

Brighton & Hove City Council Ethnicity Pay Gap Report 2020-21

1. Introduction

1.1. The government launched a consultation to review ethnicity pay gap reporting in October 2018. It sought the opinion of employers on various questions such as what ethnicity pay information should be reported, which employers should report and if employers identify disparities, should they be required to publish an action plan. This consultation closed on 11 January 2019 and the government's response to the consultation is yet to be published. As at May 2021 ethnicity pay gap reporting is not a statutory requirement. The Government's consultation document is included at Appendix A.

1.2. The council is publishing the workforce ethnicity pay gap on a voluntary basis. In the absence of a mandatory framework for ethnicity pay gap reporting, the council have chosen to replicate the measures used in gender pay gap reporting, and to follow the Office of National Statistics (ONS) guidelines for ethnic origin groupings. Therefore, this report includes:

- the mean and median ethnicity pay gaps
- the mean and median ethnicity bonus pay gaps
- the proportions of Black and Minority Ethnic (BME) and White British employees* who received a bonus
- the proportions of BME and White British employees in each pay quartile

*Please see Appendix B for ethnic origin groupings. In line with the ONS ethnicity pay gap reporting, White British is made up of White British/English/Welsh/Scottish/Northern Irish groups. Ethnic minorities include White minorities such as White Irish. Please note the group White Irish is well represented across varied pay levels at the council and could therefore potentially skew the ethnicity pay gap such that it appears smaller, this is explored later in the report at point 6.4.

1.3. The ethnicity pay gap shows the difference in the average pay between all BME staff in a workforce and White British. Where there is a positive percentage, this means that the pay of White British employees is higher than the pay of BME employees. The higher the percentage, the greater the ethnicity pay gap.

1.4. The reporting data includes council employees who have provided their equalities data and were employed on 31 March 2020. Apprentices, seasonal, temporary or casual employees are included if they fall within the reference period created by the snapshot date. Mirroring the gender pay reporting regulations, the data excludes schools-based staff.

- 1.5. The council's workforce equalities data is provided confidentially and voluntarily by individuals working for the council. The council encourages its workforce to share their equalities data to understand the workforce profile and plan actions to address inequalities. Not all employees choose to share their details. This report is based on 87% of the workforce on the snapshot date who have disclosed their ethnicity data. The remaining 13% either preferred not to say, selected 'not known' or did not provide details.
- 1.6. The council publishes this information on its website.
- 1.7. This report relates to the snapshot date of March 31st 2020.

2. Ethnicity Pay and Equal pay

- 2.1 The ethnicity pay gap is different to equal pay. Ethnic pay disparities are not primarily about those from a White British background and other ethnic groups being paid differently for the same job. The Equality Act 2010 makes it unlawful to discriminate (both directly and indirectly) against employees (and people seeking work) because of their race. The cause of an ethnicity pay gap may not fall within the direct control of the employer and is likely to be due to other factors that impose a disadvantage on people from ethnic minorities without being explicitly discriminatory.
- 2.2 The ethnicity pay gap is a measure of the difference between White British individuals and BME individuals average ordinary earnings (excluding overtime) across an organisation or the labour market. It is expressed as a percentage of White British individual earnings. Both the mean (average) and median hourly rates are reported.
- 2.3 The council supports the fair treatment and reward of all staff irrespective of race or other characteristics. This report sets out the council's ethnicity pay gap including analysis of our ethnicity pay gap by grade and the council's action plan to tackle the gap.

3. Ethnicity Pay Gap Reporting

- 3.1 Mean and Median Pay Gap Reporting: Brighton & Hove City Council has a positive pay gap for both the mean and median gross hourly rates, i.e. on average White British employees are paid more than BME employees.
- 3.2 The **Mean** (average) ethnicity pay gap in hourly pay is **7%**.
- 3.3 The **Median** (middle) ethnicity pay gap in hourly pay is **3.1%**.
- 3.4 **Salary quartile reporting** is calculated by sorting employees by their hourly rate, from the lowest to the highest, then splitting them into four equal quartiles to show the proportions of White British and BME employees in each group. Definitions of the salary quartile information are shown in appendix C.

