



Equality, Diversity & Inclusion Sub-Committee

Date: WEDNESDAY, 26 JUNE 2024
Time: 10.00 am
Venue: COMMITTEE ROOMS, WEST WING, GUILDHALL

7. GENDER, ETHNICITY, AND DISABILITY PAY GAPS (MARCH 2023 SNAPSHOT)

For Information
(Pages 3 - 34)

Due to an administrative error, the wrong version of the Gender, Ethnicity, and Disability Pay Gaps report was circulated in the original agenda papers. Please find enclosed the correct papers for this Agenda Item.

Ian Thomas CBE
Town Clerk and Chief Executive

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Agenda Item 7

Committee(s)	Dated:
Equality, Diversity & Inclusion Sub-Committee Corporate Services Committee	26 June 2024 03 July 2024
Subject: Gender, Ethnicity and Disability Pay Gaps (March 2023 Snapshot)	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	<ul style="list-style-type: none"> • Providing Excellent Services • Diverse Engaged Community
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Alison Littlewood, Executive Director of Human Resources and Chief People Officer	For Information
Report authors: Chris Fagan, Head of Reward & Benefits Alice Reeves, Assistant Director of Corporate Performance & Analysis & Interim EDI Director	

Summary

The City of London Corporation is committed to promoting equity, equality, diversity and inclusion (EEDI) across all areas of our operations, and we believe that pay should be based on the skills, experience, and responsibilities of our employees. The report (appendix 1) provides the City Corporation’s Gender, Ethnicity and Disability Pay Gaps as at March 2023. For the first time this year the Ethnicity pay gap data has been analysed based on aggregated groups rather than a binary analysis to provide more depth.

The City Corporation has little to no gender pay gap across its workforce and the long-term direction of travel in other measures is somewhat positive. Overall, figures remain broadly consistent with those reported in previous years, with small positive shifts in some measures from March 2022 that seem to be indicative of a longer-term positive trend in most pay gap figures. Work is underway to improve the quality of our data upon which this analysis is based, specifically to increase our disclosure rates. Better data, will make reporting more robust and allow us to report on wider pay gaps, including social mobility. We will continue to monitor our progress and report on our results annually.

Recommendation(s)

Members are asked to note the report for information.

Main Report

Section 1: Background & Context

1. Through the Corporate Plan 2024-29 and the People Strategy 2024-29, we are establishing a clear vision, strategy and action plan to ensure we continuously improve our culture, ethos and approaches to support current and prospective workforce to feel that they belong and fit, and feel actively engaged with the City Corporation, its ambitions and priorities. In addition, our Equality Objectives 2024-29 are a dynamic framework advancing our commitment to equity, equality, diversity and inclusion as a leader, employer and service provider. These are owned across all departments and institutions. There are already a range of projects and measures underway to ensure we deliver that commitment. Including:
 - A fundamental review of our pay and reward approach through the Ambition 25 project and we will through this process ensure that we provide flexible, sustainable, fair, equitable and transparent reward and recognition opportunities for our people.
 - A holistic review of our benefits offer, alongside the launch of Ambition 25. These will help us attract a diverse array of excellent people to working for the City Corporation.
 - Promoting equity, equality, diversity and inclusion in career development through the implement job families that inform a variety of career pathways to ensure career progression opportunities are available to all eligible employees, regardless of job type.
 - Work to develop leadership capacity and capability across all aspects of EEDI. For example, by widening the range of access and participation in working groups and meetings, actively listening to understand lived experience, and considering who is in the room and who has a voice.
 - Creating a comprehensive EDI training offering with a focus on awareness-raising, skills-building and the development of an inclusive culture, including coaching and embedding EDI in general training.
 - Through our approach to 'Brilliant Basics' we will be undertaking a programmatic approach to policy development, reviewing HR policies as required due to legislative, regulatory, and internal and external changes, embedding EDI principles throughout.
 - Continue to improve data and insights, including improving data gathering through extensive and sustained communications in partnership with EDI and communications teams.
 - Development of dashboards provision and reporting on all protected characteristics, along with social mobility. Breakdown by identity data will also be undertaken where possible.
2. In accordance with the Gender Pay Gap Regulations City Corporation has been required to publish and report its Gender Pay Gap (GPG) by 30 March annually since 2017. This is published on both the City Corporation and UK Government websites. Alongside the GPG, the City Corporation has also voluntarily elected to publish both the Ethnicity Pay Gap (EPG) and Disability Pay Gap (DPG) annually.

3. This pay gap analysis is calculated in line with the government's standard methodology and reporting requirements for Gender Pay Gaps, which compares the median and mean hourly pay rates and bonuses of employee groups. It also examines the proportion of these groups within each quartile of our pay distribution. It is difficult to compare to our grades consistently as the quartile boundaries will often fall within a grade range, and regular additional payments might raise some groups of staff above others in the grade, as a rough guide:
 - Upper quartile: Grade G and above
 - Upper middle quartile: Grade E to F
 - Lower middle quartile: Grade C to D
 - Lower quartile: Grade A to B
4. Pay relates to the 'snapshot date' of 31 March 2023, and includes all workers paid on that date across the City Corporation and its Institutions, this includes employees and Casual Workers, and all professions except Police Officers. This means the data reported here may vary from other reports, due to the nature of the snapshot. The mean and median pay gap calculation is based on the total pay: this includes basic pay and additional payments, for example responsibility allowance in schools, unsocial hours payments and Market Forces Supplements (MFS) used for specific recruitment and retention purposes.
5. The 'bonus gap' relates to the 12-month period which ends on the snapshot date. Bonus payments include Recognition Awards for employees at the top of Grades A-C and honoraria payments. In the period in question, Contribution Payments, discretionary bonuses paid to employees at the top of Grades D-J who have demonstrated a high level of performance that would normally be included, were not paid.
6. For the purposes of analysis:
 - a. Reference made in respect of employees in the report includes employees and casual workers (who are not employees) unless otherwise stated.
 - b. Pay gap data reports the difference in the average pay between groups across a whole organisation. This is entirely different to equal pay, which deals with the pay differences between different groups (i.e. men and women) who carry out the same jobs, similar jobs or work of equal value. A large pay gap does not indicate the existence of equal pay issues.
 - c. Demographic information is drawn from payroll and HR information system data. Additional sensitive information is added on a voluntary basis by employees through the employee self-service facility on the HR information system. This information is collected in line with the nine protected characteristics identified in the Equality Act 2010.
 - d. The government gender pay gap regulations compare the pay of female and male employees, and do not address how employers should make their gender pay gap calculation if they have employees who do not identify as either male or female (e.g. non-binary). As per the City Corporation's approach to data collection outlined above, data is collected on the sex of employees, in line with the protected characteristics of the Equality Act 2010. This data is held on 100% of the workforce and has been used in the calculation of the gender pay gap.

- e. On ethnic origin, employees are asked to provide data using the standard classifications on the HR Information System. The level of non-disclosure for ethnic origin is 17.0% (compared to 18.0% the previous snapshot date).
- f. Employees are asked to indicate whether they have a disability on the HR information system. Therefore, this indicator does not accurately measure whether an employee meets the definition of “disability” under the Equality Act 2010. The level of non-disclosure for disability is 25.6% (compared to 23.0% the previous snapshot date).
- g. In accordance with the General Data Protection Regulations and the Data Protection Act 2018, all employees have been sent a privacy notice describing how the City Corporation as a data controller collects and uses personal information during and after employment with the City Corporation. This privacy notice outlines that employees are not required to provide all personal and sensitive information. As such, not all the categories include 100% data capture. This includes cases where the employee has specifically recorded ‘not stated’ or ‘declined to specify’ on employee self-service.

Section 2: Analysis

- 7. The City Corporation’s gender, ethnicity and disability pay gaps as at the snapshot date of 31 March 2023 are shown in full at Appendix 1 of this report, which also includes analysis. The total headcount used for the mean and median pay gaps was 4,988 (this excludes police officers), noting that there has been an increase from 4,503 in the previous year as a result of organisational change and the numbers of casuals engaged at the time of the snapshot.
- 8. This analysis headlines from the Appendix are:
(Note: Bracketed figures represent the 2022, 2021 and 2020 reported figures)

Gender Pay Gap

- 9. Gender Pay Gap
 - a. **Median Pay Gap is 0.0%** (2.7%; 2.2%; 0.0%); and
 - b. **Mean Pay Gap is 4.5%** (4.5%; 7.1%; 5.6%).

Ethnicity Pay Gap

10. In April 2023, the Government published guidance for those employers who want to report Ethnicity Pay Gaps voluntarily, to develop a consistent, methodological approach to ethnicity pay reporting. A key suggestion is not to aggregate ethnicity categories where possible. We have not chosen to follow the guidance in its entirety, as breaking down our ethnicity categories provided more than 200 individual pay gaps. We have chosen to breakdown to aggregated categories (i.e. Asian; Black; Mixed; Other Ethnic Groups; White; and Prefer not to say/No response), and to compare the pay gap to the overall workforce, rather than each other category. This results in six pay gap figures. We will continue to review our approach annually and look at examples elsewhere on how we can meaningfully present a more detailed analysis. For the 2023 snapshot, we have also undertaken the binary analysis as per the 2022 snapshot, to allow historic comparison.

11. As highlighted in previous years, the levels of non-disclosure on ethnicity continue to remain relatively high, with 17% not disclosing (down from 18%). Activity to improve levels of disclosure continues, especially among our institutions and capturing this for casual workers. This will support stronger analysis in the future.

12.A: Ethnicity Pay Gap – Binary:

- a. **Median Pay Gap 13.2%** (14.7%; 15.7%; 17.1%);
- b. **Mean Pay Gap 16.7%** (17.4%; 16.8%; 19.1%).

13.B: Ethnicity Pay Gap – Aggregated Category:

Ethnic Grouping	Head-count	Median Hourly Rate	Median EPG in Org %	Mean Hourly Rate	Mean EPG in Org %
White	3,256	£23.15	-0.56%	£27.44	-4.43%
Not Known	850	£20.46	11.12%	£25.13	4.38%
Black	346	£19.46	15.46%	£22.05	16.10%
Asian	320	£21.44	6.86%	£23.58	10.28%
Mixed	167	£21.44	6.86%	£24.91	5.22%
Other Ethnic Group	49	£19.46	15.46%	£21.00	20.10%
Total	4,988	£23.02		£26.28	

Disability Pay Gap

14. Employees are asked to indicate whether they have a disability, similarly, job applicants are asked to indicate Yes or No to the statement of “I consider myself to have a disability” (no third option not to disclose is available). Therefore, this indicator does not accurately measure whether an employee meets the definition of “disability” under the Equality Act 2010.

- a. **Median Pay Gap is 7.1%** (2.4%; 7.1%; 8.9%);
- b. **Mean Pay Gap is 6.9%** (8.8%; 8.9%; 10.3%).

Section 4: Corporate and Strategic Implications

Strategic Implications: Ensuring that our employment practices and procedures are fair and free from bias will support the City Corporation to recruit, retain and most importantly engage a high calibre and diverse workforce, capable of high performance and delivering the organisations strategic ambitions. This work ties in with Corporate Equalities Objectives 2024-29 and activity to improve our data so better insights into the workforce can be provided to achieve EEDI ambitions.

Financial Implications: No direct financial implications.

Resource Implications: None related explicitly to this report.

Legal Implications: None

Risk Implications: None

Equalities Implications: This report forms part of our package of work to continuously review our performance on specific metrics to help inform the wider EDI activity.

