

## Staff and Pensions

14<sup>th</sup> September 2020

### Annual Workforce, Gender and Ethnicity Pay Gap Report

#### Recommendations

- 1) That the Council's Equality and Diversity Workforce and Gender Pay Gap Report at Appendix A is published on the Council's website, to meet the statutory requirement to publish annually equality information relating to employees, including gender pay gap information.
- 2) That the Council's gender pay gap figures, based on 31 March 2020, are published on the government's gender pay gap website, as required by the gender pay gap regulations.
- 3) That Staff and Pensions Committee notes the previous work undertaken and endorses the next steps outlined in section 6.

#### 1.0 Key Issues

- 1.1 The Council has published workforce diversity data relating to its employees annually, following consideration at Staff and Pensions committee, as required since 2012 under the Equality Act 2010, to demonstrate its compliance with the general equality duty under section 149 (1) that WCC must, in the exercise of its functions, have due regard to the need to:-
  - a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
  - b) Advance equality of opportunity and;
  - c) Foster good relations between people who share a protected characteristic and those who do not.
- 1.2 This report combines both the Council's workforce diversity information, based on the year 1 April 2019 to 31 March 2020, and its gender pay gap data at 31 March 2020. The statutory deadline for publishing both sets of data would normally be 30 March 2021, however, due to the Coronavirus outbreak, the Government Equalities Office and the Equality and Human Rights Commission have taken the decision to suspend enforcement of the gender pay gap deadlines for this reporting year (2019/20), however the Council is publishing ahead of the deadline because it recognises the importance of this data in delivering on the following priorities '**WCC knows and understands the profile of its staff, customers and citizens**' and the outcomes of the Our People Strategy such as a '**Workforce that displays our values and behaviours**' and '**We have a diverse and highly engaged**

**workforce**'. The gender pay gap reporting is contained at Appendix B with definitions at Appendix B.

- 1.2 In January 2019 the UK government closed its consultation on ethnicity pay gap reporting. We do not yet know what will come of that consultation, but it seems highly likely that in the future this will become a new requirement alongside gender pay gap reporting. We are recommending that from this reporting year onwards the Council voluntarily publishes its ethnicity pay gap data because we believe it's an important step towards ensuring our workforce is diverse, inclusive and fair for everyone. This can be found at Appendix C.
- 1.3 We use the term BAME throughout this report however we recognise its limitations as a term that combines and therefore dilutes the experiences of Black, Asian and other minority ethnic groups.
- 1.4 Key messages from the report can be found at 5.0.
- 1.5 It should be noted that, in 2019, the Council began a programme of transformation, including the redesign and restructure of services. This has resulted in several services moving Directorate which affects the trend data in Appendix A. The implementation of service redesigns is still being undertaken and is expected to be completed by the end of this financial year.
- 1.6 The information excludes schools' employees. Schools workforce data is reported separately via the National Schools Workforce Census. The gender pay gap regulations require the governing bodies of maintained schools with more than 250 employees to publish their own gender pay gap reports. No Warwickshire maintained schools meet this criterion.

## **2.0 Workforce Diversity Data**

- 2.1 This section provides diversity information about the workforce as a whole in terms of workforce profile, workforce arrangements, turnover and promotion, dismissals and disciplinaries, as well as protected characteristics, drawing comparisons with the local population of Warwickshire where relevant.
- 2.2 This section also provides a comparison between year on year figures and identifies any emerging trends.
- 2.3 The data covers the protected characteristics in the Equality Act 2010 of age, disability, race (ethnicity), sex (gender), religion or belief, and sexual orientation.

### **Workforce profile**

- 2.4 The overall number of employees of the Council has increased by 1.5% from 4501 at 31 March 2019 to 4569 at 31 March 2020 (Appendix A, page 1).

- 2.5 The Council's starters and leavers data (Appendix A, page 13), shows that there were, between 1 April 2019 and 31 March 2020, 29 more starters than leavers. This is consistent with 2018/19 figures. During this time the number of employees at the Council overall has remained relatively stable.

### **Workforce arrangements**

- 2.6 61.4% of the Council's employees work full time, and 28.8% part time (Appendix A, page 2). Whilst the percentage of employees working part time has reduced by 1.2% from 30% in 2018/19, the proportion of part time working is higher than the 25.7% in the general working population (Office for National Statistics – ONS). 9.8% of the Council's employees work term time only or are on zero hours contracts.
- 2.7 There has been a slight increase of 1.4% in the proportion of full-time employees and a slight increase of 1.6% in the proportion of employees on a zero hours contract since March 2019.
- 2.8 The proportion of employees on a zero hours contract in the People Directorate has increased by 3.7% since March 2019.
- 2.9 Within the Communities Directorate the proportion of employees on a zero hours contract has stayed the same at 1.4% and increased by 0.3% to 4.6% in the Resources Directorate since March 2019.
- 2.10 Women are much more likely to work part time than men. 35.7% of the female workforce were on Part Time contracts, compared to 13.4% of male staff.

