

## READING BOROUGH COUNCIL

### ETHNICITY PAY GAP REPORT FOR 2021

#### 1 PURPOSE OF THE REPORT

- 1.1 Reading Borough Council is voluntarily publishing its ethnicity pay gap for the second year, using an even greater range of data to explore our ethnicity pay gap and the reasons for it, so that we can take action to reduce the gap.
- 1.2 The ethnicity pay gap is the percentage difference in the average hourly pay rate for employees from minority ethnic groups compared to the average hourly pay rate for white employees. We calculate our ethnicity pay gap using largely the same methodology as set out in the Government regulations for calculating the gender pay gap, which means that we exclude any individuals with undisclosed ethnicities from our calculations. Unlike for gender, our ethnicity disclosure rate is not at 100% (currently it stands at 94.4%).

#### 2 INTRODUCTION AND BACKGROUND

- 2.1 This report will be published on the Council's website on the [equality, diversity and inclusion policies page](#). 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.

<b>Mean ethnicity pay gap</b>	The difference between the mean hourly rate of pay of white full-pay relevant employees (FPREs) <sup>1</sup> and that of FPREs from minority ethnic groups.
<b>Median ethnicity pay gap</b>	The difference between the median hourly rate of pay of white FPREs and that of FPREs from minority ethnic groups.
<b>Mean bonus gap</b>	The difference between the mean bonus pay paid to white FPREs and that paid to FPREs from minority ethnic groups.
<b>Median ethnicity pay gap</b>	The difference between the median bonus pay paid to white FPREs and that paid to FPREs from minority ethnic groups.
<b>Bonus proportions</b>	The proportions of white FPREs and FPREs from minority ethnic groups who were paid bonus pay during the relevant period.
<b>Quartile pay bands</b>	The proportions of white FPREs and FPREs from minority ethnic groups in the lower, lower middle, upper middle and upper quartile pay bands.

<sup>1</sup> See the [Gov.uk website](#) for a definition and examples of full-pay relevant employees (FPREs)

2.2 For the purpose of this report, the workforce profile at the 'snapshot date' date of 31 March 2021 was 1,624 full-pay relevant employees (FPREs). Data for schools' staff is not included, nor is the children's services workforce which transferred to a separate company, Brighter Futures for Children (BFFC), on 1 December 2018. Table 1 shows the make-up of the workforce by ethnic group.

**Table 1 – Workforce profile as at 31 March 2021 by ethnic groups**

	<b>Number</b>	<b>Percentage</b>
<b>Asian or Asian British</b>	89	5.48%
<b>Black or Black British</b>	103	6.34%
<b>Mixed</b>	48	2.96%
<b>Other Ethnic Groups</b>	6	0.37%
<b>White</b>	1,378	84.85%
<b>Total</b>	<b>1,624</b>	<b>100%</b>

**Table 2 – Overall mean and median ethnicity pay gap and bonus pay gap for Black, Asian and Minority Ethnic Employees**

	<b>Black, Asian and Minority Ethnic Employees</b>	<b>White Employees</b>	<b>Black, Asian and Minority Ethnic Employees' earnings are:</b>
<b>Mean hourly rate</b>	£15.81	£16.51	4.26% lower
<b>Median hourly rate</b>	£14.02	£14.86	5.69% lower
<b>Mean amount of bonus</b>	£1,000	£982.76	1.75% higher
<b>Median amount of bonus</b>	£1,000	£1,000	0% lower

**Table 2a - Mean and median ethnicity pay gap and bonus pay gap for Asian or Asian British Employees**

	<b>Asian or Asian British Employees</b>	<b>White Employees</b>	<b>Asian or Asian British Employees' earnings are:</b>
<b>Mean hourly rate</b>	£17.32	£16.51	4.87% higher
<b>Median hourly rate</b>	£16.25	£14.86	9.33% higher
<b>Mean amount of bonus</b>	£0	£982.76	100% lower
<b>Median amount of bonus</b>	£0	£1,000	100% lower

