

Brighton & Hove City Council

Strategy, Finance & City Regeneration Committee

Agenda Item 66

Subject: Fair and inclusive update including pay gap reports

Date of meeting: 7 December 2023

Report of: Executive Director, Governance, People and Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 This report is a regular update on the council's progress in meeting Our People Promise commitment to be a fair and inclusive place to work. It provides an update on our current position and outlines our priorities and future actions.

1.2 The report includes the 2022-23 annual workforce equalities report (Appendix 1) and 2023 gender, ethnicity and disability pay gap reports (Appendix 2, 3 and 4 respectively).

1.3 The co-created Fair & Inclusive Action Plan (FIAP) is in place to address disproportionate outcomes for diverse staff groups and communities across the council and city. Workforce actions include activity to achieve proportionate representation at all levels, which should remove any pay gaps and to ensure all our staff feel a sense of belonging.

2. Recommendations

It is recommended:

2.1 That Committee notes the report and continues to support and champion actions within the FIAP.

2.2 That the organisation continues to ensure ethnically diverse panels for all senior posts, and that resource is identified as soon as possible to ensure diverse panels for all recruitment across the council where practicable.

2.3 That additional guidance is provided to ensure full use is made of positive action that can be applied during recruitment processes including candidate anonymisation and use of [Section 159 of the Equality Act 2010](#) (tiebreaker provision).

2.4 That the organisation allocates resource effectively and prioritises areas where workforce profile data shows the most under-representation.

3. Context and background information

3.1 The council's FIAP was reviewed with stakeholders in Q4 2022-23 and [the updated 2023 – 27 plan](#) was agreed in June 2023 at Corporate Equality Delivery Group.

3.2 At the end of March 2023, the council updated its workforce profile targets following release of Census 2021 data for the local economically active population.

3.3 The workforce profiles of our BME and White Other staff have increased at a faster pace than the city's economically active population over the last 9 years, although both groups remain under-represented compared with 2021 Census data.

3.4 In the six months since 31 March 2023, we have seen 0.7% and 0.1% percentage point increases in the workforce profiles of BME and White Other staff respectively. We have also seen 0.4% increase in the workforce profile of disabled staff.

3.5 10.4% of the workforce now are from BME backgrounds, compared with a target of 12.2%. For White Other staff the current figure is 8.8%, compared with a target of 13.1%. Disabled staff are also now under-represented in the workforce (8.8%) compared with the current workforce profile target which has increased to 11.7% compared to 7.5% in the 2011 Census.

3.6 Men remain under-represented within the council's workforce, with female staff making up 57% of the workforce. Both female and LGBTQ+ staff are more than proportionately represented at all levels.

3.7 The staff survey measures whether staff feel included and a sense of belonging. This measure of inclusion does not necessarily follow on directly from diversity. For instance, White Other staff are currently most under-represented, but respond more positively to the staff survey question 'the organisation feels like a fair and inclusive place to work' when compared with the organisational benchmark. It is important that our actions focus on improving the experience of staff, as well as on achieving diversity through having a representative workforce.

3.8 We will continue to deliver a range of activities under the FIAP workforce workstreams to ensure an inclusive working environment where everyone feels a sense of belonging. Our actions are being reviewed currently following the 2023 staff survey results which show:

- Staff engagement has stabilised at 73% for the organisation as a whole
- The Fair & Inclusive Index has the highest index score (81%) for the organisation as a whole

- All index scores have increased for Black/Black British staff since the 2021 staff survey and are higher than the organisation as a whole, except for the Fair & Inclusive Index (-3%)
- All index scores have increased for Asian/Asian British staff and are higher than the organisation as a whole
- All index scores for disabled staff are lower than the organisation as a whole
- Index scores for bisexual are lower than the organisation as a whole

3.9 The annual workforce equalities report 2022-23 (see **Appendix I**) provides a full update on fair and inclusive work carried out within that period. Of note in the report is the increased diversity of staff employed at M8 and above. This follows a recommendation in the 2021-22 workforce equalities report to focus on senior recruitment and progression, including an action to ensure all panels for senior roles are ethnically diverse.

3.10 Actions and progress from April 2023 to present include:

- Implementing recommendations from an external review of senior recruitment and progression (see **Appendix 5**)
- Updating the secondment, additional payment and recruitment and selection policies; introducing a new fixed-term contract policy
- Delivering a second Diverse Talent Programme for Black and Racially Minoritised staff. 2 of the 15 delegates have been promoted to date
- Commencing a review of the Dignity & Respect at Work policy
- Conducting an external whistleblowing inquiry in one of our services
- Commencing a review of the reasonable adjustments process to improve the experience of disabled colleagues in the workplace
- Providing development opportunities to our Leadership Network to support inclusive leadership.

3.11 Additional actions have been recommended for committee approval to increase the pace of change, particularly around senior recruitment and ensuring a representative workforce. These new actions include ensuring diverse panels for all recruitment where practicable and, ensuring managers have the knowledge and skills to apply positive action at all stages of the recruitment process, including Section 159 of the Equality Act 2010 (tiebreaker provision).

2023 pay gap reporting

3.12 The gender pay gap measures the difference between male and female employee average ordinary earnings (excluding overtime) across the workforce. It is expressed as a percentage of men's earnings. Both the mean (average) and median hourly rates are reported. The council has a negative pay gap for both the mean -6.5% and median -3.0% gross hourly earnings. This means on average the earnings of male employees are less than female employees. We have a negative gender pay gap because we have fewer male employees holding higher paid management and senior positions within the council. The negative gender pay gap has however

reduced, following changes made last year to the lower pay grades. Further details available at **Appendix 2**.

