

To: Cabinet
Date: 15th December 2021
Report of: Head of Business Improvement
Title of Report: Equalities Update

Summary and recommendations	
Purpose of report:	<p>To present and seek approval for the publication of the annual Workforce Equality Report 2021, which includes the Gender Pay Gap Report, Ethnicity Pay Gap Report and Disability Pay Gap Report;</p> <p>To share current progress on the Workforce Equalities Report and Action Plan;</p>
Key decision:	Yes
Cabinet Member:	Councillor Mike Rowley, Portfolio Holder for Customer Focused Services
Corporate Priority:	All
Policy Framework:	Corporate plan 2020-24
Recommendations: That Cabinet resolves to:	
	<ol style="list-style-type: none"> 1. Approve the contents of the Workforce Equality Report 2021; 2. Delegate authority 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; 3. Approve the contents of the Gender Pay Gap, Ethnicity Pay Gap and Disability Pay Gap reports for this year; and 4. Delegate authority to the Head of Business Improvement to publish the Gender Pay Gap table at paragraph 19 before 30 March 2022, the Ethnicity Pay Gap table at paragraph 34 and the Disability Pay Gap table at paragraph 41 on the Council website.

Appendices	
Appendix 1	Workforce Equality Report (2021)
Appendix 2	Distribution of Council staff by gender, grade, age and employment type
Appendix 3	Distribution of Council staff by Grade and Ethnicity
Appendix 4	Distribution of Council staff by Grade and Disability

INTRODUCTION

1. In 2020/21, the new People Strategy was launched, defining the Council’s ambition for its workforce to have the right people, with the right skills, highly motivated, high performing and business-efficient delivering the best outcomes to the people of Oxford. The strategy articulates the respectful, inclusive and supportive culture that will nurture a more representative workforce – taking a more authentic approach that focuses beyond key performance indicators.
2. The People Strategy is divided into six key themes to address the external context the Council faces and enable our business goals. These link every aspect of a person’s career cycle, ensuring the highest standards of leadership and fostering a culture which is truly inclusive. These themes are:
 - High Performing and flexible workforce
 - Attract, reward and retain talent
 - Support Development
 - Create a culture of wellbeing, diversity and engagement
 - Promote, champion and support inspirational leaders
 - People Team transformation
3. In the last twelve months, the Council has focussed on four of the themes identified above, namely high performing and flexible workforce, inspirational leaders, people team transformation and creating a culture of wellbeing, diversity and engagement,. The goals set out in the Workforce Equalities Action Plan last year are embedded in this latter workstream.
4. Each workstream is sponsored by a member of the Corporate Management Team and reports progress to a People Strategy Programme Board chaired by the Chief Executive, thereby reflecting the organisational ownership of the strategy. It is through this approach that change will be driven throughout the organisation, with the People Team as an enabler by setting the framework.

The Council has invested significant resources, and continued to prioritise its response to the Covid-19 pandemic crisis. Given the disproportionate impact of Covid on communities of colour the Council understood that its operational response needed to be rooted in meeting the needs of Oxford’s diverse populations. It is widely reported by Public Health England that “*people of Bangladeshi ethnicity*

had around twice the risk of death from Covid-19 when compared to people of white British ethnicity. People of Chinese, Indian, Pakistani, other Asian, Caribbean and other black ethnicity had between 10 and 50% higher risk of death when compared to white British.” The Council built an operational response to the pandemic that reflected and met the diverse needs of all our communities. Covid-19 has highlighted, and further exposed the health and economic inequalities that pre-existed the pandemic across the City. In particular, the Black Lives Matter movement continues to strive for racial equality, social and criminal justice.

5. As a result of this, there are now much stronger relationships and insights with community groups than before; and the Council has been able to ensure its services are designed and delivered in the context of local diversities.
6. 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.
7. It should be noted that figures used for comparison of the local population are those considered ‘economically active’ – in other words those who are in employment and those unemployed. The local population figures do not include those who are not looking for work or who are not available for work (for example students, those who have retired or those who are too ill to work).

