

READING BOROUGH COUNCIL

REPORT BY ASSISTANT DIRECTOR FOR HR AND ORGANISATIONAL DEVELOPMENT

TO:	PERSONNEL COMMITTEE		
DATE:	17 MARCH 2021		
TITLE:	EQUALITY, DIVERSITY AND INCLUSION UPDATE		
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 To present Personnel Committee with an update on the work being done to advance Equality, Diversity and Inclusion at the Council.
- 1.2 This report also presents the Council's Gender Pay Gap Report for 2020, and for the first time, an Ethnicity Pay Gap Report which is also for 2020.
- 1.3 Appendices

Appendix 1 - Gender Pay Gap Report for 2020
Appendix 2 - Ethnicity Pay Gap Report for 2020

2. RECOMMENDED ACTION

- 2.1. That the progress made to advance Equality, Diversity and Inclusion at the Council be noted;
- 2.2. That the Gender Pay Gap and Ethnicity Pay Gap Reports for 2020 be noted.

3. ADVANCING EQUALITY, DIVERSITY AND INCLUSION AT THE COUNCIL

- 3.1 On 19 November 2020, Personnel Committee received a report on the Council's Equality Audit for 2019/20, and on progress made towards meeting the requirements set out in the Tackling Employment Inequality Motion agreed by Council on 20 October 2020.
- 3.2 Since this time, the following actions have been completed to advance Equality, Diversity and Inclusion at the Council.

3.2.1 Promotion of the Equality Audit for 2019/20

The Equality Audit was promoted to staff through the Chief Executive's weekly email and on the intranet. It was shared with the Joint Trade Unions before publication and their comments were incorporated in the final version. An [Equality, Diversity and Inclusion page](#) has been created on the Council's website which sets out our approach and includes key information about our workforce, including the Equality Audit which can be accessed in full, the Gender Pay Gap and the People Strategy.

3.2.2 The Race at Work Charter

The Council signed Business in the Community's (BITC) [Race at Work Charter](#) in November 2020, which is an initiative designed to improve outcomes for black, Asian and minority ethnic (BAME) employees in the UK. This has been promoted to staff internally through the Chief Executive's weekly email and the intranet. Partner organisations received a letter from the Leader and Chief Executive to confirm that that we have signed the Charter and setting out our commitment to ensure that the Council is an employer that shows leadership and ambition in employment and equality. The letter also included a link to the Equality Audit findings.

3.2.3 Equality, Diversity and Inclusion Audit

We have commissioned Business in the Community (BITC) to review the Council's approach to Equality, Diversity and Inclusion. BITC will review our policies, processes and initiatives, as well as gaining insights into the experiences of our employees across seven key areas: Strategy, Leadership, Recruitment, Staff, Employee Engagement, Pay Gaps and Life Balance.

There are three stages to the review:

1. Review existing infrastructure (including policies and workforce monitoring data and through interviews with key stakeholders)
2. Listen to employees
3. Provide a report with recommendations for future actions and strategic interventions (due by end of March 2021)

During Stage 1, BITC will meet with the following stakeholders:

- Cllr Brock, Leader of the Council
- Cllr Emberson, Lead Councillor for Corporate and Consumer Services
- Cllr Barnett-Ward, Lead Councillor for Neighbourhoods and Communities

- Peter Sloman, Chief Executive
- Jackie Yates, Executive Director of Resources
- Frances Martin, Executive Director of Economic Growth and Neighbourhood Services
- Seona Douglas, Executive Director of Social Care and Health
- Shella Smith, AD for HR and Organisational Development
- Trade union leads from GMB, NEU, Unison and Unite

During stage 2, BITC will run five staff focus groups; each providing an opportunity for 10-12 colleagues to come together to discuss their perceptions and experiences of inclusion at the Council. Each session will be facilitated by BITC experts and will be confidential 'safe spaces'. Everything BITC hear will only be shared anonymously (unless explicit consent is provided). One of the groups will be for staff who work in frontline roles in the community. There will be two sessions for staff from ethnically and culturally diverse backgrounds. The other two sessions will be for anyone to come along to. The focus groups have been advertised in the Chief Executive's email, on the intranet, in *On the Frontline* (newsletter for staff in Environmental and Commercial Services) and through direct email to managers of frontline staff and members of the Cultural Unity, Diversity and Inclusion Network.