### **Age**

- 2.11 The Council's age profile (Appendix A, page 3) shows WCC to be broadly representative of the local population of Warwickshire, with the exception of the 24 and under age groups, where there is a significantly lower representation of 4.5% in the workforce compared with 13.1% in the local population (economically active aged 16 and over), and the 50-59 age groups where there is a notably higher representation of 29.2% in the workforce compared with 20.1% in the local population. This is relatively similar compared to last year's figures at 31 March 2019.
- 2.12 The largest age group is 50-59 at 29.2%, followed by 25-39 at 28.3%.
- 2.13 This could suggest that more needs to be done to attract a younger generation workforce. As part of the implementation of the Our People Strategy, the Council is starting to embed the use of our employer value proposition (EVP) to attract a diverse and talented workforce. Further work is being undertaken to understand why this might be as part of the EDI project.
- 2.14 In relation to the 24 and under age group the Council has an active apprenticeship scheme as part of its approach of attracting and retaining talent since 2012. Of the 143 apprentices who have completed the

programme, 105 (73%) were retained by the Council at the end of the apprenticeship. 17 secured employment elsewhere, 6 have gone to University / Further Education, 2 have gone travelling and 13 are unknown. It is intended that the apprenticeship programme continues as an important way of continuing to recruit and grow talent. In addition this year will see the launch of a new LGA graduate programme with 3 graduates expected to join the Council in the autumn on a 2 year programme and the potential for us to expand our intake in future years.

## **Disability**

- 2.15 Of employees who have reported whether they have a disability, 7% have reported yes, and 93% no. This is broadly reflective of the general population of Warwickshire (Appendix A, page 4).
- 2.16 A higher proportion of the workforce have reported whether they have a disability at 31 March 2020 (76.1%) than previously at 31 March 2019 (73.2%).

## **Gender**

- 2.17 The Council employs a higher percentage of women (69.2%) than men (30.8%) at 31 March 2020 (Appendix A, page 5). The percentage of women has slightly increased by 0.6% from 31 March 2019.
- 2.18 When compared with Warwickshire's general population, the Council employs a higher percentage of women and a lower percentage of men (69.2% women employees compared with the general population of 46.8% women, and 30.8% men compared with the general population of 53.2% men).
- 2.19 Across the Council and within Directorates the percentage of men and women at 31 March 2020 has remained relatively similar to previous years (2018-2019).

## **Race (Ethnicity)**

- 2.20 The Black, Asian and Minority Ethnic (BAME) profile at the Council, comparing the percentage of White British and other ethnicities (Appendix A, page 9), shows a higher representation of BAME employees (15.3%) compared with the general population of Warwickshire (11.8%).
- 2.21 The proportion of employees who are of BAME origin has stayed the same from 31 March 2019 (15.3%).
- 2.22 The proportion of employees who are of Black and Black British ethnicity has increased from 1.3% in 2017/18 to 2.9% in 2019/20. The proportion of employees who are of Black and Black British ethnicity has increased across all Directorates, whilst the proportion of employees who are of Mixed ethnic groups has decreased.

- 2.23 The proportion of employees who have stated their ethnicity has increased by 5% since March 2018 (81.7% stated in 2016/17 to 86.7% in 2019/20).

### **Religion or belief**

- 2.24 The proportion of the workforce reporting against each religious category is broadly reflective of the population of Warwickshire (Appendix A, page 10). Of employees who have reported a religion or belief (24.5%), 58.6% are Christian, 13.4% declared a religion other than Christian, or are agnostic, and 28.0% no religious belief.
- 2.25 A high proportion of the workforce, 33.5%, has not disclosed their religion or belief. This has slightly increased from 31 March 2019 (30.3%). This is the only protected characteristic where we haven't seen an increase in disclosure. Further action to address this has taken place and future actions are proposed at 6.1.

### **Sexual orientation**

- 2.26 Of employees who have reported sexual orientation, 95.6% are heterosexual, 2.8% gay or lesbian and 1.5% bisexual (Appendix A, page 11). These figures have remained relatively similar to 31 March 2019. This is broadly reflective of the general West Midlands population.
- 2.27 In 2019/20, 38.1% of all staff declared their sexual orientation. Of the total percentage, 3.5% have chosen prefer not to say. There has been a year-on-year improvement in the percentage of those who have declared their sexual orientation (26.5% in 2018/19, 25.6% in 2017/18 and 14.8% in 2016/17).

