

Combined pay gap report for Scrutiny

2021-2022

Snapshot date 31 March 2022

Purpose

- To provide a summary on the results of pay gap analysis for March 2022 in relation to ethnicity, disability and sexual orientation. The Gender Pay Gap report for 2022 was published and can be found [here](#)
- To provide an update on the actions taken and forward plan to address identified pay gaps
- To confirm publication arrangements

Background (1)

- The council is committed to continuous monitoring of workforce equality to identify areas for improvement and enhance the diversity of the workforce in a way that benefits all employees and the city it serves
- Pay gap reporting can help focus targeted action on diversity and inclusion and allow for exploration of the opportunities presented and barriers to these opportunities faced by employees from minority groups when it comes to gender, ethnicity, disability status or sexual orientation
- Pay gap reporting is unrelated to equal pay for equal value of work. All jobs at CWC are evaluated to determine pay grade and Unison are part of the decision-making process to ensure fairness and equality of pay across all council roles. Pay gap is a measure of the difference between average earnings across an organisation or the labour market. This includes a large group of employees in different roles and does not factor in specific roles
- The Council has used its 'inclusive language' guide to write the ethnicity pay gap report, which is based on the UK Government's preferred style of writing about ethnicity as published in 2021
- The Council's aspiration is to narrow any pay gaps that exist and monitor the data annually to make informed decisions for change

Background (2)

Why is the median used as the main measure of earnings?

The Office For National statistics presents national pay gap information using the difference between median pay for different groups.

“We use the median because the distribution of earnings is skewed, with more people earning lower salaries than higher salaries. When using the mean to calculate the average of a skewed distribution, it is highly influenced by those values at the upper end of the distribution and thus may not be truly representative of the average earnings of a typical person. By taking the middle value of the data after sorting in ascending order, the median avoids this issue and is consequently considered a better indicator of “typical” average earnings.”

[- Office for National Statistics \(ONS\) guide to interpreting Annual Survey of Hours and Earnings Estimates](#)

Ethnicity pay gap – new government guidance (April 23)

There is currently no statutory requirement to produce an ethnicity pay gap report. For this reason, the statutory guidelines for gender pay gap reporting were applied and we were ready to report in May 2023. New [ethnicity pay gap reporting guidance](#) was published in April 2023 which led us to review and amend the report.

The new guidance recognises ethnicity pay gap reporting is more complex than gender pay gap reporting because:

- Gender pay gap reporting compares two groups. Ethnicity pay gap reporting compares many ethnic minority groups dependant on how diverse the workforce is

The new guidance allows:

- Employers to make decisions on how to combine ethnic groups to ensure results are reliable
- Carefully scrutinise and explore underlying causes for pay disparities across ethnic groups

It is recognised there could be legitimate reasons for variations amongst ethnic groups which doesn't necessarily amount to discrimination. The information will be used to make evidenced based decisions on any actions needed.

Ethnicity pay gap introduction

The following calculations are included in the full report:

- The Mean and Median Ethnicity Pay Gap (presented as a percentage difference between white (British) employees and employees from ethnic minority groups)
- The mean and median hourly rate of employees from six aggregated ethnic groups
- The proportion of white employees and employees from ethnic minority groups in each pay quartile band

The Mean and Median Ethnicity pay gaps are expressed as a percentage of the white employee pay, and will therefore show as a negative figure where employees from ethnic minority groups earn more than white employees

** Report includes data from City of Wolverhampton Council employees excluding those employed by maintained schools.*



0.0%

Median Pay
Gap 2022



6.69%

Mean Pay Gap
2022

Ethnic minority groupings

Table showing ethnicity groupings for this report and how they will be grouped

Ethnicity	Ethnic group	Group 2020-2021	Group 2021-2022
Asian - Bangladeshi	Asian	Ethnic minority groups	Ethnic minority groups
Asian - Chinese			
Asian - Indian			
Asian - Other Asian			
Asian - Pakistani			
Black - African	Black	Ethnic minority groups	Ethnic minority groups
Black - Caribbean			
Black - Other black			
Mixed/Multiple - Other mixed background	Mixed ethnic group	Ethnic minority groups	Ethnic minority groups
Mixed/multiple - white and Asian			
Mixed/multiple - white and black African			
Mixed/multiple - white and black Caribbean			
Other ethnicity - Arab	Other ethnicity	Ethnic minority groups	Ethnic minority groups
Other ethnicity - Other			
White - British	White - British	White	White
White - Any Other white	White - Other	White	Ethnic minority groups
White - Gypsy/Traveller		White	Ethnic minority groups
White - Irish		White	Ethnic minority groups

