

# **Brent Gender, Ethnicity and Disability Pay Gap Reporting**

March 2020

# Introduction

## Gender Pay Gap Reporting

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

The gender pay gap shows the **difference between the average (mean and median) earnings of men and women**. This is expressed as a percentage of men's earnings.

Employers also have to report on the **proportion of males and females in each quartile pay band**. This calculation requires an employer to show the proportions of male and female full-pay equivalent employees in four quartile pay bands, which is done by dividing the salary of the workforce into four equal parts.

## Ethnicity Pay Gap Reporting

Although there is currently no legal requirement to publish ethnicity pay reports, in the interests of transparency to ensure that we identify and address any barriers to entry and progression within the council, we are publishing ethnicity pay data for the second year.

The ethnicity pay gap shows the **difference between the average (mean and median) earnings of the Council's BAME (Black, Asian and Minority Ethnic) employees and White employees (White British and White other)**. Similar to gender pay reporting, this report shows the proportions of BAME and White full-pay relevant employees in four quartile pay bands.

As ethnicity pay gap reporting is not currently a legal requirement, there is very little benchmarking information from other organisations.

## Disability Pay Gap Reporting

At a time when there is also no current legal requirement to publish the disability pay gap, it is thought that in doing so, the agenda for disability equality will be brought to new levels and provide a useful backdrop for current and planned initiatives.

Under the Equality Act 2010 a person is classed as being disabled if they have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

The disability pay gap shows the **difference between the average (mean and median) earnings of the Council's disabled employees and non-disabled employees**. As with gender and ethnicity reporting, the proportion of disabled and non-disabled full-pay relevant employees in each quartile pay band will also be shown. However, as there is very little disability pay gap reporting by other organisations and the requirement to publish this information is not compulsory, again, there is very little benchmarking information.

# Data Notes

This report looks at gender, ethnicity and disability pay differences for all Brent Council employees (2,138) on the GLPC and Hay job schemes (and the small number of employees on other schemes).

This report is based on data taken from the HR database on 31 March 2019. The percentages of information on each characteristic are based on the number of employees who have provided information and therefore where people have chosen not to provide this information, they have been excluded from the calculation.

I can confirm that the data reported by the London Borough of Brent is accurate and has been calculated according to the requirements and methodology set out in the Equality Act 2010 (Specific duties and Public Authorities) Regulations 2017 and using the standard reports provided by our HR Management Information System.

Director of Legal, HR, Audit & Investigations

# Brent's Pay Policy

Brent's Pay Policy is designed to ensure that all employees are treated fairly and consistently on all pay related matters. Brent is committed to paying the London Living Wage to all our directly employed staff, excluding some of our apprentices who are in training.

Every post in Brent is subject to job evaluation when it is created or there is a significant change in the post responsibilities. This involves assessing the post against common criteria to establish its relative value and ensure a consistent and equitable pay structure across the council.

In addition to this, Brent has a commitment to comply with the Equality Act 2010, in which men and women are entitled to equal pay for doing equal work, where pay refers to all aspects of a contractual pay and benefits package and is not restricted to basic pay.

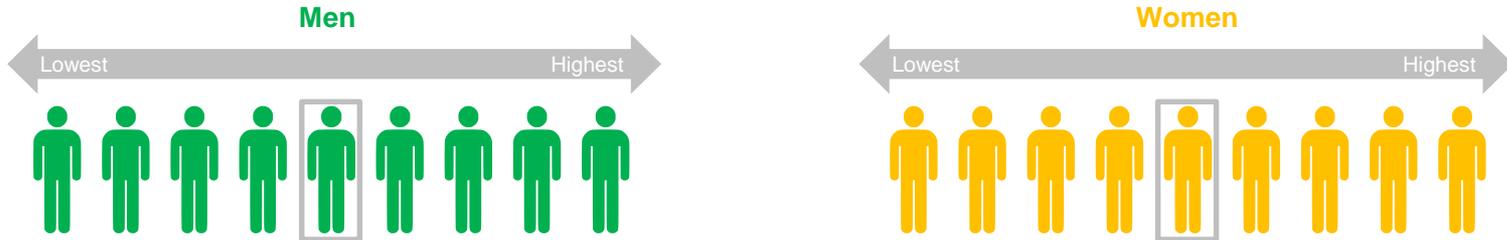
Employees receive an annual pay increment for each year of service until they reach the top of the pay scale for their grade. This means that there will be pay differences within pay grades that can be accounted for by length of service.

