

# HR Committee

2<sup>nd</sup> July 2020



**Report of:** Director: Workforce & Change

**Title:** Pay Gap Report – Gender, Ethnicity and Disability

**Ward:** N/A

**Officer Presenting Report:** Mark Williams (Head of Human Resources)

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## Recommendation

That the Committee notes the report and the work that is being undertaken to close the pay gaps.

## Summary

The report provides information on the gender, race and disability pay gaps in the City Council for the reporting period to 31 March 2019 and work the Council is doing to address the pay gaps.

## The significant issues in the report are:

- The mean gender pay gap is 4.08% and the median gender pay gap is 8.9%.
- The City Council is one of a small number of employers in the UK to publish the ethnicity pay gap. No employers have been identified who publish the disability pay gap.
- The reported ethnicity and disability pay gaps relies on holding equalities information for all employees. 91% of the workforce have disclosed their ethnicity. 90% of the workforce have disclosed whether or not they have a disability.
- The mean ethnicity pay gap is 12.06% and the median pay gap is 17.56%.
- The mean disability pay gap is 1.97% and the median gender pay gap is 3.25%
- Clear plans and targets are in place to reduce the pay gaps in future years.

## Policy

1. Publication of the Gender Pay Gap satisfies the Council's legal obligation under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. Due to COVID-19, the government has relaxed the requirement for employers to publish their gender pay gap in 2020. There is no requirement upon employers to publish their ethnicity or disability pay gaps. The Council's policy is to publish this information as part of our drive to become an inclusive employer with a workforce that reflects the communities we serve.

## Consultation

2. **Internal**  
Deputy Mayor (Finance, Governance and Performance) and Corporate Leadership Board.
3. **External**  
Not required because this report is for information only.

## Context

### 4. Background

- 1.1. From 2017 onwards, any UK organisation employing 250 or more employees has to report publicly on its gender pay gap. The gender pay gap is a measurement of the difference between men and women's average salaries.
- 1.2. The Equalities Act Regulations require public authorities, to publish the data in six different ways: the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses, and the number of men and women according to quartile pay bands.
- 1.3. There is currently no legal obligation to report upon anything other than the gender pay gap. As part of our Organisational Improvement Plan the Council has further committed to report upon and support work to tackle the ethnicity and disability pay gaps. The ethnicity and disability pay gaps relies on employee disclosure. Employees are not obliged to disclose this information. Currently, 9% of the workforce have not disclosed their ethnicity and 9.8% of the workforce have not disclosed whether or not they have a disability. We are working to reduce the number of unknown declarations.
- 1.4. The ethnicity pay gap compares the average hourly pay of disclosed Black, Asian and Minority Ethnic (BAME) workers and White British employees. The BAME pay gap looks at all roles and shows whether white employees are on average occupying higher paying roles than BAME employees, or vice versa.
- 1.5. Similarly, the disability pay gap compares the average hourly pay of disclosed disabled and non-disabled employees. Like the ethnicity pay gap, there is no obligation upon employers to report upon this information. All roles are examined to find out if non-disabled employees are on average occupying higher paying roles than disabled employees.

## **5. Findings from our pay gap data**

1.6. This report builds upon its work with the Women's Commission and the Equalities and Inclusion team to provide detailed pay gap reporting and analysis.

### **1.7. Gender Pay Gap**

- 5.2.1 The Councils gender pay gap analysis indicates that mean pay for men is 4.08% higher than that of women and the median pay for men is 8.9% higher than that of women. The difference between the median and the mean figures is due to the high proportion of women in the top quartile of employees. The mean gender pay gap is significantly lower than that of the national average, which is currently 17.2%. The median gender pay gap is also significantly lower than the national average of 17.3% (please see appendix 1).
- 5.2.2 We have the 4th lowest gender pay gap amongst Core City comparators and the lowest pay gap amongst local Public Sector employers.
- 5.2.3 Our findings show higher levels of female representation in lower graded part time roles with women forming the majority of staff in the two lower earnings quartiles.
- 5.2.4 There is a negative gender pay gap for women in senior roles within the pay structure i.e. women are more likely to be paid more than men.
- 5.2.5 Gender pay gaps were identified within certain grades. This arises from the fact that men having longer tenure in their jobs, which enables them to progress further through the respective pay ranges.

### **1.8. Ethnicity Pay Gap**

- 5.2.6 The Councils ethnicity pay gap analysis indicates that mean pay for White British staff is 12.06% higher than that of Black and Minority Ethnic (BAME) staff and the median pay for White British is 17.56% higher than that of BAME staff.
- 5.2.7 The Councils ethnicity pay gap (BAME) has reduced from a mean of 15.38% in 2016, to a mean of 12.06% in 2019. We have the 3rd lowest ethnicity pay gap amongst the small number comparators in the Public and Private Sector that also publish their ethnicity pay gap.
- 5.2.8 The difference between the median and the mean figures is due to a lower proportion of BAME staff in the higher pay quartiles 3 & 4, against a high proportion of BAME staff in quartile 1 which is the lower pay quartile.
- 5.2.9 When the mean pay gap is compared we see the full time mean is 8.87% and the part time mean is 16.09%. Part time BAME staff have the biggest race pay gap.
- 5.2.10 The largest gap is in BG6 and shows a pay gap of 6.27% for BAME staff against White British staff, a large number of these roles relate to administrative jobs.

