



General Purposes Committee
22 July 2019

**Report of Director of Legal, HR,
Audit & Investigations**

REPORT TITLE Ethnicity Pay Gap – Closing the Gap

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	<p>Appendix 1 Proportion of BAME and White employees in each pay quartile by pay grade.</p> <p>Appendix 2 Proportion of BAME and White employees in each pay quartile by department.</p> <p>Appendix 3 Occupational groups across the council of significant size and their ethnicity make-up.</p> <p>Appendix 4 Internal promotions by quartile and department.</p>
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	<p>Martin Williams Head OF Human Resources 020 8937 3209 Martin.Williams@Brent.gov.uk</p>

1.0 Purpose of the Report

- 1.1 To provide the Committee with information on the ethnicity make-up of the council's employed workforce across the pay quartiles to increase understanding and better inform priority actions to reduce the ethnicity pay gap (EPG).

2.0 Recommendation(s)

- 2.1 Note and comment on the findings from the analysis of the pay quartiles.

- 2.2 Note that priority actions should focus on the advancement of pay for Black and Minority Ethnic (BAME) employees.
- 2.3 Note that the promotion of data disclosure by employees will remain a priority in order to produce meaningful and good quality data analysis, with communication to all Council staff.

3.0 Detail

- 3.1 Although there is no current legal requirement to publish ethnicity pay gap information, in the interests of transparency, Brent published information on its pay gap for ethnicity alongside that on its pay gap for gender.
- 3.2 In May 2019, a report was considered by the Council Management Team (CMT) in response to a request to provide further analysis of the gender make-up of the pay quartiles from March 2018 and review priority actions to reduce Brent's Gender Pay Gap (GPG).
- 3.3 At this time, CMT requested a similar report to show a detailed analysis of the EPG to be able to review priority actions for closing the EPG going forward.
- 3.4 Brent's EPG for 2018 was median 14.2% and mean 17.3%. The proportion of BAME employees in each pay quartile was as follows:

Upper Quartile (UQ)	47%
Upper Middle Quartile (UMQ)	65%
Lower Middle Quartile (LMQ)	76%
Lower Quartile (LQ)	77%

- 3.5 The pay quartiles are determined by ranking all employees by their hourly rate of pay and dividing the total equally by 4.
- 3.6 As at March 2018, we did not know the ethnicity of 37% of the workforce as they had chosen not to say. Therefore, this report will focus on the data for those staff for whom we knew their ethnicity.
- 3.7 The data has been broken down for each pay quartile and analysed on the following basis:
- Proportion of BAME and White employees by pay grade (Appendix 1).
 - Proportion of BAME and White employees by department (Appendix 2).
 - Occupational groups across the council of significant size and their ethnic makeup (Appendix 3).
 - Internal promotions by quartile and department (Appendix 4).
- 3.8 The BAME group includes Black, Asian, Mixed and Other groups. The White group refers to White/ British and White/Other groups.

4.0 Findings

- 4.1 The following were the main findings:

- 66% of the workforce belong to the BAME group which means 34% belong to the White group.

By Pay Grade

- Overall BAME employees form the majority in every quartile except the UQ.
- There is a greater proportion of BAME employees in the LQ and LMQs and a more equal proportion in the UMQ when compared to the workforce as a whole
- BAME employees are less well represented in the UQ, where White employees are in the majority with 53%
- Within the UQ, White employees are in the majority in every HAY grade except HAY 2 where there are equal percentages.
- At the other end of the spectrum in the LQ 23% are White, which is lower than the proportion of White employees in the workforce overall.

By Department

- White employees are in the majority in the UQ in all departments except the Community and Wellbeing and Resources departments
- BAME employees are in the majority in the LQ in all departments except in Chief Executives department
- In the Resources department, BAME employees are in the majority in every quartile and in the department overall at 70% which is similar in proportion to the number of BAME employees in the workforce overall
- This is similar in the Community and Wellbeing department, where overall 74% are from the BAME group

By Occupational Groups

- The main occupational groups used in the analysis were social work (qualified), administration, customer services, IT and planning.
- Application Support Officers (IT) and Social Workers have the greatest proportion of BAME employees in the UQ and UMQ
- In the LQ and LMQs, the greatest proportion of BAME employees were in Administration Officer, Assessment Officer (Resources), Customer Services and Social Worker Assistant type roles

Starting salaries

- Given the relatively short period covered by the analysis, the sample size and lack of data disclosure by employees, it has not been possible to report on any meaningful analysis using the starting salaries by ethnicity within this report.

Promotions

- Within all quartiles, BAME employees received the majority of promotions in the previous 12 months, even though there is a greater proportion of White employees in the UQ (53%)
- BAME employees also received the majority of promotions within all departments, except the Regeneration and Environment department where there was an equal percentage of promotions between White and BAME employees, which is similar in proportion to the number of White employees in the department overall (48%)
- The majority of promotions in the UQ in all departments were received by BAME employees, except in the Regeneration and Environment department

- The majority of promotions in the Regeneration and Environment department in the UQ (80%) were received by White employees. The UQ in this department is made up of 67% White employees.

5.0 Conclusion

There are many differing factors which may have affected Brent's EPG in March 2018. However, the following factors stand out as being most significant:

- The higher representation in the LQ and LMQ and lower representation in the UQ of BAME employees in the Council as a whole;
- White employees held the majority in all HAY grades except one;
- The number of promotions in the UQ of the Regeneration and Environment department more closely reflects the 67% majority held by White groups in that quartile;
- The higher concentration of BAME employees in the UQ of the Community Wellbeing and Resources departments ;
- The majority of promotions in every quartile belongs to the BAME groups, with promotions of BAME groups forming the majority in all but one department in the UQ.

6.0 Next Steps

- 6.1 Ongoing campaigns to encourage staff to disclose their ethnicity and other characteristics to enable more meaningful analysis,.
- 6.2 Continue to undertake monitoring of new joiners' starting salaries within all grades, with a particular focus on PO5 and above by ethnicity as well as gender
- 6.3 Capture additional information as part of the existing approval process for offering higher starting salaries and start reviewing this to identify any potential discrepancies that may require addressing with regards to ethnicity as well as gender.
- 6.4 Commence monitoring of the take-up of apprenticeship and mentoring programmes and learning and development by ethnicity as well as gender
- 6.5 A report will be brought back to the Committee on the GPG/EPG for 2019 in advance of this being published.

7.0 Financial Implications

- 7.1 All existing and proposed initiatives will be implemented within existing budgets

8.0 Legal Implications

- 8.1 The council has a statutory obligation to publish details of its gender pay gap on its website and to also upload details of the pay gap to a government website by 30 March each year. It is anticipated that a similar requirement will be introduced in respect of the ethnicity pay gap in the future. Brent currently publishes this data on a voluntary basis.

9.0 Equality Implications

- 9.1 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 9.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 9.3 The proposals in this report are intended to narrow the ethnic pay gap in the council’s employer workforce and the impact of the initiatives in this report will be assessed on an on-going basis using data available.

10.0 Human Resources Implications (if appropriate)

- 10.1 The Human Resources implications are contained in the main body of the report.

11.0 Consultation with Ward Members and Stakeholders

- 11.1 None

Report sign off:

DEBRA NORMAN

Director of Legal, HR, Audit & Investigation