## **Brent's commitment to equal pay practices**

The council is committed to equality and fairness for all our employees, including in relation to equal pay practices. An annual gender/ ethnicity/ disability pay analysis goes some way to establishing whether Brent Council is upholding its commitment to equality and its legal obligations.

Please contact the Human Resources on [staffdevelopment@brent.gov.uk](mailto:staffdevelopment@brent.gov.uk) if you have any questions or require further information.

# Mean and Median Pay Gap



## Methodology

The Pay Gap is the difference between women's pay and men's pay as a percentage of men's pay, (or BAME employees' pay and White employees' pay as a percentage of White employees' pay, or disabled employees' pay and non-disabled employees' pay as a percentage of non-disabled employees' pay). A positive % means men, (or White employees or non-disabled employees) have higher pay. These calculations make use of two types of averages:

The **mean** average is arrived at by adding up all of the numbers and dividing the result by the number of people in the list. This places the same value on every number they use, giving a good overall indication of the pay gap, but very large or small pay rates or bonuses can 'dominate' and distort the answer.

The **median** is arrived at by splitting the top 50% of the population from the bottom 50%. It shows the midpoint in all employees' hourly rates of pay so half of employees will earn a rate above the midpoint and half will earn a rate below the midpoint. This gives a better indication of the 'typical' situation in the middle of an organisation, not distorted by very large or small pay rates.

$$\text{Mean gender pay gap} = \frac{\text{Mean pay men} - \text{Mean pay women}}{\text{Mean pay men}} \times 100$$

$$\text{Median gender pay gap} = \frac{\text{Median pay men} - \text{Median pay women}}{\text{Median pay men}} \times 100$$

# Quartiles

This shows the proportions of male and female, (or BAME and White employees, or indeed disabled and non-disabled employees) in four quartile pay bands. Each employee's salary is ordered from lowest to highest, then divided into four equal groups, and the proportion of men and women, the proportion of BAME and White, or the proportion of disabled and non-disabled employees at each pay band is reported.

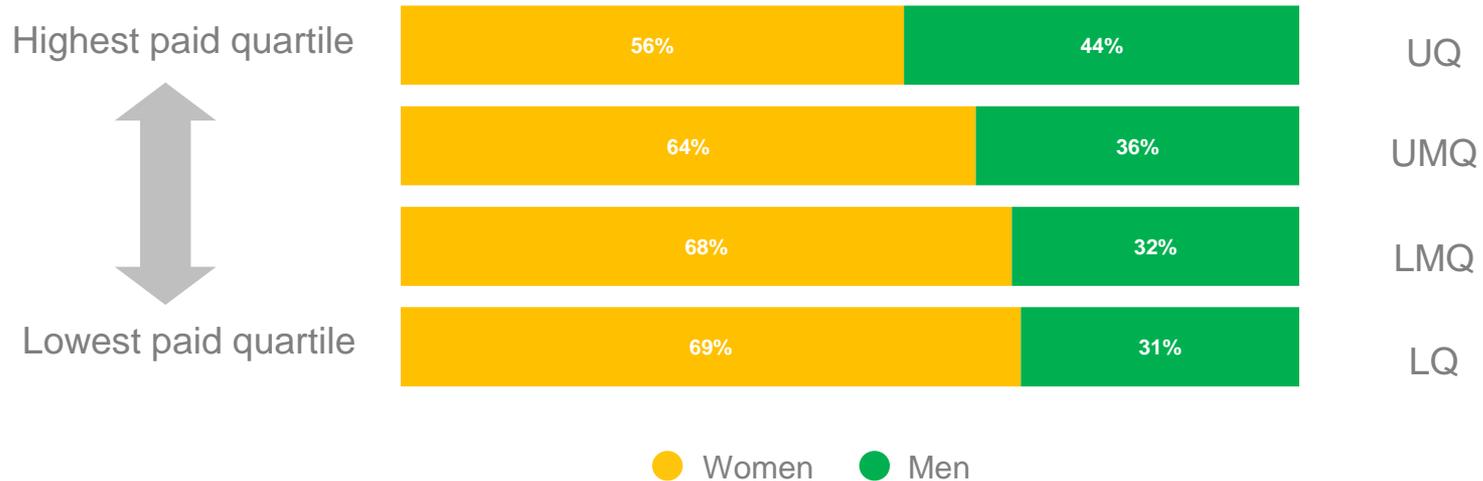
Quartiles are useful to show the distribution of workers, which can help give more context to the mean and median pay gap figures by showing the proportions of employees within the three characteristic groups at different pay levels. For example, if more low-paid workers are women and more high-paid workers are men, this may be the reason for the bigger gender pay gap.



