

**To:** Cabinet  
**Date:** 9 December 2020  
**Report of:** Head of Business Improvement  
**Title of Report:** Equalities Update

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	<p>To present and seek approval for the publication of the annual Workforce Equality Report 2020, which includes the Gender Pay Gap Report and the Ethnicity Pay Gap Report;</p> <p>To share current progress on the development of the draft Equalities, Diversity and Inclusion (EDI) Strategy where it relates to Workforce Equality; and</p> <p>For the Cabinet to note that the actions that will fall out of the draft EDI strategy will support the Council to develop the relationships with local communities, which will assist the Council to realise its employee representation aspirations.</p>
<b>Key decision:</b>	No
<b>Cabinet Member:</b>	Councillor Nigel Chapman, Portfolio Holder for Customer Focused Services
<b>Corporate Priority:</b>	All
<b>Policy Framework:</b>	Council Strategy 2020-24
<b>Recommendations:</b> That Cabinet resolves to:	
	<ol style="list-style-type: none"> <li>1. <b>Approve</b> the contents of the Workforce Equality Report 2020;</li> <li>2. <b>Delegate authority</b> to the Head of Business Improvement to publish the Workforce Equality Report and to make any changes as may be required before publication following Cabinet discussion;</li> <li>3. <b>Approve</b> the contents of the Gender Pay Gap and Ethnicity Pay Gap reports for this year recognising that in the next year a methodology will be developed to undertake a “deep dive” into both datasets to understand the intersectional position, and in addition conduct a Disability Pay Gap analysis; and</li> </ol>

4. **Delegate** authority to the Head of Business Improvement to publish the Gender Pay Gap table at paragraph 26 before 30 March 2021 and the Ethnicity Pay Gap table at paragraph 44 on the Council website.

### **Appendices**

Appendix 1	Workforce Equality Report (2020)
Appendix 2	Distribution of Council staff by gender, grade, age and employment type
Appendix 3	Distribution of Council staff by Grade and Ethnicity

## **INTRODUCTION**

1. The Council has developed its approach to equality over the past eighteen months through the adoption of a Workforce Equalities Strategy (WES) and Action Plan, and this is primarily focused to address BAME and gender underrepresentation in the Council workforce. .
2. An internal review against the Local Government Association (LGA) Equality Framework for Local Government was also conducted in 2019. This framework supports Councils to meet the Public Sector Equality Duty contained in the Equality Act 2010 and enables assessment against the LGA's Equality Framework.
3. Since the work began on the WES in 2018, the Council has also invested significant resources, and prioritised its response to the Covid-19 pandemic crisis.
4. Given the diverse needs of the Oxford population, the Council's operations in response to the pandemic have had to be rooted in diversity, equality and a commitment to continually make adaptations so that all community needs are met.
5. This has benefitted the Council enormously, for example: a) there are now much stronger relationships and insights with community groups than before; and b) by working together with and through utilising local community owned infrastructure, the Council has been able to ensure its services are rooted in local diverse structures too.
6. If part of the purpose of addressing under-representation is to ensure services are designed and delivered in the context of local diversities, then the Council's approach in working with local community groups and through community infrastructure has helped deliver that objective, both directly and indirectly.
7. Moreover, the most significant benefits from the work implemented during the spring and summer period is the relationships and insights that staff have developed.

8. In the longer term, this learning will benefit the Council in further improving the internal culture of the Council. Because of the relationships formed, this will help the Council to utilise these opportunities to attract the best local talent, and build a more inclusive and diverse workforce. This vital learning will also be reflected in the draft Equality Diversity and Inclusion strategy in development.