Climate Implications: None

Security Implications: None

Section 5: Conclusions and Next Steps

15. Overall, the pay gap figures reported remain broadly consistent with those from previous years, with some positive shifts compared to March 2022. These shifts seem to be indicative of a longer-term positive trend in all pay gap figures. However, due to the nature of the calculation method there will be a natural mathematical variation in the workforce numbers included within the snapshot and therefore some deviation due to these measures used that are unrelated to pay practice.
16. The levels of non-disclosure observed highlights the need to continue to improve our data, especially the levels of disclosure on protected characteristics across employees and casuals. This will enable stronger analysis and greater insight. As part of the work to support promoting and delivering our Equalities Objectives and People Strategy, we are addressing data quality and improving levels of disclosure with a campaign to increase disclosures underway.
17. City Corporation is committed to equal opportunities and equal treatment for all employees. Although many of the pay gap measurements are either already relatively small, or larger but moving in a positive direction, there will always be more that we can do to improve our culture, policy, process and practices to ensure a truly bias free work environment for all employees. Our aim is to create an environment, in which people irrespective of their background can expect to develop, progress, flourish and perform and be remunerated fairly for the work that they do.

18. To support our EDI commitments, we will look to reduce any perceived barriers to engagement and progression and work towards greater pay equity. This will include:

- Guarantee the robustness of our job evaluation scheme and policy, to ensure that we have equal pay for work of equal value, which provides protection against claims of equal pay. This forms a key element of the Ambition 25 programme.
- Review our pay structure and reward practices to ensure that these support fair and equal remuneration, and that any additional payments are minimised and where they remain necessary, actively monitored and moderated.
- Ensure our work and engagement practices, do not preclude or discourage capable individuals, from applying to, be appointed and progressing within the organisation (e.g. recruitment activities; where we advertise; the benefits we offer; our support for flexible working).

Appendices

1. City of London Corporation Pay Gap Report 2024: Snapshot Date: 31 March 2023

Background Papers

None

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City of London Corporation
Pay Gap Report 2024
Snapshot Date: 31 March 2023



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Introduction

In accordance with the Gender Pay Gap Regulations the City of London Corporation (“City Corporation”) has been required to publish and report its Gender Pay Gap (GPG) by 30 March annually since 2017. This is published on both the City Corporation and UK Government websites, and covers the following:

- Mean and median gender pay gap in hourly pay.
- Mean and median bonus gender pay gap.
- Proportion of men and women receiving a bonus payment.
- Proportion of men and women in each pay quartile.

Alongside the GPG, the City Corporation has also voluntarily elected to publish both the Ethnicity Pay Gap (EPG) and Disability Pay Gap (DPG) annually to the same requirements.

The analysis of pay gaps is not the measurement of equal pay. Pay gap measure the differences between the average pay female employees, irrespective of job role or seniority, whereas equal pay concerns pay differences between employees performing the same or similar work, or work of equal value.

The City of London Corporation is committed to promoting equity, equality, diversity, and inclusion across all areas of our operations, and we believe that pay should be based on the skills, experience, and responsibilities of our employees.

The City Corporation’s Equality Objectives 2024-2029 are a dynamic framework advancing our commitment to equity, equality, diversity, and inclusion (EEDI) as a leader, employer and service provider. The Objectives are owned across all departments and institutions.

Our Equality Objectives are:

- Inclusive and Trustworthy Leadership
- Inclusive and Diverse Community
- Accessible and Excellent Services
- Socio-Economic Diversity
- Cross-cutting activity: Evidence and Data

Our Equality Objectives are integral to the effective delivery of Our Corporate Plan 2024-29, People Strategy 2024-29 and other elements that shape and drive the organisation over the next five years and beyond. They have been developed through internal and external consultation, providing a direction of travel, not a destination, with progress regularly reviewed.

One of the five key themes of the People Strategy 2024-29 is centred on ‘My Contribution, my reward – Ambition 25’. Our measure of success is that we will provide flexible, sustainable, fair, equitable and transparent reward and recognition opportunities for our people, beginning with the Ambition 25 project. These will help us attract a diverse array of excellent people. We will increase the clarity and transparency of our roles and how they work together. We will provide assurance that pay and grading is fair. We will support employees to undertake fulfilling and meaningful work that creates organisational success. And we will provide career support to enable progression and improve retention.

Our employees will feel empowered by this greater access to information and opportunities. As a result, we will see reductions in disengagement and resignations due to insufficient role clarity, or pay, reward and opportunity issues. Our people will take responsibility for their individual contributions and be given the tools to learn and gain expertise. With this in mind, we are committed to continuing to reduce pay gaps wherever they exist.

Scope & Methodology

This report reflects payroll data at the snapshot date of 31 March 2023, reported one year in arrears. Its scope, which may differ from other reports, includes:

- All full-time employees and casual workers.
- All departments of the City Corporation and its Institutions¹.
- All professions except for police officers employed by the City of London Police.

Given this, the total headcount used across this report is 4,988 employees. The headcount at the previous snapshot date was 4,503; the increase is due to organisational change and the numbers of casuals engaged at the time of the snapshot.

This pay gap analysis is calculated in line with the government's standard methodology and reporting requirements for Gender Pay Gaps, which compares the median and mean hourly pay rates and bonuses of employee groups. Where possible, these have been applied to the analysis of Ethnicity and disability Pay Gaps.

These are defined as:

- **Mean Hourly Rate:** the percentage difference between the mean average hourly rate of pay.
- **Median Hourly Rate:** the percentage difference between the midpoints in the ranges of pay.
- **Mean Bonus Payment:** the percentage difference between the mean average bonus payments made in the 12 months prior to the snapshot date.
- **Median Bonus Payment:** the percentage difference between the midpoints in the ranges of bonus payments made in the 12 months prior to the snapshot date.

The mean and median pay gap calculation is based on the total pay: this includes basic pay and additional payments, for example responsibility allowance in schools, unsocial hours payments and Market Forces Supplements (MFS) used for specific recruitment and retention purposes.

¹ The Institutions of the City of London Corporation refers to the Barbican Centre, the City Bridge Foundation, the City of London Police, the Guildhall School of Music & Drama, and the independent schools that the City Corporation supports - City of London Freeman's School, City of London School, City of London School for Girls, and the City Junior School.

This report also examines the proportion of these groups within each quartile of our pay distribution. It is difficult to compare to our grades consistently as the quartile boundaries will often fall within a grade range, and regular additional payments might raise some groups of staff above others in the grade, as a rough guide:

- Upper quartile: Grade G and above
- Upper middle quartile: Grade E to F
- Lower middle quartile: Grade C to D
- Lower quartile: Grade A to B

Demographic information used in the pay gap calculations is drawn from the City Corporation's payroll and HR information system data. Whilst some fields are mandatory, additional sensitive information is added on a voluntary basis by employees through the employee self-service facility on the HR information system. This information is collected in line with the nine protected characteristics identified in the Equality Act 2010.

In accordance with the General Data Protection Regulations and the Data Protection Act 2018, all employees have been sent a privacy notice describing how the City Corporation as a data controller collects and uses personal information during and after employment with the City Corporation. This privacy notice outlines that employees are not required to provide all personal and sensitive information. As such, not all the categories include 100% data capture. This includes cases where the employee has specifically recorded 'not stated' or 'declined to specify' on employee self-service.

Where relevant, contextual data about the UK population and workforce has been provided. Unless otherwise specified, the sources for these contextual datasets are:

- 2021 Census of England and Wales: [Census - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)
- Gov.uk Gender Pay Gap Data Service: [Find and compare gender pay gap data - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- Office for National Statistics UK Labour Survey: [A08: Labour market status of disabled people - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Gender Pay Gap

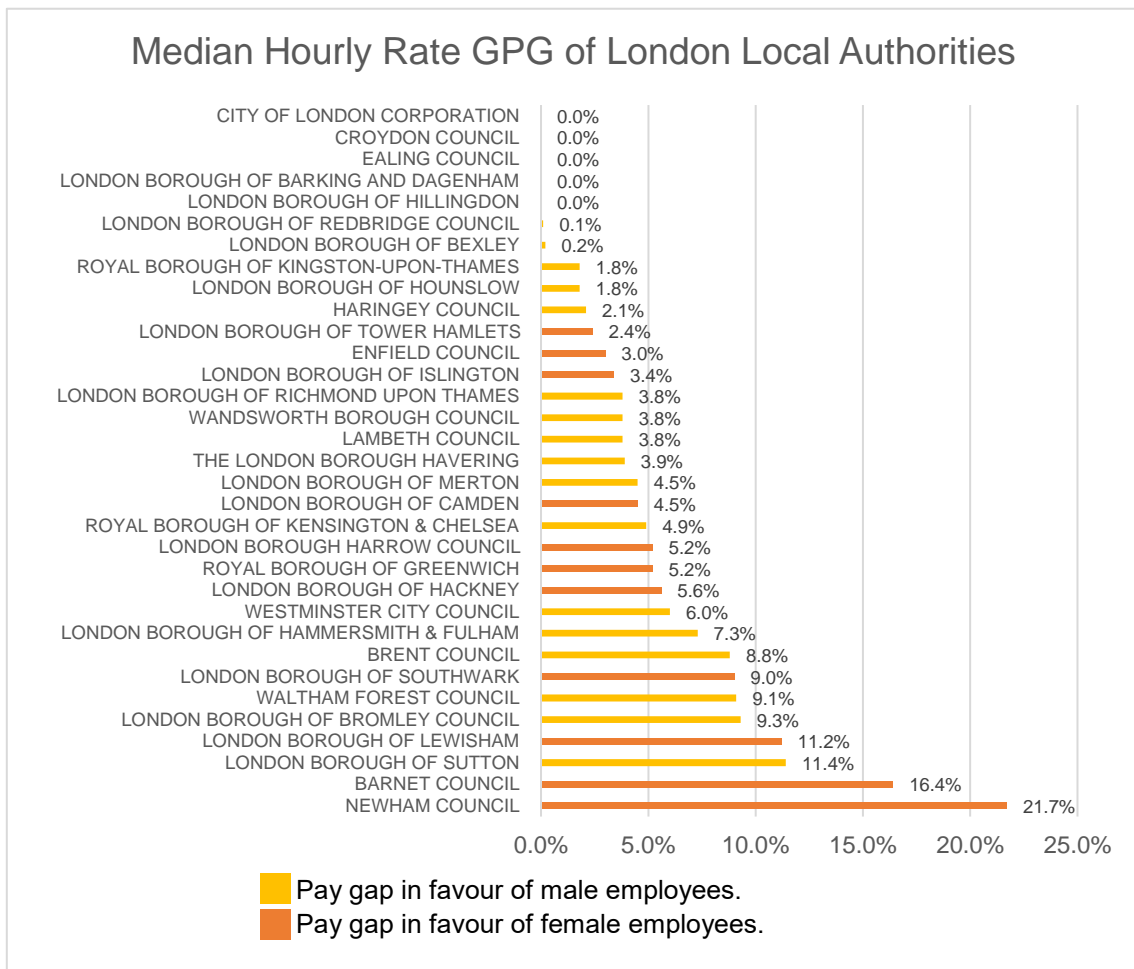
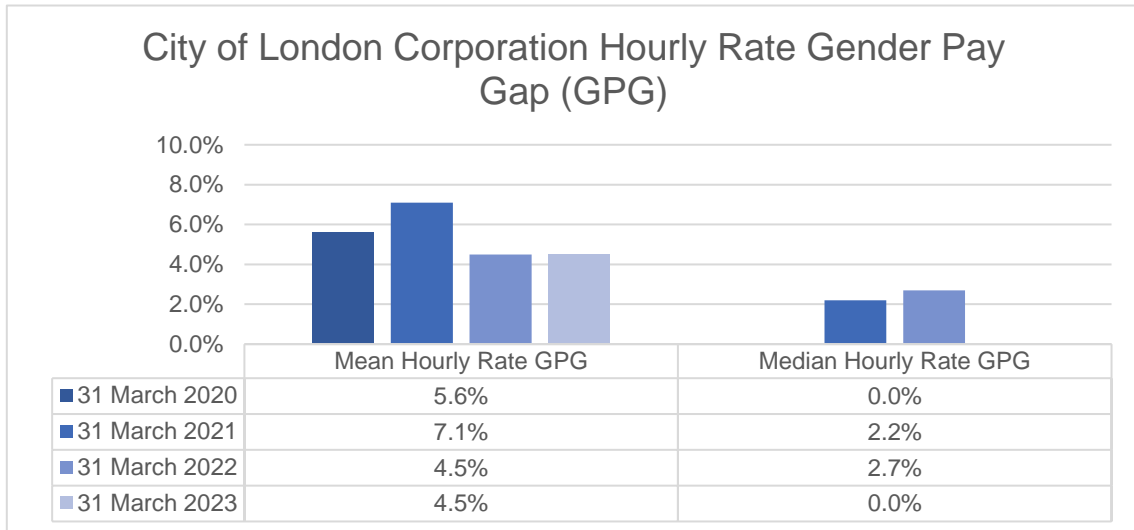
Definition

