one-off flat rate and comparatively small retention payments made to the predominantly female front line carers who were factored into the 2022 bonus calculations.
30. Market supplement payments are much greater in value, are dependent upon the role and are pro-rated taking into account contracted hours and time served in the previous 12 months.
31. With a maximum market supplement payment of £5,500 in 2023 the mean bonus payment to females had increased to £3,244.40 (£1,590.47 in 2022). The corresponding male mean bonus payment also increased to a lesser extent, partially due to:

- the smaller proportion of male recipients
- market supplement payments for male dominated posts in civil enforcement and refuse drivers in possession of an HGV license being capped at £1,500 and £4,000 respectively

Although the male mean bonus in 2023 increased to £2,860.33 (£1,820.72 in 2022) despite these supplements having been implemented for a full financial year (this was not the case in 2022), the female mean bonus payment once again exceeded the mean bonus payment made to males.

This shift in mean bonus payments resulted in a **mean gender bonus gap of -13.4% in favour of females**, having been 12.6% in favour of males in 2022.

32. With the elimination of the carers' small one off retention payment (for all but two ASC staff who were paid retrospectively in April 2022), the median bonus payment for females normalised at £3,182.46 (£200 in 2022).

The median bonus payment for males increased to £4,325.34 (£1,633.33 in 2022) as a result of the extension of market supplements described in paragraph 30 having been in payment for a full financial year (2022/23).

Consequently the **median gender bonus gap reduced** from 87% in 2022 to **26.4% in 2023** and remained **in favour of males**.

33. The long service award, in the form of shopping vouchers to the value of £200, was made to employees who had accrued 25 years of continuous service with the council in the 12 months prior to 31 March 2023. In 2023 all recipients, irrespective of gender, received the same value of vouchers and therefore there is very little impact on the gender bonus gap.
34. In respect of market supplements, recipients commit to repay monies should they leave the council's employment before the end of their two year agreement, thereby serving as both a recruitment and retention tool.
35. Of those employees in receipt of market supplement payments in the year preceding 31 March 2023, over 67% were female, with bonus amounts varying, due to their start date in post, the post held and the market rate supplement levels applicable to their post.
36. The payment schedule for market supplements is either monthly or annual payment in advance, but as the calculations for the gender bonus gap are based on the total market supplement amounts paid in the year prior to the 31 March, all recipients will have received their standard annual market supplement payment within the calculation timeframe.
37. If a significant number of recipients opt to change the payment schedule of their market supplement, moving from monthly to annual payments or vice versa, at the start of the financial year, this could also have implications for the GPG.

This is because if a market supplement payment is made during the month of the snapshot date (March) then, in accordance with the regulations, this monthly payment has also to be factored into hourly pay.

The hourly rate for the 116 employees who received a market supplement as a monthly amount in March 2023 (99 in 2022) will have been boosted as a result of this payment, thereby contributing to the narrowing of the GPG as 65.5% of monthly recipients were female.

Appendix 1

Section A: Luton Council GPG data for publication*

The following data relates specifically to Luton Council.

- Mean GPG: **-1.5%** (not in favour of males)
- Median GPG: **1.3%** (in favour of males)
- Mean gender bonus gap: **-13.4%** (not in favour of males)
- Median gender bonus gap: **26.4%** (in favour of males)
- Proportion of male employees in Luton Council receiving a bonus: **3.7%**
- Proportion of female employees receiving a bonus: **7.6%**

Section B: Distribution of males and females in each pay quartile at 31 March 2023 by quartile*

Band	Males	Females
A. Lowest quartile	46%	54%
B. Lower middle quartile	28%	72%
C. Upper middle quartile	42%	58%
D. Upper quartile	35%	65%
All full pay relevant employees	37.5%	62.5%

*All the figures set out above have been calculated using the standard methodologies used in the [Equality Act 2010 \(Gender Pay Gap Information\) Regulations 2017](#) and relate to full pay employees.

Section C: Mean and median pay gap comparisons with other organisations

Year 2023	Luton Council	Private sector*	Public sector*	Non-profit and mutual association pay gap*
Mean pay gap	-1.5%	15.6%	11.5%	15.6%
Median pay gap	1.3%	18.9%	14%	17.3%

*Data from - ONS ASHE – Office for National Statistics - Annual Survey of Hours and Earnings (provisional November 2023 data)