### **Workforce turnover**

- 2.28 The Council's overall workforce turnover has decreased by 2.1% from 13.9% in 2018/19 to 11.8% in 2018/19 (Appendix A, page 13).
- 2.29 The UK average employee turnover rate is approximately 15% a year, although this varies drastically between industries.
- 2.30 In 2019/20, the percentage of leavers earning £20,000 or less (24.7%) has significantly reduced by half from 50.4% in 2018/19.
- 2.31 A high percentage of leavers (70.3%) had given 5 years or less service, which is an increase of 8.3% from 2018/19 (62.0%), and an increase of 25.3% from 2017/18 (45.0%). The Council's exit interview process has recently been reviewed and work has been undertaken to better understand why people might leave, enabling us to take evidence-based action.
- 2.32 In 2019/20, 8.3% of starters and 8.3% of leavers had a declared disability. In 2018/19, a higher percentage of leavers (9.7%) had a declared disability than the percentage of starters (6.1%) with a declared disability.

- 2.33 In 2019/20 33.5% of starters and 24.1% of leavers were of BAME origin, compared to 20.8% of starters and 16.8% of leavers in 2018/19.

### **Promotion rates**

- 2.34 In 2019/20, across the organisation, there were 324 promotions. There were 294 promotions in 2017/18 and just 26 in 2018/19.
- 2.35 How a promotion is recorded has changed since 2018/19's report. In 2018/19 the Council defined a promotion as anyone who went from one grade to another grade within the year. In 2019/20 and 2017/18 the Council defined a promotion by the number of employees who have been transferred by the HR Admin team where the transfer reason is 'Promotion' within the year, divided by the headcount at the end of the period.
- 2.36 18.3% of promotions were achieved by employees of BAME origin. 15.3% of the workforce population were of BAME origin in 2019/20.
- 2.37 6.2% of promotions were achieved by employees with a declared disability. 7.0% of the workforce population had a declared disability in 2019/20.
- 2.38 77.2% of promotions were achieved by female employees. 69.2% of the workforce population are female in 2019/20.

### **Dismissals and disciplinaries**

- 2.39 As part of the Council's approach to racial equality the Council has decided to look at its data in relation to dismissals, disciplinaries and ethnicity.
- 2.40 Between December 2017 up until the 31<sup>st</sup> March 2020, there have been 93 dismissals. Of the 93 Dismissals, 11 were BAME (11.83%). The proportion of staff who are of BAME origin has increased by 2.5% from 12.8% in 2017 to 15.3% in 2020. We are unable to break down further by years as this would be disclosive to do so as the numbers are so small.
- 2.41 In 2018 the Council implemented a new case management system. Since then only 15 disciplinaries have been recorded and less than 5 of these were against BAME staff. Due to the small numbers we are unable to draw any inference and that in order to preserve anonymity our policy is to report 'less than 5' as opposed to an actual number. Managers are relied upon to fill out this information, therefore the numbers recorded don't necessarily reflect the true picture. Further action to encourage managers to utilise the system is being undertaken as part of Your HR Improvement Plan.

## **3.0 Gender pay gap**

- 3.1 The overall gender pay gap is defined as the difference between the average (mean and median) pay of men and women expressed as a percentage of the

mean and median pay of men. See Appendix B for more information about what the Council is required to publish, and the basis of the calculations.

### **Mean gender pay gap**

- 3.2 There is a 2.7% gap between the mean hourly rate of men and women at 31 March 2020 (Appendix A, page 16).
- 3.3 The mean gender pay gap has reduced year on year (10.6% in 2017, 4.2% in 2018 and 3.2% in 2019).
- 3.4 The mean gender pay gap figure is lower than the 2019 national mean gender pay gap of 16.2% by 13.5%, and the public sector as a whole by 13%, where the mean gender pay gap was 15.7% (ONS).

### **Median gender pay gap**

- 3.5 There is an 8.7% gap between the median hourly rate of men and women at 31 March 2020 (Appendix A, page 16). This is because there are higher proportions of women in the bottom two pay band quartiles than the top two pay band quartiles – see proportion by pay band quartiles below.
- 3.6 The median gender pay gap has reduced year on year (15.7% in 2017, 14.9% in 2018 and 11.4% in 2019). This is driven by the proportion of men and women in each pay band quartile below.
- 3.7 The median gender pay gap figure is lower than the 2019 national median gender pay gap of 17.3% by 8.6%, and the public sector as a whole by 8.1%, where the median gender pay gap was 16.8% (ONS).

