

READING BOROUGH COUNCIL

REPORT BY ASSISTANT DIRECTOR FOR HR AND ORGANISATIONAL DEVELOPMENT

TO:	PERSONNEL COMMITTEE		
DATE:	16 MARCH 2022		
TITLE:	GENDER AND ETHNICITY PAY GAP REPORTS FOR 2021 AND WORKFORCE PROFILE REPORT FOR 2020/21		
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report presents the Council's Gender and Ethnicity Pay Gap reports for 2021. The mean gender pay gap is 2.06%, meaning that women earn 2.06% less per hour, on average, than men. The median gender pay gap is 4.91%. The mean ethnicity pay gap is 4.26%, meaning that Black, Asian and Minority Ethnic employees are paid 4.26% less per hour, on average, than White employees. The median ethnicity pay gap is 5.69%. The report provides a further breakdown of ethnicity pay gaps for different ethnic groups.
- 1.2 It also presents the Workforce Profile for 2020/21 which provides a summary of equalities monitoring data and trends over time. It covers data on the protected characteristics of the current workforce and job applicants in 2020/21 and compares it to the previous two financial years (2018/19 and 2019/20) where relevant.
- 1.3 The findings from the Workforce Profile for 2020/21 and the Gender and Ethnicity Pay Gap reports for 2021 will be used alongside the findings of the Equality, Diversity and Inclusion Audit undertaken by Business in the Community (BITC) to inform the development of an Equality, Diversity and Inclusion Strategy for the Council. This is covered in more detail in a separate report to Personnel Committee on 16 March 2022 which provides an equality, diversity and inclusion update.
- 1.4 Appendices
 - Appendix 1: Gender Pay Gap Report for 2021
 - Appendix 2: Ethnicity Pay Gap Report for 2021
 - Appendix 3: Workforce Profile Report for 2020/21

2. RECOMMENDED ACTION

It is recommended that Personnel Committee note:

- 2.1 The Gender Pay Gap report for 2021 in Appendix 1 and Ethnicity Pay Gap report for 2021 in Appendix 2.**
- 2.2 The Workforce Profile Report for 2020/21 in Appendix 3.**
- 2.3 That an updated Workforce Profile Report for 2021/22 and updated Gender and Ethnicity Pay Gap reports for 2022 will be presented to Personnel Committee on 14 July 2022.**

3. GENDER PAY GAP REPORT 2021

- 3.1 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% gender pay gap shows that women earn 4% less per hour, on average, than men. Conversely, a negative 4% gender pay gap shows that women earn 4% more, on average, than men.**
- 3.2 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.**
- 3.3 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
- 3.4 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.**
- 3.5 Appendix 1 shows the Council's gender pay gap information for 2021. The mean gender pay gap is 2.06% and the median is 4.91%. This is based on data at the snapshot date of 31 March 2021. They have remained broadly comparable to 2020, when the mean was 4.71% and the median was 2.53%. 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.

- 3.6 The Council is in a good position. Most organisations have a much larger gender pay gap, with a mean for the whole economy of 15.4% for 2021 (up from 14.9% in 2020). This reflects the Council's aspiration to be a fair and inclusive employer, making best use of its talent regardless of gender.

4. ETHNICITY PAY GAP REPORT 2021

- 4.1 Unlike the gender pay gap, large organisations are not yet legally required to publish their ethnicity pay gap, but the Council has chosen to voluntarily publish its data for the second year.

- 4.2 The ethnicity pay gap is the percentage difference in the average hourly rate of pay of White employees and Black, Asian and Minority Ethnic 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 94.4%). Any individuals with undisclosed ethnicities have been excluded from the calculations in line with the Government regulations for gender pay.

- 4.3 The Council's Ethnicity Pay Gap report is attached at Appendix 2. It is based on data at the snapshot date of 31 March 2021. The mean pay gap for is 4.26% and the median is 5.69%. In 2020, the mean was 6.88% and the median was 0.28%. This year we have provided a further breakdown for employees from different minority ethnic groups compared to their white colleagues. The pay gap is largest for employees who identify as Black or Black British. There is a negative pay gap for employees who identify as Asian or Asian British, who are paid more on average than White employees for both the mean and median pay gaps.