# Gender

Mean gender pay gap = **7.2%**

Median gender pay gap = **6.8%**



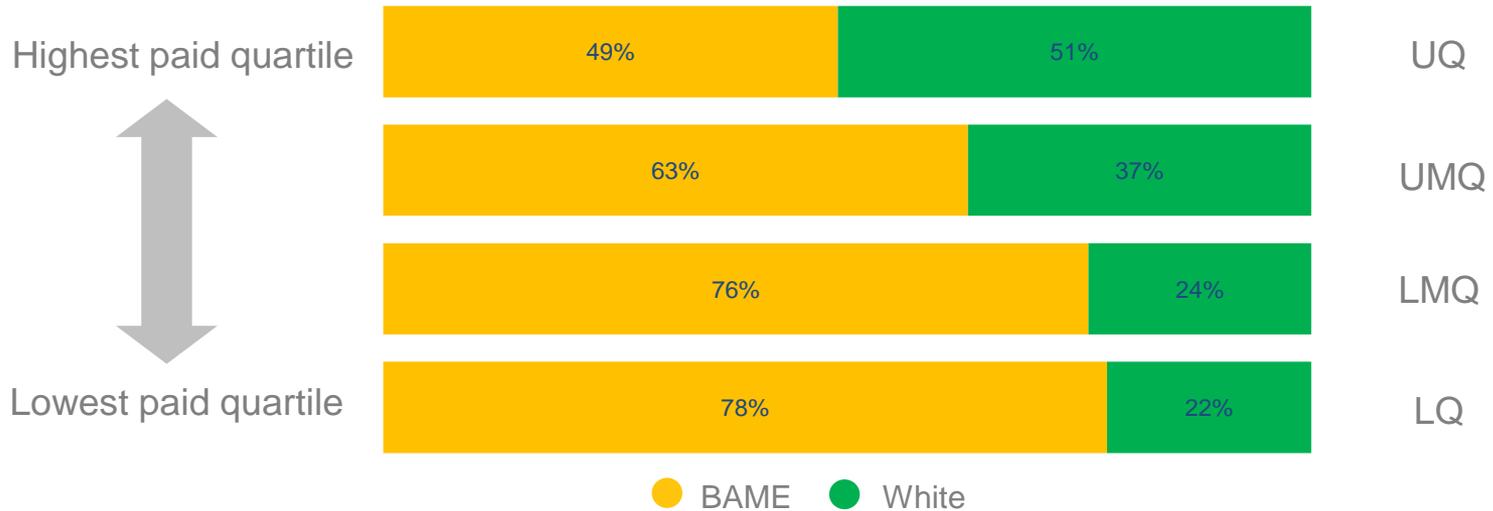
The distribution of male and female employees across the quartiles indicates that the lower paid quartiles of the workforce are comprised of a higher proportion of women, which is likely to be a major factor in the mean and median pay gap.

Overall, the proportion of males and females in the workforce, is broadly the same. Also the proportion of males and females in the highest paid quartile is the same as last year. Whilst the median pay gap is the same as last year, the mean pay gap has decreased from 8.2% to 7.2%. This could be explained by an increase in the number of females in the upper middle pay quartile and an increase in the number of males, in the lower middle (LMQ) and lowest paid quartile (LQ).

