

# GENDER & ETHNICITY PAY GAP REPORT 2023

Birmingham City Council's gender and ethnicity pay gap has been calculated in accordance with Government Regulations for calculating gender pay gaps

This report is based on snapshot data as of **31 March 2023**



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The regulations require that gender pay gap data is published on the National Government website [www.gov.uk/genderpaygap](https://www.gov.uk/genderpaygap) and on Birmingham City Council's website [www.birmingham.gov.uk](https://www.birmingham.gov.uk) before 31 March 2024.

# Foreword

This year we are pleased to publish our first ever combined gender and ethnicity pay gap report.

This year we are publishing our first ever combined gender and ethnicity pay gap report. It is part of how we understand and tackle these important issues of fairness.

Birmingham City Council is committed to workplace equity. Although ethnicity pay gap reporting is not a statutory requirement, we made a commitment to it as part of our overall equality strategy and action plan: Everyone's Battle, Everyone's Business. By using the same collection date and by following government guidance on calculation methods for gender and ethnicity pay gap reporting, we have been able to understand our pay gap through an intersectional lens

which is another first for us. By taking a closer look at the hidden gaps that exist between gender and ethnicity we learn that we cannot claim that women earn less than men on average, when White women earn more on average than Black men.

Birmingham City Council employs over 10,000 people. We serve over 1.1 million residents and are proud to be described as one of the first 'super-diverse' cities in the UK. However, our workforce does not yet fully reflect the diversity of our communities. We want to be representative and make our workplace more inclusive for everyone. Publishing this combined report is one of the ways we show our commitment

to being more transparent about our progress and what we plan to do to address pay gaps.

The Council's overall equality strategy and action plan was agreed by Cabinet in September 2022. Since then we have made some positive steps such as achieving Silver in Stonewall's Workplace Equality Index; launching the Birmingham City Observatory to provide powerful insight about our city; increasing staff disclosure rates; obtaining Disability Confident Leader (Level 3); and launching an emerging leaders programme. Whilst we have much more to do, these achievements help us become a fairer and more equal workplace.

Birmingham City Council currently faces some very challenging circumstances. A commitment to achieving workplace equity, where all our staff are fully valued, treated fairly and included, is crucial to our organisational recovery and improvement. This new report is a step on that journey.

**Prof Graeme Betts**

Chief Executive

# Understanding Pay Gap Reporting

In the UK, any employer with 250 or more employees must report their gender pay gap data annually, based on a snapshot date. This forms part of The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and the six pay gap reporting measures are:



The Council does not make bonus payments and therefore have no relevant data for measures 4,5 and 6. We have used the same methodology applied which informs gender pay gaps to determine our ethnicity and intersectional pay gaps.

## Types Of Pay Gap Reporting

Gender or ethnicity pay gap is not the same as equal pay (or a failure to observe equal pay). Although both deal with pay disparity at work, an organisation can have a pay gap without breaching equal pay provisions. This is because, equal pay relates to workers not receiving equal pay for equal work, but there is no comparison of equal work in pay gap analysis, and the reason for a particular group earning more than another will be because it comprises more workers in senior, higher graded jobs.

The **gender pay gap** measures the difference in average pay between men and women across the workforce.

The **ethnicity pay gap** shows the difference in average pay between White staff and Black, Asian and Minority Ethnic employees across the workforce.

The **intersectional pay gap** shows the difference in average pay between different gender and ethnicity combinations compared to White men across the workforce.

A **gender or ethnicity pay gap is not the same as equal pay** (or a failure to observe equal pay). Although both deal with pay disparity at work, an organisation can have a pay gap without breaching equal pay provisions.