Key information - Ethnicity

- Median pay gap between white (British) employees and employees from ethnic minority groups remained at **0.00%** for three consecutive years. This means there has been a consistent distribution of employees above and below the overall median for both groups
- Within ethnic groups the median hourly rate is highest amongst employees from 'other' ethnic groups at £14.93 per hour (for comparison, white British, Asian and mixed heritage groups median hourly rate was £14.26 and black employees was £14.34. The workforce overall median was £14.26).
- The mean pay gap between white (British) employees and employees from ethnic minority groups increased from 4.71% (2021) to **6.69%** (factors contributing this are on the slide 10).
- The mean hourly rate is lowest for employees from Asian ethnic groups at £15.39 per hour, and highest for employees from 'other' ethnic groups at £17.03. White British hourly rate was £16.73, mixed heritage £16.23, white other at £15.69 and black ethnic groups at £15.65.
- There were only 20 employees from 'other' ethnic groups so figures relating to this group are highly sensitive to minor fluctuations
- The mean pay gap is most prominent in the upper pay quartile, and stems from an increased average pay for white (British) employees caused by a small number of this group at the highest end of the pay scale
- The upper pay quartile (including those in positions at NJC pay grades GR07 or above) is the quartile with the lowest proportion of employees from ethnic minority groups (at 31.53% of this pay quartile), and also where the highest mean pay gap is

Highlights - Ethnicity pay gap analysis

- The hiring success rate for candidates from ethnic minority groups increased from 3.7% (2020-2021) to 6.7% (2021-2022)
- Employees from ethnic minority groups had a higher rate of promotions at 7.1% in 2021-2022 than white (British) employees (5.5%) over the same time period
- The diversity of the workforce ethnicity profile has gradually increased in recent years, with a 3.4 percentage point increase in the proportion of employees from ethnic minority groups since 2019-2020
- The number of employees from black or Asian ethnic groups holding positions at pay grades GR09-GR17 has doubled since 2018/2019, with a 100% and 106.3% increase, respectively
- In line with growing our own, the largest increase in the proportion of employees from ethnic minority groups was in the upper middle pay quartile (grade 5 to 7 with an 8.1 percentage point increase)
- 42.1% of apprentices in 2021-2022 were from ethnic minority groups, making them a higher proportion than of the workforce as a whole (31.8%). This success can be attributed to recent change initiatives such as the introduction of diverse panels in recruitment and the removal of artificial barriers in job roles

Factors affecting the ethnicity pay gap (1)

- **Grouping** - 2021 updated government guidance on writing about ethnicity which recommended including white – other and white – Irish within ethnic minority groupings. This change has led to an increase in the pay gap by 0.33%.
- **Starters** – many new initiatives such as diverse panels, introduction of WVJobs, removal of artificial barriers, anonymisation etc have led to an increase of new starters from ethnic minority groups from 35.9% (2019/20) to 43.5% (2021/22). This will have long term benefits, but new starters typically commence on the bottom of the pay scale before incremental progression on an annual basis). This means it will take longer for the pay gap to narrow as these new employees move through their pay grade
- **Apprentices** – Whilst 42.1% of apprentices in 2021-2022 were from ethnic minority groups, they are amongst some of the lowest paid at the council (within the lower paid quartile). If these employees progress into permanent roles, their pay is likely to increase and this should also support us in our commitment to narrow the pay gap
- **Turnover** – the ethnicity of leavers and their respective pay rates will also affect the pay gap. If leavers from ethnic minority groups had remained in the workforce for the snapshot period and been included in the ethnicity pay gap calculations, the ethnicity pay gap may have been reduced by a further 0.21 percentage points to an estimated 6.48%

Factors affecting the ethnicity pay gap (2)

- **Exclusions** – 413 employees who reported their ethnicity but were excluded from the pay gap report as per statutory reporting requirements (employees who do not receive full pay for reasons such as maternity leave, sick leave). A review of the data suggests if this group were included, it would have reduced the pay gap slightly
- **Socio-economic reasons** – the Is Britain Fairer? report by the Equality and Human Rights Commission states poverty is particularly prevalent for some ethnic minorities. Homelessness is on the rise, particularly affecting people from ethnic minorities. ‘Socio-economic disadvantage has a knock-on effect across different areas of life, such as education and health. Despite improvements in school attainment for most children over the last few years, those from lower income backgrounds and Gypsy, Roma and Traveller children are getting below average school exam results and are also more likely to be excluded from school, and poorer young people are less likely to go to university.

