



# Ethnicity Pay Gap Report as at 31<sup>st</sup> March 2019



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### 1. Introduction

- 1.1. The Government is due to publish the results of its consultation on mandated ethnicity pay gap reporting. This follows on from the gender pay audit obligations which were added to the Equality Act in 2017. The Office for National Statistics (ONS) also published its first report into ethnicity pay gaps in Britain in 2018.
- 1.2. It is considered best practice for organisations to be aware of the ethnicity pay gap within their organisations, although publication is not mandated. A high ethnicity pay gap can indicate there may be a number of issues to deal with, and the individual calculations may help us to identify potential causes.

### 2. What does the audit cover?

- 2.1. In the absence of formal guidance in the way which ethnicity pay gap report should be run, the methodology provided by the gender pay gap was followed.

The ONS ethnicity breakdown is based mostly around the 10-category ethnicity breakdown (Table 1) because a larger breakdown allows observation differences between different ethnic groups rather than that which is otherwise lost when using a more aggregated ethnicity classification. However, they did also produce a five category and two category breakdown. Our report is using the two-category breakdown that we use for the Workforce Race Equality standard and we have also included the data for those whose ethnicity is undeclared.

ONS 10-category ethnicity breakdown	ONS 5-category ethnicity breakdown	ONS 10-category ethnicity breakdown
<ul style="list-style-type: none"> <li>• White British</li> <li>• White Other</li> <li>• Mixed or Multiple ethnic groups</li> <li>• Indian</li> <li>• Pakistan</li> <li>• Bangladeshi</li> <li>• Chinese</li> <li>• Any other Asian</li> <li>• Black African, Caribbean or Black British</li> <li>• Other ethnic group</li> </ul>	<ul style="list-style-type: none"> <li>• White (White British, White Other)</li> <li>• Black African, Caribbean or Black British</li> <li>• Mixed or Multiple ethnic groups</li> <li>• Asian (Chinese, Indian, Bangladeshi, Pakistani, Other Asian)</li> <li>• Other ethnic group (Arab, Other ethnic group)</li> </ul>	<ul style="list-style-type: none"> <li>• White (including White British and White Other)</li> <li>• Ethnic minority group</li> </ul>

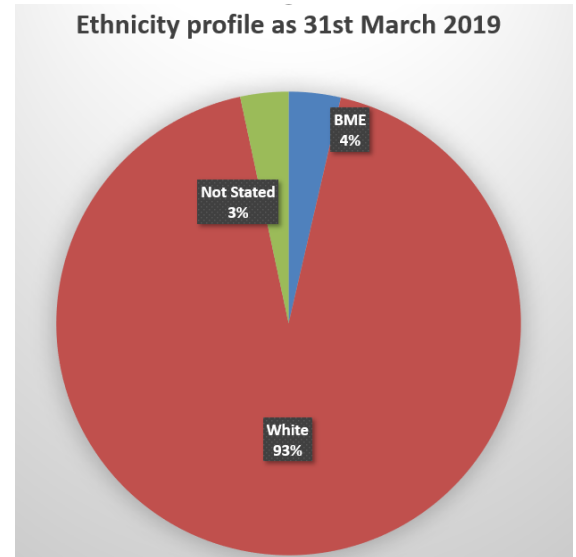
Table 1: ONS ethnicity breakdowns

- 2.2. The ethnicity pay audit is different to equal pay, which looks at the pay differences between people of different ethnicities carrying out the same jobs, similar jobs or work of equal value. Any potential equal pay issues are addressed by adherence to Agenda for Change terms and conditions and pay framework, and our robust and objective job evaluation process. Ethnicity pay gap figures are affected by differences in the ethnic composition across our job grades and roles.
- 2.3. The following calculations were undertaken as part of the audit.
- Mean gender pay gap in hourly pay

- Median gender pay gap in hourly pay
- Mean bonus gender pay gap
- Median bonus gender pay gap
- Proportion of males and females receiving a bonus payment
- Proportion of males and females in each pay quartile

### 3. Our Ethnicity Pay Gap data

3.1. Our data for this submission as at 31<sup>st</sup> March 2019, when the Trust workforce consisted of 135 Black and Minority Ethnic staff (3.6%), 3473 White staff (93%) and 125 staff whose ethnicity record is not stated/Null (3.4%) totalling 3,733 employees.



### 3.2. Mean and median ethnicity pay gap in hourly pay

The table below shows the difference in the mean and median hourly rates, and the pay gap as a percentage for 2019, and how this compares to the audit which was undertaken for 31<sup>st</sup> March 2018.

Data shows a positive reduction in the pay gap for both the mean and median hourly rates for BME and White staff, with no median pay gap to report.

