

Ethnicity Pay Gap Report 2021

City of Wolverhampton Council

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Introduction

Ethnicity pay gap reporting is currently not a legal requirement for employers, however some employers have begun publishing ethnicity data either as an individual report or part of the Gender Pay Gap report.

For this analysis the employee data selected meets the same requirements as the Gender Pay Gap report and is correct as of the snapshot date of 31 March 2021. This information includes all full-pay relevant to employees of City of Wolverhampton Council, but excludes employees from schools.

Ethnicity Pay Gap at City of Wolverhampton Council


City of Wolverhampton Council's workforce covers a diverse range of service areas rather than a single sector. Grades for each role vary based on level of responsibility and therefore there is a wide range of salary scales to reflect this. The workforce comprised of 3,678 full-time equivalent employees as on the snapshot date of 31 March 2021.

A total of 3,328 employees had shared details of their ethnicity with the council, accounting for 90.5% of the workforce. Of those who shared details of their ethnicity, 2,374 (64.5%) were white, and 954 (25.9%) were from ethnic minority groups.

The Ethnicity Pay Gap at the City of Wolverhampton Council for 2021 was as follows:

| Narrative | All employees | White employees | Employees from ethnic minority groups | Ethnicity Pay Gap |
|--------------------|---------------|-----------------|---------------------------------------|-------------------|
| Mean Hourly Rate | 15.87 | 16.14 | 15.38 | 4.71% |
| Median Hourly Rate | 14.02 | 14.02 | 14.02 | 0.00% |

In comparison with the Ethnicity Pay Gap from 2020, there is a reduction in the gap between the mean pay of white employees and employees from ethnic minority groups from 5.13% to 4.71%. The median ethnicity pay gap has remained the same at 0.00%.

| | 2020 | 2021 | Change | Difference |
|--------------------------|-------|-------|---|------------|
| Mean Ethnicity Pay Gap | 5.13% | 4.71% |  | - 0.42% |
| Median Ethnicity Pay Gap | 0.00% | 0.00% | | + 0.00% |

The data suggests that the difference between the average hourly pay for white employees and employees from ethnic minority groups is now slightly lower than it

had been in 2020, with no change in the distribution of employees from each group along the pay scale.

Mean ethnicity pay gap

4.71%

The mean ethnicity pay gap shows the difference between the average pay of white ethnic employees compared to employees from ethnic minority groups. The difference between the two average pay amounts is calculated as a percentage of the average for white employees. Where the pay gap is a negative (-) figure, this indicates that the average pay for employees from ethnic minority groups is higher than that of white employees.

The City of Wolverhampton Council's Mean pay gap shows that white employees were paid on average 4.71% more than employees from ethnic minority groups per hour. This difference reduced slightly from the 2020 figure which was 5.13%. In monetary value this equates to white employees being paid on average £16.14 per hour compared to employees from ethnic minority groups being paid £15.38 per hour (76p difference per hour).

Employees from ethnic minority groups earn on average 95p per hour for every £1 per hour earned by a white employee

As the Ethnicity pay gap isn't currently reported nationally as standard, there is no comparable national Ethnicity Pay gap data for the current or previous financial year.

Median ethnicity pay gap

0.00%

To calculate the median ethnicity pay gap, all pay amounts for each group are arranged from the lowest pay point to the highest, and then the 'middle' hourly rate is identified. The median ethnicity pay gap between the two groups (white and ethnic minority groups) is then displayed as a percentage of the median hourly rate for white employees.

The City of Wolverhampton Council's Median Ethnicity pay gap is 0.00%, which is the same as it was in 2020. The data shows that the Median overall hourly rate for all groups was £14.02.