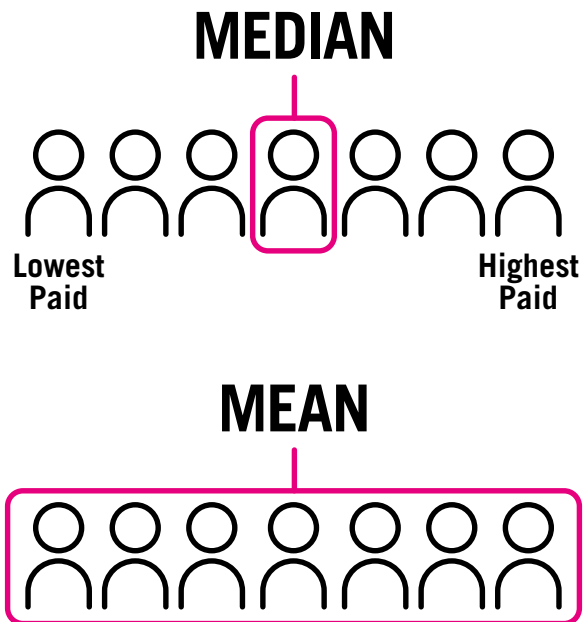
**Pay quartiles** is the proportion of employees in the lower, lower middle, upper middle and upper quartile pay bands.

### Mean And Median Pay Calculations

The **mean pay gap** is the difference in average hourly pay. It is calculated by totalling all pay rates and then divide by the total number of employees.

The **median pay gap** is the difference in hourly pay based on the midpoint. The calculation lines employees from lowest to highest paid and selects the mid-point.

The median is the most representative measure as it stops a small number of very high or very low salaries skewing the results.



### Writing About Ethnicity

The Council prefers not to use the term “BAME”, however coming up with an agreed alternative by all stakeholder groups remains a challenge. Our current position is that we will disaggregate ethnicity groupings as each has its own unique identity and experiences different barriers. Where a collective term is required, we will use the full-term Black, Asian and Minority Ethnic and the acronym BAME can only be used for graphs and tables where necessary for layout purposes.

In this report we display ethnicity groupings based on Office for National Statistics (ONS) Census 2023 high level ethnic groups (see table below). To enable comparisons with other organisations, who do not break down ethnicity information in this way, we have also compared the pay of White staff with staff from a Black, Asian and Minority Ethnic backgrounds as a group.

GROUP	FULL MEANING
ASIAN	Asian, Asian British
BLACK	Black, Black British Caribbean or African
MIXED	Mixed or Multiple Ethnic Groups
OTHER	Any Other Ethnic Groups
UNKNOWN	Ethnicity not known or prefer not to say

### Our Unique Situation

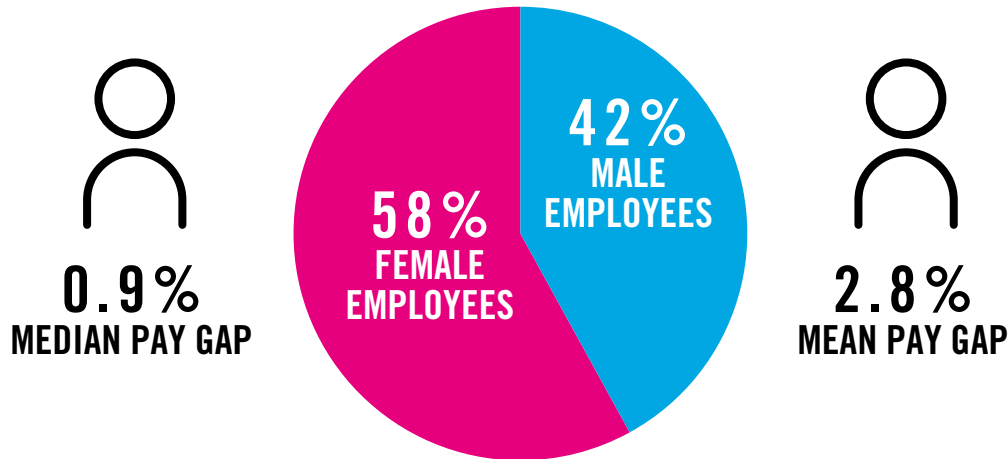
In recent times the Council has faced some significant challenges regarding equal pay and equality in the workplace, with both of these issues receiving significant media attention. We acknowledge that we have more work to do in these areas and currently have in place a Equal Pay Programme to provide a long-term solution to our historic equal pay issues, and a corporate equalities programme ‘Everyone’s Battle, Everyone’s Business’ which has a focus on race equity in the workplace.