Key information - Disability

- Employees with a disability are represented in all pay quartiles, but in greater numbers in the highest (upper) pay quartile, where 38 employees have a disability, making up 4.27% of the quartile
- Both the mean and median disability pay gaps have remained negative for 2022 and 2021 (in 2021 the median was -9.34% and mean was -3.61%) - this means that **employees with a disability earn more** than employees without a disability on average
- Employees that have declared a disability earn more than their counterparts in all pay quartiles other than the highest (upper) pay quartile. This is because there is a larger proportion of employees with a disability at the more common pay grades near the lower end of the upper pay quartile (NJC grades GR07 and GR08)



Median Pay
Gap 2022



Mean Pay Gap
2022

Factors influencing the disability pay gap

- **Workforce numbers** - The low numbers of employees declaring a disability in the workforce overall (155 employees of which 116 were included as full pay employees), leading to pay gap calculations which are highly susceptible to being influenced by outliers. The median disability pay gap is being substantially influenced by the existence of just 20 more employees with a disability earning above the overall median than below it. This has led to a median pay gap of -21.74%.
- **Disclosure** - the reporting rate for disability status in the CWC workforce is good at 83.7% and has increased from 81.6% in 2019-2020. However, this is still below the reporting rate for ethnicity (89.7%), sex (100%) and age (100%). If more employees were to declare their status, this could impact the pay gap
- **Starters** - As employees with no disability reported made up a higher proportion of new starters than of the existing workforce, this may have impacted the average pay of this group slightly by lowering the mean hourly rate calculated
- **Promotions** - In the most recent financial year, employees with a disability were promoted at a rate of 7.1% (compared to the workforce average of 5.7%)
- **Turnover** – the disability status of leavers and their respective pay rates will also affect the pay gap

Key Information - Sexual Orientation

- The **median** pay for a typical LGB+ employee is 9.4% more than the typical heterosexual employee (was 10.98% more in 2021)
- The **mean** pay for all LGB+ employees is 1.94% less than the average for heterosexual employees (was 1.18% more in 2021)
- The different results for the mean and median sexual orientation pay gap can be explained by a small number of employees from one group at the extreme ends of the pay scale impacting the average hourly rate for this group. In this case the average pay for heterosexual employees has been raised by a small number at the highest pay grades
- Despite the above, LGB+ employees are more likely to be in the highest paid half of the workforce than the lowest paid half, with more earning above the overall median than below it
- Transgender pay gap has not been calculated due to the low number of employees within this group. The data would not be statistically sound and guidance advises against using data based on small groups

-9.4%

Median Pay
Gap 2022

1.9%

Mean Pay Gap
2022

Factors influencing the sexual orientation pay gap

- **Workforce numbers** - the low number of employees in the workforce as a whole who are LGB+ (out of 80 employees only 59 were included as full pay). Because of this the mean and median pay gaps are both highly susceptible to being influenced by outliers (mean) or being more skewed towards one end of the pay scale by only a handful of additional individuals in roles above that pay point (median)
- **Disclosure** - Sexual orientation has remained one of the less reported characteristics in the CWC workforce, with a reporting rate of 60.9%. There has been progress in increasing reporting rates in recent years, with records available for an additional 5.6% of the workforce compared to two years prior, which is a trend the Council hopes to continue
- **Promotions** - In recent years, LGB+ employees have consistently been promoted at a higher rate than heterosexual employees, with a promotion rate of 6.3% in 2022 compared to a workforce average promotion rate of 5.7%. This has had the effect of not only increasing the average pay of LGB+ employees, but also increasing the number of LGB+ employees overall in positions remunerated at an hourly rate higher than the workforce median
- **Turnover** – turnover for LGB+ employees in 2021/22 was higher than heterosexual employees. Turnover figures are likely to be highly sensitive to being impacted by a small number of LGB+ employees leaving due to the low number of LGB+ employees in the workforce overall. Leaver pay will impact the pay gap.