### **Equality Diversity and Inclusion Strategy - A Refreshed Approach**

9. Building on our past work relating to Equality Diversity and Inclusion (EDI), coupled with the relationships the Council developed in responding to the pandemic, the Council utilised these opportunities to bring together local people, community groups and members through 15 focus groups, involving more than 140 people to understand better the issues that impact on the communities of Oxford.
10. The focus groups concluded at the end of October, and a thematic analysis has now commenced to understand specifically the issues and common themes. This will then result in a city-wide consultation exercise over a 12 week period.
11. During this period of consultation, the aim is to understand better from members of the community and other stake holders if the issues the Council has heard and listened to are correct. Equally, a view will also be sought on the proposed actions too. If they are not correct, then further amendments will be made. This is a crucial engagement and listening exercise to allow the Council to build on the trust it has begun to develop, and develop a fit for purpose EDI strategy.
12. This refreshed approach to EDI, both from an organisational development and people strategy perspective will support the Council to review its internal culture and shape the environment that is required to realise our EDI aspirations.
13. The benefit of this approach will help support the Council to meet its workforce aspirations in tackling the type of under-representation as referenced in paragraph 45 of this report.
14. At an internal leadership level, the aim is to embed EDI in organisational philosophy from a business benefits perspective, in compliance with the Council's duties in the Equality Act 2010.

### **WORKFORCE EQUALITIES REPORT**

15. The Council is an employer committed to increasing the diversity of its workforce and providing an inclusive environment with equality of opportunity for all employees. The Council is committed to making sure its workforce is representative of the diverse population it serves. To help the Council to achieve this aim, it is essential that there is transparency in relation to workforce equality data, alongside an overview of human resource activities as outlined in paragraph 16.
16. Presentation of the Workforce Equalities Report (WER), at Appendix 1, is an annual report that the Council is obliged to publish every year under the Equality Act 2010 (the Act). The WER provides an update on human resources and equalities related activities of the Council. It is a 'snap shot' of how diverse the workforce is, what recruitment has taken place and other data around equal pay. It contains data trend

analysis for a three year period (1 April 2017 to 31 March 2020) for the key protected characteristics in the Act. The WER also provides comparative population data and a breakdown of the Council's staffing in relation to key equalities reporting areas.

17. The WER covers all aspects of recruitment, retention, performance management and staff development, reflecting high standards of professional practice, and highlights what the Council has done in terms of recruitment and retention to increase the diversity of its workforce, in addition to embedding the Public Sector Equality Duty and Equality Act 2010 best practice.

18. The main items to note are as follows:

- Women represent 59% of the workforce, which is above the national average of 47% as per the national labour workforce survey. Women continue to be under-represented in roles above Grade 11.
- The workforce percentage of BAME staff was 11.95% as of 31<sup>st</sup> March 2018, by March 2019 this increased to 12.96% and as of 31<sup>st</sup> March 2020 it was 12.92% against our target of 13%+. Based on the 2011 Census the economically active BAME population of Oxford is 18.7%. A new census will take place in 2021.
- The number of staff who have declared themselves as having a disability has risen to 10.83% as at 31<sup>st</sup> March 2020, which is both the highest level over the reporting period as well as greater than the proportion of economically active individuals, as reported in the 2011 Census (8.9%).
- The proportion of staff under 30 years of age has decreased across the three year reporting period from 18.4% to 15.7%. The proportion between staff aged over 50 has increased marginally during this period.
- The number of staff who have declared themselves as lesbian, gay or bisexual is 3.5%. The Annual Population Survey (2016) suggests that 2.0% of the population identifies as bisexual, lesbian or gay.
- The proportion of staff choosing not to provide information on their protected characteristics remains an issue for the council, as this creates a barrier in terms of understanding the actual composition of its workforce. This is most significant regarding sexual orientation and religious beliefs, which will require further exploration to identify ways in which staff can feel more confident in sharing this information with their employer.

19. Staff turnover for the overall reporting period was 12.46 % at 31<sup>st</sup> March 2019 and had decreased to 11.25% by 31<sup>st</sup> March 2020. The Council's turnover is broadly comparable with other public sector organisations. Until the impact of the Covid-19 pandemic, the Council was continuing to use a variety of approaches to promote job opportunities within the local community, including: holding recruitment roadshows in local community venues; attendance at local job fairs and careers events in local schools and encouraging applications for apprenticeship opportunities from the OX1 to OX4 postcode area. Positive action will continue to be used as a measure to address under representation of BAME staff and women in senior grades; the next cohort of apprentices will be introduced into the organisation in the coming year;

suitable roles will be advertised on community centre notice boards; community newspapers/magazines; local libraries and the Oxford Mail newspaper, as well as the use of specialist recruitment agencies with a track record in identifying a diverse field of candidates.