The UK Government Gender Pay Gap regulations compare the pay of female and male employees, and do not address how employers should make their Gender Pay Gap calculation if they have employees who do not identify as either male or female (e.g. non-binary).

In accordance with this, and the City Corporation's approach to demographic data collection outlined above, all calculations have been made utilising data on the sex of employees as either "female" or "male", as defined as a protected characteristic of the Equality Act 2010. This data is held on 100% of the workforce and has been used in the calculation of the GPG.

Hourly Rate

The City of London Corporation's hourly rate Gender Pay Gap at the snapshot date of 31 March 2023 is as follows:



The median hourly rate GPG stood at 0.0% on 31 March 2023. This is consistent with previous years showing that the City Corporation has a minimal median hourly rate GPG².

The GPG for mean hourly pay rates stood at 4.5% on 31 March 2023. This is consistent with the previous year, and lower than snapshot dates in 2020 and 2021.

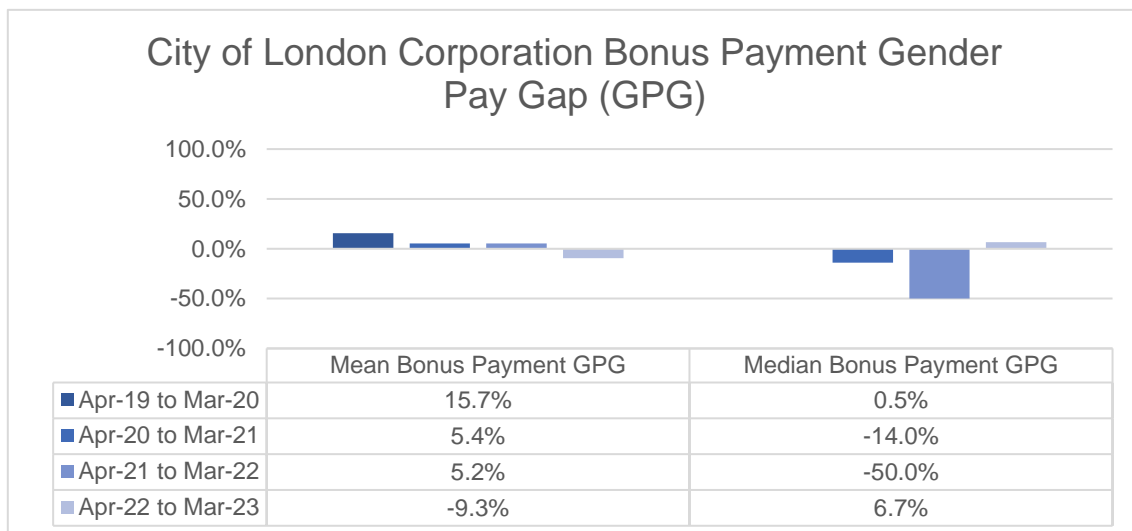
The data therefore indicates that, female and male employees earn the same based on median hourly pay rates and whilst female employees are paid 4.5% less than male employees based on mean hourly pay rates.

The City Corporation has a smaller GPG than national benchmarks; the median hourly rate GPG for all reporting companies in for the snapshot date of 31 March 2023 was 9.0%³. This indicates that, on average, women and men in our organisation are paid similarly based on average hourly pay rates.

Compared to the local government London Boroughs, the City Corporation was one of five London local authorities reporting no median GPG for the snapshot date of 31 March 2023 (down from 9 in 2022). The majority of London Boroughs report a pay gap figure of less than 5% towards men or women (20 out of 33), with only 5 of the 33 reporting a figure larger than the UK average.

Bonus Payments

The City of London Corporation’s bonus payment Gender Pay Gap for the twelve months from 1 April 2022 to 31 March 2023 is as follows:

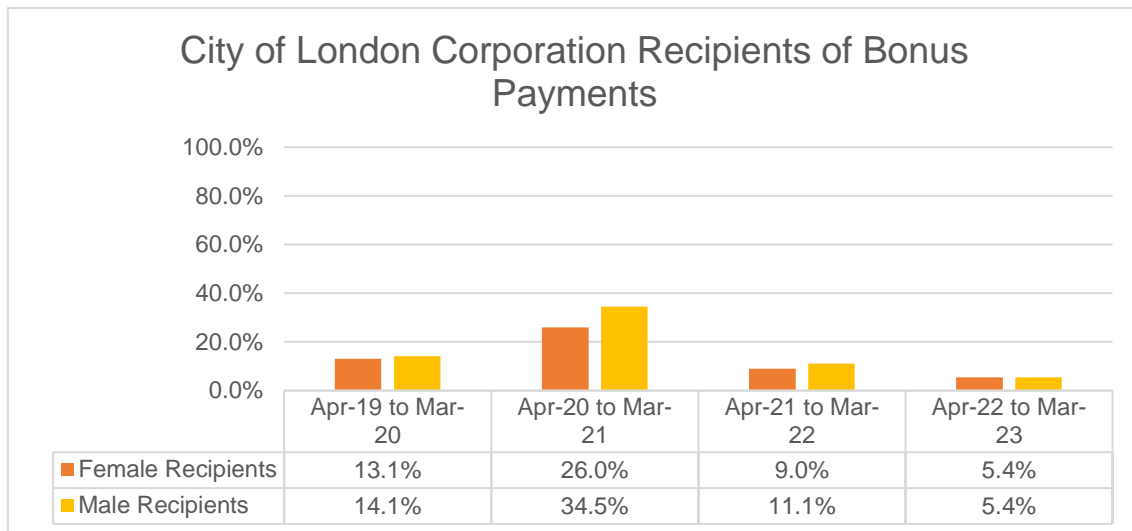


² 2.7% is equivalent to an increment on the City Corporation’s pay scale. Fluctuations in the median hourly rate GPG of this order are therefore not indicative of any wider trend. Mathematically speaking, small changes in workforce composition will move the median by a single increment, creating the increase/decrease in GPG.

³ Data taken from Gov.uk Gender Pay Gap Data Service as outlined above. Analysis conducted by PwC on behalf of the Financial Times: [UK’s gender pay gap will take decades to close at current rate \(ft.com\)](https://www.ft.com/content/2023-03-31/uk-gender-pay-gap-will-take-decades-to-close-at-current-rate)

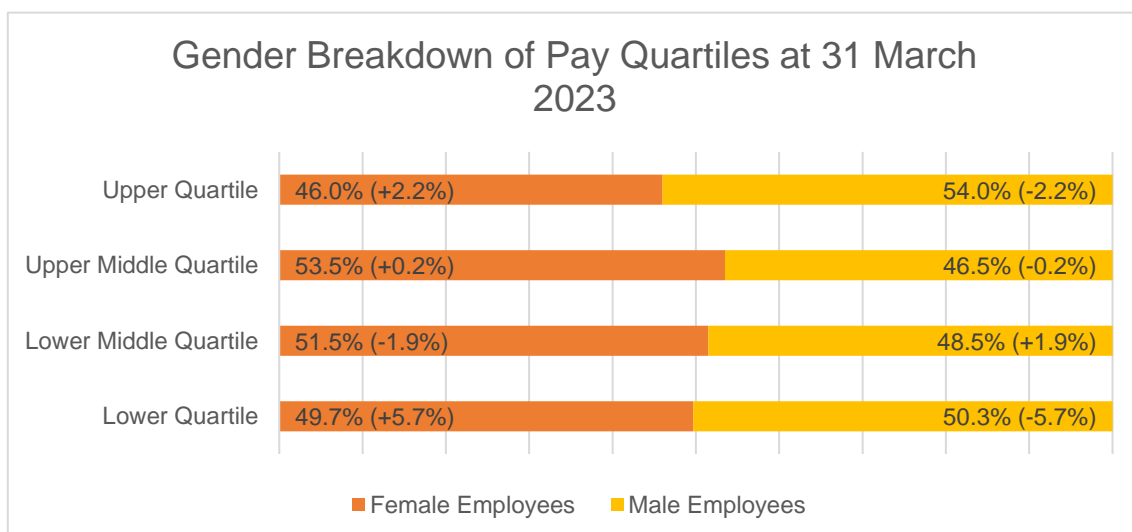
Having narrowed to 5.2% in favour of male employees for April 2021 to March 2022, the mean bonus payment gap has increased to 9.3% in favour of female employees⁴. Conversely, the median bonus payment gap narrowed, from 50.0% in favour of female employees to 6.7% in favour of male employees.

Bonuses were received by 5.4% (9.0%; 26%) of women and 5.4% (11.1%; 34.5%) of men. The reduced percentages made in recent years reflect a period when contribution pay was not operated. The reduced number of bonus payments means that rates are more likely to fluctuate mathematically due to the reduced numbers being compared.



Pay Quartiles

The distribution of female and male employees across pay quartiles in the City of London Corporation is presented in the below chart (snapshot date 31 March 2023, with change on the previous year) and table (full breakdown from 2020 to 2023):



⁴ A GPG in favour of female employees appears as a negative number, as GPG is usually calculated as the difference between female and male pay as a proportion of male pay.

	Lower		Lower Middle		Upper Middle		Upper	
Snapshot Date	Female	Male	Female	Male	Female	Male	Female	Male
31 March 2020	45.7%	54.3%	52.2%	47.8%	53.2%	46.8%	43.9%	56.1%
31 March 2021	49.4%	50.6%	50.9%	49.1%	50.5%	49.5%	43.9%	56.1%
31 March 2022	44.0%	56.0%	53.4%	46.6%	53.3%	46.7%	43.8%	56.2%
31 March 2023	49.7%	50.3%	51.5%	48.5%	53.5%	46.5%	46.0%	54.0%

Overall, the proportion of men and women within our workforce are broadly a 50:50% ratio. The ratio of female to male employees within all quartiles remains broadly equal across the four quartiles. The Upper Quartile shows the largest variance (+/- 4% from an equal split), but this is not a significant variation and is a movement towards 50:50 from the previous year.

