

Gender & Ethnicity Pay Gap Report 2025



Introduction

Newham Council is proud that our workforce reflects the customers and communities that we serve, and this is central to our core strategies in building a fairer Newham, with people at the heart of everything we do.

We believe that a diverse and inclusive workplace allows colleagues to be themselves and give our residents their very best, in turn helping us contribute to a more equal and fairer society. Part of achieving this ambition depends on careful analysis of our workforce data to understand if, how, where and why there are barriers that we need to challenge.

Pay Gap data is a fundamental part of the overall picture, and by publishing our pay gap data this will also help us to be more open and transparent about our workforce.

It is a statutory requirement (for all organisations with 250 or more employees) under the Equality Act 2010 to report annually on gender pay gap data, and within that publication, it must include the following;

- mean and median gender pay gaps
- mean and median gender gaps in bonus payments
- proportion of men and women who receive bonus payments
- proportions of male and female employees in each pay quartile

Whilst it is not currently a statutory requirement to report on our ethnicity pay data, we believe that by voluntarily publishing this information this will set an example that will encourage other organisations to do the same, whilst demonstrating to our workforce our commitment to achieving our ambitions.

With the publication of this report looking at both gender and ethnicity pay gap data together, we believe that the continued publication of this combined report is an essential part of our analysis of our pay gap data.

This annual report provides the required information on Newham Council's Gender Pay Gap that satisfies our statutory obligations.



What is a Pay Gap?

The Pay Gap measures the difference between the average earnings between two groups of staff within an organisation, regardless of their role or seniority. That difference in the overall average earnings is called the “Pay Gap”.

In the case of a gender pay gap, the pay gap is the difference between the average earnings of all women and all men within the workforce. In the ethnicity pay gap we look at the difference between the earnings of all white staff and all ethnically diverse staff.

A pay gap is not necessarily an indication of a pay equity issue or an imbalance in the Council’s pay structures and policies. Nor is it necessarily an indication of a wider systemic problem within an organisation – it is simply a measurement of how even - or uneven - the distribution of people across the pay scales is.

For example, a gender pay gap tells us the extent to which more men, or more women, occupy more higher paid roles than the other. This is why pay gap reports also show the distribution of staff within pay quartiles.

Pay Gap data is different to equal pay. Equal pay deals with the pay differences between people who carry out the same jobs, similar jobs, or work of equal value, while pay gap data looks at the overall averages in pay differences between different groups of staff (regardless of the type of the work they undertake). It is important to reiterate that we do not pay people differently based on their ethnicity or gender, or any other protected characteristic.

The Council is confident that our workforce, regardless of their diversity characteristics, are paid fairly and equally for doing equivalent roles and work of equal value, which is why this report does not look at matters of equal pay, only the pay gaps that exist.

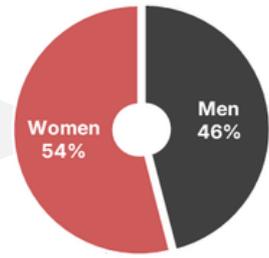
How are the Pay Gaps Calculated?

The Pay Gap is calculated by collating the annual earnings of all employees from our payroll system at a set point in time, i.e., the snapshot date of 31st March each year.

From this we are then able to calculate two different types of average hourly rates of pay – both Mean and Median – to give a more balanced overview of our gender and ethnicity pay gaps. The % mean and median difference in the overall average hourly rates of pay is the “pay gap”.

Our Gender Pay Gap

The number of directly employed staff in post on the snapshot date of 31st March 2025 was 4,314. The gender composition was as follows: 2,308 women (54%) and 2,006 men (46%).



Mean and Median Gender Pay Gap

The average (mean) hourly rate of pay of women is £23.89, and the median point is £22.56. The average (mean) hourly rate of pay of men is £21.73, and the median point is £18.89.