**Table 2b - Mean and median ethnicity pay gap and bonus pay gap for Black or Black British Employees**

	<b>Black or Black British Employees</b>	<b>White Employees</b>	<b>Black or Black British Employees' earnings are:</b>
<b>Mean hourly rate</b>	£14.50	£16.51	12.21% lower
<b>Median hourly rate</b>	£13.63	£14.86	8.31% lower
<b>Mean amount of bonus</b>	£1,000	£982.76	1.75% higher
<b>Median amount of bonus</b>	£1,000	£1,000	0% lower

**Table 2c - Mean and median ethnicity pay gap and bonus pay gap for employees from Mixed Ethnic Backgrounds**

	<b>Employees from Mixed Ethnic Backgrounds</b>	<b>White Employees</b>	<b>Employees from Mixed Ethnic Backgrounds' earnings are:</b>
<b>Mean hourly rate</b>	£15.82	£16.51	4.17% lower
<b>Median hourly rate</b>	£14.02	£14.86	5.69% lower
<b>Mean amount of bonus</b>	£0	£982.76	100% lower
<b>Median amount of bonus</b>	£0	£1,000	100% lower

**Table 2d - Mean and median ethnicity pay gap and bonus pay gap for employees from Other Ethnic Groups**

	<b>Employees from Other Ethnic Groups</b>	<b>White Employees</b>	<b>Employees from Other Ethnic Groups' earnings are:</b>
<b>Mean hourly rate</b>	£15.85	£16.51	4.01% lower
<b>Median hourly rate</b>	£13.73	£14.86	7.60% lower
<b>Mean amount of bonus</b>	£0	£982.76	100% lower
<b>Median amount of bonus</b>	£0	£1,000	100% lower

**Table 1 – Overall proportion of Black, Asian and Minority Ethnic Employees and White Employees who received a bonus**

	Black, Asian and Minority Ethnic Employees		White Employees	
<b>FPREs Total</b>	246		1,378	
<b>Proportion of all those receiving a bonus</b>	1	0.97%	29	2.10%

**Table 2a –Proportion of employees in each ethnic group who received a bonus**

<b>Ethnic Group</b>	Asian or Asian British		Black of Black British		Mixed Ethnic Backgrounds		Other Ethnic Backgrounds		White	
<b>FPREs Total</b>	89		103		48		6		1,378	
<b>Proportion of all those receiving a bonus</b>	0	0%	1	0.97%	0	0%	0	0%	29	2.10%