20. The economic impact of the Covid-19 pandemic on the Council is well documented. Whilst not in the year being reported, it is important to note, staff turnover in this current climate has been severely reduced from an average of 11% to just over 4% in the last eight months. This has challenged the ability to address BAME/Gender under-representation through recruitment in the current financial year.
21. On the point of representation in terms of delivering public service, the Council's workforce has been working hand in glove with diverse communities across the city in response to the pandemic. So whilst the internal workforce demographics may not have changed due to the impact of the pandemic, by working so closely with the community, in terms of design and delivery of key parts of Council services aspirations have been realised to an extent.
22. This will stand the Council in good stead moving forward; utilising these relationships will support the work to attract a diverse workforce.
23. Reminder of progress already achieved is as follows:
  - Mandatory training was provided to all staff and managers between January and March 2019.
  - An Equality, Diversity and Inclusion week of activity, '*Everyone Matters*', was held in June 2019 for council staff, which over 360 members of staff attended. The week was very successful in terms of outcomes, with positive feedback received from both delegates as well as training providers. A cohort of Equalities Ambassadors was created from staff expressing an interest. This cohort received training pre-lockdown and is being used to mobilise the new Workforce Equalities Strategy moving forward.
  - It is recognised that there is limited awareness amongst the 16 to 18 age group in the City of the wide range of career opportunities available within the Council. In order to develop more effective engagement with this age group, a structured approach to work experience placements has been implemented in partnership with the Local Enterprise Partnership (LEP). Two, small scale 'pilot' programmes were delivered in July and October 2019.
  - At an operational level all vacancies are reviewed by the HR Business Partner Team with the recruiting manager from the relevant service to consider the essential/desirable requirements for each role as well as the most appropriate advertising methods. This is to ensure that each vacancy attracts as diverse a group of applicants as possible. Recently, we have incorporated within the commissions provided to recruitment consultants for them to specifically identify and attract BAME and Women candidates.
  - A wide-ranging review of the Council's recruitment processes and procedures is currently in train and aims to: simplify the job application process and on-line application form; revamp the Council's recruitment web page; make better use of social media; and introduce a CV application route.

- A revised exit interview process was introduced which has resulted in a significant increase in the uptake levels of exit interviews (circa 55% of staff leavers, from less than 30%), as well as improving the qualitative data ‘captured’ through the process, in particular about the ‘reason’ for leaving (primarily around career progression and development opportunities for the majority of leavers). This data will be used to develop improvements and interventions as well as provide feedback to the relevant service area(s) concerned.
- Future actions to achieve an improvement in performance, through positive action targeting in particular the low under representation in the parts of the workforce of those with a BAME background, are being developed in the Council’s draft Equalities Strategy. The strategy includes the following objectives:
  - Developing and implementing a People Strategy designed to build an organisation that has a “customer-first” approach and a commitment to being an inclusive and diverse organisation that values its people. The five corporate values of “One Team, Service Excellence, Inclusion and Respect, Amazing Outcomes, and Stepping Up” will underpin day to day behaviour.
  - Positive action integrated into the Council’s recruitment and appointment process with a focus on attracting and developing high quality talent.
  - The launch of a gender balanced race advisory group, with a concrete work plan that includes priorities such as supporting the Council to attract a diverse workforce which reflects the demography and localities of the city.
  - Developing a bespoke talent development programme aimed at ethnic minorities and people of colour that work for the Council and potentially the city too.
  - Using equalities ambassadors to celebrate equality and cultural events.
  - Developing and delivering an Anti-Racism Quality Mark by October 2021.

