



## **PSPS Gender Pay Gap Report 2023/24**

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### **1 Introduction**

Since March 2018, employers with more than 250 employees have been required by law to report annually and publish Gender Pay Gap information using employee data from the previous year. The Gender Pay information details the difference between men and women's aggregate hourly pay.

On 5 April 2023, which was the snapshot date for reporting the 2023 Gender Pay Gap, PSPS had a headcount of 297 employees and, therefore, has a requirement to publish the 2023 figure.

The Gender Pay gap figures for 2023/24 will be submitted by the required deadline of 4 April 2024 on the .gov website. This report has been written to provide the Board with background information and analysis of the data to add context to the figures to be submitted.

### **2 Executive Summary**

PSPS has complied with its legal obligations to submit its Gender Pay Gap figure for 2023/24 to central government.

The data submitted represents a pay gap of 11%, showing that on average men are paid more than women at PSPS. While there is a pay gap of 11%, this is 3.3% less than the national average pay gap of 14.3% as reported by the Office of National Statistics calculated from the Annual Survey of Hours and Earnings.

PSPS can demonstrate through many of its employer policies and actions, that positive steps are being taken to equalise pay wherever possible.

PSPS does not differentiate pay between genders where the individual undertakes the same or similar role.

### 3 Data and Analysis

#### Background

By law, men and women must receive equal pay for:

- The same or broadly similar work;
- Work rated as equivalent under a job evaluation scheme; or
- Work of equal value.

Public Sector Partnership Services is 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. It is committed to paying employees equally for the same or equivalent work, regardless of their sex (or any other protected characteristic as set out above).

PSPS operates a 'fixed' pay structure across the organisation, incorporating spot salary, which is applied to all employees within the grade, or with consistent incremental steps for all employees to progress, which is consistently applied for all genders.

Across the UK economy, men are more likely than women to be in senior roles (especially higher senior roles), while women are more likely than men to be in front-line roles at the lower end of an organisation's pay structure. Women are also more likely than men to have time off work which may affect their career progression, such as maternity leave to care for young children. Females are also more likely to work part-time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

The PSPS Pay Gap figures have been calculated using the standard methodologies required by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. These are:

- Mean gender pay gap 11%
- Median gender pay gap 3%

#### Mean Pay

A Mean pay gap of +11% demonstrates that pay for female employees is proportionately lower than that for males. This is essentially static compared to the 11.1% pay gap figure for 2022/23, showing there has been no change in the pay gap between males and females. Women earn 88.9p for every £1 that men earn across the organisation when comparing hourly wages at all levels. This is predominantly owing to the following factors:

- The highest paid individual in the organisation is the Chief Executive, who is Male.
- There are more female employees with managerial responsibility than male, but proportionately more males occupy the higher paid manager roles. 57% of female managers across PSPS are in roles paying grade 7 or below, compared to 69% of male managers in occupying the roles that pay grade 8 and above.
- 69% of the workforce is female, (an increase of 1% compared to the 2022/23 organisational split), with the majority of the female workforce employed in the Customer Contact and Revenues & Benefits departments. Most of the lower paid roles within the organisation are located within these departments (average pay for Customer Contact £24,161 per annum FTE, average pay for Revenues and Benefits £26,627 per annum FTE). They are administrative, transactional, and customer services roles which are traditionally held by female employees.

It is worth noting that despite more female employees being employed in the lower paid managerial roles across PSPS, there is equality in the proportionate amount of male and female employees who are employed as managers. 17% of the male workforce are employed as managers and 17% of the female workforce are employed as managers.

The National Mean Gender Pay Gap for 2023 according to the Office of National Statistics is 14.3%, therefore the PSPS pay gap of 11% is below the National average, showing an ongoing improvement from reporting in two years ago when the PSPS pay gap was marginally higher than the national average.

### Median Pay

A Median pay gap of +3%, demonstrates that the mid-range level of pay for female employees is lower than that of males. This is predominantly because the lower paid roles in the organisation in Customer Contact and Revenues & Benefits are roles traditionally occupied by females.

- 151 (51%) of the 297 employees at PSPS are paid at either Grade 4 or lower. This is an increase of 1% compared to 2022/23.
- Of the 151 lowest paid workers 110 (73%) are female. This is an increase of 4% in the previous year.

151 employees were paid at grade 4 and below in 2022/23 compared to 128 in 2023/24. As there are more lower paid workers within the organisation, and typically those lower paid workers have tended to be female, the median percentage figure has increased from 0.9% to 3% compared to the previous year.

However, if you applied the Median across the pay scales, the mid point would be the same rate of pay regardless of gender.