- 3.13 The ethnicity pay gap measures the difference between White and BME employee average ordinary earnings (excluding overtime) across the workforce. It is expressed as a percentage of White employee earnings. Both the mean (average) and median hourly rates are reported. The council has a positive pay gap for both the mean 4.8%, and median 5.2% gross hourly pay. This means the average earnings of White employees is more than BME employees, because we have more White employees in higher graded job roles. Formatting of the report (**Appendix 3**) follows the [government's recent ethnicity pay reporting guidance](#) for employers. The ethnicity pay gap has reduced a following re-organisation of our lowest four pay scales as well as work detailed in the council's fair and inclusive action plan, such as the senior recruitment activity.
- 3.14 There is no government framework for disability pay gap reporting. The council's current format for reporting disability pay gap (**Appendix 4**) was agreed with stakeholders from the Disabled Workers and Carers Network.
- 3.15 The disability pay gap measures the difference in average ordinary earnings (excluding overtime) between employees with no disabilities and employees with a disability across the workforce. It is expressed as a percentage of the earnings of employees with no disabilities. The council has a positive pay gap for both the mean 5.3% and median 5.8% gross hourly earnings. This means on average the earnings of disabled employees are less than employees with no disability. We have a positive disability pay gap because we have fewer disabled employees holding higher paid management and senior positions within the council than employees with no disability.
- 3.16 It is important to note that not all employees chose to share their disability status. This report is based on 81% of the workforce on the snapshot date who have told us their status and excludes employees who have declined to share details.
- 3.17 Equal pay means that people in the same employment performing equal work must receive the same salary and have equal contractual terms, as set out in the Equality Act 2010. An employer can be equal pay compliant and still have a gender, ethnicity or disability pay gap. Actions to address these inequalities have been identified in the workforce equalities 2022-23 report and are being monitored through the council's co-created FIAP.
- 3.18 We will continue to use a range of data, including 2023 staff survey results to support us in identifying disproportionate impacts for our diverse staff groups. We will use this data in collaboration with our staff networks and other stakeholders across the council to inform and prioritise our actions.
- 3.19 Capacity and resource remain an issue in the context of ever-diminishing budgets. It is essential that we allocate resource intelligently and efficiently to the most urgent priorities and deliver within agreed timescales.

4. Analysis and consideration of alternative options

- 4.1 The progress outlined above is on previously Member agreed work under the FIAP and petitions accepted by committees, as well as commitments in the anti-racist and accessible city strategies.

5. Community engagement and consultation

- 5.1 The council's Corporate Equality Delivery Group meets every two months and oversees progress of the FIAP. Membership of this group includes our employee networks, trade unions and other stakeholders. Representatives from the staff networks are also involved in working groups for the various activities within the FIAP. We will also continue to work with the SFCR Black and Racially Minoritised standing invitee.

6. Conclusion

- 6.1 The council continues to diversify its workforce and to see positive impacts of a focussed approach and targeted actions. This focus needs to be applied consistently across the organisation to deliver more change at pace, and some additional recommendations are presented in this report to support this.
- 6.2 The council must continue to evaluate the impact of our actions to ensure we become an increasingly fair and inclusive place to work and to enable our workforce to deliver inclusive and accessible services.
- 6.3 The council remains committed to collaborating across the organisation and with our trade unions, staff networks, communities and other key stakeholders to achieve our commitment to being a fair and inclusive place to work. This approach should minimise risks to the successful delivery of the fair and inclusive programme.

7. Financial implications

- 7.1 There are no direct financial implications arising from the recommendations of this report. Current and planned actions for 2023-24 to address employment outcomes for diverse staff groups can be accommodated within currently approved budgets. Any actions that result in changes with a consequent financial or policy impact outside of the Budget and Policy Framework approved by full Council would need to be brought to SFCR Committee for approval.

Finance officer consulted: Nigel Manvell Date consulted: 16/10/23

8. Legal implications

- 8.1 The Council as a public authority is under a legal duty to ensure compliance with the Public Sector Equality Duty which is covered below. In accordance

with section 78 of the Equality Act 2010, the Council is only required to publish gender pay gap reports. However, the Council is under no statutory duty to publish ethnicity or disability pay gap reports. Therefore, there is no risk of non-compliance in relation to these additional pay gap reports which have been produced.

Name of lawyer consulted: Carol Haynes Date consulted (17/10/2023):

9. Equalities implications

9.1 A part of the Public Sector Equality Duty under the Equality Act 2010, the council must seek to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

9.2 The co-created Fair & Inclusive Action Plan has clearly defined actions delivered in collaboration with key stakeholders. It will support all these aims and bring benefits to council employees as well as to the reputation of, and trust and confidence in the council across the city.

Name of equalities officer consulted: Deborah Totney Date consulted (29/11/2023):

10. Sustainability implications

10.1 None identified.

Supporting Documentation

Appendices

1. Workforce Equalities Report 2022-23
2. Gender Pay Gap Report 2023
3. Ethnicity Pay Gap Report 2023
4. Disability Pay Gap Report 2023
5. Recommendations and responses to external senior recruitment review