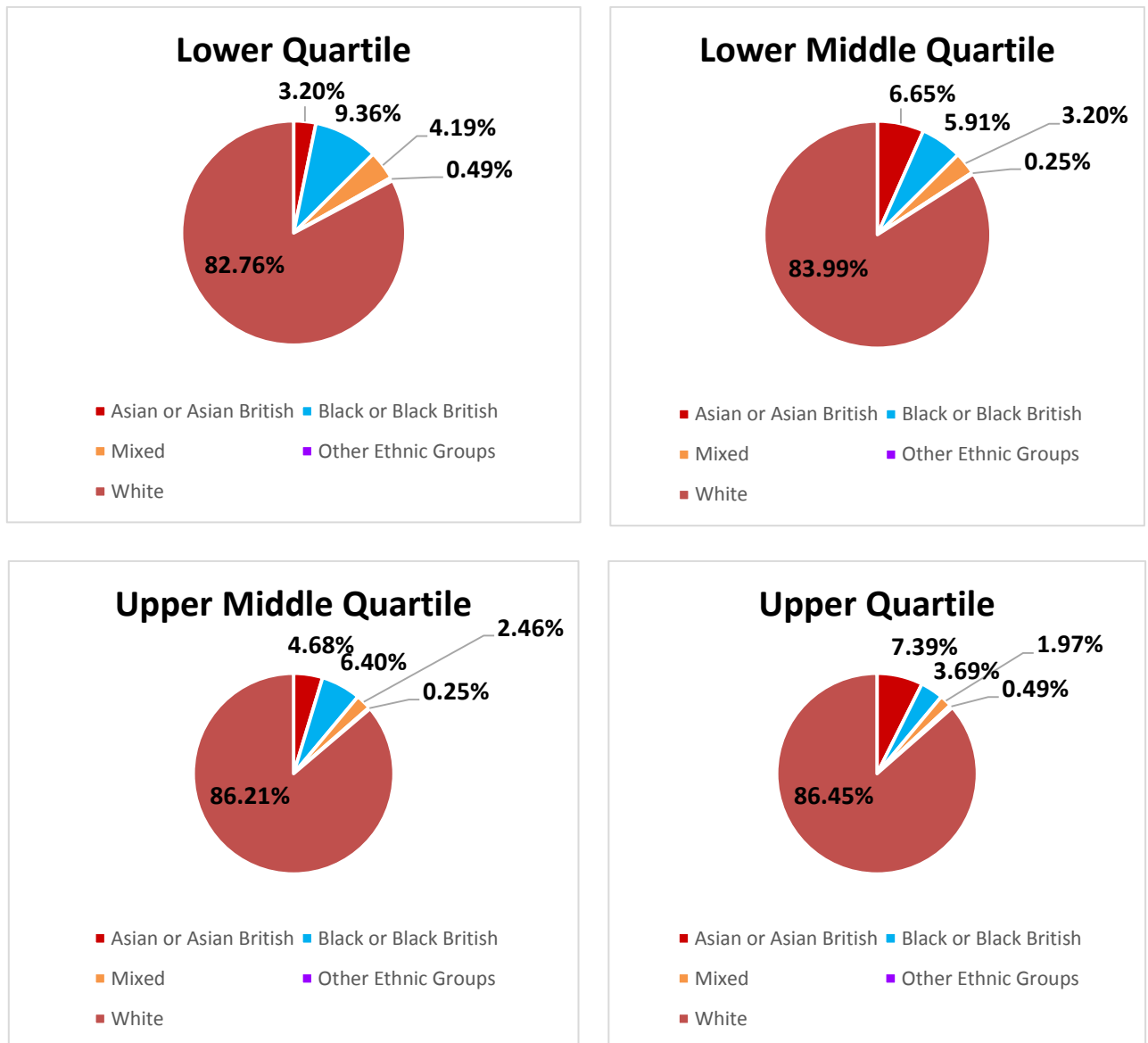
### 3 ANALYSIS

- 3.1 **Table 2** shows that the Council’s mean pay gap for Black, Asian and Minority Ethnic employees for 2021 is 4.26% and the median is 5.69%. In 2020, the mean pay gap was 6.88% and the median pay gap was 0.28%. Nationally, in 2019 (the latest data available<sup>2</sup>), the median hourly pay for white ethnic employees was £12.40 per hour compared to those in minority ethnic 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%.
- 3.2 **Tables 2a to 2d** show this data broken down further 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 than their white colleagues on average for both the mean and median pay gaps.
- 3.3 **Tables 2 and 2a to 2d and Tables 3 and 3a** show 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.
- 3.4 Long service awards are in recognition of achieving 20 years’ continuous service. The Council is currently running two long service schemes with varying cash values:

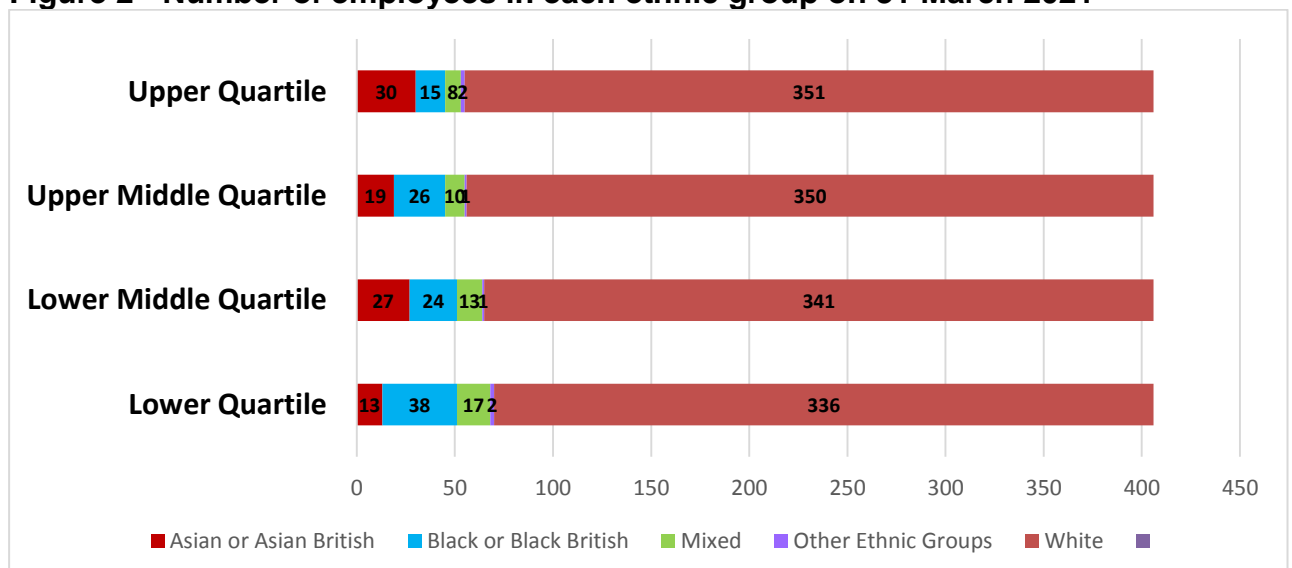
<sup>2</sup> Source: Office for National Statistics - Annual Population Survey 2019

- 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.
- 3.5 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 0% median bonus ethnicity pay gap.
- 3.6 **Figures 1 and 2** illustrate the breakdown of employees by ethnic group in each pay quartile. 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.
- 3.7 **Figures 3a to Figure 3d** illustrate the breakdown of employees from each minority ethnic group compared to White employees 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 RG2 to RG4.
- 3.8 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.

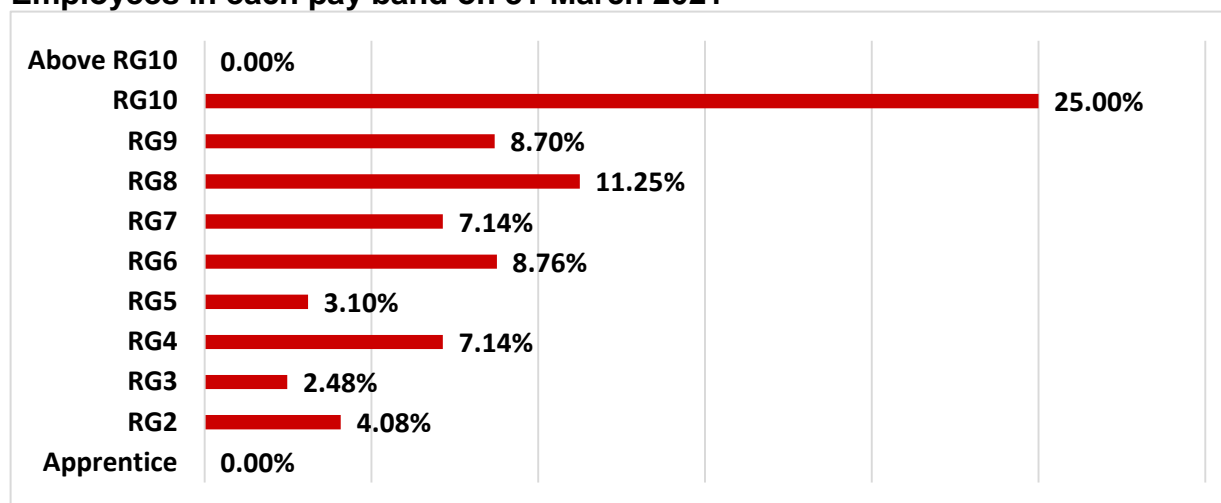
**Figure 1 - Proportion of employees in each pay quartile by ethnic group on 31 March 2021**



