

**UKSBS**

*Shared Business Services*

**UKSBS**

# Gender and Ethnicity Pay Gap Report 2022-23



## Executive Summary

Gender pay gap reporting in the UK is now in its seventh year. Reporting annually is an important way to track how recruitment, reward, and progression decisions impact the achievement of a diverse and inclusive workforce. We are pleased that this year we are publishing a joint report as we are voluntarily including our ethnicity pay gap data.

This report covers Financial Year 2022/23, providing a snapshot as at 31 March 2023.

### Gender

This year our median pay gap reduced by 1.6% percentage to **21.8%**. Our mean pay gap dropped by just under 1% to **17.6%**.

While the decrease in the gender pay gap is marginal, we have seen an increase in female employees in all but the Lower Middle Quartile.

### Ethnicity

This year our median pay gap remained the same at **1%**. Our mean pay gap increased by 3% to **13.4%**.

We remain committed to fostering inclusion, equity, and equality within UKSBS and will continue to take action to close the gap.

## Introduction

UK Shared Business Services Ltd (UKSBS) has prepared this report in response to the legal requirement to publish its gender pay gap on an annual basis and is now voluntarily publishing its ethnicity pay gap data.

The gender pay gap is the differences in the average pay between men and women in an organisation, over a period of time, no matter what the role is. The gender pay gap is different to equal pay. Equal pay is the pay difference between men and women who carry out the same or similar roles in an organisation.

The ethnicity pay gap is the difference in the average pay between employees from minority ethnic backgrounds and white ethnic employees.

UKSBS supports fair treatment and reward of all employees irrespective of gender or ethnicity. This report sets out the reporting requirements for UKSBS, analysis of the figures in more detail and sets out what we are doing to close the gender and ethnicity pay gaps in the organisation.

## Gender Pay Gap Data

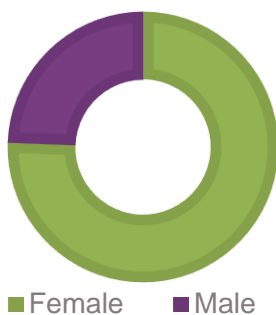
Reflecting an increase in business volumes and in preparation for further modernisation and growth, 2022/23 saw employee numbers increasing by 2.7%. With 43.5% of the year's new starters joining in the Lower Quartile and a further 23.5% of higher grade roles joining the Upper Middle Quartile there has been a repositioning of boundaries creating movement across all Quartiles.

Together with promotions of existing employees, the year-on-year male to female pay gap reduced further in 2022/23 with males being paid on average 17.6% more per hour than female employees. This compares to 18.5% in 2021/22.

	Pay by Quartiles 2022/23		% change from the previous year	
	Male	Female	Male	Female
Lower Quartile	24.4%	75.6%	-4.4%	4.4%
Lower-Middle Quartile	35.0%	65.0%	1.0%	-1.0%
Upper-Middle Quartile	41.9%	58.1%	4.3%	4.3%
Upper Quartile	58.1%	41.9%	0.0%	0.0%

The Lower Quartile saw an increase of 11.0% in the number of female employees, against a relative drop of 11.4% in males, creating a gender ratio of 75.6% female to 24.4% male.

### LOWER QUARTILE (%)



With 78% of the new recruits joining at the lower end of this Quartile being female (the majority joining Customer and HR Services teams), this led to an increase in the average hourly rate of pay for male employees and resulted in a decrease in the gender pay gap to 0.7% in favour of female employees for 2022/23 compared to 2.5% in favour of females in 2021/22.

Although the Upper Middle Quartile saw a fairly even split of male (44%) and female (55%) new starters in 2022/23 the majority (68%) of those exiting the company from this quartile were male (mainly from the Digital & Information and Procurement teams), which widened the gender ratio in this quartile. As a result, the gender pay gap moved further in favour of female employees, to 1.3% in 2022/23 compared to 0.2% in 2021/22.