WORKFORCE EQUALITIES REPORT

8. 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.
9. 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 contains data trend analysis for a three year period (1 April 2019 to 31 March 2021) 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.
10. This year, the format of the report has changed with the aim of being more reader friendly for the public. New sections have been incorporated to summarise trends and to identify the key achievements and priority actions for the coming year.
11. The WER covers aspects of the employment lifecycle 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.
12. The main items to note are as follows:

- Recruitment activity was markedly reduced, with 60 new starters joining the Council compared to 99 in the previous year and 64 leavers in the same period meaning slightly more people were leaving than joining.
 - Over half of the workforce are women (58.2%), which is above that of the population of Oxford at 47%. This year, the proportion of women in senior roles has increased by 6%, now making up 41% of roles at grade 11.
 - There was a slight reduction in the workforce of black and minority ethnic employees over the reporting period to 12.4% from 13.0% in 2019. This is presently reporting at 13.07% as at 30.09.2021. This is lower than those economically active in the local population of Oxford (18%) and below the Council's target of 13.5% by 2022. Recruitment data suggests a drop in the proportion of black and minority ethnic candidates applying for and appointed to roles with the Council.
 - 10.8% of workforce have declared a disability, relatively stable compared to last year and compares favourably with the local population at 6.7%. Data suggests an increase in the number of disabled candidates applying for and appointed to roles and with the Council.
 - The average age of the Council's workforce is 45. The proportion of staff under 30 years of age has decreased across the 3 year reporting period from 16.4% to 13.3%. The proportion between staff aged over 50 has increased marginally during this period.
 - The Annual Population Survey (2016) suggests that 2.0% of the population identifies as bisexual, lesbian or gay. 3.6% of the Council workforce identify as bisexual, lesbian or gay. Currently data on recruitment is limited and this is an area requiring improvement.
 - 34.6% of the workforce have declared as Christian compared with 48% in Oxford, with 28.4% atheist/humanist/no belief compared to 33.1% in Oxford and 28.8% unknown. 3.6% of the workforce is 'other', 2.1% is Muslim (Oxford 6.8%) and 0.3% Sikh.
13. The economic impact of the Covid-19 pandemic on the Council is well documented and the impact on the Council's work to support the workforce was significant, from ensuring people were set up to work remotely from home and diverting people to take on new demands as a result of the pandemic, to helping our employees with their wellbeing and balancing their work and home life.
14. A unique set of circumstances were faced during 2020/21 in terms of employment data – recruitment activity was at an all-time low, the number of leavers during the year was markedly fewer. For example, staff turnover for 2020/21 was severely reduced from an average of 11% pre pandemic to just over 4% in February 2021. This is evidenced by the fact that new starters to the organisation dropped significantly from 99 in 2019/20 to 60 in 2020/21. This has challenged the ability to address BAME/Gender under-representation through recruitment in the current financial year.

15. The WER presents the progress achieved so far against the action plan, some highlights include:

- The Council's new People Strategy was launched, embodying our ambition to put inclusion and respect at the heart of the Council's culture
- Resources were invested in a Equality, Diversity and Wellbeing workstream, including appointing an Equality and Diversity Project Manager to deliver the work needed
- A quarterly engagement survey was introduced across the Council, with questions aimed at understanding people's feelings of belonging and to raise visibility of issues affecting different groups.
- An apprenticeship programme was introduced across a number of service areas including Community Services, Financial Services and Housing, targeting local communities through different means including outreach to local schools and colleges, liaising with locality hubs and other partners. The objective was to improve representation of younger people, BAME communities and females into the Council. This programme has successfully attracted apprentices from the local communities in Oxford City. A breakdown of applicants shows that 74% were under 30 compared with 22.3% over 30, 36% were BAME compared with 53.2% that were white and 54% were female compared with 42.4% male. Of those appointed, 55% were BAME and 91% were under the age of 30 and 55% were female.
- To improve representation of females and BAME employees at management level, we contracted with our external search and recruitment partners to ensure a diverse talent pool.
- Our Domestic Abuse Policy has been revised and re-launched to support our staff and raise awareness – this has been accompanied with improved intranet resources for staff and promotion of Domestic Abuse Champions.
- The Council were awarded Disability Confident Employer status (at Level 2) on 23 March 2021 and this will be in place up to the 19 March 2024.
- Wellbeing activities have been undertaken to support our employees across a number of areas, such as mental health, women's and men's health, sleep and initiatives to support wellbeing while working from home. We hosted a workplace mental health and wellbeing network to share insights with other Oxfordshire organisations.
- Employee networks have begun to be established, facilitated using different methods, such as a channel for people to discuss a wide variety of wellbeing issues via Teams, and an LGBTQ+ network.
- A programme of activities to encourage our services to build an inclusive culture have been implemented, including awareness sessions discussing lived experiences, articles written by members of staff about their lived experiences in Council communications.
- Specific sessions on equalities were run with our leadership community and in all Council Let's Talk sessions, encouraging participation and engagement from the audience