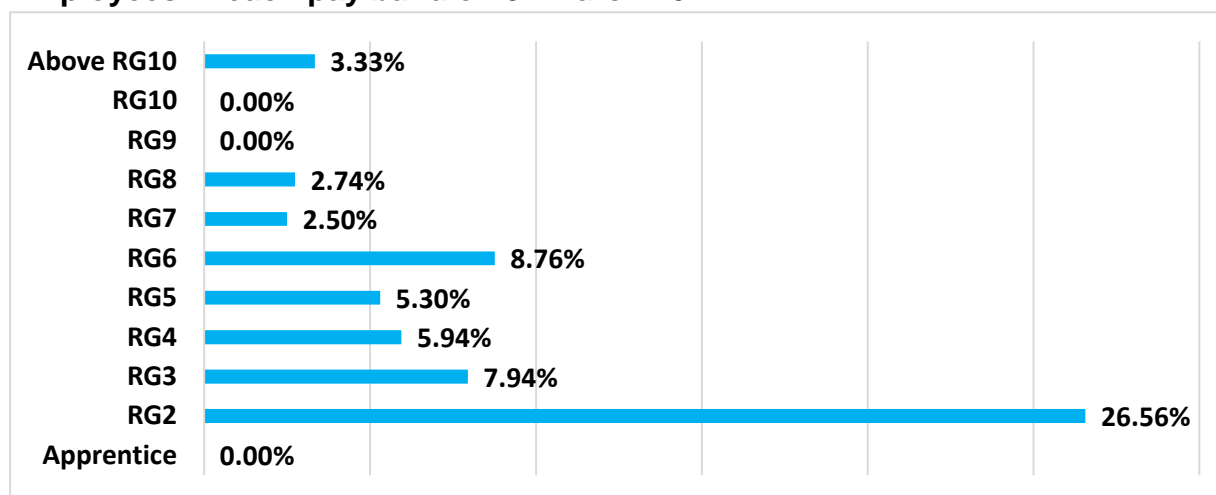
**Figure 2 - Number of employees in each ethnic group on 31 March 2021**



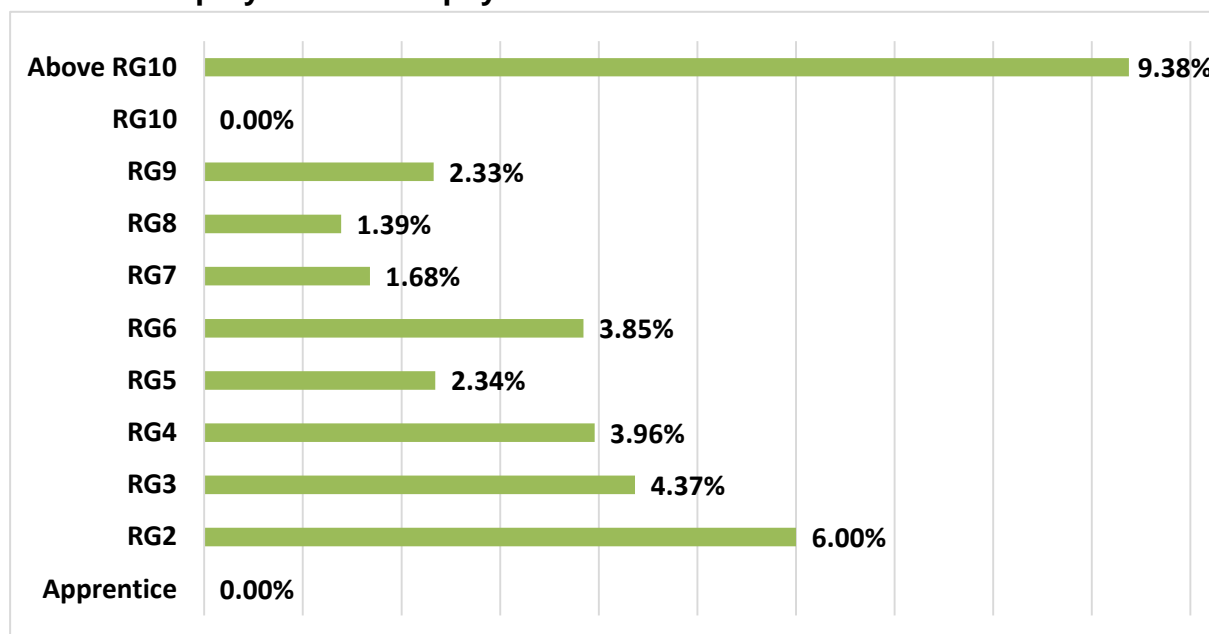
**Figure 3a - Proportion of Asian or Asian British employees compared to White Employees in each pay band on 31 March 2021**