Bonus payments

The City of Wolverhampton Council does not have a bonus scheme nor performance related pay and therefore there is no data to report on the following:

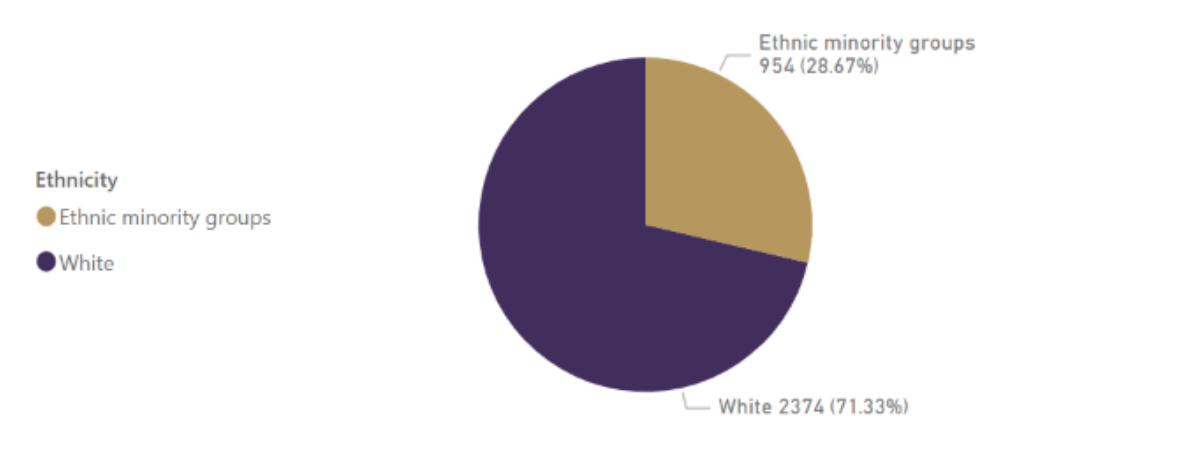
- The mean bonus ethnicity pay gap
- The median bonus ethnicity pay gap
- The proportion of white employees and employees from ethnic minority groups receiving a bonus payment

Quartiles Pay Bands

It is important to understand that where there is a negative (-) figure in the data below, this will indicate that ethnic groups are paid more than white employees in for that quartile pay band. A positive figure indicates that white employees are paid more than employees from ethnic minority groups for that quartile. A zero figure indicates white employees and employees from ethnic groups are paid the same.

The national reportable quartiles for gender pay gap reporting are lower quartile, lower middle, upper middle and upper quartile pay bands and have been used here to display the ethnicity pay gap between quartiles.

The quartile data below shows the workforce divided into four equal sized groups with each quartile made up of 25% of the workforce.



| Total Workforce 3,678 | Employees from ethnic minority groups 954 (28.67%) | White employees 2374 (71.33%) | Pay gap | Minimum Grade within quartile | Maximum Grade within quartile |
|--------------------------|---|----------------------------------|---------|-------------------------------|-------------------------------|
| Lower Quartile | 33.05% | 66.95% | 0.00% | Apprenticeship Rate | Within GR04 |
| Lower Middle Quartile | 26.62% | 74.38% | 0.63% | Within GR04 | Within GR05 |
| Upper Middle Quartile | 28.81% | 71.19% | 0.68% | Within GR05 | Within GR07 |
| Upper Quartile | 27.31% | 72.69% | 6.27% | Within GR07 | Within Gr16 |