Ethnicity Pay Gap

Definition

In April 2023, the UK Government published guidance for those employers who want to report their Ethnicity Pay Gap (EPG) voluntarily. The aim is to develop a consistent, methodological approach to EPG reporting. A key suggestion is not to aggregate ethnicity categories where possible. This new guidance has informed our methodology as part of March 2023 reporting.

In reviewing the guidance and determining our approach for the 2023 snapshot. We have chosen not to follow the guidance in its entirety. Breaking down our ethnicity categories to those with more than 50 people, provided more than 200 individual pay gaps. For the 2023 snapshot, we have chosen to breakdown to aggregated categories (see below), and to compare the pay gap to the overall workforce, rather than each other category. This results in six pay gap figures.

We will continue to review our approach annually and look at examples elsewhere on how we can meaningfully present a more detailed analysis. For the 2023 snapshot, we have also undertaken the analysis as per the 2022 snapshot, to allow historic comparison. So for this report, two different forms of EPG analysis have been utilised:

1. A binary analysis, comparing the gap between employees identifying as white to all other ethnic groups, as a proportion of white employees pay.
2. An aggregated category analysis, comparing the gap between each aggregated category as a proportion of the overall workforce. The six aggregated categories used are as follows:

Asian: Asian – Bangladeshi; Asian – British; Asian – Indian; Asian – Pakistani; Asian – Any other Asian background; Chinese.

Black: Black – African; Black – British; Black – Caribbean; Black – Any other Black background.

Mixed: Mixed – Asian & White; Mixed – White & Black African; Mixed – White & Black Caribbean; Mixed – Any other Mixed background.

Other Ethnic Groups: Arab; Any other ethnic group.

White: White – British; White – EU; White – Other European; White – Any other White background; Irish; Gypsy; Irish Traveller.

Not Known: Not Known; No information provided.

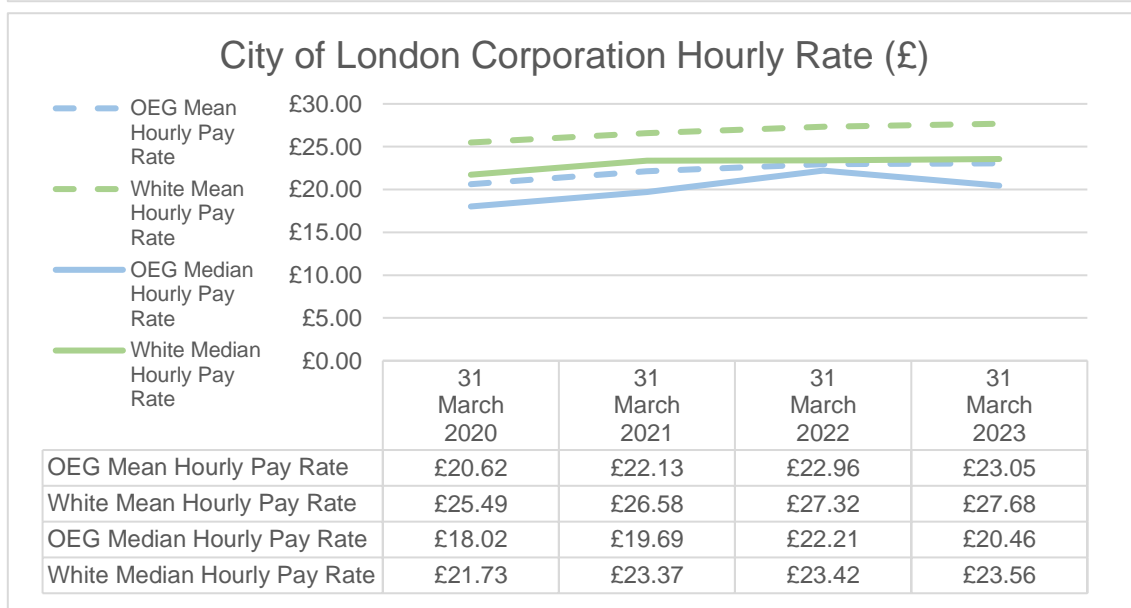
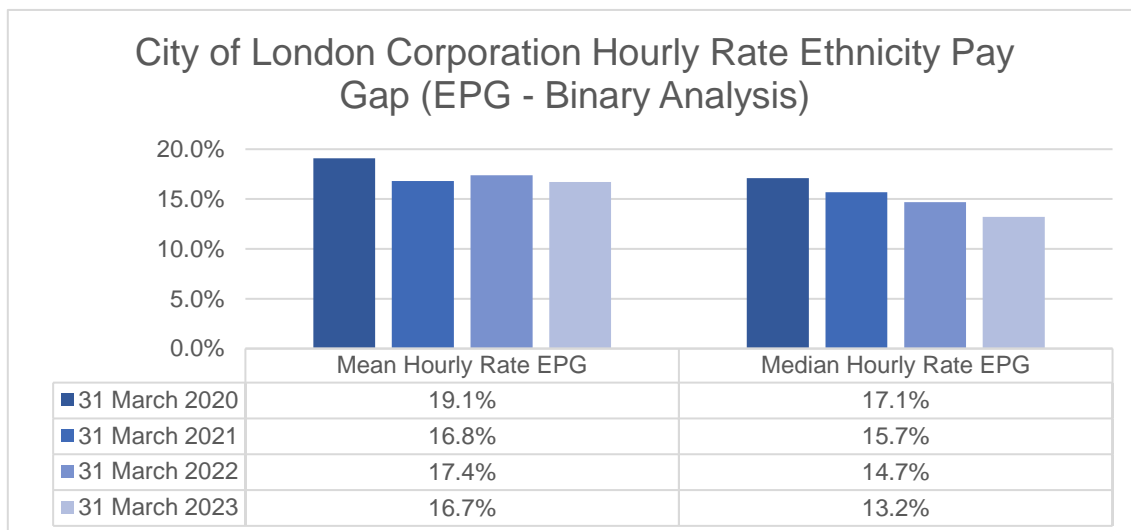
Employees are requested to provide data on their ethnicity via the HR information system, using the standard UK government classifications outlined above. There is no requirement for disclosure, with 17.0% opting to not disclose⁵ (down from 18.0% for the 31 March 2022 snapshot). Accurate analysis is hampered by this, as improving disclosure rates could alter the conclusions drawn in this report, particularly aggregated category analysis, as a reallocation to some of the smaller categories could shift their proportional share significantly.

⁵ This 17% is excluded in its entirety from the Binary EPG Analysis but constitutes the “Not Known” category for the Aggregated Category EPG Analysis.

Binary EPG Analysis

Hourly Rate

The City of London Corporation's hourly rate Ethnicity Pay Gap at the snapshot date of 31 March 2023, using binary analysis, is as follows:



The EPG for median hourly rate was 13.2% and the mean hourly pay rates 16.7% on 31 March 2023. This means that, on average, employees identifying as Black, Asian, Mixed, or other Ethnic Groups in our corporation earn 13.2% less than employees identifying as White based on median hourly pay rates, and 16.7% less based on mean hourly pay rates.

Both measures are a small reduction on the previous year and continue the improving trend of recent years, with the mean EPG narrowing by 3.9% and 2.4% respectively since 2020.

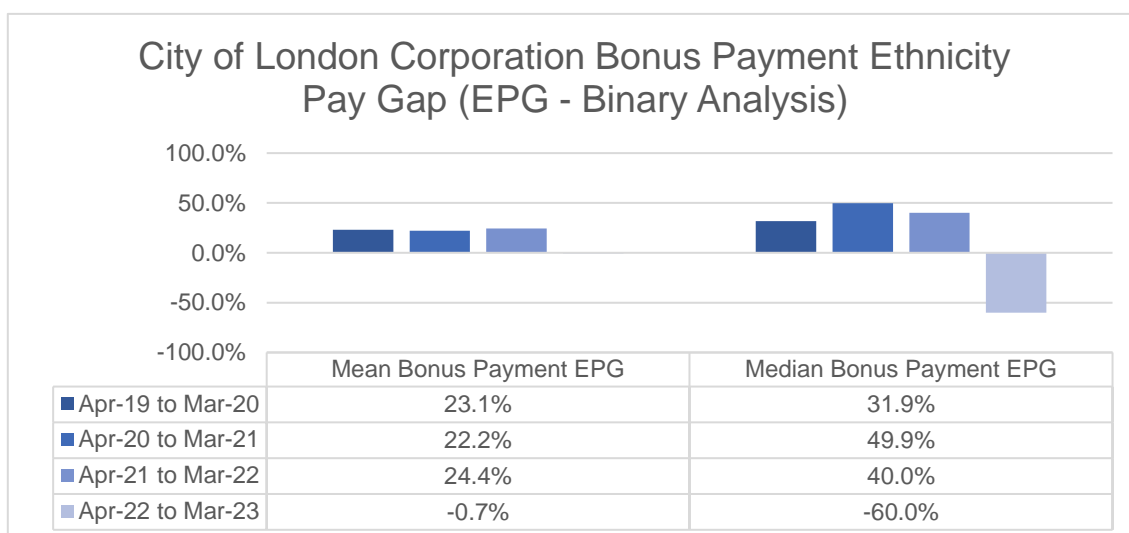
The data therefore indicates that on average employees from other ethnic groups are paid less than their white employees on both metrics. This translates to £4.63 less an hour for the mean rate, and £3.10 less an hour for the median rate, as per the chart below. The gap is not related to pay for the same job, rather, this is reflection of the distribution of the categories across the quartiles of the workforce as outlined below.

As Ethnicity Pay Gap reporting continues to be voluntary for employers, there is no statutory instrument, or national database for benchmarking. This reflects the complexity of analysing a multi-faceted category such as ethnicity, and/or the issue of representing these fairly using a binary measure.

As a measure of comparison, it is possible to look to Camden Council, which has reported their binary EPG since 2015/16. For the snapshot date of 31 March 2023 Camden reported a median hourly EPG of 11.2% and a mean hourly EPG of 13.3%⁶.