16. The WER sets out our priority aims and specific actions for 2021/2022. A summary of these include:

- Improving diversity and inclusion capability for our people and create robust and transparent processes, policies and systems across the Council.
- Encouraging Council services to build an inclusive culture. The main activities will include:
 - Implementing an Equalities Steering Group to support services to integrate Equality, Diversity, Inclusion and Belonging in policy, service designs and the operational delivery infrastructure, and to monitor performance.
 - Each service area will develop their own workforce development plan, to show in more granular detail the specific actions they will take to improve diversity through the employment lifecycle including recruitment, development, performance and retention.
- Becoming an inclusive employer – creating an exceptional end to end experience for all of our current and future colleagues. This will involve a review of recruitment and on-boarding to include how we use best practice at different stages of the recruitment process, learning from the success of other recruitment campaigns such as the apprenticeship programme.
- Improve our data collection so we can use evidenced based insights, data and experience to progress our diversity and inclusion commitments. This will enable us to report on ethnic groups and to analyse and report on the data through an intersectional lens. It should also be noted that the outputs from the latest Census will provide an updated analysis of the City Council's population, which will further inform what the development areas are in the City Council's workforce profile and shape the interventions required. This is presently expected mid-2022.

GENDER PAY GAP

17. 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 2022 relates to Council pay data at the 'snapshot date' of 31 March 2021.

18. 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.

19. The Council's gender pay gap details for the snapshot date of 31st March 2021 is as follows:

31 March 2021	
Mean gender pay gap (basic pay)	11.4%
Median gender pay gap (basic pay)	9.4%
Mean gender bonus gap	0%
Median gender bonus gap	0%
Proportion males receiving a bonus	0%
Proportion females receiving a bonus	0%

Pay quartiles by gender

Quartile	Males %	Females %
Top	52.27	47.73
Upper Middle	46.02	53.98
Lower Middle	35.23	64.77
Lower	33.71	66.29

20. Comparisons between the Gender Pay Gap as at 31st March 2019 and 31st March 2021 are shown in Table 1 of Appendix 2. This data shows that:

- The mean gender pay gap has decreased from 12.3% in 2020 to 11.4% in 2021, but remains in favour of males.
- The median gender pay gap has decreased from 11.9% in 2020 to 9.4% in 2021.
- The gender composition has remained static from the previous report at 58% females and 42% males.
- The representation of males in the top pay quartile has reduced by 2% from 54.44% in 2020 to 52.27%.

21. 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 a decrease in the mean pay gap from 12.3% in 2020 to 11.4% in 2021. The quartile data shows an increase in the proportion of females in the top pay quartile. The number of male employees in the senior management grades (Business Lead and above) has remained static since last year at 17 and the number of females has increased by 2 from 8 in 2020 to 10 in 2021. These changes will be one of the contributory factors causing the reduction in the mean gender pay gap.

22. 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 2020 the overall gender pay gap was 14.9%, falling from 17.4% in 2019.
- The gender pay gap is lower nationally for full time employment at 7.0%.
- The gender pay gap for those in part time employment nationally is -3.5% (in favour of females)
- Whilst for full time employment the pay gap is close to zero for age groups under 40, it is still over 10.7% for 40 to 49 year olds and is over 11% for those aged 50 and over. This is a decline since last year.
- The ONS have highlighted that data for 2020 and 2021 is subject to more uncertainty than usual, due to the challenges faced collecting the data under public health restrictions and a fall in response rates since the start of the pandemic.
- The number of people furloughed during this time may have had an impact on the gender pay gap, as almost half of those furloughed were receiving reduced pay. In April 2020, the majority of those furloughed nationally were men, potentially reducing the pay gap in the short term.

23. 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.

24. The table below shows the Council's mean hourly rate of pay for part time female staff is £17.09 and the median rate is £16.23 which are significantly higher than the average pay nationally (as per paragraph 23).

Employment	Average	Pay Gap	Average Female Salary (per hour)	Average Male Salary (per hour)
Full Time	Mean	8.42%	£18.95	£20.70

Part Time	Mean	15.35%	£17.09	£20.19
Full Time	Median	0%	£18.54	£18.54
Part Time	Median	12.03%	£16.23	18.45

25. In summary, whilst there remains 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.
26. The Council's People Strategy will continue to provide opportunities for staff development with the aim of continuing the positive change in the gender pay gap seen this year. A review will also be undertaken to understand whether there are any challenges for part-time staff progressing to more senior roles within the Council.