	2018		2019	
	Mean Hourly Rate	Median Hourly Rate	Mean (avg) Hourly Rate	Median Hourly Rate
BME	£12.86	£11.88	£13.92	£13.26
White	£13.12	£12.97	£13.80	£13.26
Not stated	£14.34	£14.14	£15.51	£14.92
Null	£21.80	£14.70	£14.24	£12.67
Difference between White and BME	£0.26	£1.09	£0.12	£0.00
Ethnicity Pay Gap %	1.98%	8.40%	0.86%	0.00%

Table 2: Ethnicity Pay Gap for 2018 and 2019

### 3.3. Ethnicity breakdown by pay quartile

The figures below show a ranking of our employees from highest to lowest paid, dividing this into quartiles and providing a percentage ethnicity breakdown in each of these. Although we are aware of the issues of underrepresentation when compared to the communities we serve, the data is positive and shows a more even distribution of BME staff across the four quartiles based on the overall workforce profile. It also shows increased ethnicity reporting and a reduction in the staff not providing this information.

	2018						2019					
	BME		White		Not Stated/ unspecified		BME		White		Not Stated/ unspecified	
Quartiles 1-4	headcount	%	headcount	%	headcount	%	headcount	%	headcount	%	headcount	%
1 - Lower pay	43	5.09%	776	91.83%	26	3.24%	35	3.95%	833	94.02%	18	2.03%
2 - Lower middle pay	24	2.84%	782	92.65%	38	4.63%	31	3.26%	893	93.90%	27	2.84%
3 - Upper middle pay	26	3.07%	797	93.99%	25	3.04%	35	3.74%	874	93.38%	27	2.88%
4 - Upper pay	30	3.55%	759	89.72%	57	6.98%	34	3.54%	873	90.94%	53	5.52%
Totals	123	3.64%	3114	92.05%	146	4.48%	135	3.62%	3473	93.04%	125	3.35%

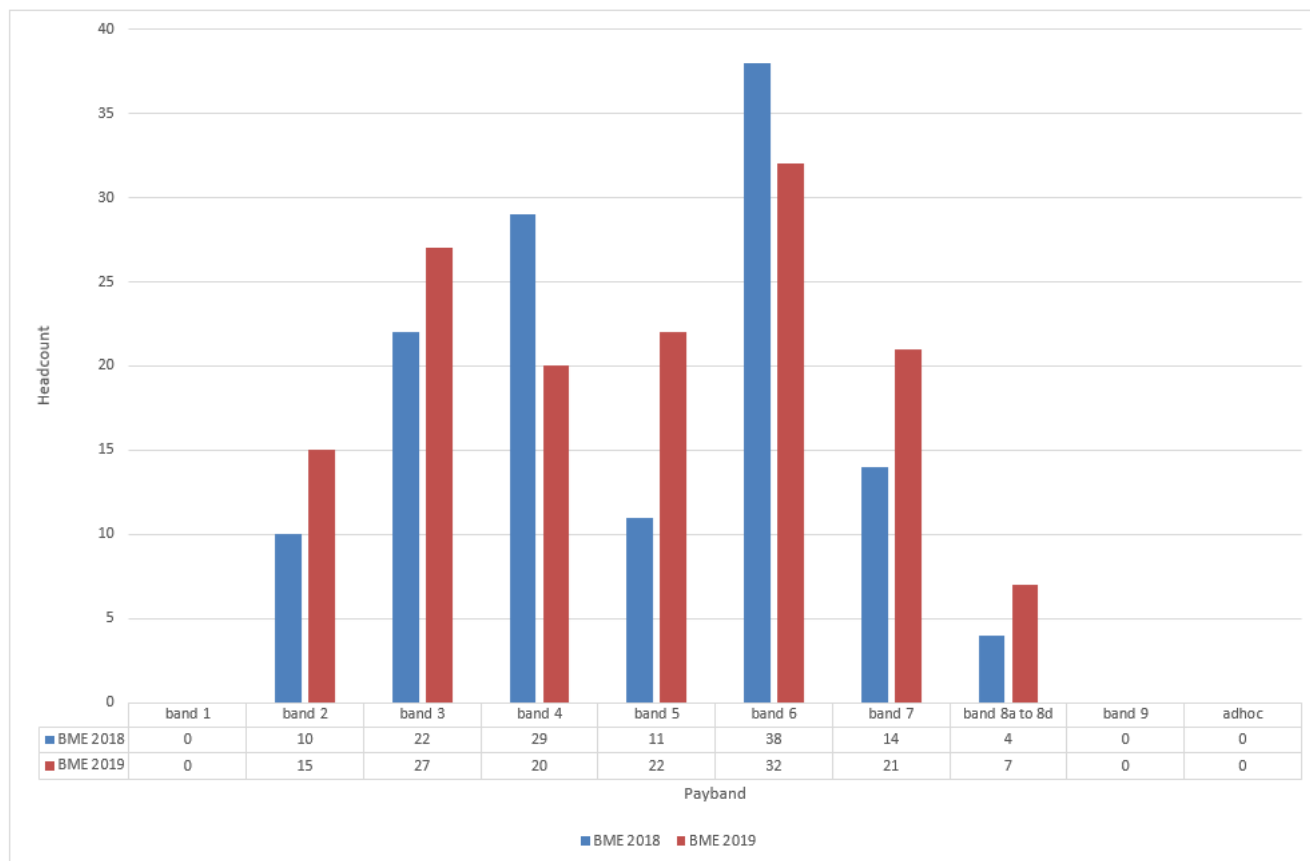
**Table 3: Ethnicity pay Gap by quartile, 2018 and 2019**