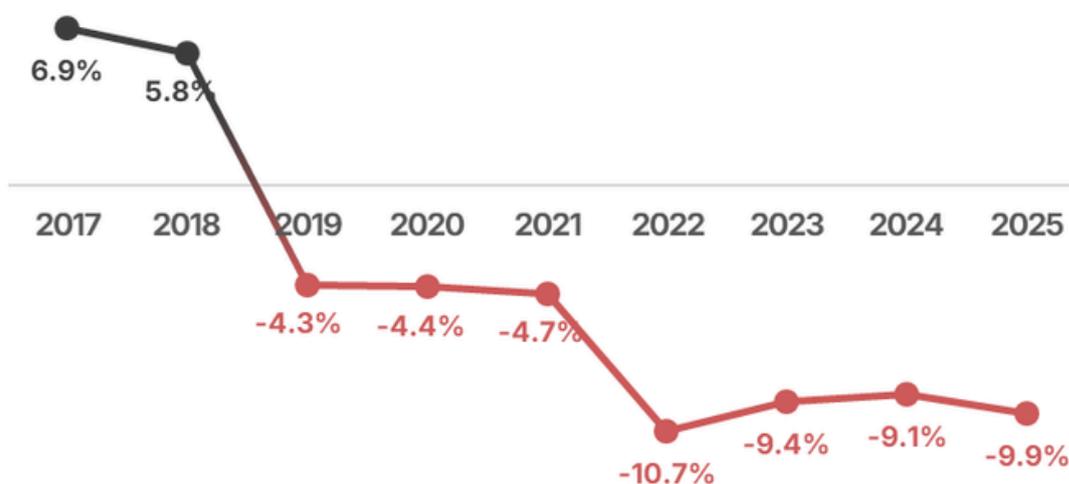
	Women	Men	PAY GAP
Average (Mean) Hourly Rate	£23.89	£21.73	-9.9%
Average (Median) Hourly Rate	£22.56	£18.89	-19.4%

We have a mean Gender Pay Gap of Minus 9.9%, and a median gender pay gap of Minus 19.4%.

This means when comparing average (mean) hourly pay, women's hourly pay is 9.9% higher than men's. Or to put this another way, women earn nearly £1.10 for every £1.00 that men earn when comparing mean hourly pay, or women earn £1.19 for every £1.00 that men earn when comparing median hourly pay.

This does not mean that women earn more for doing the same job, or work of a similar value, but that women occupy more higher paid positions overall when compared to men.

The graph below displays the gender pay gap recorded each year since 2017, illustrating the changes and the trends we have observed in the pay gap over this period.

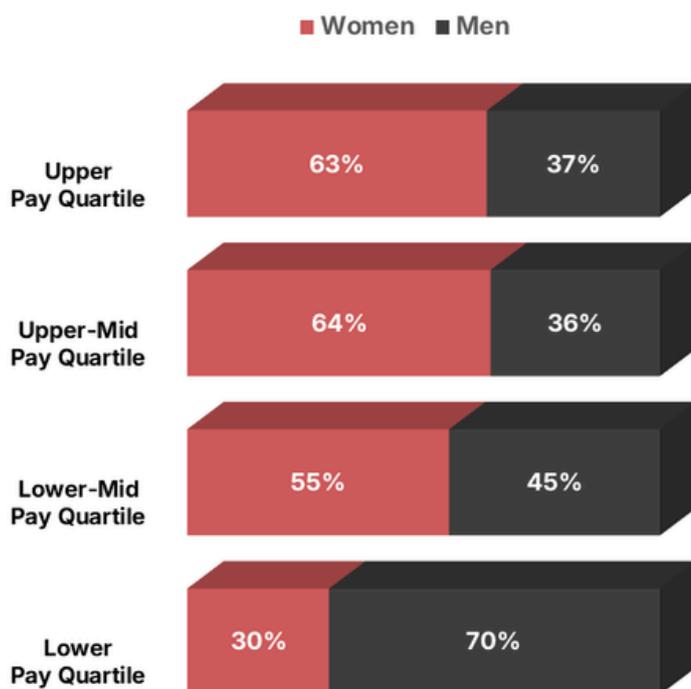


The shift in the pay gap between 2018 and 2019, which previously favoured men and moved quite significantly to favouring women, was due to the externalisation of the Council's Catering and Cleaning service, which resulted in the transfer of over 900 of the Council's lowest paid staff (Scale1), 88% of whom were women.