**UPPER MIDDLE QUARTILE (%)**



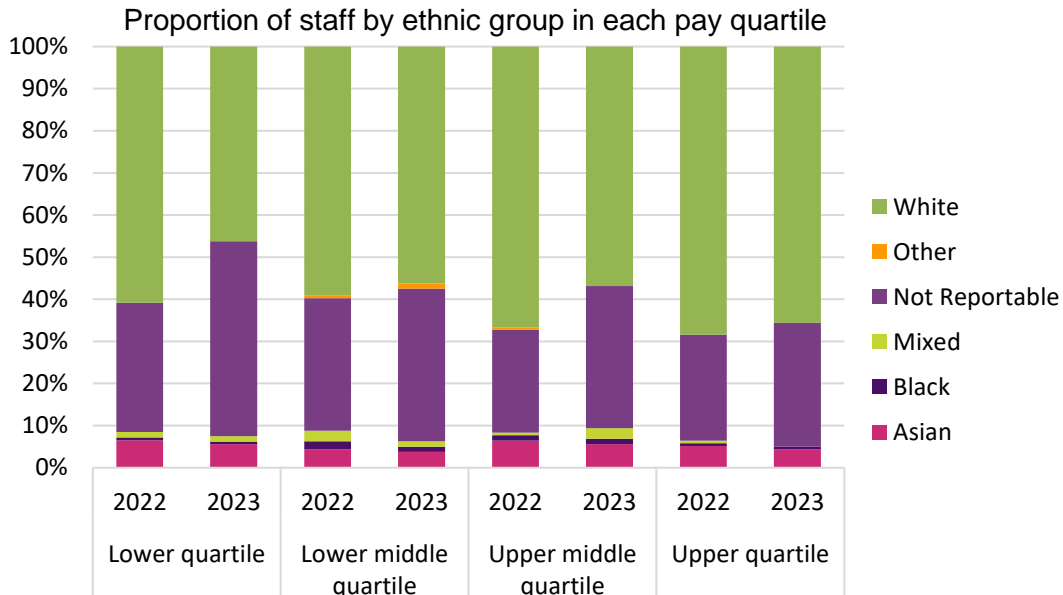
The Upper Quartile remains the only male led quartile and the gender ratio remains the same as last year with 58.1% male employees and 41.9% females, however, this Quartile has seen the biggest drop (5.1%) in gender pay gap from 6.7% in favour of men in 2021/22 down to 1.6% in 2022/23. This was due mainly to the departure of employees.

Further details of the grade balance in UKSBS can be found in Annex A.

**Ethnicity pay gap data**

Of our current workforce of 640 employees, 63.6% have disclosed their ethnicity to us. The remaining 36.4% of employees have either chosen the option not to disclose their ethnicity or have not submitted a response.

Based on those who have disclosed their ethnicity, the current ethnic profile is 56.3% white employees (including British, Irish and another White background) and 7.3% employees are BAME.



Our data shows that since 2022 we have seen a reduction in the number of employees within all ethnic groups, white and BAME resulting from an increase in employees choosing not to disclose their ethnicity data.

There has been a surprising increase, from 7.5% to 36.4% in those not reporting their ethnicity. We are reviewing recruitment data collection methods and seek to increase reporting so we can make more effective plans to reduce any Ethnicity pay gap.

Whilst we are unable to accurately report the Ethnicity split by quartile the data does show us that the Lower Quartiles are the areas where we see the majority of our not reportable data with nearly half of the employees, 46.3% not disclosing their ethnicity in the Lower Quartile.

1.9% increase in employees from BAME ethnic groups in the Upper Middle Quartile reflects recruiting roles within our Digital and Information team.

## Declaration

We can confirm that the calculations have been carried out in line with the regulations.

## Our journey since 2021

### Equality, Diversity and Inclusion

UKSBS is committed to reducing the gender pay gap, supported by commitment to our Equality, Diversity and Inclusion (EDI) Strategy. The UKSBS Board has agreed the EDI Strategy and regularly reviews progress with equality, diversity and inclusion to be firmly embedded in everything we do.

The EDI strategy has five objectives with specific outcomes and actions to support the achievement of these objectives over the next three years.



1

**Values and behaviours;** to embed the organisation's values and three critical behaviours to gain positive commitment to the quality and continuous improvement of outputs and outcomes for the organisation.