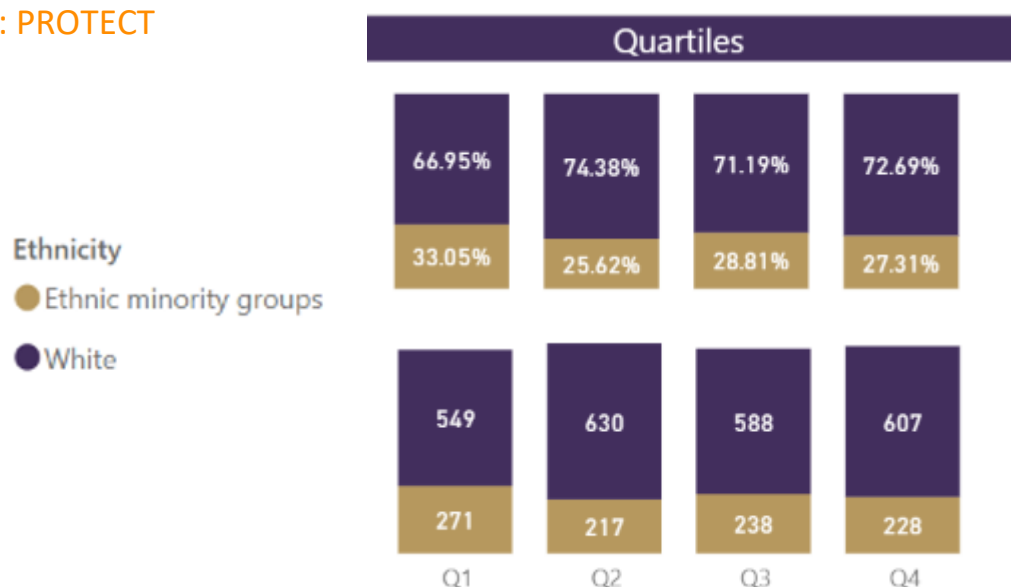
The ethnicity pay gap in the lower quartile is 0.00%, with both white employees and employees from ethnic minority groups in the lower pay quartile being paid on average £10.07 per hour. This quartile covers apprenticeship pay grades and grades GR01 to GR03, with some employees from the lower end of pay grade GR04.

The ethnicity pay gap in the lower middle quartile is 0.63%, where employees from ethnic minority groups were paid on average £12.52 per hour compared to £12.60 for white employees.

In the upper middle quartile, the ethnicity pay gap increases again to 0.68%. In this quartile, employees from ethnic minority groups were paid on average £16.15 per hour, and white employees an average of £16.26 per hour.

The largest ethnicity pay gap existed in the upper pay quartile. In this quartile there was an ethnicity pay gap of 6.27%. This quartile includes all those in positions at the top end of pay grade GR07 to the highest pay grade of GR16. In this quartile, the difference in pay between those at the lower end of the quartile and the highest end of the quartile is more than the difference between the other quartiles. In the upper quartile, employees from ethnic minority groups were paid on average £23.60 per hour, and white employees were paid on average £25.18 per hour, a difference of £1.58 per hour.

The ethnicity pay gap increases with each increase in pay quartile. This, along with the significantly larger pay gap shown in the upper quartile suggests that the majority of the ethnicity pay gap existing in this data is due to the difference in average pay by ethnicity for those in positions at the higher end of the pay scale.



The chart shows the distribution of white employees and employees from ethnic minority groups in the four quartiles and highlights that employees from ethnic groups are represented in all of the quartiles, but in greater numbers in quartile 1 (lower quartile).

Quartile pay bands change from previous year

| | Mean Pay Gap 2019-2020 | Mean Pay Gap 2020-2021 | Difference |
|-----------------------|------------------------|------------------------|------------|
| Lower Quartile | 0.37% | 0.00% | -0.37% |
| Lower Middle Quartile | -0.26% | 0.63% | +0.89% |
| Upper Middle Quartile | 1.09% | 0.68% | -0.41% |
| Upper Quartile | 5.68% | 6.27% | +0.59% |

The table above shows the gender pay gap in each of the quartiles compared to the previous financial year (2019-2020).

Whilst the overall ethnicity pay gap was reduced by 0.42% from the previous year, this varied within individual quartiles. In both the lower quartile and the upper middle quartile the ethnicity pay gap reduced from the previous year. However, the pay gap increased in the lower middle quartile and the upper quartile.

In 2019-2020 the average hourly pay in the lower quartile was £9.74 for white employees and £9.71 for employees from ethnic minority groups, with a pay gap of 0.37%. In 2020-2021 the average pay in the lower quartile for both white employees and employees from ethnic minority groups was £10.07 per hour therefore closing the pay gap to 0.00%.

In the lower middle quartile in 2019-2020 the average hourly rate was £11.94 for white employees and £11.97 for employees from ethnic minority groups, with a negative pay gap of -0.26% as employees from ethnic minority groups in this quartile earned more than white employees in this pay quartile. This was reversed in 2020-2021 where white employees in the lower middle quartile earned the equivalent of 8p per hour more (at £12.60 per hour) than employees from ethnic minority groups (at £12.52 per hour). This is an increase in the pay gap from the previous year of 0.89% to 0.63%.