Bonus Payments

The City of London Corporation’s bonus payment Ethnicity Pay Gap for the twelve months from 1 April 2022 to 31 March 2023, using binary analysis, is as follows:

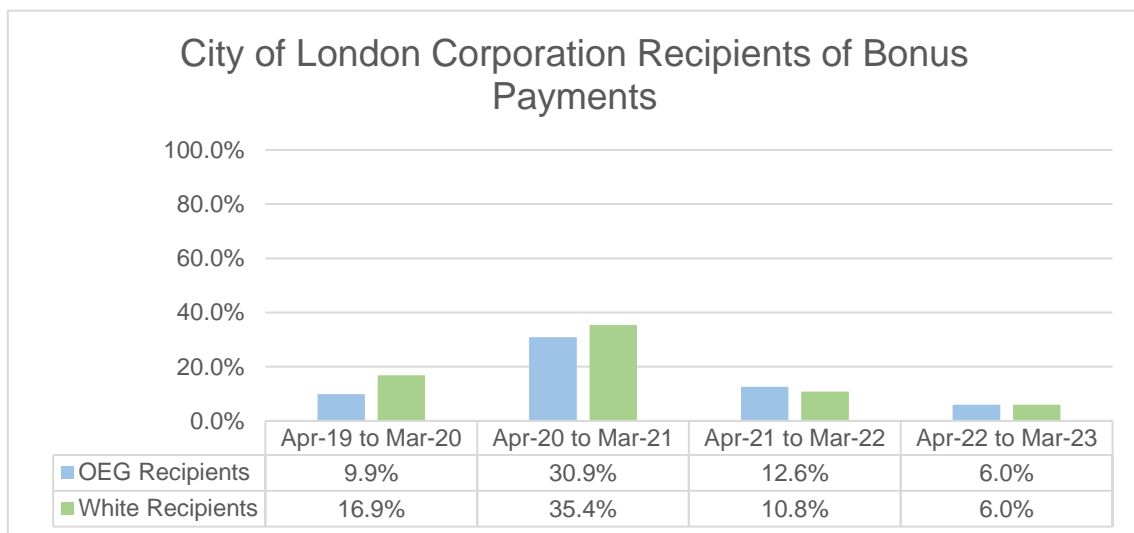
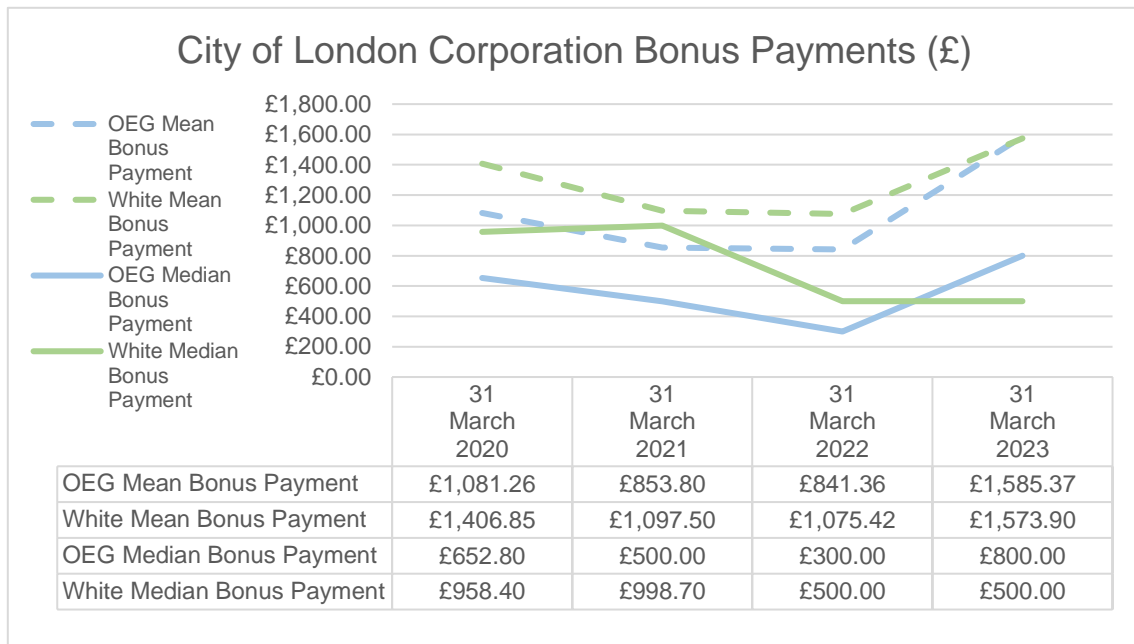


The City Corporation’s average ethnicity bonus pay gap was -0.7% having been somewhat static for the three previous years. This measures the difference between Black, Asian, Mixed, or other Ethnic Group employees' bonus pay and White employees bonus pay as a percentage of White employees' pay. There is now therefore very little difference between in mean bonus payments, equating to £11.47 more for employees from other ethnic groups.

The median bonus EPG, fluctuated from 31.9% in favour of white employees to 60.0% in favour of employees from other ethnic groups between 2020 and 2023. The median bonus payment between April 2022 and March 2023 for employees from other ethnic groups was £300 more than the equivalent for white employees.

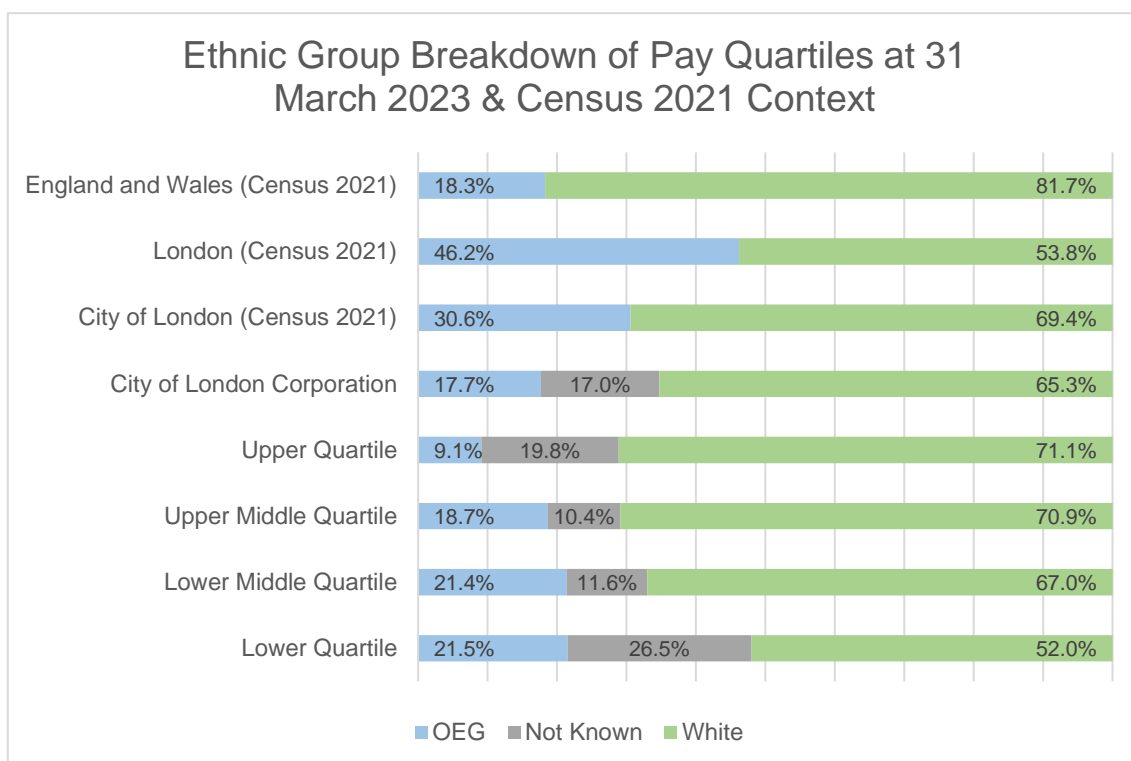
⁶ [London Borough of Camden pay gap report 2022-23 | Open Data Portal](#)

Bonuses were received by 6.0% of all Black, Asian, Mixed, or other Ethnic Group employees and 6.0% of all White employees. As with the Gender Bonus analysis, the relatively low proportion of employees receiving bonus payments, individual cases are more liable to have a greater influence or fluctuation on the calculation of the gap analysis mathematically.



Pay Quartiles

The distribution of employees by ethnic group across pay quartiles in the City of London Corporation is presented in the below chart (snapshot date 31 March 2023, alongside contextual data taken from the 2021 Census) and table (full breakdown from 2020 to 2023):



Snapshot Date	Lower			Lower Middle			Upper Middle			Upper		
	OEG	White	N/K	OEG	White	N/K	OEG	White	N/K	OEG	White	N/K
31 March 2020	18.2%	55.7%	26.1%	21.4%	63.3%	15.3%	14.4%	72.9%	12.7%	6.8%	74.0%	19.2%
31 March 2021	16.9%	54.7%	28.4%	20.9%	62.7%	16.4%	14.9%	71.4%	13.7%	8.2%	75.0%	16.8%
31 March 2022	21.8%	59.6%	18.6%	19.7%	62.1%	18.2%	14.6%	69.6%	15.8%	8.2%	72.4%	19.4%
31 March 2023	21.5%	52.0%	26.5%	21.4%	67.0%	11.6%	18.7%	70.9%	10.4%	9.1%	71.1%	19.8%

Looking at the quartile analysis, the pay gaps appear to possibly stem from the proportion of Black, Asian, Mixed, or other Ethnic Group employees within each quartile.

The overall proportion of Black, Asian, Mixed, or other Ethnic Group employees in the snapshot, is 18% of all employees. Somewhat below 2021 London Census benchmarks (City of London 30.6%; London 46.2%), but close to the England & Wales Census benchmark (18%). However, the proportions of Black, Asian, Mixed, or other Ethnic Group employees across the quartiles within the Corporation vary somewhat, with the proportion of all employees slightly higher in the two lower quartiles, dropping slightly in the upper middle quartile and then dropping much lower to only 9.1% in the upper quartile.

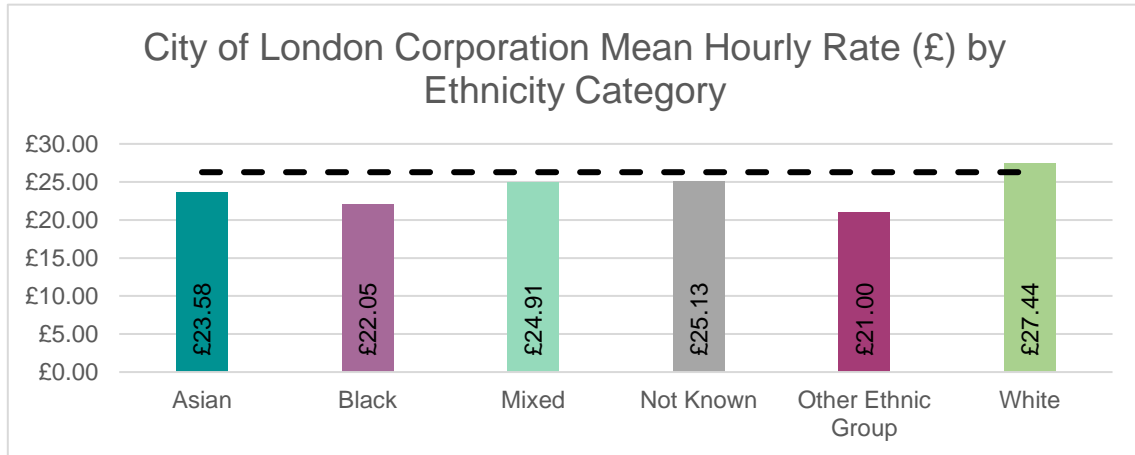
Conversely the proportion of white employees in the City of London Corporation is higher in the Upper and Upper Middle Quartiles than the proportion that makes up the overall population of both the City of London itself. This picture has remained relatively static in the four years between snapshot dates in 2020 and 2023.

Accurate analysis, however, is hampered by the lack of disclosure across all quartiles. Improving disclosure rates could significantly shift the conclusions drawn in this report. This is particularly the case for the Lower Quartile, where 26.5% of employees in this bracket do not disclose their ethnicity. As part of our Equality Objectives we are committed to Improving the robustness of equalities data to inform an evidenced based approach to advancing equality, equality, diversity and inclusion. This includes improving our current declaration rates.