The other notable change in the gender pay gap, between 2021 and 2022, was due to the transfer of Public Realm services back into the Council. This resulted in some 300 refuse operatives and drivers re-joining the Council who were predominately men and occupying the greater part of all our lowest paid positions

Pay Quartiles

Pay Quartiles are where the workforce is broken down into four quartiles based on pay – the top 25% of earners make up the Upper Pay Quartile, and the lowest 25% of earners make up the Lower Pay Quartile. This is a useful tool in providing further context to the pay gap as it illustrates the gender composition of employees from the highest to the lowest paid jobs within the organisation.



Women make up a greater proportion of the highest paid positions (63% and 64% of the upper & upper-mid pay quartiles), while men make up a greater proportion of the lowest paid positions (70% of the lowest pay quartile).

Given the current minus pay gap of over 9% that favours women, it is expected that the gender composition of the highest to lowest earners reflects this fact.

The reasons why the gender profile of lowest pay quartile is predominately male might be explained by the types of roles that are found within the lower pay scales, i.e., refuse drivers, refuse operatives, caretakers, maintenance workers, highways operatives, etc., which traditionally have been shown to be occupied by more men compared to women.

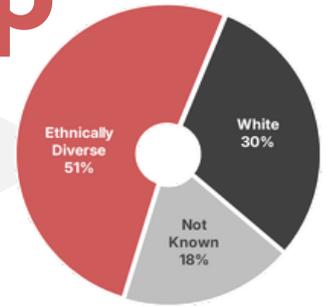
Bonus Payments

Non-consolidated bonus payments are payments that are made in addition to the basic salary that an employee receives that specifically relate only to profit sharing, commission, productivity or performance.

Newham Council does not routinely pay these types of specific bonus payments.

Our Ethnicity Pay Gap

The number of directly employed staff in post on the snapshot date of 31st March 2025 was 4,314. The ethnicity profile was as follows: 2,220 ethnically diverse employees (50%), 1,297 white employees (32%), and 797 for whom their ethnicity is not known (18%).



Mean and Median Ethnicity Pay Gap

The average (mean) hourly rate of pay of white staff is £24.45, and the median point is £22.55.

The average (mean) hourly rate of pay of ethnically diverse staff is £22.95, and the median point is £22.55.

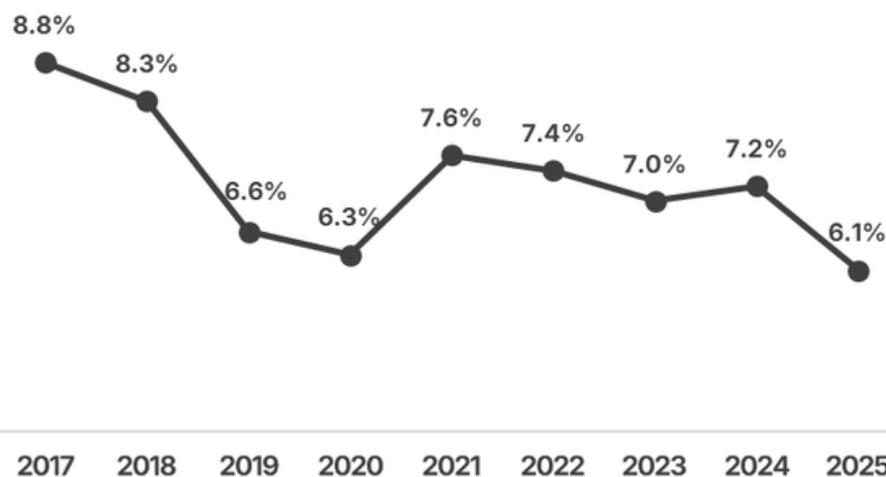
	Ethnically Diverse	White	PAY GAP
Average (Mean) Hourly Rate	£22.95	£24.45	6.1%
Average (Median) Hourly Rate	£22.55	£22.55	0.0%

We have a mean Ethnicity Pay Gap of 6.1%, and a median ethnicity pay gap of 0.0%.