In 2019-2020 the average hourly pay in the upper middle quartile was £15.41 for white employees and £15.24 for employees from ethnic minority groups, with an ethnicity pay gap of 1.09%. This pay gap was reduced in 2020-2021 to 0.68% whereby white employees in this quartile earned an average of £16.26 per hour and employees from ethnic minority groups earned an average of £16.15 per hour. The difference in pay within this quartile has reduced from 17p per hour to 11p per hour, and the difference in the pay gap in this quartile from the previous year is -0.41%.

In the upper quartile there was an increase in the ethnicity pay gap from the previous year. In 2019-2020 the average pay for white employees in this quartile was £24.11 per hour, which was £1.37 per hour more than for employees from ethnic minority groups (£22.74) with an ethnicity pay gap of 5.68% in this quartile. In 2020-2021 the pay gap increased by 0.59% to 6.27% and by 21p per hour to £1.58 per hour. White employees in this quartile earned £25.18 per hour compared to £23.60 per hour for employees from ethnic minority groups. As with the previous year, the biggest difference in the ethnicity pay gap appears in the upper pay quartile.

Ethnicity Pay Gap by Gender

In addition to the general ethnicity pay gap analysis, further details are provided below on how the ethnicity pay gap is impacted by gender.

Of a total of 3,328 employees who reported their ethnicity; 2,351 were female, and 977 were male.

| | Ethnic Minority groups | Ethnic Minority % | White | White % | Difference | Percentage difference |
|---------------|------------------------|-------------------|-------|---------|------------|-----------------------|
| Female | 742 | 77.78% | 1609 | 67.78% | 867 | 53.9% |
| Male | 212 | 22.22% | 765 | 32.22% | 553 | 61.7% |

Ethnicity Pay Gap by Gender

The ethnicity pay gap at City of Wolverhampton council was 4.71% as of March 2021, however this amount varies when considering the ethnicity pay gap of only female employees, or of only male employees, as shown in the tables below.

Mean ethnicity pay gap by gender

| | White employees – Mean hourly rate | Employees from ethnic minority groups – Mean hourly rate | Difference | Ethnicity pay gap (Mean) |
|---------------|------------------------------------|--|------------|--------------------------|
| Female | 15.86 | 15.14 | 72p | 4.54% |
| Male | 16.71 | 16.22 | 49p | 2.93% |

Median ethnicity pay gap by gender

| | White employees – Median hourly rate | Employees from ethnic minority groups – Median hourly rate | Difference | Ethnicity pay gap (Median) |
|--------|--------------------------------------|--|------------|----------------------------|
| Female | 14.02 | 14.02 | 0p | 0.00% |
| Male | 14.37 | 15.33 | 96p | - 6.68% |

Mean ethnicity pay gap for female employees

4.54%

When considering the pay of female employees only, the ethnicity pay gap decreases slightly to 4.54% compared to the overall ethnicity pay gap. Of those employees who provided their ethnicity details, the average hourly rate for white, female employees was £15.86, compared to £15.14 for female employees from ethnic minority groups.

Female employees from ethnic minority groups earned on average 72p per hour less than their white counterparts, and £1.08 per hour less than male employees from ethnic minority groups (this reduces to 85p difference between white females and white males).

The difference in average pay between female employees from ethnic minority groups and white, male employees was £1.57 per hour, a difference of 9.4%.

Female employees from ethnic minority groups earn on average 95p per hour for every £1 per hour earned by white, female employees

Mean Ethnicity Pay Gap for male employees

2.93%

When comparing the pay of male employees only, the Ethnicity pay gap is smaller than both the overall ethnicity pay gap (4.71%), and the female Ethnicity pay (4.54%) gap at 2.93%

Of those employees who provided their ethnicity details, the average hourly rate for white, male employees was £16.71, compared to £16.22 for male employees from

ethnic minority groups.

Male employees from ethnic minority groups earned on average 49p per hour less than their white counterparts, but £1.08 per hour more than female employees from ethnic minority groups and 36p more than white females.

