

READING BOROUGH COUNCIL
ETHNICITY PAY GAP REPORT FOR 2020

1 PURPOSE OF THE REPORT

- 1.1 Unlike the gender pay gap, large organisations are not yet legally required to publish their ethnicity pay gap. However, we believe it is important to be transparent, so we have decided to voluntarily publish our ethnicity pay gap. 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.
- 1.2 While the statistics in this report are a snapshot of our organisation at the end of March 2020, we will also share some of the activities that have taken place since then, which could have an impact on next year’s numbers.
- 1.3 The ethnicity pay gap is the percentage difference in the average hourly rate of pay of white and BAME employees. We calculate our ethnicity pay gap using the same methodology as 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 are excluded from our calculations.

2 INTRODUCTION AND BACKGROUND

- 2.1 We will publish the following information. The averages used are mean and median. 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.

Mean ethnicity pay gap	The difference between the mean hourly rate of pay of white full-pay relevant employees (FPREs) and that of BAME full-pay relevant employees.
Median ethnicity pay gap	The difference between the median hourly rate of pay of white full-pay relevant employees and that of BAME full-pay relevant employees.
Mean bonus gap	The difference between the mean bonus pay paid to white relevant employees and that paid to BAME relevant employees.
Median ethnicity pay gap	The difference between the median bonus pay paid to white relevant employees and that paid to BAME relevant employees.
Bonus proportions	The proportions of white and BAME relevant employees who were paid bonus pay during the relevant period.

Quartile pay bands	The proportions of white and BAME full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.
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- 2.2 For the purpose of this report, the workforce profile as at the ‘snapshot date’ date of 31 March 2020 was 1925 full-pay relevant employees (FPREs), which is made up by 266 (13.8%) BAME employees, 126 (6.5%) of employees who have Not Disclosed (ND), and 1533 (79.6%) white employees.
- 2.3 Data for schools staff is not included. The Council’s data also excludes the children’s services workforce which transferred to Brighter Futures for Children (BFfC) on 1 December 2018.
- 2.4 The figures in this report have been calculated in accordance with the Government’s guidance for gender pay gap reporting by the Data Team in HR and Organisational Development.

Table 1 - Mean and median ethnicity pay gap

	BAME	White	BAME earnings are:
Mean Hourly Rate	£14.54	15.61	6.88% lower
Median Hourly Rate	£13.64	13.68	0.28% lower

Table 2 - Mean and median ethnicity pay gap in bonus payments

	BAME	White	BAME bonuses are:
Mean amount of bonus	£0	£1,000.00	100% lower
Median amount of bonus	£0	£1,000.00	100% lower

Table 3 - Proportion of BAME and white employees who received a bonus

	BAME		White	
FPREs Total	266		1533	
Proportion of all those receiving a bonus	0	0.0%	5	100%

3 ANALYSIS

- 3.1 **Table 1** shows that the Council's mean pay gap is 6.88% and the median pay gap is 0.28%. 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 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 median, which reflects our aspiration to be a fair and inclusive employer which values talent regardless of the person's ethnicity or other protected characteristics.
- 3.2 **Tables 2 and 3** reflect a very small group of employees who received "bonuses" in the relevant period. The Council does not pay bonuses within its terms and conditions. However, long service awards in the form of money meet the government's definition of "bonus" for this report.
- 3.3 Long service awards at the Council are given in recognition of achieving 20 years' continuous service. The Council is currently running two long service award schemes with varying cash values:
- A one-off money award of £1,000 for those achieving long service with either the Council or a combination of the Council and Berkshire County Council, with the provision for employees to "trade in" all or part of the award for additional days' leave, currently at the rate of £100 per day; or;
 - £573 plus double leave for achieving 20 years' service for employees appointed by the Council before 1 April 1999.
- 3.4 Five employees received a long service award; all were white employees. This has translated into a 100% gap for both mean and median bonus pay, as shown in **Table 2**.
- 3.5 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 (see **Figures 1 and 2** below).
- 3.6 **Figure 3** illustrates the breakdown of white and BAME employees in each pay grade. 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 2020/21 pay scales) is £54,878 to £58,973 per annum.

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

3.7 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.