# Summary

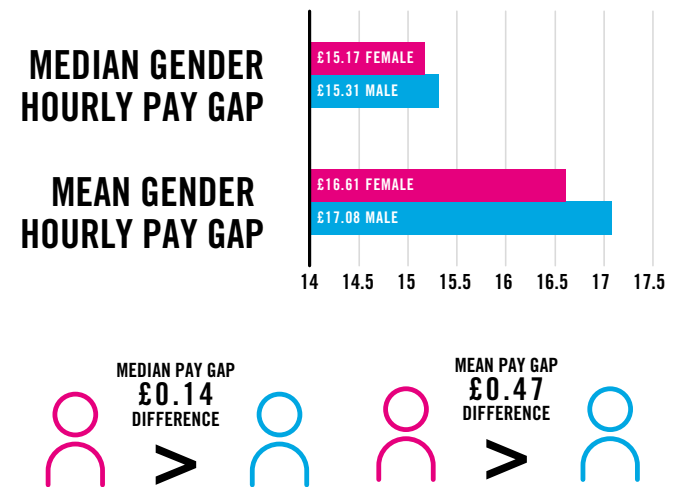
## Gender

The median gender pay gap is 0.9% and mean gender pay gap is 2.8%. Both results represent the smallest pay gap since 2018 which is when formal reporting commenced. In 2018 our median gender pay gap was 9% and the mean was 9.3%.

### WORKFORCE POPULATION



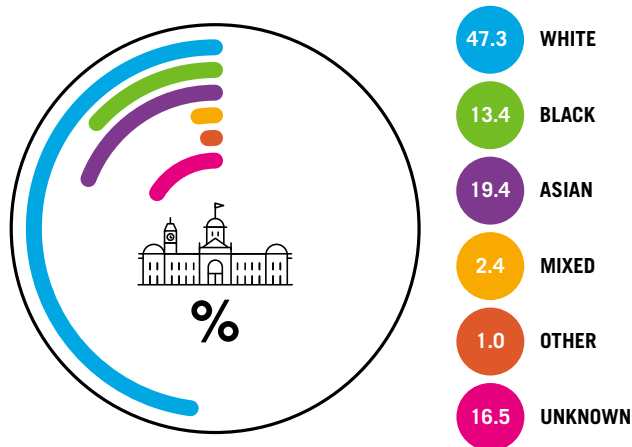
### GENDER PAY GAP



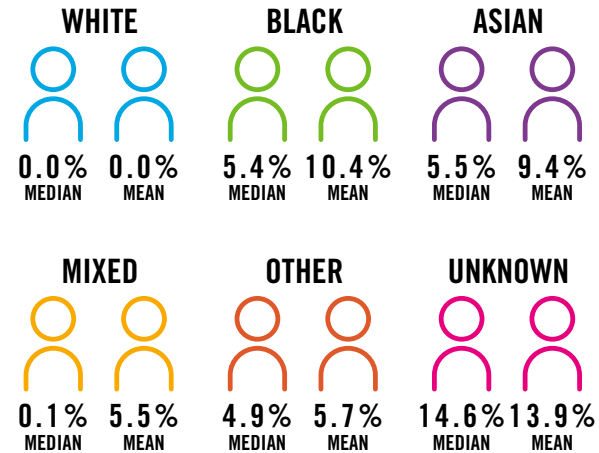
## Ethnicity

The median ethnicity pay gap is 5.4% and mean ethnicity pay gap is 9.4% for Black, Asian and Minority Ethnic employees when grouped together and compared to the average pay for White employees. A slightly different picture emerges when the pay gap is reviewed by distinct ethnicity groupings, and we see how employees who are Mixed Heritage have a much smaller pay gap (5.5% mean and 0.1% median) compared to Black and Asian employees.