Quartile & Hourly rate range		% White British in Quartile	% BME in Quartile
1. Lower Quartile	£7.70 - £11.54	79.9	20.1
2. Lower Middle Quartile	£13.55 - £13.99	82.3	17.7
3. Upper Middle Quartile	£13.99 – £18.03	81.8	18.2
4. Upper Quartile	£18.03 - £82.52	86.5	13.5

3.5 Bonus pay reporting. The council does not pay bonuses, as such no figures are reportable.

4. Supporting Narrative

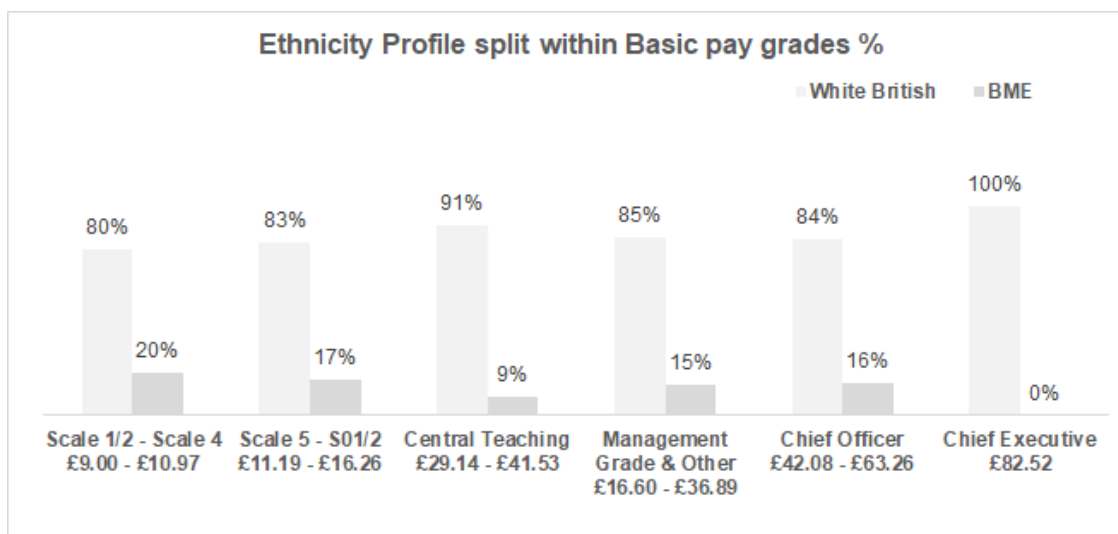
- 4.1 The council's overall workforce ethnicity profile is 83% White British and 17% BME.
- 4.2 4,061 employees are included in the reporting data. These employees hold 4,222 employees job roles in the pay period comprising of 3877 contracted role and 345 casual roles. As per reporting requirements employees on less than full pay have been excluded.
- 4.3 The mean hourly rate of pay for White British employees was £16.04. The mean hourly rate for BME employees was £14.91, this results in the reported 7% difference.
- 4.4 The median hourly rate of pay for White British employees was £13.99. The median hourly rate for BME employees was £13.55, this results in the reported 3.1% difference.
- 4.5 **Salary Quartiles.** The % of BME employees in each quartile is lower than the % of White British employees. This is similar to the overall workforce ethnicity profile of 17% noted above. The highest % representation of BME employees is at the lower quartile (20.1%), with higher representation than the workforce profile at the lower middle quartiles (17.7%), and upper middle (18.2%). The upper quartile shows the lowest proportion (13.5%).

Within quartiles the mean ethnicity pay gap is less than 0.8% for the first 3 quartiles, with the gap increasing at the upper quartile to 4.5%. In contrast the median ethnicity pay gap within quartiles is less than 0.8% for the top 3 quartiles, increasing to 2% for the lower quartile.

Quartile Ethnicity Pay Gap		White British £	BME £	Pay Gap by Quartile %
1. Lower Quartile £7.70 - £11.54	Mean hourly rate	10.29	10.26	0.3
	Median hourly rate	10.14	9.94	2.0
2. Lower Middle Quartile £13.55 - £13.99	Mean hourly rate	12.71	12.62	0.7
	Median hourly rate	12.44	12.36	0.6
3. Upper Middle Quartile £13.99 – £18.03	Mean hourly rate	15.94	15.88	0.4
	Median hourly rate	16.26	16.26	0.0

4. Upper Quartile £18.03 - £82.52	Mean hourly rate	24.63	23.52	4.5
	Median hourly rate	21.27	21.13	0.7

4.6 **Basic Pay.** The ethnicity profile within the council's main basic pay grades similarly reflects the workforce ethnicity profile hourly pay rates between £9.00 and £10.97 where 20% of those on these grades are BME, 80% White British. Management grades have an ethnicity profile of 85% White British and 15% BME, and for Chief Officer grades 16% are BME, 84% White British.