3.2.4 Cultural Unity, Diversity and Inclusion Network

The first meeting of a group for staff from different ethnic and cultural backgrounds took place on 10 December 2020. The focus of the meeting was on networking and discussing what participants would like to achieve from the group. They are now deciding on their terms of reference, meeting arrangements and key areas of interest. Support has been provided to the group for promotion, communication, meeting arrangements etc, by the AD for HR and Organisational Development.

3.2.5 Healthy and Ethical Workplace - support for the Directorate of Social Care and Health

Seona Douglas, Director of Social Care and Health, has instigated a culture change programme running over two years within the directorate. The programme aims to address several issues around behaviours, including presenteeism and absenteeism. The Organisational Development and Learning team within HR is supporting the roll out of the programme which is called "DACHS Energise - It starts with me". We are working in partnership with Ethical Reading on an intervention based on achieving a Healthy and Ethical Workplace. The vision for the programme is to achieve a vibrant, values based and ethical culture:

"Where everyone is respected, treated fairly and with compassion. Everyone accepts their responsibilities whilst acting with integrity in a spirit of collaboration. People understand how their role fits into the overall purpose of the department."

The programme will involve every member of the directorate, starting with a benchmarking survey to assess current state, followed by 6-monthly 'pulse surveys' throughout the programme to check progress. There will be Core Healthy and Ethical Workplace training, together with mental health awareness training, for all staff; starting with the senior management team and management layer first. Delivery of the programme is due to begin in May 2021.

Members of the HR and OD team have also received training and support from Ethical Reading to be able to deliver the Healthy and Ethical Workplace workshops in other directorates. The work in the Directorate of Social Care and Health could therefore also be a 'pilot' for a wider roll-out in the Council, subject to CMT's agreement.

4. GENDER PAY GAP REPORT 2020

- 4.1 The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. For example, a 4.0% gender pay gap denotes that women earn 4.0% less per hour, on average, than men. Conversely, a negative 4.0% gender pay gap denotes that women earn 4.0% more, on average, than men.
- 4.2 Nationally, the gender pay gap has been declining slowly in recent years. In April 2020 for full-time employees only, it was 7.4%, down from 9.0% in April 2019. Among all employees the gap fell from 17.4% in 2019 to 15.5% in 2020. The gender pay gap is higher for all employees because women fill more part-time jobs which have lower hourly median pay than full-time jobs and are more likely to be in lower-paid occupations.
- 4.3 An employer must comply with the regulations for any year where they have a 'headcount' of 250 or more employees on the 'snapshot date'. For local authorities the snapshot date is 31 March each year.
- 4.4 Organisations must publish the following information:
 - Their mean gender pay gap
 - Their median gender pay gap
 - Their mean bonus gender pay gap
 - Their median bonus gender pay gap
 - Their proportion of males and females receiving a bonus payment
 - Their proportion of males and females in each quartile pay band
- 4.5 The information must be published on both the employer's website and on the Government Equalities Office website. An employer should then use that information to help understand any underlying causes for their gender pay gap and take suitable steps to minimise it. Benefits will differ between employers but can include developing a reputation for being a fair and progressive employer, attracting a wider pool of potential recruits for vacancies and the enhanced productivity that can come from a workforce that feels valued and engaged in a culture committed to tackling inequality.
- 4.6 Appendix 1 shows the Council's gender pay gap information for 2020; the mean gender pay gap is 4.71% and the median is 2.53%. This is based on data at the snapshot date of 31 March 2020. A mean average is calculated by totaling all the values in a dataset; this total is then divided by the number of values that make up the dataset. The median of a group of numbers is the number in the middle, when the numbers are in order of magnitude.

- 4.7 The Council is in a good position. Most organisations have a much larger gender pay gap, with a mean for the whole economy of 15.5% for 2020. This reflects the Council's aspiration to be a fair and inclusive employer, making best use of its talent regardless of gender. The figures also show an improvement compared to the 2019 report, where the mean was 4.99% and the median was 5.05%.
- 4.8 The Local Government Association published a comparison of gender pay data for local authorities based on 2019 figures (the data for 2020 does not have to be published until 30 March 2021 so this is the latest data available). For the mean gender pay gap, on average, women were paid 6.1% less than men. The values varied between -18.0% (women were paid more than men) and 23.9%. For the median data, on average, women were paid 4.0 per cent less than men. The median gender pay gap for unitary authorities was 6.5%. This shows that the Council's median pay gap of 2.53% compares well to other local authorities.