Actions to date (1)

- Targeted vacancy advertising and collaboration with community groups to remove barriers to job descriptions and applications, particularly for Director level vacancies
- Commitment to producing an ethnicity pay gap report from 2020 onwards
- Commitment to producing a Sexual Orientation and Disability pay gap report from 2021 onwards
- Equality forum representatives attend SEB on a rotational basis as a critical friend to support decision making through an EDI Lens. The benefits are twofold in that these employees shadow our most senior employees and therefore supports our commitment to growing our own
- Targeted efforts to encourage disclosure amongst all employees but especially in field-based roles as data shows this is where disclosure can be improved
- Working along side Dr Karl George, we have achieved the 'RACE Code Quality Mark' and a future action plan is in place for review
- Introduction of a new exit interview process to identify causes of higher turnover amongst some groups
- Mandatory training on inclusion for all employees
- All key HR panels are diverse panels; race and gender diverse as a minimum
- WVJobs providing jobs, career and employee benefit information to potential applicants. Also highlights the outputs and importance of each of the staff equality forums

Actions to date (2)

- Extension of mentoring scheme for employees with a disability
- Introduction of Autism awareness guide
- CWC is part of a pilot within the region where recruitment processes at CWC will be considered through an inclusivity lens. Recommendations for change will be considered as an outcome
- Menopause workplace pledge, chatty café's, panel events, introduction of fans and sanitary products in toilets
- Will be launching a coaching and development programme for leaders – from an EDI lens (2024)
- Brilliant Leaders programme – supporting employees from diverse groups in manager roles to take the next step into a senior management role
- Wrap around support for employees unsuccessful at interview
- Internal mentoring to support employees from under represented groups – provided by internal senior managers
- Internal mentoring for all employees
- Regional representation at West Midlands Combined Authority Race Equality Taskforce

Next steps (1)

- Introduction of a formal feedback mechanism for applicants unsuccessful following interview (2024)
- Continue to utilise targeted advertising media and available channels to reach all local communities and increase applications for senior positions remunerated at pay grades GR10 and above and encourage applications from a more diverse range of audiences
- Utilise staff equality forums to highlight the importance of reporting and encourage confidence in disclosure
- Continuous review of the WVJobs website to ensure up to date, valid information is provided to those who may consider applying for positions at CWC and ensuring promotion and guidance to those who are digitally excluded on how to use and access site
- Updated recruitment and selection training for panel members
- Review data from exit leavers process in order to identify trends and issues and take corrective, targeted action where required
- Collection of diversity data from frontline employees using a manual process
- Staff inclusion project to be completed in order to allow all employees without access to computers to input their diversity details from mobile devices

Next steps (2)