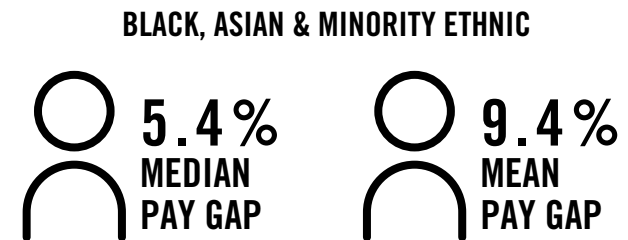
## WORKFORCE BREAKDOWN



## ETHNICITY PAY GAP

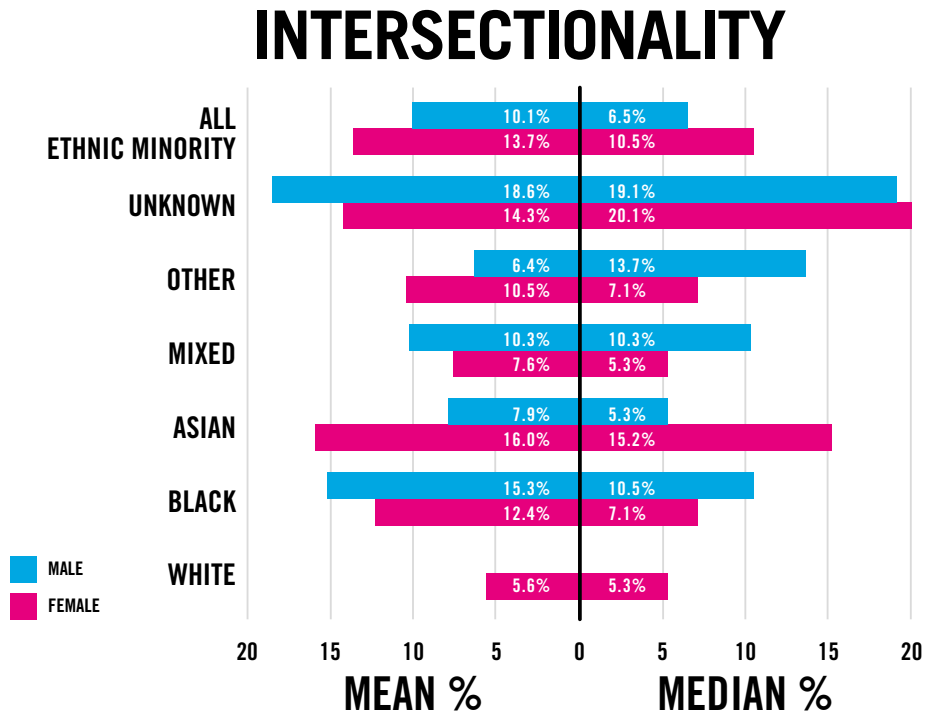


## OVERALL ETHNICITY PAY GAP



## Intersectionality

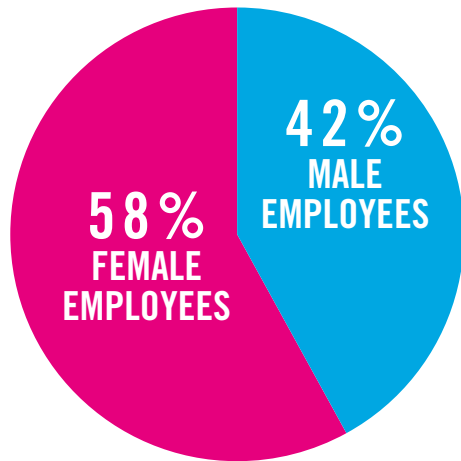
Reviewing average pay by gender and ethnicity and comparing this to average pay for White males provides us with a more nuanced understanding of workplace inequalities and reveals significant pay gaps compared to our average gender pay gap. The highest pay gaps are for Asian female employees and male employees identifying as Other, Black or of Mixed Heritage.





# Gender Pay Gap

The proportion of men and women employees across the council is 58% female and 42% male.



We have significantly reduced our gender pay gap this year. It is now 0.9% representing a 3.5% reduction compared to 2022 when the median pay gap was 4.4%. This is the third consecutive year we have narrowed the pay gap between men and women applying both the mean and median calculation.