### **Proportion by pay band quartiles**

- 3.8 More women than men are employed across all pay band quartiles (Appendix A, page 17). This is broadly reflective of the workforce gender demographic as 69.2% of the Council's employees are women.
- 3.9 Similarly to last year's figures the concentration of women is higher, however, the concentration of female employees is higher in the bottom two quartiles than the top two quartiles. The highest concentration of female employees (74.1%) is in the lower quartile.
- 3.10 The proportion of women in the upper middle quartile (65.5%) has significantly increased by 4.9% from 2019 (60.6%), however the proportion of women in the upper quartile (63.9%) has slightly decreased by 1.6% from 2019 (65.5%).
- 3.11 As a consequence the 'middle' woman is in the lower middle quartile and the 'middle' man is in the upper middle quartile, which explains the reason for the median gender pay gap.

## **4.0 Ethnicity pay gap**

- 4.1 The overall ethnicity pay gap is defined as the difference between the average (mean and median) pay of Black, Asian and minority ethnic (BAME) employees and White British employees expressed as a percentage of the mean and median pay of BAME employees.
- 4.2 As at 31st March 2020, 15.3% of all employees were from a BAME background.

### **Mean ethnicity pay gap**

- 4.3 There is a -2.6% pay gap between the mean hourly rate for BAME employees and those White British / unknown at 31<sup>st</sup> March 2020. A negative measure indicates the extent to which BAME employees earn, on average, more per hour than their White British / unknown counterparts.

### **Median ethnicity pay gap**

- 4.4 There is a -3.2% pay gap between the median hourly rate for BAME employees and those White British / unknown at 31<sup>st</sup> March 2020.

### **Proportion by pay band quartiles**

- 4.5 It is clear that there are more employees of a BAME background in the upper pay band quartiles. The highest concentration of BAME employees is in the upper middle quartile (29.4%). Indeed, the concentration of BAME employees is higher in the top two quartiles than the bottom two quartiles.

## **5.0 Key Messages**

- 5.1 The proportion of employees working full-time continues to increase (by 13.6 percentage points since March 2017) to 61.4%.
- 5.2 4.5% of all employees are aged under 25. A decrease of 0.4% from 2018/19.
- 5.3 The proportion of employees with a recorded disability has increased from 5.3% in 2016/17 to 7% in 2019/20.
- 5.4 In 2019/20, 69.2% of employees are female. Whilst 35.7% of the female workforce are on part-time contracts, 13.4% of the male workforce work part-time.
- 5.5 The proportion of staff who are of Black, Asian and Minority Ethnic (BAME) origin has increased by 2.5 percentage points since 2016/17 to 15.3%.



- 5.6 The gender pay gap has reduced, down from 3.2% at March 2019 to 2.7% at March 2020 (mean hourly rate) and down from 11.4% at March 2019 to 8.7% at March 2020 (median hourly rate). However, the concentration of female employees is higher in the bottom two pay band quartiles than the top two pay band quartiles.
- 5.7 The Council's ethnicity pay gap is positive in that there is a -2.6% pay gap between the mean hourly rate and a -3.2% pay gap between the median hourly rate for BAME employees and those White British / unknown at 31<sup>st</sup> March 2020. A negative measure indicates the extent to which BAME employees earn, on average, more per hour than their White British / unknown counterparts.

## **6.0 Progress and Next steps**

- 6.1 Since December 2018 a range of on-going communications through multiple channels have been used to encourage employees to complete / make sure their diversity data in Your HR is up to date. This included working with areas and managers where employees might not have access to IT to ensure all areas of the Council were reached. Whilst we have seen a slight increase of disclosure for disability, ethnicity and sexual orientation, it's noted that the Council needs to build further trust with employees to feel comfortable in sharing this sensitive information. On-going actions are being undertaken to improve this further.
- 6.2 The Council has developed a comprehensive equality, diversity and inclusion (EDI) communication framework in line with the re-launch and reinvigoration of the Council's EDI group and development of an ambitious EDI project that forms part of the How We Work programme within the Council's change portfolio.
- 6.3 The Council recognises that throughout the organisation there are pockets of great work being undertaken in relation to EDI. The action plan being developed through the EDI group aims to develop an integrated, proactive Council-wide approach to EDI that meets the Council's Public Sector Equality Duty, is informed by sector best practice and supports the Council's values, behaviours and objectives.

## **7.0 Financial implications**

- 7.1 There are no financial implications.

## **8.0 Environmental implications**

- 8.1 There are no environmental implications.

## Appendices

1. Appendix A – Equality and Diversity Workforce and Gender Pay Gap Report, April 2019 – March 2020
2. Appendix B – What information the Council is required to publish
3. Appendix C – Ethnicity Pay Gap Information

## Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None

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