This means when comparing the average hourly rate of pay, white employees earn 6.1% more than ethnically diverse employees. Or to put this another way, white employees earn £1.06 for every £1.00 that ethnically diverse employees earn when comparing mean pay, or white employees earn £1.00 for every £1.00 that ethnically diverse employees earn when comparing median pay.

This does not mean that white employees earn more for doing the same job, or work of a similar value, but that white employees occupy more higher paid positions compared to ethnically diverse employees.

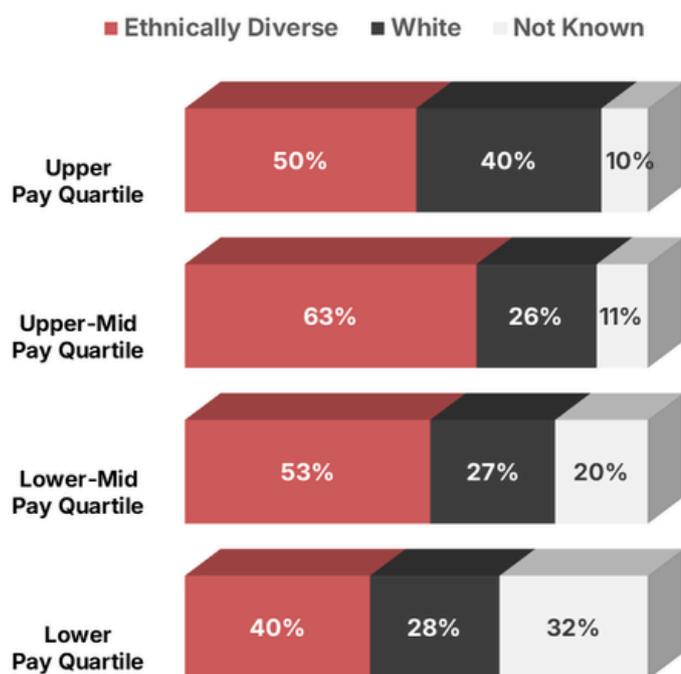
The graph below displays the ethnicity pay gap recorded each year since 2017, illustrating the changes and the trends we have observed in the pay gap over this period.



The ethnicity pay gap has remained broadly within a range of between 6% and 9% for some years now and has not seen the historical variations that we have observed with the gender pay gap.

Pay Quartiles

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The dissection of the pay quartiles by ethnicity has revealed a disproportionality in the extent by which the ethnicity of employees is not known. For 1 in 3 of the lowest earners in the organisation their ethnicity is unknown (32%), and 1 in 4 of employees in the lower-mid pay quartile the ethnicity is also not known (20%).

This compares with only 1 in 10 of staff within the upper pay quartiles, where their ethnicity is not known (10% and 11% respectively).

This is most likely due to the nature of the roles and services that make up the lower pay quartiles, i.e., those traditionally manual / front line workers (drivers, refuse operatives, caretakers, maintenance workers, etc.) who do not always have access to the IT systems/self-service required to record their diversity characteristics.

Any measure of our workforce profile where ethnicity has not been disclosed has the potential to undermine the accuracy of the data and misrepresent the true pay gap – the greater that quantity is the less value we can attribute to any findings, and this is further compounded by the fact there is a disproportionate quantity in the distribution of earners, from highest to lowest, for whom their ethnicity is unknown.

For this reason, it is important that the Council explores how it can redress this issue and seek better solutions to encourage all staff to disclose their diversity information

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