	2023	2022	2021
MEDIAN GENDER PAY GAP	0.9%	4.4%	4.7%
MEAN GENDER PAY GAP	2.8%	3.1%	3.9%

## Part Time Versus Full Time Workers

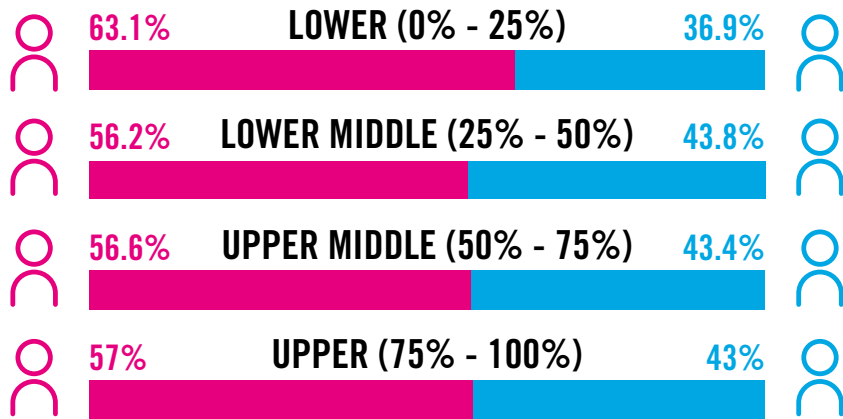
81% of our part time workers are women. When we look at full-time and part-time employees separately, the pay gaps change as per below:

	MEAN	MEDIAN
% DIFFERENCE HOUR OF FULL-TIME EMPLOYEES	-6.1%	-8.7%
% DIFFERENCE HOUR OF PART-TIME EMPLOYEES	-0.9%	-0.9%

### Gender Composition By Pay Quartiles

The data shows that women occupy 57% of the highest paid jobs and 63.1% of the lowest paid jobs and means we have disproportionately more women in the lower pay quartile.

## GENDER PAY QUARTILES 2023



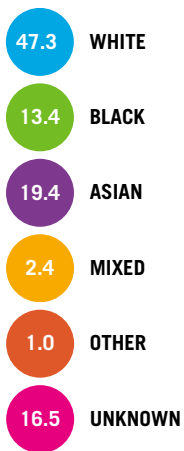
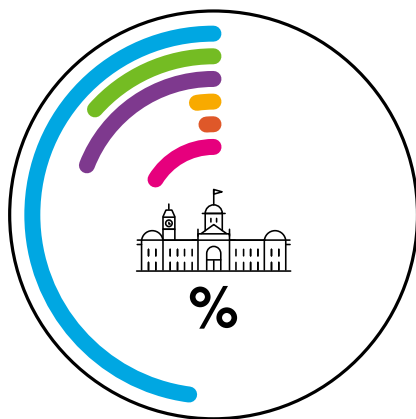
### What Does The Gender Pay Gap Tell Us?

On average women earn 99p for every £1 that men earn when comparing the median hourly pay. The difference between the median and mean pay gap is less than 2% suggesting the data set is not skewed by higher earners.

The reduction in the median pay gap can be explained by these factors:

- A flat rate pay award agreed and backdated to April 2022 benefited employees in the lower quartiles by a greater percentage than those staff in the top two quartiles. 63% of Council employees in the lowest quartile are women.
- More women were appointed to higher paid roles (those above the median), with 65% of all appointments made above the median being female.
- There were more women than men who were not at the top of their grade (below the median) in 2022, meaning that where the pay award was applied, more women than men received the larger % increase in lower grades detailed above, and an increment increase of approximately 1.8%, creating upward pressure on the median.

# Ethnicity Pay Gap



Our workforce composition broken down by ethnicity is currently not representative of the Community we serve, which is 51% super-diverse. 16.5% of our workforce have chosen not to share their ethnicity and this impacts the quality of reporting, but also our understanding of how diverse, or not, we are as a workforce.

The Council’s **median ethnicity pay gap is 5.4%** and the **mean pay gap is 9.4%**. This means Black, Asian and Minority Ethnic staff are paid on average 5.4% less per hour (mean) than White staff. The table below provides the full breakdown.