ETHNICITY PAY GAP

27. This is the second year that the Council has reviewed its ethnicity pay gap and therefore the first time any trends in data can be analysed.
28. Ethnicity pay gap reporting remains voluntary and consequently 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.
29. The provision of ethnicity information is voluntary and for the Council's workforce 9.7% 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
30. 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.
31. The current number of employees in the BAME category is relatively small, representing 12.4% of the workforce.
32. 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.

33. 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.

34. The Council’s ethnicity pay gap details for the snapshot date of 31st March 2021 are below:-

31 March 2021	
Mean ethnicity pay gap (basic pay)	11.4%
Median ethnicity pay gap (basic pay)	11.8%
Mean ethnicity bonus gap	0%
Median ethnicity bonus gap	0%
Proportion White receiving a bonus	0%
Proportion BAME receiving a bonus	0%

Pay quartiles by Ethnicity

Quartile*	BAME %	White %
Top Quartile	7.55	92.45
Upper Middle Quartile	10.69	89.65
Lower Middle Quartile	16.35	83.65
Lower Quartile	20.25	79.75

35. Comparisons between the Ethnicity Pay as at 31st March 2020 and 31st March 2021 are shown in Table 1 of Appendix 3. This data shows that:

- The mean ethnicity pay gap has increased from 10.3% in March 2020 to 11.4% in March 2021
- The median ethnicity pay gap has increased from 9.4% in 2020 to 11.8% in 2021
- The representation of BAME in the top pay quartile has remained relatively static at 7.23% in March 2020, increasing slightly to 7.55% in 2021.

36. The pay gap figures above exclude the 68 (amounts to 9.7%) employees for whom ethnicity is not known.

37. The table below shows that at 11.8% 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 £18.54 in the White group and £16.36 for the BAME group. The respective mean hourly rates are £19.33 and £17.13.

Population	White Median Hourly Rate	BAME Median Hourly Rate	Ethnicity Pay Gap
England and Wales	£12.40	£12.11	2.3%
South East Region	£13.45	£12.38	5.9%
Oxford City Council	£18.54	£16.36	11.8%

DISABILITY PAY GAP

38. For the first time, the Council has reviewed its disability pay gap. The methodology used is the same as that already used for the gender and ethnicity pay gap reporting.

39. The provision of disability information is voluntary and for the Council's workforce 11.2% of the data is not known. For the purpose of this report the categories have been grouped into three classifications:

- Disabled
- Non Disabled
- Not known

40. The current proportion of the workforce at the Council declaring a disability is relatively small at 10.8%.

41. The Council's disability pay gap details for the snapshot date of 31st March 2021 are below:-

31 March 2021	
Mean disability pay gap (basic pay)	7.7%
Median disability pay gap (basic pay)	1.5%
Mean disability bonus gap	0%
Median disability bonus gap	0%
Proportion males receiving a bonus	0%
Proportion females receiving a bonus	0%

Pay Quartiles by Disability

Quartile	Disabled%	Non Disabled %
Top	8.33	91.67
Upper Middle	14.10	85.90
Lower Middle	12.82	87.18

Lower	13.46	86.54
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42. The data shows the disability pay gap is 7.7% and the mean disability pay gap is 1.5%. The representation of BAME in the top pay quartile is 8.33% March 2021.

43. The table below shows that at 1.5%, the Council’s disability pay gap is lower than the national pay gap. The median hourly pay rates are higher at £18.27 for the disabled group and £18.54 for non disabled group. The mean hourly pay rates are £17.69 and £19.17 respectively.

Population	Disabled Median Hourly Rate	Non Disabled Median Hourly Rate	Disability Pay Gap
England and Wales	£10.63	£12.11	12.2%
Oxford City Council	£18.27	£18.54	1.5%

44. Appendix 4 provides a table and graphic representation of disability by grade. There is a notably higher level of disabled employees in grades 5-7. From grades 8 onwards the % of disabled employees is significantly lower compared to the rest of the workforce.

MEASURING PROGRESS / OUTCOMES

45. 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. To define outcomes from the People Strategy, a number of engagement sessions have been undertaken in 2020/21 and the Council launched the first staff survey. All this will go to setting outcomes that can be used to measure progress – the focus being on qualitative related outcomes such as trust and belonging, career progression, inclusive governance etc.

46. 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

47. 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.

48. In 2020/21, the Council invested in resource to support the implementation of the People Strategy, this included appointing a fixed term ED&I Project Manager who has now left the organisation. To continue the work for ED&I and implementing the People Strategy further, it has been identified that more long term investment is

needed and an invest to save business case has been submitted to seek budget approval for the required resource in the People Team.

49. 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 measures as part of the Change Programme.

LEGAL IMPLICATIONS

50. 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 31st 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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Background Papers: None