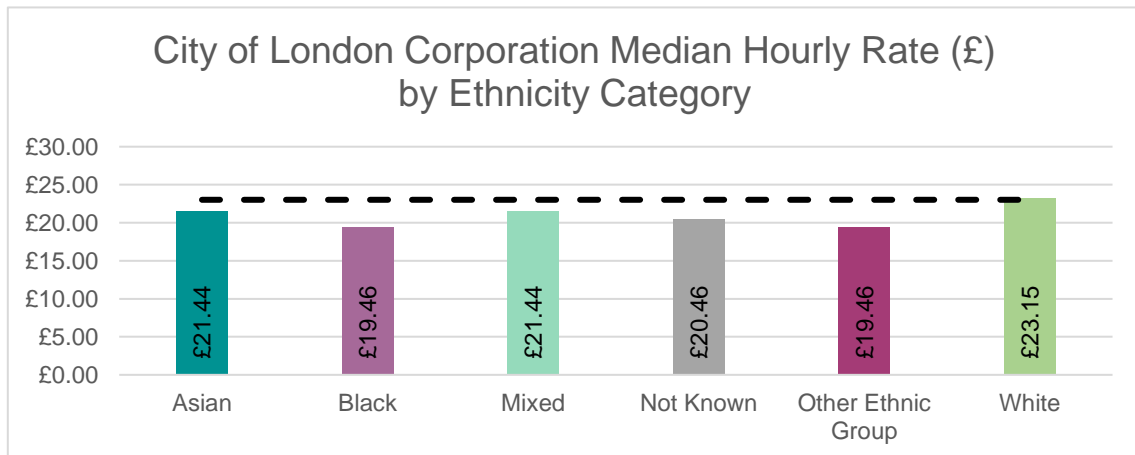
Aggregated Category EPG Analysis

Hourly Rate

The City of London Corporation's hourly rate of pay at the snapshot date of 31 March 2023, broken down into aggregated ethnicity categories, is as follows:

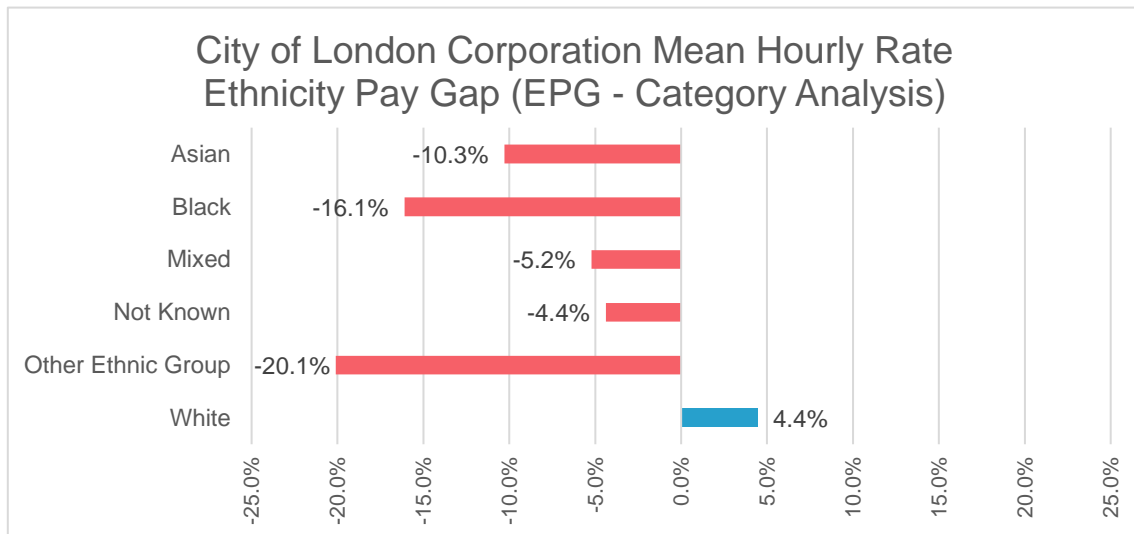


The mean hourly rate of pay across the City Corporation is £26.28. Employees identifying as White are the only category paid more than the mean hourly rate, by £1.16. Employees from all other ethnicity categories are paid less than the mean hourly rate, though this ranges from £1.37 less for employees identifying as from a mixed ethnic background, to £5.28 less for employees identifying as from an otherwise not listed ethnic background.

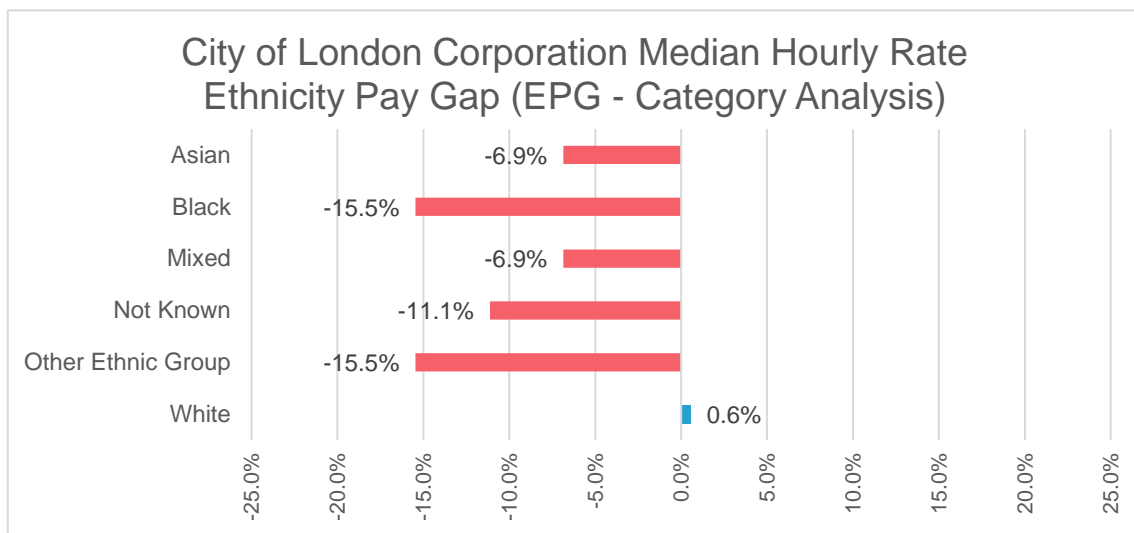


The median hourly rate of pay across the City Corporation is £23.02. As with the mean rate, employees identifying as White are the only category paid more than the median hourly rate, though only by £0.13. Median pay for other ethnicity categories is clustered, with employees identifying as being from Asian or mixed ethnic backgrounds being paid £1.58 less than the median hourly rate, and employees identifying as Black or from an otherwise not listed ethnic background being paid £3.56 less than the median hourly rate.

Based on this data, the City of London Corporation’s hourly rate of pay Ethnicity Pay Gap at the snapshot date of 31 March 2023, using aggregated category analysis, is as follows:



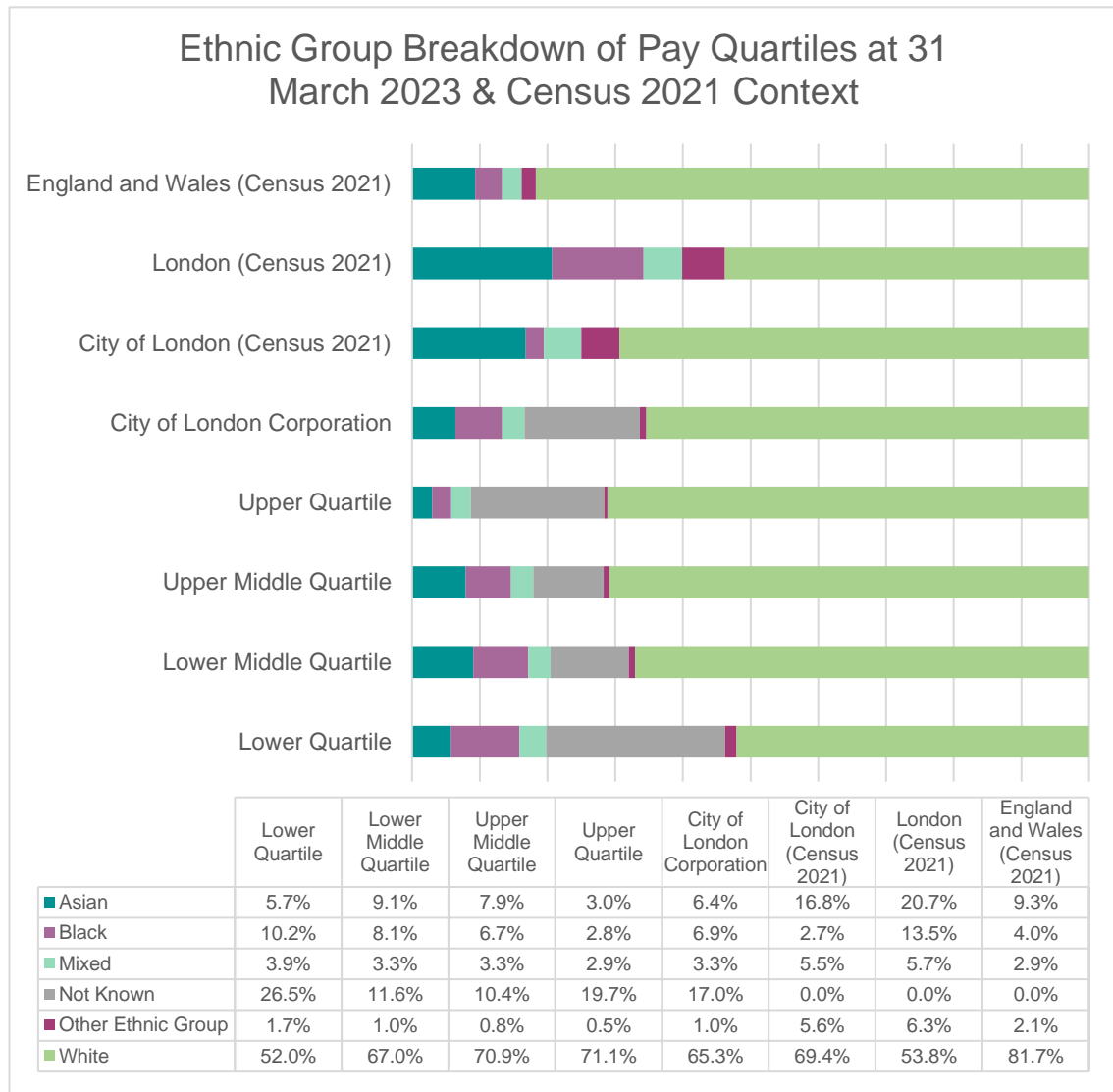
The difference between the mean hourly rate across the City Corporation and that paid to employees identifying as white equates to an EPG of 4.4%. All other ethnicity categories have a negative EPG, with the negative EPG for employees identifying as Asian or Black, or from an otherwise not listed ethnic background exceed 10%, reaching as high as 20.1% for the latter.



There is very little difference between the median hourly rate across the City Corporation and that paid to employees identifying as white, equating to a positive EPG of 0.6%. Overall, the negative median hourly rate EPG for all other categories is narrower than the mean equivalent, except for those identifying as being from a mixed ethnic background. All ethnicity categories than white have a negative median hourly rate EPG, clustered into two levels; 6.9% less than the rate across the whole City Corporation for employees identifying as Asian or from a mixed ethnic background, and 15.5% for those identifying as Black, or from an otherwise not listed ethnic background.

Pay Quartiles

The distribution of employees by ethnic group across pay quartiles in the City of London Corporation is presented in the below chart and table (snapshot date 31 March 2023, alongside contextual data taken from the 2021 Census):



Looking at the split of the different Ethnic Groups across the quartiles, helps to highlight the potential source of the pay gaps identified.