ETHNICITY PAY GAP	MEAN	MEDIAN	HOURLY RATE DIFF.	
			MEAN	MEDIAN
WHITE	0.0%	0.0%	£0.00	£0.00
BLACK	10.4%	5.4%	£1.85	£0.83
ASIAN	9.4%	5.5%	£1.67	£0.85
MIXED	5.5%	0.1%	£0.98	£0.01
OTHER	5.7%	4.9%	£1.02	£0.76
UNKNOWN	13.9%	14.6%	£2.48	£2.26
BLACK, ASIAN & MINORITY ETHNIC	9.4%	5.4%	£1.67	£0.83

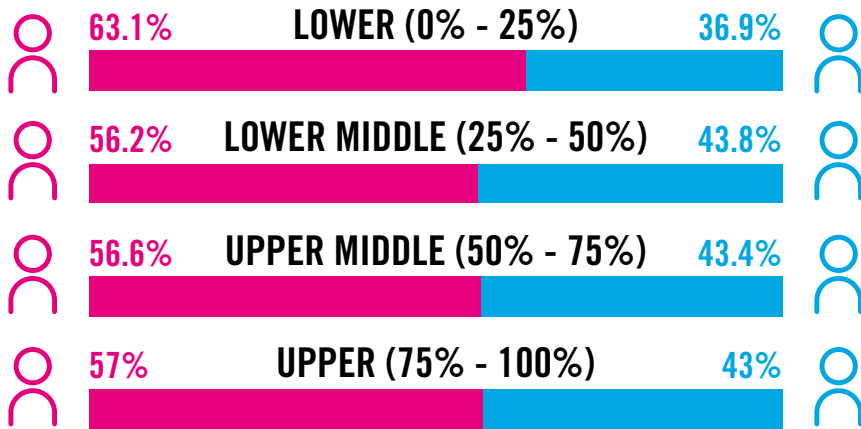
The median pay gap for all minority ethnic groups has reduced individually and when we combine Black, Asian and Minority Ethnic staff compared to data collected in 2022.

Whereas the mean ethnicity pay gap has increased by 0.9%, and in part this can be explained by an increase of 6.4% employee disclosures. Simply put, more employees have shared their ethnicity information in 2023 compared to 2022.

### Ethnicity Pay Quartiles

We have reduced the number of staff not sharing their ethnicity information by 6.5%. Compared to 2022 when 23% of our employees did not disclose their ethnicity this has reduced to 16.5%. However, more needs to be done to reduce this number by encouraging staff to disclose their personal information.

## GENDER PAY QUARTILES 2023



### What Does The Ethnicity Pay Gap Tell Us?

On average Black Asian and Minority Ethnic staff earn 83p for every £1 that White employees earn when comparing the median hourly pay.

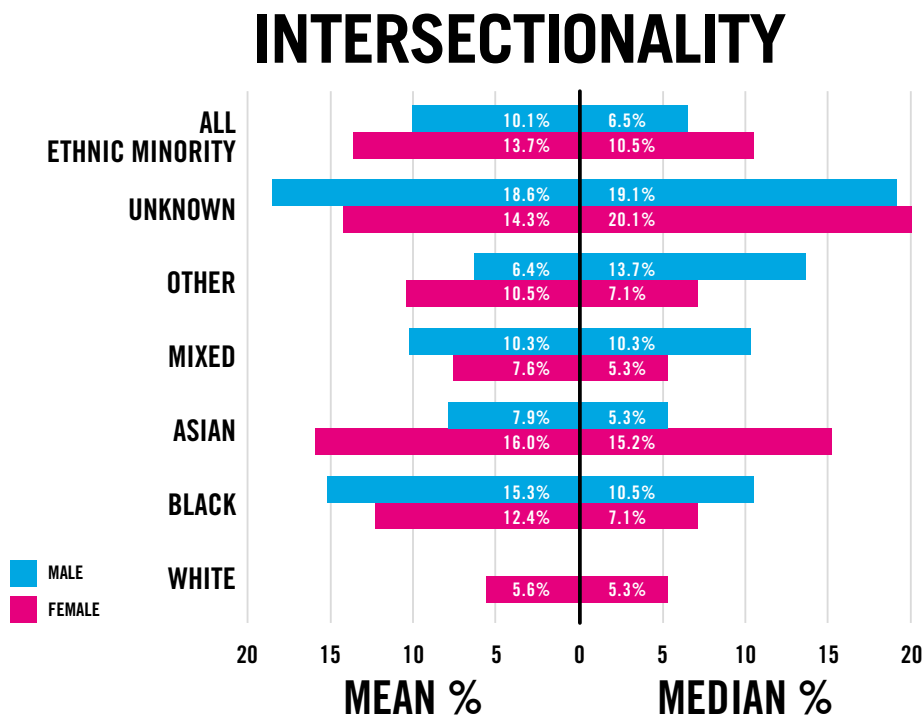
We have disproportionately more White employees in the Upper quartile, whilst the majority of Black and Asian staff sit in the lower, lower middle and upper middle quartiles and this will have a direct correlation on our overall and individual ethnicity pay gap findings. In contrast, the lower quartile has the highest number of employees who have not shared their ethnicity data with us, followed by those in the lower middle quartile. Staff in these quartiles are more likely to be field workers who do not have regular access to corporate communications and systems compared to office-based workers. It would be beneficial to understand what ethnic group those employees currently “unknown” belong to, to increase the quality of data. Depending on where they sit this will have a positive or negative impact on our ethnicity pay gap overall.