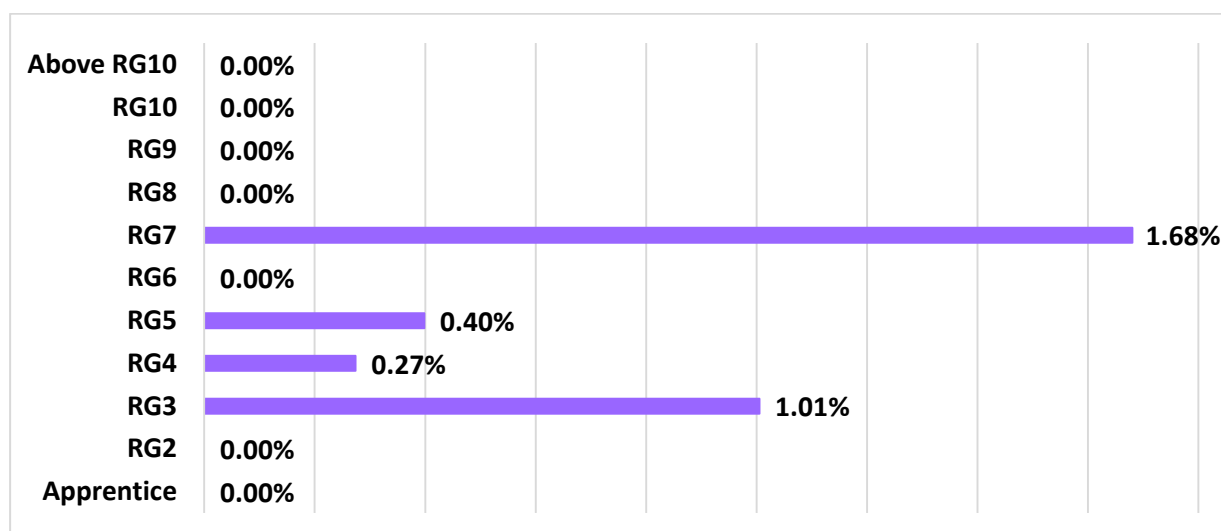
**Figure 4b - Proportion of Black or Black British employees compared to White Employees in each pay band on 31 March 2021**



**Figure 5c - Proportion of employees from Mixed Ethnic Backgrounds compared to White Employees in each pay band on 31 March 2021**



**Figure 6d - Proportion of employees from Other Ethnic Groups compared to White Employees in each pay band on 31 March 2021**



## 4 ACTION PLAN TO REDUCE THE ETHNICITY PAY GAP

- 4.1 The Council commissioned Business in the Community (BITC) in 2021 to review our approach to Equality, Diversity and Inclusion. They reviewed our policies, processes and initiatives, and gained 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 2020/21 findings, and Gender and Ethnicity Pay Gap reports for 2021, are being used to create a Team Reading Equality, Diversity and Inclusion Action Plan and Equality, Diversity and Inclusion Strategy, which will be monitored regularly by the Corporate Management Team and Personnel Committee.



- 4.2 There is a small proportion of employees (5.6%) who have either not been asked to provide their ethnicity or have chosen a 'prefer not to say' response. Low ethnicity disclosure rates are a problem for many employers, but the information is vital to help address any ethnicity pay gaps accurately and for producing effective action plans. We will therefore seek to encourage all employees to disclose their ethnicity, explaining how we use this data.
- 4.3 Promote the benefits of working for the Council both internally and externally, such as apprenticeship opportunities, flexible hours and hybrid working arrangements, our diversity commitments etc.
- 4.4 Continue to require recruiting managers to complete 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 to encourage more employees to enhance their skills and qualifications, giving them greater opportunities to progress their careers.