Figure 1 - Proportion of White, BAME and Not Declared (ND) employees in each pay quartile on 31 March 2020

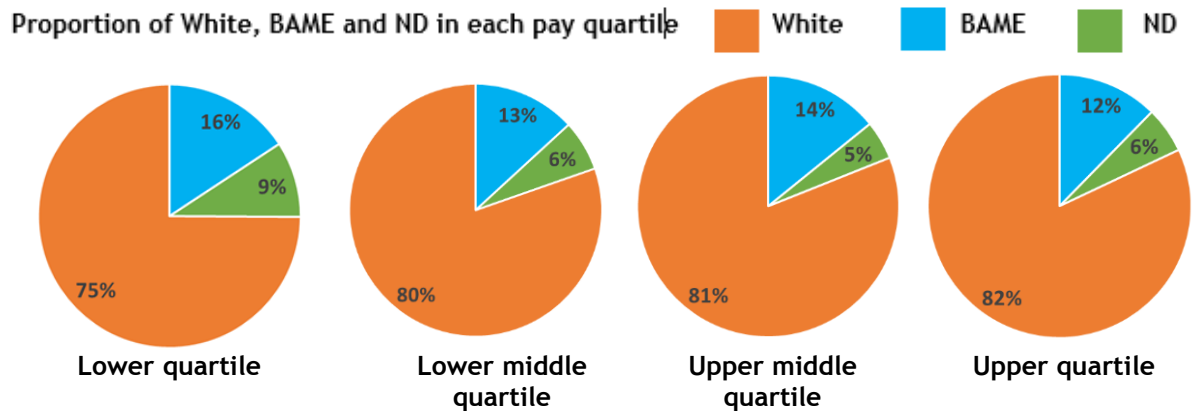


Figure 2 - Number of White, BAME and Not Declared (ND) employees on 31 March 2020

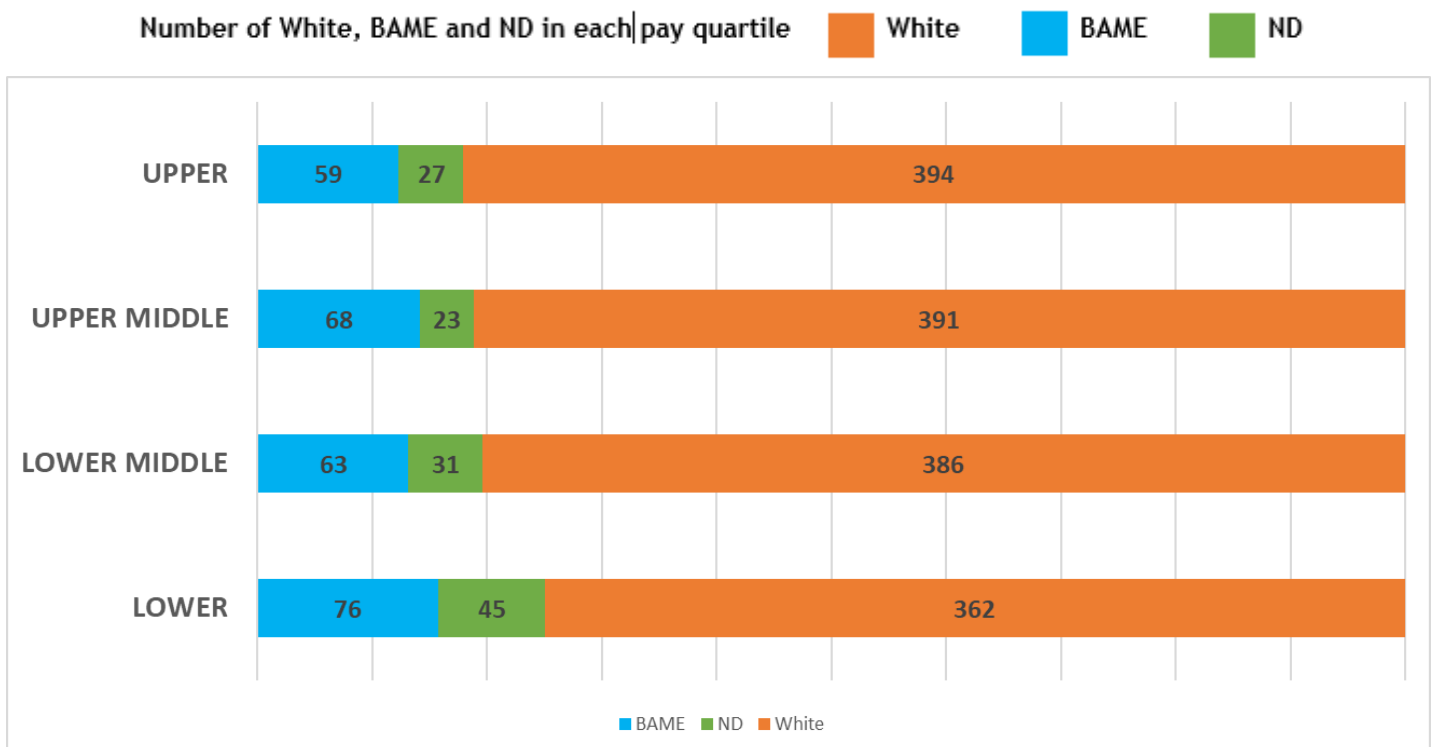
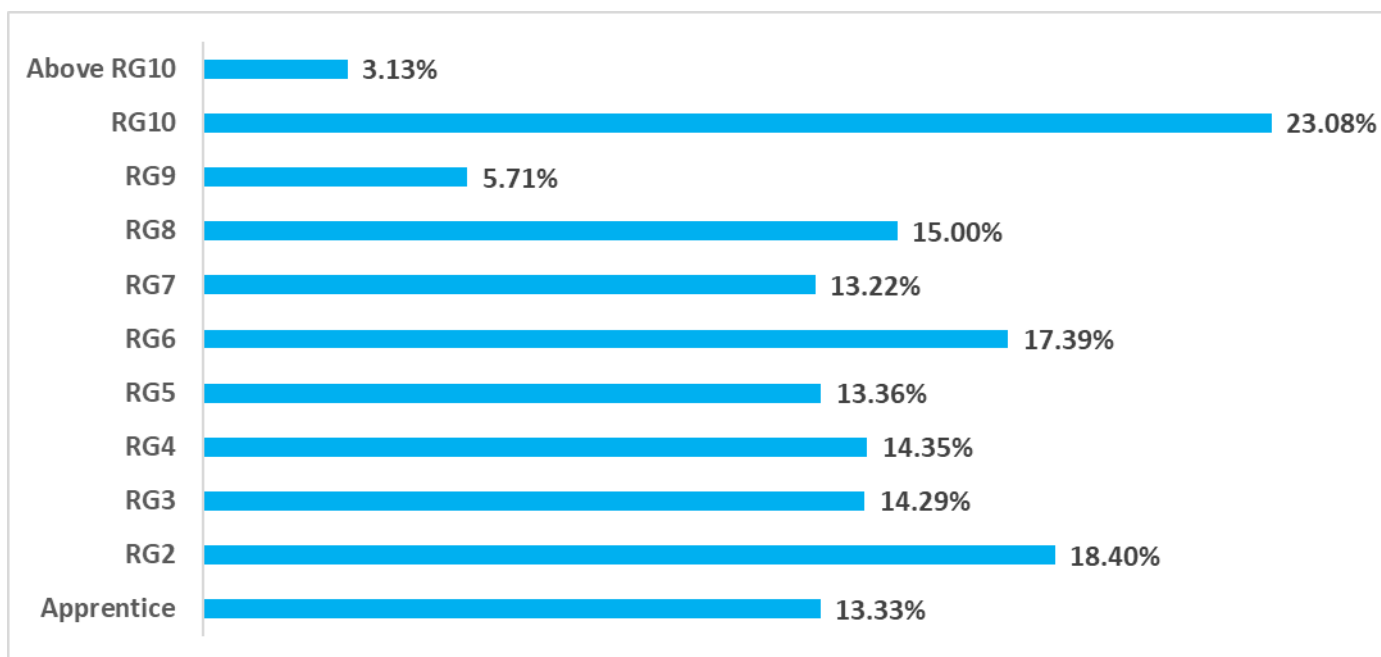