# Ethnicity

Mean ethnicity pay gap = **16.4%**

Median ethnicity pay gap = **18.2%**



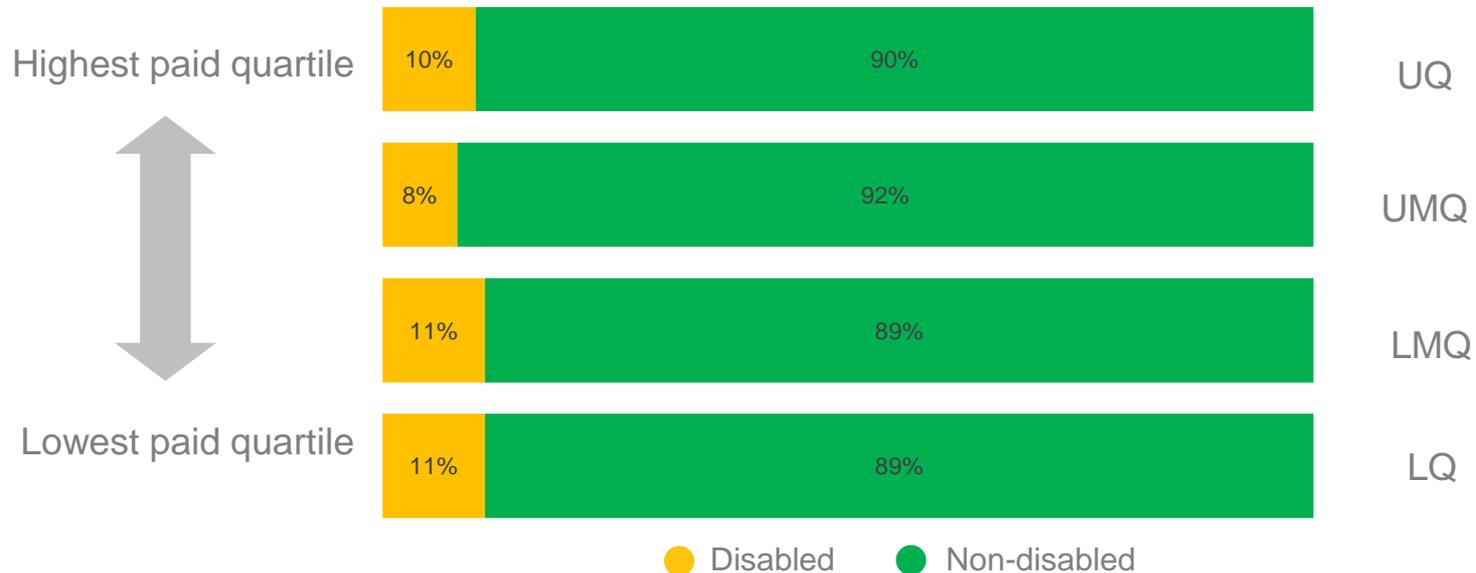
The distribution of BAME and White employees across the quartiles indicates that the lower paid quartiles of the workforce are comprised of a higher proportion of BAME employees, which is likely to be a major factor in the mean and median pay gap.

Since last year, the mean pay gap has decreased from 17.3% to 16.4%. The increase of BAME employees in the highest paid quartile (the upper quartile/UQ) is likely to have been a major factor in the reduction of the mean ethnicity pay gap. The large proportion of BAME employees in the lower paid quartiles, the increase in the number of BAME employees in the lowest paid quartile and the decrease in the number of BAME employees in the upper middle quartile (UMQ) since last year, has contributed to the increase in the median ethnicity pay gap from 14.2% to 18.2%.

# Disability

Mean disability pay gap = **1%**

Median disability pay gap = **4.9%**



There is a fairly even distribution of disabled employees across the pay quartiles in the Council. The slightly higher proportions of disabled employees in the lower two quartiles and the slightly lower proportion of disabled employees particularly in the upper middle quartile may explain the higher median disability pay gap.

# Review of priority actions from 2018/19 – Gender/ Ethnicity

- A review of the internal promotions and progressions by gender and ethnicity showed that overall, more women and BAME groups were promoted than men and White groups respectively. In addition, the proportion within those groups who were promoted broadly reflected the proportion of women/ BAME in the workforce.
- More women new joiners were recruited to a salary of PO5 (£44,691 - £47,541) and above (which is within the highest pay quartile) than men. BAME employees made up 25% of the employees who were recruited to PO5 and above, and for whom ethnicity was known.
- In the cohort of internal up-skilling apprentices who started their apprenticeships in 2018/2019, 71% are female, whilst 80% are from a BAME background.
- From the two cohorts of employees who completed the management development training in 2018, 62% were female and 35% were from a BAME background.

# Priority Actions for 2020/21 – Gender/ Ethnicity/ Disability

- To undertake monitoring of internal promotions and progressions by gender and ethnicity and extend to disability
- To undertake monitoring of new joiners' starting salary for grades PO5 and above by gender and ethnicity and extend to disability.
- Continue to promote management development, apprenticeships, mentoring programmes and disability awareness initiatives as a means to support and encourage career advancement amongst the gender, ethnicity and disability characteristic groups.
- Continue to encourage the disclosure of data amongst employees for better quality data which can more reliably be used for more detailed analysis and meaningful proposals