### Pay Quartiles by Gender

Band	Males	Females	Description
<b>A</b>	29.6%	70.4%	Includes all employees whose standard hourly rate places them in the lower quartile
<b>B</b>	30%	70%	Includes all employees whose standard hourly rate places them in the lower middle quartile
<b>C</b>	22.5%	77.5%	Includes all employees whose standard hourly rate places them in the upper middle quartile
<b>D</b>	43.5%	56.5%	Includes all employees whose standard hourly rate places them in the upper quartile

This shows PSPS's workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest paid 25% of employees (the lower quartile) and D covering the highest paid 25% (the upper quartile). For there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band.

The number of females is higher in all 4 quartiles. In 2021/22 there were more male than female employees in the upper quartile and in 2023/24 there is a higher percentage of females in the upper

quartile compared to the previous year (52.4%). This demonstrates a reduction in the gap between male and female pay at a senior level over the past two years. The Senior Leadership Team of PSPS is made up of 50% females and 50% males showing an equal split at the top tiers of the organisation.

## Bonus Pay

Between April 2022 and March 2023, PSPS paid employees two bonuses in addition to the annual pay award. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require organisations to also report on the pay difference in bonuses received by employees, during the period. Any employees who were employed on 5<sup>th</sup> April 2023 and received a bonus within the 12 month prior to that date were included in the figure calculations. The Bonus pay gap figures are;

- Mean bonus gender pay gap 15%
- Median bonus gender pay gap 3%

The bonus payments were a percentage of salary payment equally applied across all of the organisation regardless of gender.

It is expected that the Median bonus figure would be the same as gender pay gap figure as it was based on salary. The difference between the mean bonus pay gap and the gender pay gap can be attributed to the fact that the data captured for the bonus pay was reflective of the payments across a 12 month period, rather than the pay period of April 2023, so it is understandable that there would be some variation.

## 4 Addressing the Gender Pay Gap

PSPS are committed to doing everything it can to equalise pay. Steps that the Company has taken to promote gender diversity in all areas of its workforce include:

- To fully support employees prior to, during, and upon return from maternity and other parental leave. A review was undertaken of the Maternity, Paternity, Adoption and Shared Parental Leave policies in place in March 2023, to a single Parental Family Leave policy. This policy enhances the leave provision and allows the leave to be applied fairly and equally across genders, identifying the primary carer and secondary carer of a child, and enhances the statutory pay provision.
- PSPS offer a range of family friendly leave available to all employees designed to enhance the work life balance of employees including an offering of paid dependants leave, grandparents leave, and paid time off for fertility treatment.
- PSPS launched their Agile & Hybrid working policy in July 2022 enabling employees to apply for Agile working to enhance employees work life balance.
- PSPS complete an bi-annual Staff Survey, where feedback on organisational wellbeing and work life balance is received and an action plan developed and rolled out throughout the year because of any feedback.
- In addition to committing to paying the Real Living Wage rate PSPS reviewed the company pay structure in 2023, reviewing the lowest grades and, moving employees on Grades 2 and 3 to the top of the grade and removing all lower spine points, and removing the lower SCP points in grade 4, moving those who were at the bottom of the grade to the new higher Spinal column point.
- Managers have received training in recruitment to increase awareness of unconscious bias in recruitment, including gender bias. Independent managers outside of departments are involved in the recruitment and selection process to reduce the risk of unconscious bias affecting recruitment.

Assessments will also be used in all recruitment processes to ensure a more robust selection process based on ability and job requirements.

### **Next Steps**

Public Sector Partnership Services will continue to report the Gender Pay gap information on an annual basis where there is an organisational headcount of over 250 employees. This report will also be published on the Company website in a manner that is accessible to all employees and the public. The report will also be uploaded onto the .gov website designated by the Secretary of State as supporting documentation for the Gender Pay Gap figures 2023 currently published.

PSPS will also continue to review its policies and ensure they remain inclusive and allow PSPS to be an accessible employer providing equal opportunities. We will also take advantage of opportunities to upskill our leaders to ensure recruitment activities are fair and equitable. We will continue to benchmark sample of our roles to understand comparative pay levels and look at total reward.

The Board are asked to note that:

- the Gender Pay Gap data has been submitted in accordance with the legislative requirements,
- the pay gap is below the national average,
- our policies and procedures are inclusive and reviewed regularly
- The board have a responsibility to ensure organisational decisions take into account of gender pay and its responsibility to scrutinise activity to address the balance.

**Aileen Whatmore**

**Head of HR & OD**

**28 February 2024**