- 4.4 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%.

- 4.5 Long service awards are the only payments made at the Council which qualify as bonus pay. Thirty employees received long services awards in 2021, one Black or Black British employee and 29 White employees, and in all but one case, this was a one-off award of £1,000. One White employee chose to trade in some of their pay for extra leave and received a payment of £500. This translates into a negative mean bonus pay gap of -1.75%, or put more simply, bonuses for Black, Asian and Minority Ethnic employees are 1.75% higher than for White employees. There is a 0% median bonus ethnicity pay gap.

- 4.6 The majority of full-pay relevant employees² at the Council (84.85%) are White. There are more White employees in every quartile and the proportion increases as pay increases, from 82.76% in the lower quartile to 86.45% in the upper quartile.

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

² See the [Gov.uk website](https://www.gov.uk) for a definition and examples of full-pay relevant employees (FPREs)

4.7 The report in Appendix 2 provides a more detailed breakdown of employees by ethnic group by pay grade. 56% of employees from Mixed Ethnic Groups and 55% of Black or Black British employees are employed on grades RG2 to RG4 (the lowest pay grades in the pay structure, excluding apprentices). 39% of Asian or Asian British employees are employed on grades RG2 to RG4. At the highest paid end of the pay structure, there are no Asian or Asian British employees or employees from Other Ethnic Groups paid on Reading Senior Manager grades. Employees on Reading Senior Manager grades are largely White employees with a small proportion from Mixed Ethnic Backgrounds or Black or Black British (4 employees in total). Eight employees on Reading Senior Manager grades have not disclosed their ethnicity.

5. WORKFORCE PROFILE REPORT FOR 2021/22

5.1 Public authorities have specific duties under the Equality Act 2010 to help them comply with the public sector equality duty. They must:

- publish equality information at least once a year to show how they have complied with the equality duty
- prepare and publish equality objectives at least every 4 years

5.2 The Workforce Profile in Appendix 3 is a key component of meeting the duty, and the Council's own Equal Opportunity in Employment Policy. It covers data on the protected characteristics of the current workforce and job applicants in 2020/21 and compares it to the previous two financial years (2018/19 and 2019/20) where relevant. The data is also intended to provide an equalities context and focus for ongoing discussions with internal and external stakeholders. The Workforce Profile will be published on the Council's website on the [Equality, Diversity and Inclusion Policies](#) page.

5.3 All job applicants are asked to provide data on their protected characteristics, or they can select a 'prefer not to say' option. In August 2019, the Council agreed to accept CV applications, however, candidates must complete a short application form prior to submitting a CV which includes equalities monitoring data.

5.4 The Workforce Profile includes data on:

- Vacancies, applicants, starters, leavers and maternity leave
- Demographic characteristics of the workforce by gender, ethnicity, age disability, full and part time working, length of service and pay grade
- Staff engagement and employment procedures

5.5 The audit does not include data for sexual orientation or religion or belief. This data is available but approximately 50% of job applicants and current employees select the 'prefer not to say' option for these protected characteristics so there is concern about the validity and reliability of the data.

Key findings

5.6 The Workforce Profile in Appendix 3 includes data for all Council employees. It excludes schools' staff and casual workers. The overall number of employees

included in the report is greater than for the gender and ethnicity pay reports where only full-pay relevant employees (FPREs) are included. FPREs exclude employees who are not in receipt of full pay, like those on maternity pay, unpaid leave, furlough etc. See the [Gov.uk website](#) for a definition and examples of full-pay relevant employees (FPREs)

5.7 Ethnicity

5.7.1 In 2020/21, 79.8% of the Council's workforce describe their ethnicity as White English/Welsh/Scottish /Northern Irish/British or White Other. This percentage has remained roughly the same over the last three years. The percentage of the workforce in minority ethnic groups has remained relatively stable in the last two years and stands at 14.6% in 2020/21. The proportion of staff who identify as Black/Black British has shown a decrease from 6.9% in 2018/19 to 6.0% in 2020/21. More leavers (16.9%) in 2020/21 were from non-White British ethnicities than the proportion in the existing workforce (14.6%). The proportion of staff who 'prefer not to say' or who have not declared their ethnicity has increased to 5.7%.