- ✓ Implementation of appropriate channels for employee voice ensuring different groups feel able to access them, to keep people up to date with and feedback on diversity policies and practices.
- ✓ Continued employee surveys with employee feedback loops



2

**Making a strong commitment to equality, diversity and inclusion;** embedding an inclusive culture into our policies, processes and ways of working, supported by visible and effective leadership, where everyone feels valued and able to be themselves without fear of or experiencing abuse or discrimination.

- ✓ All 'people' related policies are reviewed by the People Committee to ensure alignment with the EDI strategy, strengthening where appropriate.



3

**Developing capability and leaders;** to cultivate and promote an inclusive culture that maximises the talent, skills and diversity within our workforce.

- ✓ Launch in Women in Leadership Network October 2022.



4

**Continue to develop a workforce that is representative - one in which our diverse humanity is represented;** to attract, recruit, develop and retain a diverse, talented and motivated workforce, using appropriate data to identify and remove barriers to recruitment, devising strategies to engage with and attract talent from specific and harder to reach groups.

- ✓ We have been effective in making jobs available to all by advertising vacancies cross all three of our sites.
- ✓ Development of recruitment adverts, both in terms of the language used and where the adverts are placed.
- ✓ Unconscious bias training.



5

**Performance impact and legal compliance;** to provide an excellent, responsive, non-discriminatory service to our customers, understanding the needs of our customers and ensuring that our systems and services are accessible to all.

- ✓ Networking with others internally and externally to the organisation to keep up to date and share learning.

## Work life balance

UKSBS offers hybrid working, allowing employees to work partly from home and in the office. Our aim is to allow employees to balance their personal commitments alongside their professional ones. This year's employee survey found that 94% of employees feel they have a good office and home life balance.

We continue to actively promote flexible working opportunities, internally and externally, to appeal to a wider range of individuals who may not be able to work traditional office hours due to other commitments or challenges.

This is further supported by our family friendly policies which support employees to balance their home and work commitments. We offer all roles as part time opportunities, unless the business can provide a strong business case demonstrating why the role needs to be full time.

## Women in Leadership

The Women in Leadership network continues to support and encourage female participation and careers. Achievements to date include;

- ✓ Developed and published videos of female role models, sharing their experiences of career progress.
- ✓ Development of the Women in Leadership intranet section, sharing resources to inspire career progression and explore challenges facing women.

## Priorities for 2024

- ✓ Review our current parental leave offering for males and promote the policies we already have available.
- ✓ Develop a stronger communication plan for the Women in Leadership and other participation / support networks and actively promote other EDI Strategy related events and achievements.
- ✓ Review and republish our EDI Strategy gaining commitment from each directorate to achieve 3 EDI aims over the next year.
- ✓ Embed diversity and inclusion in line managers' roles; they have a key role to play, behaving in an inclusive way and contributing to objectives.
- ✓ Actively encourage employees to share their ethnicity data to allow for more accurate reporting.
- ✓ Increase awareness of LGBTQ+ within the company and engage local communities and support local events.
- ✓ Ensure a planned review of learning and development fully embraces and supports identifying actions that will help female careers and participation.

## Gender Identity

It is important to note that the current reporting requirements require data to be reported in a binary way, not taking into account non-binary or other identities.

At UKSBS we will continue to work towards an inclusive culture and are committed to creating a supportive environment where everyone feels valued and able to be themselves and excel.

## Annexes

### Annex A - Pay Gap Figures for UKSBS

Gender Pay Gap	%	
1. Mean gender pay gap - Ordinary pay	17.6%	
2. Median gender pay gap - Ordinary pay	21.8%	
3. Mean gender pay gap - Bonus pay in the 12 months ending 31 March	-	
4. Median gender pay gap - Bonus pay in the 12 months ending 31 March	-	
5. The proportion of male and female employees paid a bonus in the 12 months ending 31 March:		
Male	-	
Female	-	
6. Proportion of male and female employees in each quartile.		
Quartile	Female %	Male %
Lower quartile	75.6%	24.4%
Lower middle quartile	65.0%	35.0%
Upper middle quartile	58.1%	41.9%
Upper quartile	41.9%	58.1%

The source data is Total Annual Salary which includes Annual Allowance (Car Allowance, Responsibility Allowance, Recruitment and Retention Allowance). UKSBS did not make any bonus payments in 2022/23.