## 5.4 Disability Pay Gap

- 5.2.11 The Council's disability pay gap analysis indicates that mean pay for non-disabled staff is 1.97% higher than that of disabled staff and the median pay for non-disabled staff is 3.25% higher than that of disabled staff.
- 5.2.12 The greatest disparity between disabled and non-disabled staff is in the top pay Quartile (4). We have not found any published information from other organisations so we can compare our performance, however the Trade Union Congress (TUC) estimate the disability pay gap to be 15.5% across the UK and 8.5% in the South West.
- 5.2.13 When the mean pay gap is compared we see the full time mean pay gap is 0.02% and the part time mean pay gap is -2.82%.
- 5.2.14 The largest gap is in BG6 and shows a pay gap of 7.82% for Disabled staff against Non-Disabled staff, a large number of these roles relate to administrative jobs. The second largest gap is at senior management grades with a pay gap of 6.14% for Disabled staff.

## 6. Closing the gap

- 6.1 Our equality policy and strategy sets out our commitment to equality and diversity, and how we will; tackle equalities issues, aim to eliminate discrimination, foster good relationships between communities in Bristol and ensure those from different backgrounds have similar life opportunities. The annual report will be considered at Full Council on 7th July 2020 and this will set out the Council's priorities for the next twelve months.
- 6.2 Our Organisational Improvement Plan sets out our workforce priorities. This plan is being refreshed at the moment and will include new targets and priorities that will support narrowing the pay gaps identified in this report. As part of this work we will analyse the impact of length of tenure on organisational performance and pay gaps. We will be setting new stretching diversity targets and in particular to increase the number of BAME, disabled and women colleagues in senior management positions using positive action initiatives. Specific action that is being taken that will contribute to closing pay gaps are set out below:-
- 5.2.15 A range of changes to recruitment and selection processes including new secondment (previously 'acting up') policy. Changes include ensuring all opportunities are widely promoted across the organisation rather than to specific teams/groups and will remove the option of direct appointments to short term roles. There will also be positive action guidance. These changes will be implemented from July 2020 and will increase opportunities for career progression and will improve the diversity of the workforce at higher pay grades.
- 5.2.16 6.2.2 Increasing the proportion of employees who have declared their ethnic origin and whether they have a disability to 95% by December 2020. **This will improve the accuracy of pay gap reporting.**

- 5.2.17 Talent management plans at service level to be introduced which will identify diversity and pay gaps. They will include positive action policies and initiatives and cover:-
- talent mapping and the leadership pipeline
  - identifying talent and encouraging colleagues to seek advancement
  - use apprenticeships systematically as pathways into professions where there is occupational segregation and poor representation e.g. women and BAME workers
  - increased offer of structured development opportunities
  - offer defined secondment and/or project opportunities for BCC Stepping Up graduates, and colleagues completing apprenticeships, Bristol Leads and other learning programmes
  - career passports

**This intervention is designed to improve the diversity of the workforce and will contribute to closing pay gaps.**

5.2.18 **We have set the following organisational targets for 2020/21:-**

- Increase the percentage of employment offers made to people living in the 10% most deprived areas – Target 6.5%
- Percentage of top earners who are women – Target 55%
- Reduce the mean gender pay gap – Target 3.85%
- Reduce the mean race pay gap – Current target is being reviewed
- Reduce the mean disability pay gap – Target 1.75%
- Difference between progression rate of BAME and non-BAME employee – Target 0% (no difference)
- Difference between progression rate of Women and Men – Target 0% (no difference)

## **7. City-wide action to reduce the ethnicity pay gap**

- 7.1 Bristol City Council has led the development and production of the city's first ever Race Equality H.R. data product, which includes many of the major Public Sector organisations in the City, through Bristol's Race Equality Strategic Leaders Group.
- 7.2 The group has committed to producing this report on a bi-annual basis, to enable monitoring of trends in relation to race equality across partner organisations, with detailed actions plans set by partners in order to bring about improvements in race equality performance.
- 7.3 The driving force of this key initiative is to ensure that we produce fairer, more inclusive workplaces for our employees across the City as well as ensuring more representative workforces to serve the communities of Bristol. This project focuses on transparently presenting how all major public sector agencies in the City are performing in terms of their

race equality data, including detail on pay by race for key H.R. indicators such as by representation, pay, grievance, disciplinary and sickness data.

- 7.4 Late 2019 saw the launch of Bristol's second city-wide Race Equality H.R. data product, formally launched at the Race and the City Conference with the city-wide partnership approach being commended nationally by Government departments and at National Award events for its transparent approach. This report contains a sample size exceeding 40,000 employees across Bristol

## **Proposal**

8. That the Committee notes the report and the work that is taking place to close pay gaps.

## **Other Options Considered**

9. None.

## **Risk Assessment**

10. Not required because this report is for information only.

## **Public Sector Equality Duties**

- 16a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
  - tackle prejudice; and
  - promote understanding.

16b) Not required because this report is for information only.

### **Legal and Resource Implications**

#### **Legal**

Not required because this report is for information only.

#### **Financial**

##### **(a) Revenue**

##### **(b) Capital**

Not required because this report is for information only.

#### **Land**

Not applicable.

#### **Personnel**

Not required because this report is for information only.

### **Appendices:**

A – BCC Pay Gap Report - Data based as at March 2019

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

#### **Background Papers:**

#### **Race Equality HR Data Product 2019**

<https://www.bristolonecity.com/wp-content/uploads/2020/03/Race-Equality-Data-Product-UPDATE-2020.pdf>