Male employees from ethnic minority groups also earned 36p per hour more than white, female employees, with a difference of 2.22%

Male employees from ethnic minority groups earn on average 97p per hour for every £1 per hour earned by white, male employees

Median Ethnicity Pay Gap for female employees

0.00%

The median hourly rate for female employees only was £14.02, which was the same as the median hourly rate for all employees combined. When considering those employees who provided their ethnicity details, the median hourly rate for both white female employees, and female employees from ethnic minority groups was also £14.02

This equates to a median ethnicity pay gap for female employees of 0.00%

Median Ethnicity Pay Gap for male employees

-6.68%

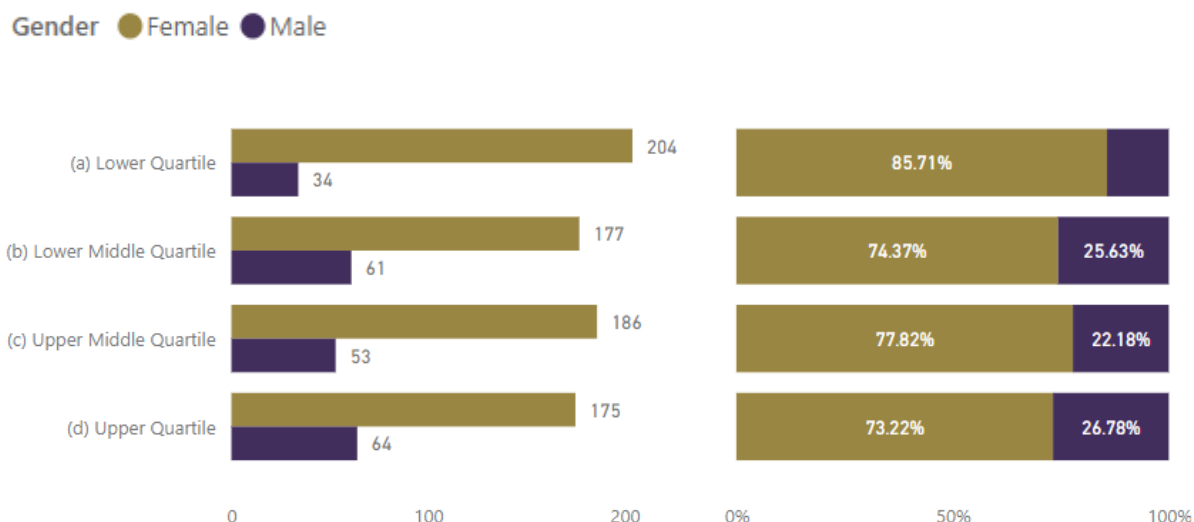
The median hourly rate for all male employees was £14.11, which was higher than the median hourly rate for all employees combined, and higher than the median hourly rate for all female employees.

The median hourly rate for white, male employees was £14.37, which was 96p per hour less than the median hourly rate for male employees from ethnic minority groups. For this reason, the median gender pay gap is displayed as a negative value at -6.68%.

It is important to note that this does **not** mean that male employees from ethnic minority groups are paid more than white male employees as the average pay is still

highest for white, male employees. The negative median gap value shows that a higher proportion of male employees from ethnic minority groups hold positions above the average pay for this group.

Whilst the mean pay gap for male employees shows that male employees from ethnic minority groups earn less than their white counterparts, the median pay gap is a negative figure, suggesting that the distribution of male employees from ethnic groups is centred higher along the pay scale. Some explanation for this can be seen in the chart below, showing the number of employees from ethnic groups in each pay quartile, split by gender:



There were only 212 full-time equivalent male employees from ethnic minority groups in the workforce at the snapshot date of 31 March 2021. The majority of these employees held positions in the highest 2 quartiles (55.19%).

The difference between the highest and lowest pay for those in the upper quartile (including pay grades GR07-GR16) is much more significant than the difference between the highest and lowest pay for those in the lower quartile (including Apprenticeship pay grades and pay grades GR01-GR04). This is true for the entire workforce, however the small number of male employees from ethnic minority groups allows the median pay to be impacted greatly by those in the higher pay grades.