UKSBS Grade Balance			
Count of Employee Number	Female	Male	Total
UKSBS-B	111	33	144
UKSBS-C	88	52	140
UKSBS-D	79	56	135
UKSBS-E	57	64	121
UKSBS-F	36	32	68
UKSBS-G	12	14	26
UKSBS-X	2	4	6
<b>Total</b>	<b>385</b>	<b>255</b>	<b>640</b>

Mean gender pay gap				
Average of Hourly Pay (£)	Column Labels			Mean Gender Pay Gap
Row Labels	Female	Male	Total	
UKSBS-B	£10.39	£10.10	£10.32	-2.8%
UKSBS-C	£12.88	£12.79	£12.84	-0.7%
UKSBS-D	£16.59	£17.03	£16.77	2.6%
UKSBS-E	£21.54	£22.86	£22.24	5.8%
UKSBS-F	£27.09	£27.92	£27.48	3.0%
UKSBS-G	£34.16	£38.18	£36.32	10.5%
UKSBS-X	£55.87	£59.19	£58.08	5.6%
<b>Total</b>	<b>£15.45</b>	<b>£18.97</b>	<b>£16.92</b>	<b>17.6%</b>

Median gender pay gap			
Gender	Female Median	Male Median	Median Pay Gap
UKSBS-B	£10.15	£9.92	-2.4%
UKSBS-C	£12.70	£12.57	-1.1%
UKSBS-D	£15.90	£16.20	1.9%
UKSBS-E	£20.18	£22.35	9.7%
UKSBS-F	£26.55	£27.92	4.9%
UKSBS-G	£33.59	£37.79	11.1%
UKSBS-X	£55.87	£55.93	0.1%
<b>Total</b>	<b>£13.81</b>	<b>£17.67</b>	<b>21.8%</b>

## Annex B - Ethnic Pay Gap Figures for UKSBS

### Ethnicity pay gap

The mean and median ethnicity pay gaps for BAME, compared against White ethnic groups

2023				2022			
Grade	Total Staff	Mean Pay Gap	Median Pay Gap	Grade	Total Staff	Mean Pay Gap	Median Pay Gap
UK SBS-A	0			UK SBS-A	1	100.0%	100.0%
UK SBS-B	144	-0.8%	-0.6%	UK SBS-B	155	-4.4%	-0.6%
UK SBS-C	140	0.6%	0.0%	UK SBS-C	133	2.3%	0.0%
UK SBS-D	135	-7.6%	-4.6%	UK SBS-D	141	-7.6%	-1.7%
UK SBS-E	121	-8.0%	-18.7%	UK SBS-E	110	-5.3%	-16.9%
UK SBS-F	68	-0.6%	-3.4%	UK SBS-F	56	8.8%	4.7%
UK SBS-G	26	100.0%	100.0%	UK SBS-G	21	100.0%	100.0%
UK SBS-X	6	100.0%	100.0%	UK SBS-X	6	100.0%	100.0%
<b>Total</b>	<b>640</b>	<b>13.4%</b>	<b>1.0%</b>	<b>Total</b>	<b>623</b>	<b>10.4%</b>	<b>1.0%</b>

Negative percentage = the pay of BAME staff is higher than pay of non-BAME staff.

### Quartiles

Proportion of staff by ethnic group in each pay quartile

Quartile	Lower quartile		Lower middle quartile		Upper middle quartile		Upper quartile	
	2022	2023	2022	2023	2022	2023	2022	2023
Group								
Asian	6.5%	5.6%	4.4%	3.8%	6.4%	5.6%	5.2%	4.4%
Black	0.7%	0.6%	1.9%	1.3%	1.3%	1.3%	0.6%	0.6%
Mixed	1.3%	1.3%	2.5%	1.3%	0.6%	2.5%	0.6%	
Not Reportable	30.7%	46.3%	31.4%	36.3%	24.4%	33.8%	25.2%	29.4%
Other			0.6%	1.3%	0.6%			
White	60.8%	46.3%	59.1%	56.3%	66.7%	56.9%	68.4%	65.6%