Except for employees identifying as Asian (where there is a higher proportion of employees in the Lower Middle and Upper Middle Quartiles), employees identifying as an ethnicity other than White (Black, Mixed, and Other Ethnic Group) make up a larger proportion of the Lower Quartile than those higher up the pay bands. The decrease is most significant for employees identifying as Black, falling from 10.2% of the Lower Quartile, to 2.8% of the Upper Quartile.

As outlined above, accurate analysis of both the representative nature of the City Corporation compared to geographic contexts, and the composition of pay quartiles, is hampered by the lack of disclosure across all quartiles, particularly the Lower and Upper Quartiles. This is particularly the case for aggregated category analysis, as a reallocation to some of the smaller categories could shift their proportional share significantly.

Disability Pay Gap

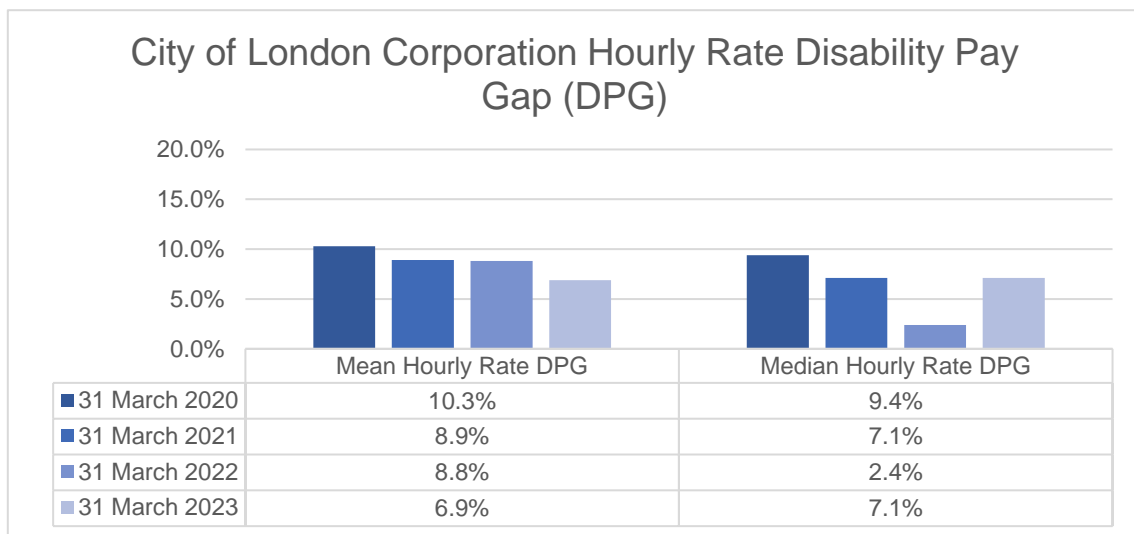
Definition

There are currently no UK Government requirements or guidelines for the calculation of the Disability Pay Gap, nor no statutory instrument or national database for benchmarking. As such, the City of London Corporation chooses to voluntarily calculate its Disability Pay Gap using data that employees are asked to voluntarily self-certify as “Disabled” or “Not Disabled”. It is therefore important note that his indicator does not accurately measure whether an employee meets the definition of “disability” under the Equality Act 2010.

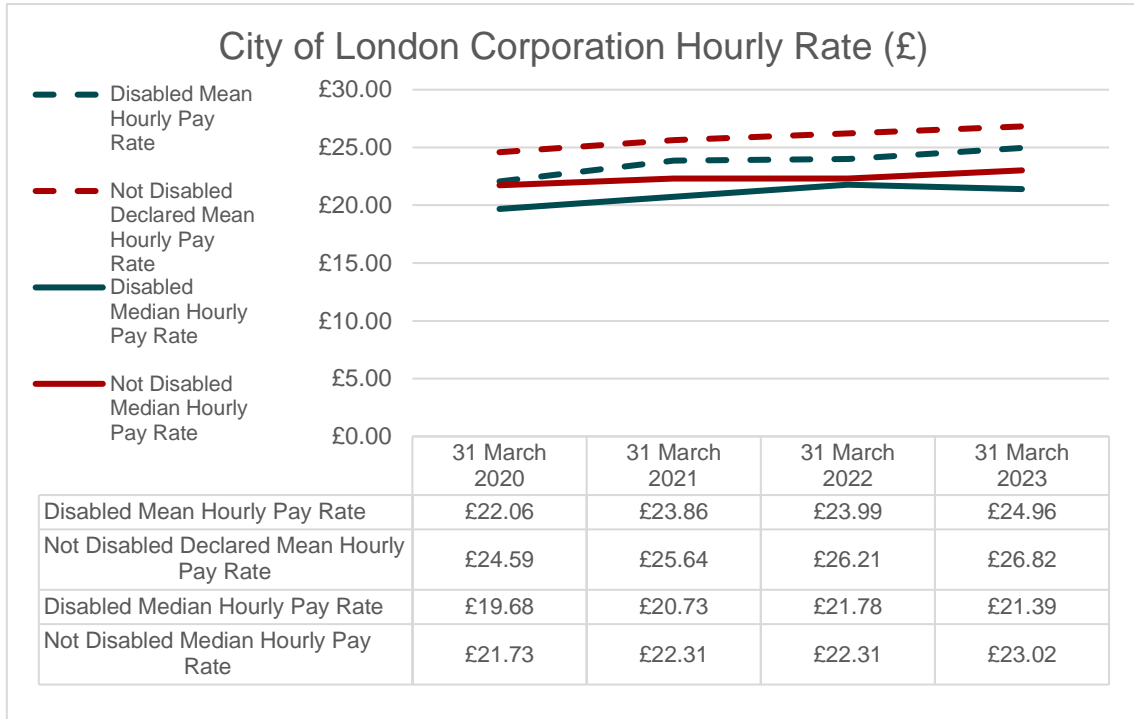
For the snapshot date of 31 March 2023, the non-disclosure rate for disability data for all City Corporation employees is 25.2%.⁷ The below analysis must therefore be considered in the context of a confirmed self-certification either as disabled or not for a quarter of employees, and the significant degree of difference an increased disclosure rate could make.

Hourly Rate

The City of London Corporation’s hourly rate Disability Pay Gap at the snapshot date of 31 March 2023 is as follows:



⁷ This is an aggregate of employees providing data under the category “Declined to specify” and those who leave the field blank.



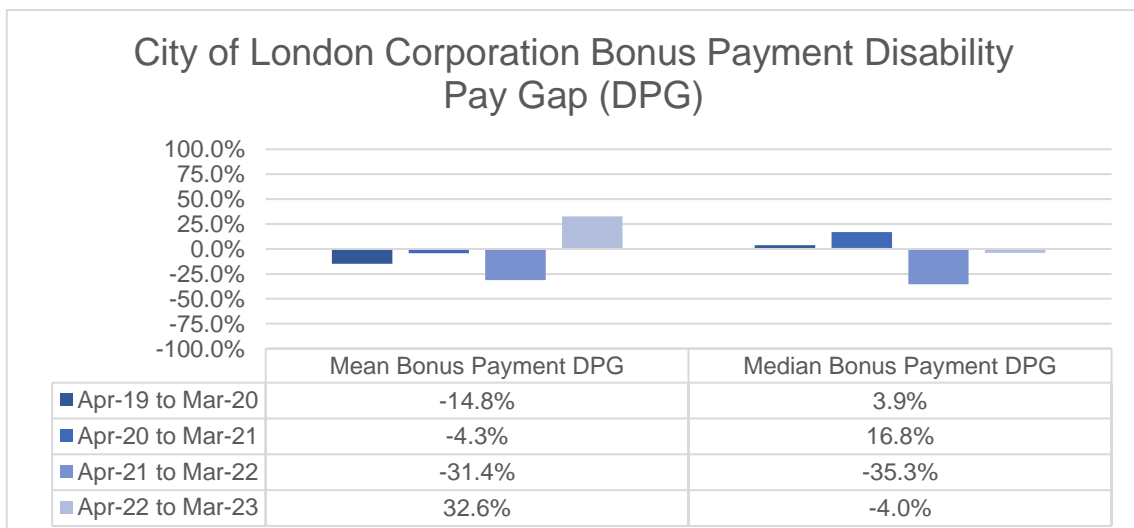
The DPG for mean hourly pay rates stood at 6.9% on 31 March 2023. This continues the downward trend of recent years, with the mean DPG narrowing by 3.4% since 2020.

The median hourly rate DPG stood at 7.1% on 31 March 2023. Whilst this is below the median hourly rate in 2020 (9.4%), the median EPG widened by 4.7% compared to 2022.

The data therefore indicates that employees who identify as disabled are on average paid less than employees who identify as not disabled on both metrics. This translates to £1.86 less an hour for the mean rate, and £1.63 less an hour for the median rate, as per the chart below.

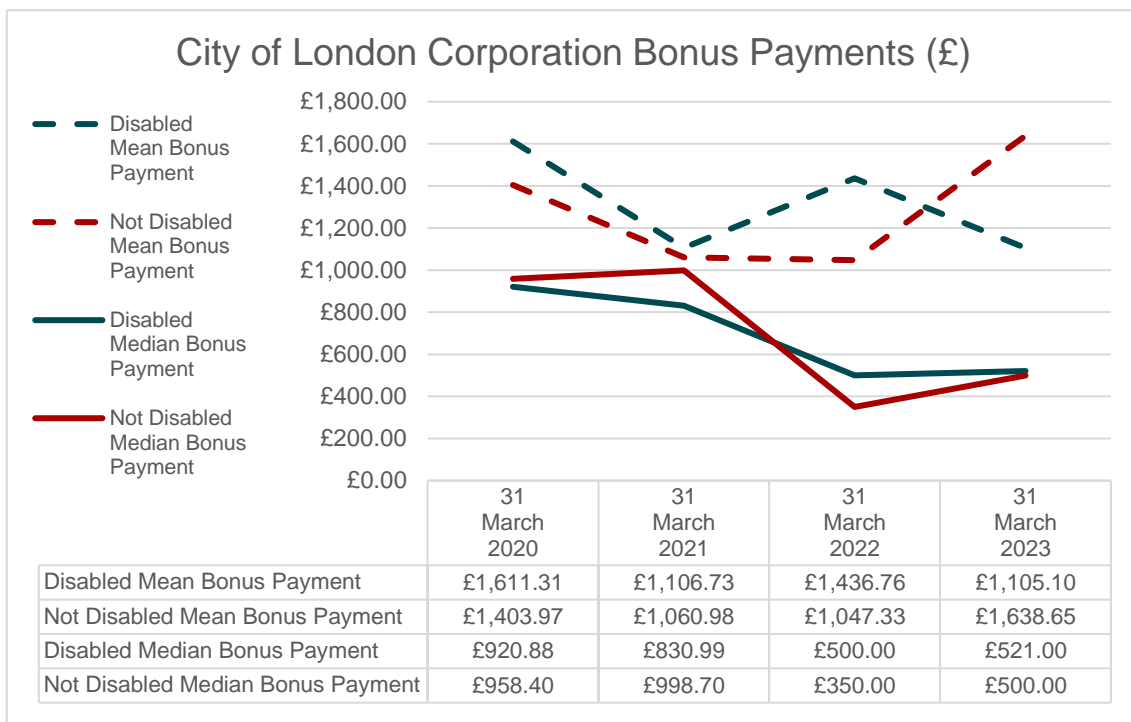
Bonus Payments

The City of London Corporation's bonus payment Disability Pay Gap for the twelve months from 1 April 2022 to 31 March 2023 is as follows:

