

CITY OF WOLVERHAMPTON COUNCIL	Resources & Equalities Scrutiny Panel 29 June 2022
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Report title	Ethnicity Pay Gap report 2021 update	
Cabinet member with lead responsibility	Councillor Paula Brookfield Governance and Equalities	
Wards affected	All	
Accountable Director	Laura Phillips	
Originating service	Governance	
Accountable employee	Baljit Basatia Tel Email	HR Business Partner 01902 555405 Baljit.basatia@wolverhampton.gov.uk
Report to be considered by	Strategic Executive Board	31 May 2022

Recommendation for action/decision:

The Resources and Equalities Scrutiny Panel is requested to:

1. Consider the Ethnicity Pay Gap report and provide comments and feedback on the progress being made and future actions to further reduce the ethnicity pay gap at the City of Wolverhampton Council.

1.0 Purpose

- 1.1 The purpose of this report is to provide an update on the progress made to reduce the ethnicity pay gap and update on the next steps to further reduce the pay gap.

2.0 Background

- 2.1 Ethnicity pay gap reporting is currently not a legal requirement for employers, however the City of Wolverhampton Council is committed to fairness, inclusivity and transparency and will therefore publish the report. Indeed the Council has committed to reporting this as part of Our City Our Plan approved by the Council in March 2022.
- 2.2 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 employees of the City of Wolverhampton Council, but excludes employees from schools.
- 2.3 The 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.
- 2.4 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.

3.0 Ethnicity Pay Gap Analysis

- 3.1 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%

- 3.2 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%.
- 3.3 It is important to note that there is no difference in pay for employees in the same role, the pay gap is a wider analysis looking at employees in different roles.

- 3.4 The mean pay gap provides a comparison of the average pay for white and ethnic minority group employees.

	2020	2021	Change	Difference
Mean ethnicity pay gap	5.13%	4.71%	↓	-0.42%

- 3.5 Analysis of data shows us that white employees are paid on average 4.71% higher than employees from an ethnic minority background.
- 3.6 The mean pay for white employees is £16.14 per hour and the mean pay for ethnic minority group employees is £15.38 per hour, a difference of 76p per hour.
- 3.7 The median pay gap reflects the difference between the 'middle' hourly rate for a white employee and ethnic minority group employees where pay amounts are arranged from low to highest points – indicating a typical situation. The median pay gap is the measure generally used by the Office of National Statistics.

	2020	2021	Change	Difference
Median ethnicity pay gap	0.00%	0.00%	=	0.00%

- 3.8 The median pay gap has remained at 0.00%.
- 3.9 The median pay for white and ethnic minority group employees combined is £14.02 per hour.
- 3.10 This data does not appear to be reported by many Councils, but research shows the below data for other Councils:

Reading Council 2021	Mean 4.26% and Median 5.69%
Westminster Council 2021	Mean 12.9% Median 11.8%
Newcastle City Council 2021	Reported a pay gap of 7.2%

4.0 Next steps to reduce our ethnicity pay gap

- 4.1 HR will continue to work in partnership with the Equality Diversity and Inclusion team to consider future actions that could be undertaken in addition to the following:
1. Continue to work closely with the Race Religion and Belief Forum (this information was reported back to the forum on 17/06/2022) and the Gender, Maternity and Paternity staff equality forum to identify methods of reducing the pay gap – a series of these have been introduced and have been captured in the Council's Equality,

Diversity and Inclusion Strategy - [WCC 1975 EDI Strategy.pdf \(wolverhampton.gov.uk\)](#).

2. Conduct a 'deep dive' review into the data available to understand the barriers faced in reducing the gap to zero and identify how these barriers can be overcome.
3. Introduce Key Performance Indicators (KPIs) to monitor progress in becoming a more inclusive employer throughout all levels within the organisation.
4. Quarterly workforce monitoring reports to inform the organisation, identified trends, patterns, issues of concern, and progress against KPIs.
5. Continue to monitor and review the series of measures in place to support and develop ethnic minority staff including, mentoring and Brilliant leaders programme offer to continue which will support with the promotion of female and ethnic minority employees.
6. Senior management vacancies being advertised using a range of media – deep dive taking place into learning from the Deputy Director of Housing recruitment and selection.
7. Ethnicity Pay Gap report to continue to be published – our commitment to transparency.
8. Disability will be the next pay gap report to be analysed and presented.

5.0 Financial implications

- 5.1 There are no direct financial implications associated with the report.

6.0 Legal implications

- 6.1 There are no direct legal implications associated with the report.

7.0 Equalities implications

- 7.1 Human Resources will continue to work in partnership with the Equality, Diversity and Inclusion team and Employee Equality forums to further reduce the ethnicity pay gap within the City of Wolverhampton Council.

8.0 Appendices

- 8.1 **Appendix 1:** Ethnicity Pay Gap report 2021