The distribution of ethnic groups across the pay grades shows a more balanced picture. Proportionately more BME employees (75%) hold roles with hourly pay rates between £9.00 - £16.26, compared to White British (69%). Of all BME employees 23% hold management graded roles, this is 5% less than all White British employees (28%) where the hourly rate range is between £16.60 - £36.89. Reaching Chief Officer pay grades, 0.5% of all White British employees are on these pay grades, compared to 0.4% of all BME employees.



- 4.7 Pay & Grading – The council’s annual pay policy statement provides details of the council’s pay and grading arrangements and can be found [here](#).
- 4.8 **Male ethnicity pay gap.** The median hourly rate for male White British employees is £13.64, and £13.63 for male BME employees. This gives a positive male ethnicity pay gap of 0.1%. This means male White British employees are paid 0.1% more per hour than BME male employees.
- 4.9 **Female ethnicity pay gap.** The median hourly rate for female White British employees is £14.46, and £13.53 for female BME employees. This gives a positive female ethnicity pay gap of 6.4%. This means female White British employees are paid 6.4% more per hour than female BME employees.
- 4.10 **BME gender pay gap.** The median hourly rate for male BME employees is £13.63, and £13.53 for female BME employees. This gives a gender BME pay gap of 0.7%. This means male BME employees are paid 0.7% more per hour than female BME employees.
- 4.11 **White British gender pay gap.** The median hourly rate for male White British employees is £13.64, and £14.46 for female White British employees. This gives a White British gender pay gap of -6%. This means female White British employees are paid 6% more per hour than male White British employees.
- 4.12 The council has reported an overall workforce negative median gender pay gap of -2.5%, which means female employees are paid 2.5% more per hour than male employees.

5. How figures compare nationally

- 5.1 The Office of National Statistics* latest figures from 2019 reported a 2.3% national median ethnicity pay. This is 0.8% lower than the council’s 3.1% reported ethnicity pay gap. The ONS reported a median hourly pay for White British groups as £12.40 per hour compared with those in an ethnic minority group at £12.11 per hour. The council’s reported median hourly rates are higher with £13.99 for comparable White British groups compared with those in an ethnic minority at £13.55 per hour.
- 5.2 Of those organisations that have published ethnicity pay gap data similar to the council there is a trend towards a concentration of BME staff in lower grades and an absence or under-representation of BME staff at senior grades.
- 5.3 **Ethnicity Pay gaps by gender.** The ONS latest figures report that ethnic minority men earned 6.1% less than White British men, whilst the hourly pay of ethnic minority women was 2.1% more than White British women. The council reports significantly different pay gaps, where White British men earned 0.1% more than ethnic minority men, and White British women earned 6.4% more than ethnic minority women.

*ONS 2019 Ethnicity Report Link:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2019>

6. Summary & Actions

- 6.1 The council is confident that its ethnicity pay gap does not stem from an equal pay issue. In 2010 the council introduced a new pay and grading system to ensure all roles are graded using a recognised job evaluation system to make sure individuals receive equal pay for equal work. In 2013 a new system of allowances and expenses was implemented to ensure consistency across the workforce.
- 6.2 The council's ethnicity pay gap shows that on average (by both measures) White British employees are paid more than BME employees and this is similar to the national ethnicity pay gap. This is because we have more White British employees in higher graded posts.
- 6.3 The analysis of our March 2020 ethnicity pay gap figures tell us that our pay gap is because BME employees hold fewer management and senior positions within the council than White British employees. While BME employees made up 17% of our overall workforce in March 2020, only 15% of employees holding management grade roles are BME, and 16% of employees holding Chief Officer roles are BME. These grades attract the highest levels of remuneration. This is similarly reflected in the pay quartile reported figures where the upper quartile was made up of 13.5% BME employees and 85.6% White British employees.
- 6.4 The reporting method used to calculate an overall percentage ethnicity pay gap using White British as the base comparator group means that all Black and Ethnic Minority groups are reported as one BME group. This will inevitably impact the overall reported headline pay gap figures. Looking at the proportions of BME and White British employees in each basic pay grade and pay quartile allows us to consider where ethnic minorities are concentrated in terms of pay and identify any apparent barriers to progression.
- 6.5 Future ethnicity pay gap reporting, where total numbers allow for meaningful analysis and do not risk disclosure of individuals, could explore the data at a more granular level of detail. This might include reporting individual ethnic minority pay gaps, which could identify variations in outcomes within the current groupings. For example, data for this reporting period shows that the council's median pay gap for Black African staff is positive at 13%, meaning White British employees are paid 13% more. Conversely, there are negative pay gaps for Indian staff (-29%) and White Irish staff (-18%). This means that as a median pay gap, Indian and White Irish employees are paid 29% and 18% more respectively than White British.