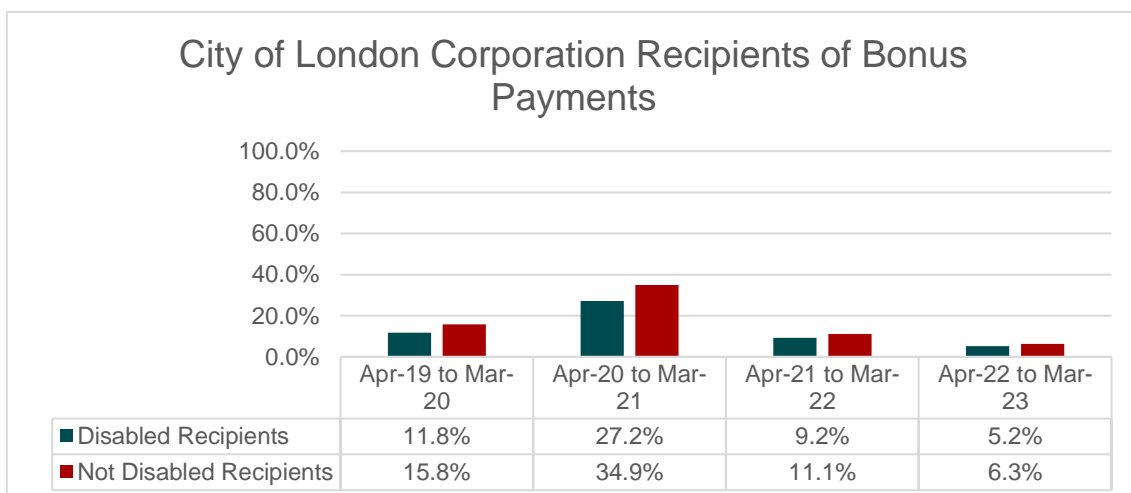


The mean bonus payment DPG has largely trended from being in favour of those identifying as disabled to those who do not, with a movement of 47.4% since April 2019 to March 2020, to the figure of 32.6%. This equates to £533.55 more for employees who do not identify as disabled. The mean bonus payment for those identifying as disabled has also fallen in real terms over those four years by £506.21, whereas the equivalent for those who do not identify as disabled rose by £234.68.

The median bonus DPG sits at 4.0% in favour of those who do not identify as disabled, compared to 3.9% in favour of employees who do not identify as disabled four years prior. However, this gap is roughly equivalent to where it was for April 2019 to March 2020 in cash terms (£37.52). Bonus payment fell in real terms by £399.88 for employees who identify as disabled, compared to £458.40 for employees who do not identify as disabled.

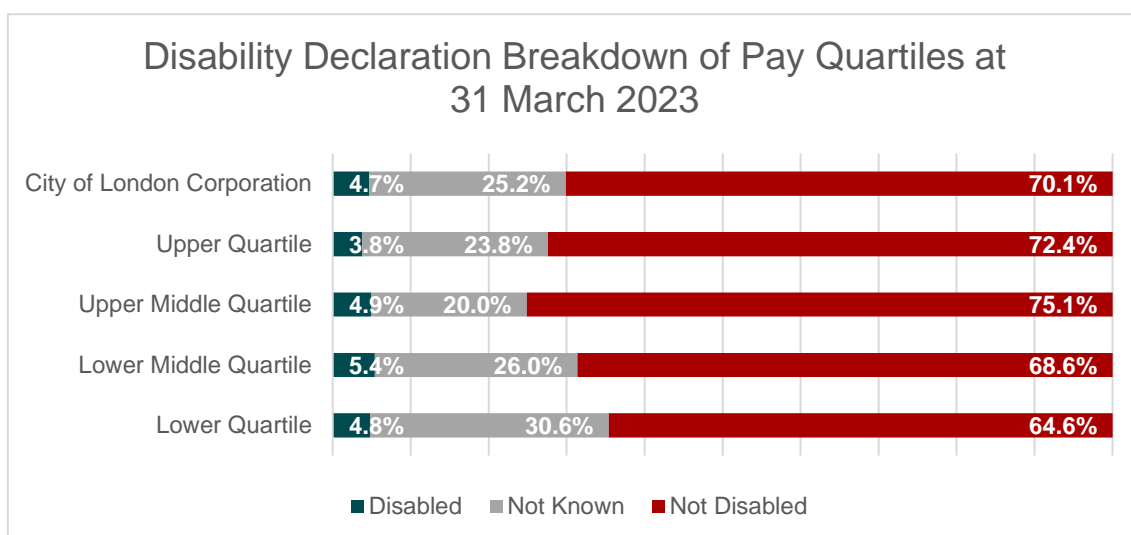


As has been outlined above, large fluctuations in the bonus payment DPG can largely be attributed to the changing proportion of overall employees in receipt of bonus payments. Whilst overall rate of receipt has declined, 6.3% of employees who do not identify as disabled received a bonus, compared to 5.2% of employees who identify as disabled.

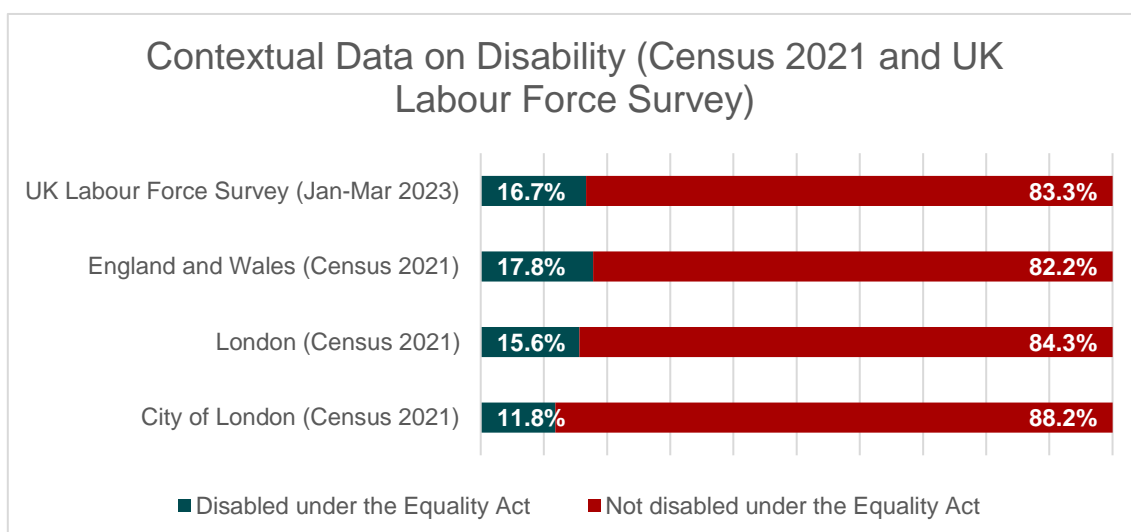


Pay Quartiles

The distribution of employees by whether they self-certify as disabled or not by pay quartiles in the City of London Corporation is presented in the below chart (snapshot date 31 March 2023) and table (full breakdown from 2020 to 2023). Alongside this is a table showing the proportion of individuals Disabled/Not Disabled under the Equality Act according to the 2021 Census. Whilst this is not an exact comparator, it does provide some context for the non-disclosure rate amongst City Corporation employees:



Snapshot Date	Lower			Lower Middle			Upper Middle			Upper		
	Disabled	Not Disabled	N/K	Disabled	Not Disabled	N/K	Disabled	Not Disabled	N/K	Disabled	Not Disabled	N/K
31 March 2020	4.0%	68.6%	27.4%	4.0%	75.7%	20.3%	3.5%	78.5%	18.0%	2.0%	73.4%	24.6%
31 March 2021	3.8%	66.9%	29.3%	4.6%	73.8%	21.6%	3.9%	77.6%	18.5%	2.1%	74.8%	23.1%
31 March 2022	5.2%	73.5%	21.3%	4.5%	72.0%	23.5%	3.9%	75.3%	20.8%	2.8%	71.8%	25.4%
31 March 2023	4.8%	64.4%	30.8%	5.4%	68.6%	26.0%	4.9%	75.1%	20.0%	3.8%	72.4%	23.8%



The proportion of employees self-certifying as disabled is fairly similar across pay quartiles, ranging from 3.8% in the Upper Quartile, to 5.4% in the Lower Middle Quartile. The proportion of employees self-certifying as disabled increased across all quartiles between the snapshot dates of 31 March 2020 and 31 March 2023. The largest increase was seen in the Upper Quartile, rising from 2.0% to 3.8%.

However, any analysis of disability across the pay quartiles is hampered by the high non-disclosure rate. Levels of non-disclosure exceed 20.0% across all quartiles, reaching 30.8% for the Lower Quartile.

Whilst this has a significant impact on the accuracy of any conclusions from quartile analysis and the wider DPG, we can make some inferences based on contextual data about the wider UK population. This data suggests that disability is being under-disclosed by employees of the City Corporation, as the UK Labour Force Survey puts the proportion of employees with a disability in the UK workforce at 16.7% for the equivalent period to the snapshot date. Similar percentages appear when examining the wider population of London, and England and Wales, as appearing in the 2021 Census.

Conclusion and Next Steps

Overall, the pay gap figures reported remain broadly consistent with those from previous years, with some positive shifts compared to March 2022. These shifts seem to be indicative of a longer-term positive trend in all pay gap figures. However, due to the nature of the calculation method there will be a natural mathematical variation in the workforce numbers included within the snapshot and therefore some deviation due to these measures used that are unrelated to pay practice.

The high levels of non-disclosure observed highlights the need to continue to improve our data, especially the levels of disclosure on protected characteristics across employees and casuals. This will enable stronger analysis and greater insight. As part of the work to support promoting and delivering our Equalities Objectives and People Strategy, we are addressing data quality and improving levels of disclosure with a campaign to increase disclosures planned for Q1- Q2 2024/25. Ahead of this, significant work has been carried out to ensure that our EDI questionnaires and Equal Opportunities forms are in line with best practice and reflective of our workforce and the communities we serve.

The City of London Corporation is committed to equal opportunities and equal treatment for all employees. Although many of the pay gap measurements are either already relatively small, or larger but moving in a positive direction, there will always be more that we can do to improve our culture, policy, process, and practices to ensure a truly bias free work environment for all employees. Our aim is to create an environment, in which people irrespective of their background can expect to develop, progress, flourish and perform and be remunerated fairly for the work that they do.

As part of our future pay gap reporting we will carry out further analysis on the reasons for disparity to support our EDI commitments, reduce any perceived barriers to engagement and progression and work towards greater pay equity. This will include:

- Guaranteeing the robustness of our job evaluation scheme and policy, to ensure that we have equal pay for work of equal value, which provides protection against claims of equal pay. This forms a key element of the Ambition 25 programme.
- Reviewing our pay structure and reward practices to ensure that these support fair and equal remuneration, and that any additional payments are minimised, and where they remain necessary, are actively monitored and moderated.
- Ensuring our work and engagement practices do not preclude or discourage capable individuals from applying to, be appointed, and progressing within the organisation (e.g. recruitment activities; where we advertise; the benefits we offer; our support for flexible working).

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