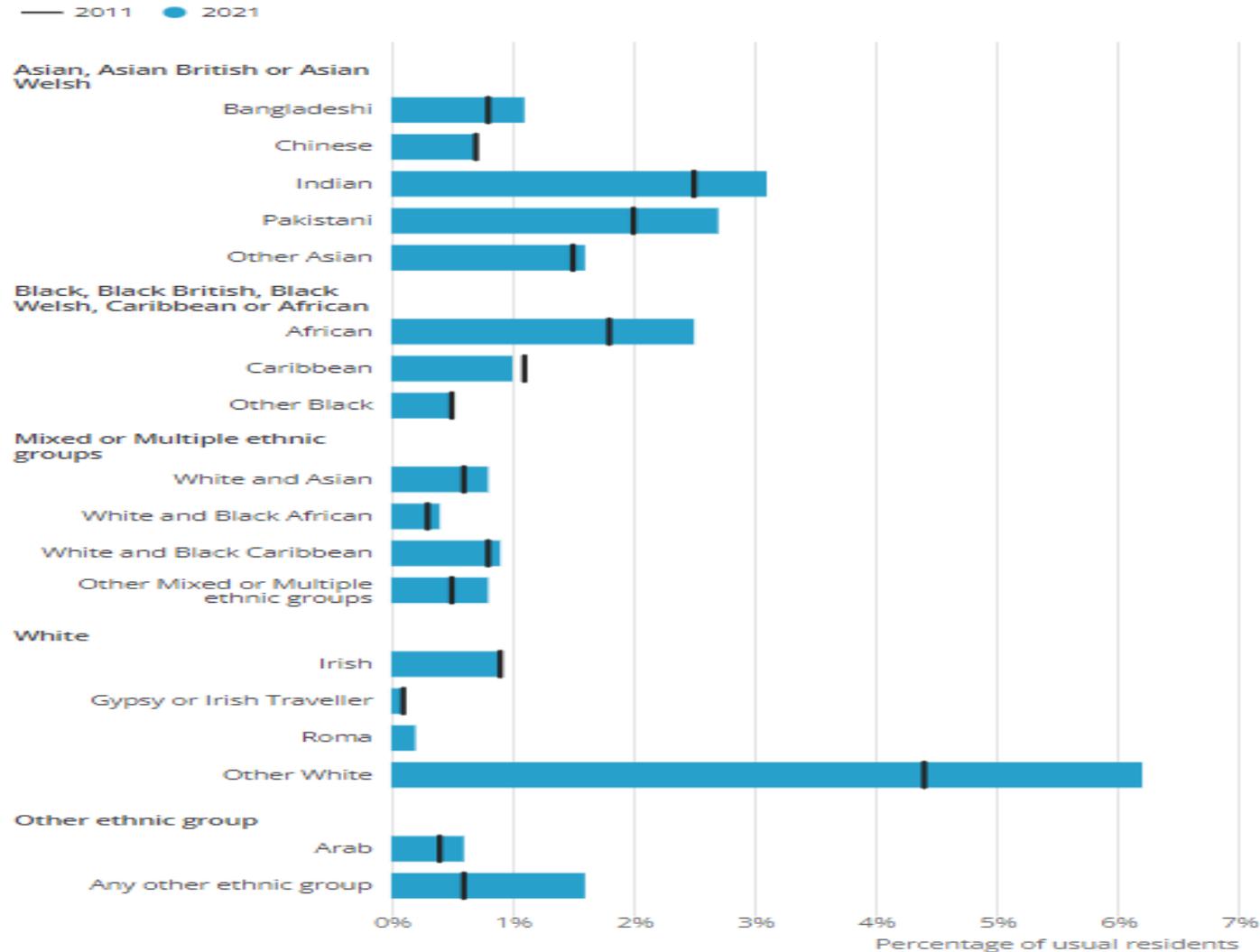
- 🕒 Commitment has been made for a second programme with WM Employers aimed at supporting colleagues from ethnic minority groups who aspire to senior leadership- originally called Brilliant Leaders, it is now termed Breaking Through- application process should be comms in Oct for early 24 start
- 🕒 Implement HR actions in relation to the Race Code Action plan
- 🕒 Ongoing collaborative piece of work for CWC submission for Stonewall renewal application
- 🕒 Commence self - assessment application for Disability Confident Level 3 accreditation
- Continue work on menopause guide and pledge
- Continue review of JD/PS for roles to remove barriers
- Will be engaging the organisation on the Our People transformation programme
- Continue to develop People Services engagement initiatives to ensure all employees have an opportunity to engage and feedback on policies/projects
- Development of wellbeing passports
- Continue development of People Services dashboards – diversity data fields
- Continue to review recruitment strategies and roll out of new applicant tracking system Tribepad (April 2024)

Next steps (3)

- Continue to promote participation in internal programmes including the mentoring scheme to enhance progression opportunities
- Build on partnerships with community groups to promote job advertisements where representation can be increased
- 🕒 Our People Strategy refresh – engagement to continue with key stakeholders
- 🕒 EDI Survey to be launched
- Implement new ways of working guidance; Agile working guide, revision to Working Hours policy and Dress Code Policy (Oct 2023)
- Part of pilot of West Midlands Employers programme looking at recruitment from an inclusion lens. Will support us to ensure our recruitment practices are inclusive (commencing October 2023)

Information Page

Figure 2: Ethnic minority groups, 2011 and 2021, England and Wales



[Source: Office for National Statistics – Census 2021](#)