### 3.4. Mean and median bonus ethnicity pay gap.

The only bonus payments made by the Trust are to eligible staff who apply for the Clinical Excellence Awards (CEAs), which can be awarded nationally or locally. Due to the small numbers of bonus payments made in 2019 potentially rendering recipients identifiable if published, the report will not be covering the results of this calculation. Bonus payments are awarded in recognition of excellent practice over and above contractual requirements.

### 3.5. Ethnicity Pay Gap by pay band

As mentioned, although Agenda for Change ensures that we are providing equal pay for equal work, we can see there are increases in the BME workforce across a number of pay bands as at 31 March 2019. However, we are unable to determine if any of the decreases (pay bands 4, 6 and 8c) relates to progression or service leavers from the service.



**Chart 2: BME Workforce by Pay band 2018 and 2019**

	band 1	band 2	band 3	band 4	band 5	band 6	band 7	band 8a to 8d	band 9	adhoc
BME 2018 % (of overall w/force)	0.00%	0.27%	0.59%	0.78%	0.29%	1.02%	0.38%	0.11%	0.00%	0.00%
BME 2019 % (of overall w/force)	0.00%	0.40%	0.72%	0.54%	0.59%	0.86%	0.56%	0.19%	0.00%	0.00%
BME (headcount) 2018	0	10	22	29	11	38	14	4	0	0
BME (headcount)2019	0	15	27	20	22	32	21	7	0	0
White (headcount) 2018	2	142	594	789	267	946	233	97	3	8
White (headcount)2019	2	190	877	433	707	758	393	119	3	10
Unspecified/not stated (headcount) 2018	0	9	13	32	10	40	16	7	1	0
Unspecified/not stated (headcount) 2019	0	10	12	10	28	24	25	11	1	0

**Table 4 Workforce ethnicity by pay band 2018 and 2019**

#### 4. Conclusion

- 4.1. The Trust has reduced the ethnicity pay gap identified in 2018. Although no targeted action to address this was undertaken specifically, it is believed that actions to make progress against the Workforce Race Equality Standard (WRES) and the Trust equality objective to become more representative of the communities we serve will have had a positive impact on the ethnicity pay audit.
- 4.2. It is important that the Trust continues to focus on further improvements against both the WRES and equality objective to maintain progress made. Further conclusions may be able to be drawn when the Trust publishes its annual Diversity and Inclusion report which includes analysis of leavers by pay band and ethnicity.
- 4.3. The Inclusion Working Group will be considering the publication of this of this report alongside the Gender Pay Audit for 2019 at their meeting on 6<sup>th</sup> March 2020.

#### 5. Recommendation

- 5.1. The WWC is asked to note this paper and confirm that based on the data presented we do not have an ethnicity pay gap at this time. However, work to ensure progress against our equality objective to become more representative of the community we serve needs to be prioritised.

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## Appendix 1: Ethnicity pay gap calculations

The audit requires us to make six calculations covering the following:

- **Mean ethnicity pay gap in hourly pay** – adding together the hourly pay rates of all White, BME or Not stated full-pay and dividing this by the number of White, BME or Not stated employees. The gap is calculated by subtracting the results for BME employees from results for White employees and dividing by the mean hourly rate for males. This number is multiplied by 100 to give a percentage.
- **Median gender pay gap in hourly pay** – arranging the hourly pay rates of all White, BME or Not stated employees from highest to lowest and find the point that is in the middle of the range.
- **Mean bonus gender pay gap** – add together bonus payments for all White, BME or Not stated employees and divide by the number of White, BME or Not stated employees. The gap is calculated by subtracting the results for BME employees from the results for white employees, and dividing by the mean hourly rate for White employees. This number is multiplied by 100 to give a percentage.
- **Median bonus gender pay gap** – arranging the bonus payments of all White, BME or Not stated employees from highest to lowest and find the point that is in the middle of the range.
- **Proportion of males and females receiving a bonus payment** – total White, BME or Not stated receiving a bonus payment divided by the number of relevant employees.
- **Proportion of males and females in each pay quartile** – ranking all of our employees from highest to lowest paid, dividing this into four equal parts (quartiles) and working out the percentage of White, BME or Not stated employees in each of the four parts.