## **GENDER PAY GAP**

24. The Council is required under the Equality Act 2010 to publish an annual report that provides details of the Council’s gender pay gap using a number of key measures: basic pay; bonus; the proportion of male and females receiving a bonus; and pay quartile data (basic pay) for male and female staff. Due to the government’s gender pay reporting cycle, the pay data that the Council must publish by 30 March 2021 relates to Council pay data at the ‘snapshot date’ of 31 March 2020.
25. Gender pay gap reporting is based on two calculation methodologies. The first uses the hourly rate paid to male and female staff to compile the following reporting indices: -
- Mean gender pay gap (basic pay);
  - Median gender pay gap (basic pay); and
  - Pay quartiles by gender.

In practical terms the use of an hourly rate as the basis for calculation of the mean and median gender pay gap, and pay quartiles by gender, means that the *distribution* of female and male staff in the workforce has a significant impact, especially when coupled with a largely female workforce. The second methodology relates to reporting on the bonus pay gap. However, the Council does not currently make any bonus payments so has no data to report for this element.

26. The Council's gender pay gap details for the snapshot date of 31st March 2020 is as follows:

Mean gender pay gap (basic pay) is 12.3%
Median gender pay gap (basic pay) is 11.9%
Mean gender bonus gap for 0%
Median gender bonus gap is 0%
Proportion of male employees receiving a bonus is 0%
Proportion of female employees receiving a bonus is 0%

### Pay quartiles by gender

Quartile*	Males %	Females %
Top Quartile	54.44	45.56
Upper Middle Quartile	42.22	57.78
Lower Middle Quartile	34.44	65.56
Lower Quartile	33.33	66.67

27. Comparisons between the Gender Pay Gap as at 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020 are shown in Table 1 of Appendix 2. This data shows that:

- The mean gender pay gap has increased from 10.2% in 2019 to 12.3% in 2020 in favour of males.
- The median gender pay gap has decreased from 12.1% in 2019 to 11.9% in 2020.
- The gender composition has remained static from the previous to the current reporting periods at 58% females and 42% males

- The representation of males in the top pay quartile has increased by nearly 4% from 50.58% in 2019 to 54.44% in 2020.
28. The tables 2, 3 4 and 5 of Appendix 2 report the distribution of staff by grade, gender, employment type and age and show that:
- 58% of the Council's work force is female. 35% of them work on a part-time basis, compared to 12% of male staff who work on a part-time basis. The high number of part time females is the most significant contributing factor impacting on the Council's gender pay gap. The graphs show that the females working part time are predominantly younger and on lower grades compared to the small number of males working part time who are older and on higher pay.
  - There is an increase in the mean pay gap from 10.2% in 2019 to 12.3% in 2020. The quartile data shows an increase in the proportion of males in the top pay quartile. The number of male employees in the senior management grades (Business Lead and above) has increased by 3 from 14 in 2019 to 17 in 2020 and the number of females has decreased by 1 from 9 in 2019 to 8 in 2020. These changes will be one of the contributory factors causing the increase in the mean gender pay gap. There is evidence that this imbalance is being corrected in 20/21.
29. The Office for National Statistics (ONS) reports annually on the national gender pay gap. The report is from data in the Annual Survey of Hours and Earnings (ASHE) which is based on a 1% sample of jobs from HM Revenue and Customs Pay as You Earn records. The ONS has summarised the main points from the statistics as follows:
- In 2019 the overall gender pay gap was 17.3% and had fallen from 17.8% in 2018.
  - The gender pay gap is lower nationally for full time employment at 8.9%.
  - The gender pay gap for those in part time employment nationally is -3.1% (in favour of females)
  - Whilst for full time employment the pay gap is close to zero for age groups under 40, it is still 11.4% for 40 to 49 year olds and is more than 15% for those aged 50 and over. In addition this is not declining significantly over time. One of the reasons for this difference is thought to be that women over 40 years of age are more likely to work in lower-paid occupations and, compared with younger women, are less likely to work in managerial and senior officer roles. The Council will use existing research, and through specific focus groups plans to review why this is the status quo, and the actions that it needs to undertake to address this imbalance.
30. The national positive pay gap for part time workers is due to the higher number and low level of pay for part time females. According to a Local Government Employer Survey, the median annual salary for part time staff was £20164 (£10.48 per hour) and the ONS data indicates a median hourly rate of £11.35 for Local Government Administrative Occupations in 2019.