5.7.2 The proportion of job applicants from minority ethnic backgrounds has increased to 32.6% in 2020/21 compared to 30.9% in 2019/20. The number of White British applicants has reduced slightly in 2020/21 compared to the last two years. 17.6% of new starters appointed in 2021 were from non-White British ethnicities, compared to the percentage of non-White British ethnicities in the general workforce (14.6%). The number of job applicants who 'prefer not to say' or who have not declared their ethnic origin has increased over the last three years to 6.4% in 2020/21.

5.7.3 There is a higher proportion of staff within the lower pay grades 1-6 for almost all minority ethnic groups compared to White British staff. The only exception is for Asian or Asian British staff where there is a lower proportion in Grades 1-6 compared to White British staff. For the highest pay grades (Reading Senior Manager grades and above) there are no Asian or Asian British staff or staff from Other Ethnic Groups. 7.1% of staff at RSMD or above prefer not to say or have not declared their ethnicity.

5.8 Gender

5.8.1 The Council employs more women - 58.7% of employees are women and 41.3% are men. The proportion of men applying for jobs at the Council (43.1%) has increased slightly in the past three years. 54.9% of new starters in 2020/21 were women which is lower than the proportion of women in the existing workforce (58.7 %). A slightly lower proportion (57.1%) of leavers in 2020/21 were women.

5.8.2 A much greater percentage of women work part-time than men (86.3% compared to 13.7%). There is a higher proportion of women in all pay grade categories which largely reflect the proportion of women in the existing workforce (58.7 %), except for Reading Senior Manager grades where the percentage of women reduces to 46.2%.

5.9 Disability

5.9.1 In 2020/21, 3.8% of the workforce declared a disability. This is in line with previous years. 2.9% of the new starters during 2020/21 reported themselves as being

disabled. Due to the small number of staff that identify as having a disability it is not possible to carry out any meaningful analysis of disability related to pay grades.

- 5.9.2 A lower percentage of job applicants' state that they have a disability (0.8%) than the existing workforce (3.9%). Applications from employees with a disability are positively encouraged through the Disability Confident scheme, which guarantees an interview for applicants who declare a disability if they meet the minimum criteria for the job they are applying for. The percentage of applicants who prefer not to say or who have not declared if they have a disability has increased significantly in the last 12 months to 80.9%.
- 5.9.3 The actual proportion of staff and job applicants who meet the legal definition of disabled within the Equality Act 2010 (i.e. a physical or mental impairment that has a substantial and long-term negative effect on a person's ability to do normal daily activities) is likely to be far higher than the number who have declared a disability.
- 5.10 One of the actions for the year ahead is to address the increasing numbers of staff and job applicants who 'prefer not to say' or who decline to respond in relation to the equalities monitoring data that we collect. Low equalities monitoring disclosure rates are a problem for many employers, but the information is vital to help address issues accurately and for producing effective action plans. For example, one of the BITC audit recommendations is to increase representation at senior management level for more diverse groups, but disclosure rates for ethnicity are low for this group of staff. We will therefore seek to encourage greater disclosure by explaining how we use intend to use this data.

6. CONTRIBUTION TO STRATEGIC AIMS

- 6.1 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.

7. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 7.1 None.

8. COMMUNITY ENGAGEMENT AND INFORMATION

- 8.1 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 Workforce Profile report for 2020/21, the Gender and Ethnicity Pay Gap Reports for 2021, and the People Strategy.
- 8.2 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 staff newsletter to highlight the gender and ethnicity pay gap information in a proactive way to staff

- The reports will be presented to Personnel Committee on 16 March 2022 for members to note
- A press statement will be issued to bring the report to the attention of local media, residents and businesses.

9. EQUALITY IMPACT ASSESSMENT

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

10. LEGAL IMPLICATIONS

10.1 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.

11. FINANCIAL IMPLICATIONS

11.1 None.

12. BACKGROUND PAPERS

Personnel Committee report - 16 March 2022 - Equality, Diversity and Inclusion Update