Excluding the “unknown” category the average mean pay gap differs significantly when we review by the different ethnic groupings. For example the widest mean pay gap is for Black employees at 10.4% and smallest at 5.5% is for employees of Mixed Heritage. We expect the mean pay gap to be higher than the median result suggesting it is being skewed by a small group of higher earners.

WORKFORCE COMPOSITION %	WHITE	BLACK	ASIAN	MIXED	OTHER	UNKNOWN
UPPER (75%-100%)	58.6%	9.7%	17.5%	2.1%	1.1%	10.9%
UPPER MIDDLE (50%-75%)	48.2%	15.6%	19.2%	2.8%	0.8%	13.3%
LOWER MIDDLE (25%-50%)	43.7%	15.0%	20.0%	2.6%	1.2%	17.4%
LOWER (0%-25%)	38.5%	13.4%	21.0%	2.0%	0.8%	24.4%

# Intersectionality

Understanding our pay gap by intersectionality is a first for Birmingham City Council. We reviewed pay by different ethnicities and genders and compared the hourly rates of White male employees. The chart displays our findings.



## What Does This Tell Us?

By reviewing pay gaps in this way, we learn there are differences in the experiences of men and women of different ethnicities. The largest intersectional pay gaps (excluding the category “unknown”) using the median average is for:

- Asian Women
- Men identifying as Other Ethnicity
- Black Men
- Men identifying as Mixed Heritage.

We can no longer say all women have a greater pay gap compared to their male equivalents when White women have a smaller pay gap compared to men identifying as Black, Mixed Heritage and Other Ethnicity. Our data also reveals that women who are Black, Asian or Other Ethnicity have a larger median pay gap compared to women who are White or Mixed Heritage. This distinction is masked when we produce “male vs. female” or “White vs. Black, Asian, Minority Ethnic” pay gap reports.

# What We Are Doing To Close The Pay Gap

Everyone's Battle, Everyone's Business (EBEB) is the Council's equality strategy and action plan for tackling inequalities and directs our work in this field. Over the past year we have been working hard to implement the action plan and here is a summary of some of the key deliverables since September 2022 (when Cabinet approved the action plan) and what we plan to do in 2024.

## What We Have Done

- **Interactive diversity dashboard** - which provides our workforce profile information cut by different parameters. The dashboard is updated quarterly and available to all via the Intranet. Our goal in sharing information in this way is to generate trust and transparency as giving everyone access to the same information decisions can be evidence based. Plus, the power to highlight and address inequity becomes everyone's business.
- **Senior recruitment tracker** - in addition to refreshing the attract and hire strategy we now track every stage of the recruitment process from longlist, shortlist, appointment offers and the composition of interview panels for senior roles. The diversity make-up of our leadership is changing slowly, for example in 2022 over 80% of senior roles were occupied by White staff and this is now 74%.
- **Training** - alongside a plethora of education and awareness seminars and workshops delivered online and in person, over 2,000 of our staff have completed in-house privilege and power workshops. Plus, all senior managers and Councillors involved with recruitment have received consciously inclusive recruitment training. To future proof our training, we have developed internal capability which has enabled us to offer consciously recruitment training to all staff involved with recruitment.
- **Progression** - during the summer of 2023, the Council launched a series of interventions to support staff career progression. Staff now have access to coaching and mentoring and 'Get that job' training. Alongside a management certificate programme, we also offer a bespoke manager programme exclusively for Black, Asian or Minority Ethnic staff to step into their next leadership role.
- **Collaboration** - recognising we do not always have the required internal expertise or resources, we have sought external guidance and worked in partnership with a number of specialist organisations including ENEI, The Equal Group FC Legacy, Happy and Stonewall.