31. The table below shows the Council's mean hourly rate of pay for part time female staff is £16.36 and the median rate is £15.65 which are significantly higher than the average pay nationally (as per paragraph 30).

<b>Employment</b>	<b>Average</b>	<b>Pay Gap</b>	<b>Average Female Salary (per hour)</b>	<b>Average Male Salary (per hour)</b>
Full Time	Mean	10.11%	£17.95	£19.97
Part Time	Mean	12.27%	£16.36	£18.65
Full Time	Median	9.52%	£16.54	£18.28
Part Time	Median	14.39%	£15.65	£18.28

32. In summary, whilst there is a gender pay gap in favour of males the rates of pay at the lower range of the pay scale are favourable when compared with national rates. This reflects the Council's initiatives to improve low pay through the Oxford Living Wage and a pay deal for staff which was weighted towards the lower pay points by providing a set lump sum increase.

33. It is anticipated that the Council's new People Strategy and the draft Equalities Action Plan to emerge from the draft Equalities Diversity and Inclusion Strategy will aim to provide opportunities for staff development which in time will reduce the gender pay gap. In addition, a review will be undertaken to understand whether there are any challenges for part-time staff progressing to more senior roles within the Council.

## **ETHNICITY PAY GAP**

34. This is the first time the Council has reviewed its ethnicity pay gap. The Government has discussed introducing mandatory ethnicity pay gap reporting. Research from Nuffield College, the Baroness McGregor Review, the disproportionate impact of Covid on staff from a BAME background, coupled with the Black Lives Matter campaign, has brought a sharper focus on racial inequality in many public sector organisations.

35. As mandatory reporting is not in place, there is not a national prescribed methodology for calculating the ethnicity pay gap. The same methodology that is used for calculating the gender pay gap has therefore been used to calculate the Council's ethnicity pay gap.

36. The aim next year is to overlay gender and ethnicity pay gap data, to understand better the intersectional impact. This will enable the Council to direct energy and resources where they are most needed. The aim is also to include disability reporting in the same way in the coming year.

37. The provision of ethnicity information is voluntary and for the Council's workforce 7.8% of the data is not known. For the purpose of this report the categories above have been grouped into three classifications:
- Black and Minority Ethnic (BAME)
  - White
  - Not known
38. It is important to note that whilst the classifications have been grouped to provide a useful overview, this does not inhibit the Council from undertaking a deep-dive to better understand impact at specific ethnicity level. However, it is worth noting that given the size of the smaller cohorts when assessing specific ethnicities, it is important to be careful in how the information is interpreted and compared.
39. The current number of employees in the BAME category is relatively small, representing 12.9% of the workforce.
40. It should be noted that an ethnicity pay gap is not an equal pay issue. The Council has a job evaluation scheme to determine job grades which is based on the duties and responsibilities of the job, with no reference to any job holders.
41. Appendix 3 provides details of the Council's ethnicity pay gap using the same methodology as for the calculation of the gender pay gap, comparing the pay differential between employees in the BAME group with employees in the White group. The mean ethnicity pay gap is 10.3% and the median ethnicity pay gap is 9.4%.
42. The pay gap figures above exclude the 56 (amounts to 7.8%) employees for whom ethnicity is not known.
43. The table below shows that at 9.4% the Council's ethnicity pay gap is higher than both the national and regional pay gaps. The median hourly pay rates are, however, higher at £17.77 in the White group and £16.10 for the BAME group. The respective mean hourly rates are £18.44 and £16.54.