- 6.6 The council is committed to improving the diversity of its workforce to reflect its communities and ethnicity forms part of our wider inclusion agenda.
- 6.7 As part of the Public Sector Equality Duty, the council carries out regular equalities monitoring in respect of the following aspects of employment:
- workforce composition
 - recruitment and retention
 - employment casework
 - employee satisfaction via the Annual Staff Survey
- 6.8 Historically, the insight provided by this data has also been used to develop actions to address any difference in outcomes identified for different staff groups.
- 6.9 Following feedback from our 2017 Staff Survey the council developed five commitments known as ‘Our People Promise’, one of which is:

“We promise that we will be a fair and inclusive place to work by working towards having a workforce that is reflective of the communities we serve, and where everyone experiences dignity and respect in the workplace.”

The work programme to deliver this promise, our co-created ‘Fair and Inclusive Action Plan’ has a comprehensive range of outputs to support the recruitment, retention and progression of BME staff. See Appendix D for a link to the Council’s Fair & Inclusive Action Plan.

Appendix A

Link to Governments 2019 Consultation on Ethnicity Pay Gap Reporting:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/747546/ethnicity-pay-reporting-consultation.pdf

Appendix B

Ethnic Origin Groupings for reporting purposes. In line with the Office of National Statistics (ONS) ethnicity pay gap reporting, White British is made up of White British groups. Ethnic minorities include White minorities.

Ethnic Origin	Grouping for Ethnicity Pay Gap Reporting
Any other Asian background	BME
Any other background	BME
Any other Black background	BME
Any other Ethnic background	BME
Any other ethnic group	BME
Any other Mixed background	BME
Any other White background	BME

Arab	BME
Bangladeshi	BME
Black - African	BME
Black - Caribbean	BME
Chinese	BME
Indian	BME
Pakistani	BME
White British - British	White British
White British - English	White British
White - Gypsy / Irish Traveller	BME
White - Irish	BME
White British - Northern Irish	White British
White British - Scottish	White British
White British - Welsh	White British
White and Asian	BME
White and Black African	BME
White and Black Caribbean	BME

Appendix C

Hourly Pay Definition for the purposes of calculating the mean and median hourly rates.

Pay will include:

- basic pay
- paid leave, including annual leave, sick leave, maternity, paternity, adoption or parental leave (except where an employee is paid less than usual because of being on any such leave)
- area and other allowances
- shift premium pay
- pay for piecework
- bonus pay

It will not include:

- overtime pay
- expenses

Full-pay Relevant Employee Definition

“Full-pay relevant employee” means a relevant employee who is not, during the relevant pay period, being paid at a reduced rate or nil as a result of the employee being on leave. Employees who receive no pay at all during the relevant pay period, whether or not this is as a result of being on leave are excluded from the ethnicity pay gap calculations. “Leave” includes—

(a) annual leave

(b) maternity, paternity, adoption, parental or shared parental leave

(c) sick leave and

(d) special leave

Pay Quartiles

This calculation requires an employer to show the proportions of White British and BME “full-pay relevant employees” in four quartile pay bands. This is done by dividing the workforce (so far as possible) into four equal sections to determine the lower, lower middle, upper middle and upper quartile pay bands. Where employees receiving the same hourly rate of pay fall within more than one quartile pay band, a relative proportion of BME and White British employees receiving that rate of pay was assigned to each of those pay quartiles.

Appendix D

Link to the Council’s Fair and Inclusive Action Plan: <https://www.brighton-hove.gov.uk/fair-and-inclusive>