5. ETHNICITY PAY GAP REPORT 2020

- 5.1 Unlike the gender pay gap, large organisations are not yet legally required to publish their ethnicity pay gap. However, the Council believes it is important to be transparent, so we have decided to voluntarily publish our data for the first time this year. In a year where there has been a spotlight on ethnic diversity, it is important that the Council continues to be open and reflect on what we are doing both internally and externally to support diversity and inclusion.
- 5.2 The ethnicity pay gap is the percentage difference in the average hourly rate of pay of white and BAME employees. We have calculated our ethnicity pay gap using the same methodology set out in the Government regulations for calculating the gender pay gap. However, unlike gender, our ethnicity disclosure rate is not at 100% (currently it stands at 93.5%); any individuals with undisclosed ethnicities have been excluded from the calculations in line with the Government regulations for gender pay.
- 5.3 The Council's Ethnicity Pay Gap report is attached at Appendix 2. It is based on data at the snapshot date of 31 March 2020. The mean ethnicity pay gap is 6.88% and the median is 0.28%.
- 5.4 Nationally, in 2019 (the latest data available¹), the median hourly pay for those in White ethnic groups was £12.40 per hour compared with those in ethnic minority groups at £12.11 per hour - a pay gap of 2.3%, its narrowest level since 2012. The median pay gap was at its largest in 2014, at 8.4%. The Council's median pay gap of 0.28% compares favourably to the national figure which reflects our aspiration to be a fair and inclusive employer that values talent regardless of the person's ethnicity or other protected characteristics.
- 5.5 The majority of employees at the Council (79.6%) are white. The proportion of BAME employees is 13.8%. There are more white employees than BAME employees at every pay quartile, with the highest proportion (16%) in the lower quartile.

¹ Source: Office for National Statistics - Annual Population Survey 2019

- 5.6 Pay grade RG10 has the greatest proportion of BAME employees (23.08%), which is higher than the overall proportion of BAME employees at the Council (13.8%). Job roles that fall into this grade are primarily service managers, solicitors and business partner roles. 100% of the BAME employees in this pay band are full-time. The pay rate for RG10 (based on the pay scales for 2020/21) is £54,878 to £58,973 per annum.
- 5.7 The proportion of BAME employees at senior management level grades is low at only 3.13%. This group includes employees with earnings above £53,291 per annum.

6. NEXT STEPS

6.1 Team Reading Equality, Diversity and Inclusion Plan

A Team Reading Equality, Diversity and Inclusion Action Plan will be created to enable more effective monitoring of progress towards increasing equality, diversity and inclusion at Council, and better reporting to the Corporate Management Team and Personnel Committee. It will be created using insights from the BITC Equality, Diversity and Inclusion audit findings, as well as the Equality Audit 2019/20 findings and the Gender and Ethnicity Pay Gap reports. BITC's findings and recommendations are expected in April 2021.

7. CONTRIBUTION TO STRATEGIC AIMS

- 7.1 Advancing equality, diversity and inclusion within the Council's workforce enables moving to a position where our workforce represents the community it serves and ensuring a Council that is fit for the future.

8. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 8.1 None.

9. COMMUNITY ENGAGEMENT AND INFORMATION

- 9.1 We will continue to use the [Equality, Diversity and Inclusion page](#) on the Council's website to set out our approach and enable access to key information about our workforce, including the Equality Audit which can be accessed in full, the Gender and Ethnicity Pay Gap Reports and the People Strategy.
- 9.2 The following steps will be taken to publish the Council's Gender and Ethnicity Pay Gap Reports:
- Published on the Council's website
 - Published on the Government Equalities Office website (Gender Pay only)
 - An item will be included in the Chief Executive's Friday email to highlight the gender and ethnicity pay gap information in a proactive way to staff
 - The reports will be presented to Personnel Committee on 17 March 2021 for members to note
 - A press statement will be issued to seek to bring the report to the attention of local media, residents and businesses.

10. EQUALITY IMPACT ASSESSMENT

10.1 An Equality Impact Assessment is not required for the issues covered by this report.

11. LEGAL IMPLICATIONS

11.1 Under the Equality Act 2010, a public authority must, in the exercise of its functions, have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Council has a duty to publish workforce and employment information to demonstrate compliance with this duty. This report supports the Council to fulfil this duty.

12. FINANCIAL IMPLICATIONS

12.1 None

13. BACKGROUND PAPERS

[Reading Borough Council Workforce Equality Audit 2019/20](#)
Business in the Community- [Race at Work Charter](#)