<b>Population</b>	<b>White Median Hourly Rate</b>	<b>BAME Median Hourly Rate</b>	<b>Ethnicity Pay Gap</b>
England and Wales	£12.40	£12.11	2.3%
South East Region	£13.45	£12.38	5.9%
Oxford City Council	£17.77	£16.10	9.4%

44. The Council's ethnicity pay gap details for the snapshot date of 31st March 2020 are below:

Mean gender pay gap (basic pay) is 10.3%
Median gender pay gap (basic pay) is 9.4%
Mean gender bonus gap for 0%
Median gender bonus gap is 0%
Proportion of male employees receiving a bonus is 0%
Proportion of female employees receiving a bonus is 0%

### Pay quartiles by Ethnicity

Quartile*	BAME %	White %
Top Quartile	7.23	92.77
Upper Middle Quartile	12.05	87.95
Lower Middle Quartile	16.27	83.73
Lower Quartile	20.48	79.52

45. Appendix 3 provides a table and graphic representation of ethnicity by grade. There is a notably high level of employees from the BAME group in grades 3-5. Grades 6 and 7 also have a high level of BAME representation. These three grades represent a significant proportion of the Council's total workforce. From grades 8 onwards the % of BAME employees is significantly lower compared to the rest of the workforce.

### DISABILITY PAY GAP

46. Next year's equalities reports will include a review of the disability pay gap in Oxford City Council's workforce. The methodology will be similar to that already used for the gender and ethnicity pay gap reporting.

## **MEASURING PROGRESS / OUTCOMES**

47. This WER is useful in providing a set of indicators to measure the performance of the organisation from a pay gap perspective as part of the Council's equity aspirations. Going forward, it is probably prudent to agree a small set of outcomes linked to the People Strategy and draft EDI strategy, with a particular focus on qualitative related outcomes such as trust and belonging, career progression, inclusive governance etc. with an agreed set of underpinning indicators.
48. In taking this approach, the Council would be able to provide a whole cycle view, rather than just statistical representations that on their own provide limited value. By focusing on outcomes, as an organisation the Council would begin to embed EDI into its business philosophy aligned to the commitment to being an "inclusive and diverse organisation that values our people".

## **FINANCIAL IMPLICATIONS**

49. One-off budget provision of £132,500 has been identified for People strategy development and implementation in 2020/21. This budget is funding investment in team and individual coaching, together with research to underpin the Council's commitment to being an inclusive and diverse organisation.
50. A base budget of £60,000 is in place to support the Council's on-going commitment to positive action as a key strand of our approach to EDI.
51. The pandemic has had a significant impact on the finances of the authority with many income streams being severely reduced as a result for this financial year and for a number of years to come. In setting its budget and balancing the deficits in its General Fund for next year and for the Medium Term Financial Plan, the authority is planning to take a number of efficiency measures in addition to exercising pay restraint, in order to protect services and jobs.

## **LEGAL IMPLICATIONS**

52. The Equality Act 2010 (the Act), section 149 introduced the Public Sector Equality Duty. It requires that in everything the Council does, it must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
52. A relevant protected characteristic is defined in section 4 of the Act as; age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnerships.
53. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require the Council to publish information annually about how it complies with the Public Sector Equality Duty. The information must include, in particular, information relating to persons who share a relevant protected characteristic who are:
- (a) Its employees; and
  - (b) Other persons affected by its policies and practices.

54. The Regulations also impose obligations on the Council to publish information relating to the “gender pay gap” in the organisation on the snapshot date of 31<sup>st</sup> March in any year. In particular, the Council is required to publish the difference between the average hourly rate of pay paid to male and female employees; the difference between the average bonus paid to male and female employees; the proportions of male and of female employees who receive bonuses; and the relative proportions of male and female employees in each quartile pay band of the workforce.
55. The Workforce Equality Report and the Action Plan have been prepared in compliance with the requirements of the Act.
56. Positive Action is one of the Government’s range of measures aimed at tackling discrimination in the workplace under the Equality Act 2010. It can be used in two areas: encouragement in training; and recruitment and promotion. To adopt positive action approaches the Council must ensure it can provide evidence of the ‘gap’ it is trying to resolve and that the approach is reasonable.

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<b>Background Papers:</b> None
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