Figure 3 - Proportion of BAME employees in each pay band on 31 March 2020



4 ACTION PLAN TO REDUCE THE ETHNICITY PAY GAP

- 4.1 The Council has 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. The insights and recommendations from the audit, as well as the [Equality Audit 2019/20](#) findings, and Gender and Ethnicity Pay Gap reports for 2020, will be used to create a Team Reading Equality, Diversity and Inclusion Action Plan which will be monitored regularly by the Corporate Management Team and Personnel Committee.
- 4.2 Continue to work with and support the Cultural Unity, Diversity and Inclusion Network, which is a group for staff from different ethnic and cultural backgrounds and allies which formed in December 2021. The Network aims to promote a positive culture in which everyone is welcome and valued and will ALSO act as a sounding board on BAME equality issues.
- 4.3 Continue to promote the benefits of working for the Council both internally and externally, using opportunities such as the Kickstart Scheme, apprenticeships, flexible working arrangements and our diversity commitments, including being a signatory to the Race at Work Charter.
- 4.4 Continue to require recruiting managers to attend the Council's recruitment and selection training which highlights the issue of unconscious bias during recruitment and interview processes.

- 4.5 Continue to ensure that recruiting managers use structured interviews as this is more effective at guarding against unconscious bias by ensuring that all candidates are asked the same questions and are assessed using pre-specified, standardised criteria.
- 4.6 Increase awareness about apprenticeship schemes and the new Kickstart Scheme, where the Council will offer 15 placements initially, for 6 months, for young people in Reading who are currently on Universal Credit and at risk of long-term unemployment. The Kickstart Scheme will focus particularly on recruiting applicants from a diverse range of backgrounds, including those in hard to reach areas, to ensure that the Council's workforce is representative of the communities we serve. Apprenticeships can also encourage existing employees to improve their skills and experience, giving them the opportunity to progress their career.