Equality action taken by the City of Wolverhampton Council

Equality, diversity and inclusion is at the heart of everything the council does. Some of the actions undertaken so far include the following:

- Strategic leadership and holding ourselves to account

- Strong commitment from the Strategic Executive Board (SEB) and senior managers
- Four staff equality forums established covering the following: Gender, Maternity and Paternity; Race, Religion and Belief; Disability and Age and the Rainbow forum. Each of the forums are sponsored by a member of SEB
- Corporate Equalities Steering Group meeting on a quarterly basis where all Chairs and Vice Chairs of the staff equality forums meet to discuss issues with input from external stakeholders
- Implementation of Safe Space for employees to raise any issues anonymously to 'SeeHearSpeakUp' – an independent external service
- Review of the recruitment process to remove barriers and support diverse candidates to apply for our vacancies
- Development of an external 'career' microsite that informs potential candidates of the opportunities within the council including benefits of working for the council, type of careers, Core HR policies for transparency, case studies from out diverse employees etc.
- Unconscious Bias training provided to 1,463 employees since 2017
- Wrap around support provided to candidates unsuccessful at interview to help with future applications. Of the 15 employees that sought support, 5 were successful in attaining new opportunities
- Chair or Vice Chair of the staff equality forums attend SEB meetings are actively involved in council decisions demonstrating our commitment to diversity and inclusion
- Launch of Our People Strategy refresh structured around the employee lifecycle and built on extensive employee engagement. The Our People Strategy has six key themes – to attract the right people to work at the council, create a good first impression; support and enhance employee wellbeing; facilitate development of skills and knowledge; create opportunities for growth and progression; ensure employees are managed fairly and effectively and help employees leave well.
- Coaching through West Midlands Employers have been promoted with 7 employees taking up the opportunity

Specific ethnicity initiatives in addition to the actions already undertaken included:

- Introduction of a mentoring scheme to support ethnic employees to take relevant action to progress career aspirations and develop own skills. A total of 61 employees have been mentored since September 2020 by Senior Manager which has now been widened to include other employees in the organisation

- Introduction of a Brilliant Leaders programme delivered independently with 15 employee participants
- Appointment of an Equality Officer to lead on race religion and belief issues
- Use of inclusive language
- Employees from ethnic minority backgrounds involved in decision-making panels, e.g. recruitment, discipline, grievance and management of attendance. HR policies amended to require panels to be ethnic and gender diverse as a minimum
- Continued use of structured interviews and skill-based assessment in recruitment
- Transparency around promotions, pay and reward, people leaving the organisation, disciplinary and grievances
- Launch of Allyship programme with an ally from Senior Management with the Chief Executive being the ally for the Race, Religion and Belief staff forum to build trusting relationships and drive improvements
- Introduction of 'No Offence' training on Race which used case studies and life experiences to assist with deeper understanding of race issues
- Training programme launched for employees aspiring to be manager and this should assist in supporting a pipeline of employees from ethnic groups into senior roles

Future aspirations and actions

The mean ethnicity pay gap has reduced from 5.13% in 2020 to 4.71% in 2021 and the median ethnicity pay gap remains at 0.00%. However, looking into the data from a gender perspective it reveals that females from ethnic minority backgrounds earn less than their white female counterparts and male employees from both white and ethnic minority backgrounds. Human Resources will continue to work in partnership with Equality Diversity and Inclusion team to consider future actions that could be undertaken in addition to the following:

- Continue to work closely with the Race, Religion and Belief and Gender, Maternity and Paternity staff equality forum to identify methods of reducing the pay gap
- Conduct a 'deep dive' review into the data available to understand the barriers faced in reducing the pay gap to zero and identify how these barriers can be overcome
- Introduce Key Performance Indicators (KPI's) to monitor progress in becoming a more inclusive employer throughout all levels within the organisation

- Quarterly workforce monitoring reports to inform the organisation, identify trends, patterns, issues of concern and progress against KPI's
- Advertise vacancies using a range of media especially for senior management roles
- Engage with key stakeholders and employees on 'Relighting Our Council' to support future ways of working and our employees to deliver effective services for the diverse community we serve
- Brilliant leaders programme offer to continue which may support the promotion of employees from ethnic groups