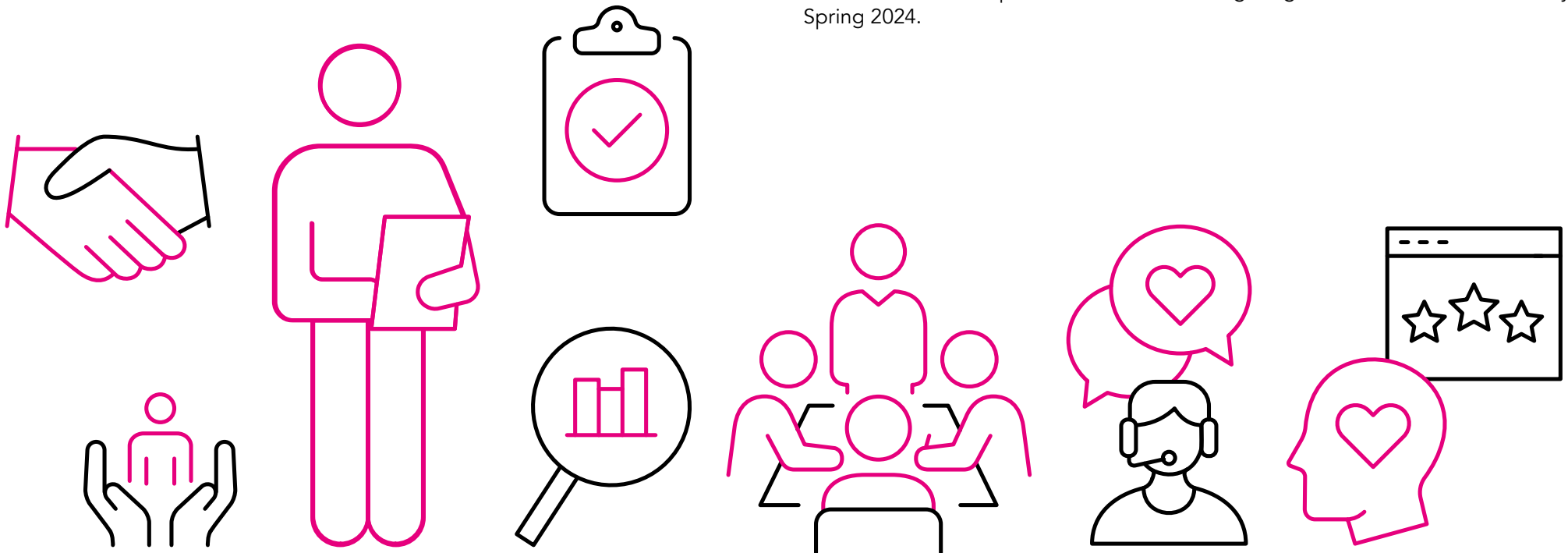
## What We Want To Do Next

- **Introduce positive action** during the recruitment shortlisting process for vacancies at grades 6 and 7.
- **Improve staff disclosure rates** so that we can improve the reliability of our data insights and also have enough data to produce our first disability pay gap report.
- **Reduce the number of discrimination complaints** received by refreshing key policies and implementing a call it out initiative.
- **Implement the recommendations** from an independent review carried out in 2023 by The Equal Group.

## What Next For Pay Gap Reporting

The Council acknowledges that the ethnicity pay gap headlines are troubling figures. However, we choose to publish this information as we want to be open and transparent with this information. Through our EBEB strategy and action plan, we will endeavour to bring about changes to these figures and are assessed for our progressive approach as opposed to this point where we started from. Some of those early next steps include:

1. Combined gender and ethnicity pay gap findings to be calculated for each directorate to help services determine what local actions, if any, need to be taken to address pay gaps in a meaningful way.
2. Explore ways to increase disclosure rates of protected information in particular ethnicity, disability and sexual orientation.
3. Review and revise positive action shortlisting for grades 6 and 7 intervention by Spring 2024.





 **RESET**

 **RESHAPE**

 **RESTART**

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