

To: Cabinet
Date: 14 December 2022
Report of: Head of Business Improvement
Title of Report: Equalities Update

Summary and recommendations	
Purpose of report:	To present and seek approval for the publication of the annual Workforce Equality Report 2022, the Gender Pay Gap Report, the Ethnicity Pay Gap Report and the Disability Pay Gap Report; and To share current progress on the Workforce Equalities Report and Action Plan.
Key decision:	No
Cabinet Member:	Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendations: That Cabinet resolves to:	
	<ol style="list-style-type: none"> 1. Approve the Workforce Equality Report 2022; 2. Delegate authority to the Head of Business Improvement to make any necessary editorial corrections and minor amendments before publication and publish the Workforce Equality Report; 3. Approve 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 on the Council's website: (i) the Gender Pay Gap table at paragraph 19 of the report before the deadline of 30 March 2023; (ii) the Ethnicity Pay Gap table at paragraph 27 of the report; and (iii) the Disability Pay Gap table at paragraph 33 of the report.

Appendices	
Appendix 1	Workforce Equality Report 2022
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 2022 we launched our [Equality, Diversity and Inclusion Strategy](#), developed using the Local Government Association Equalities Framework, which outlines four areas of focus for equality, diversity and inclusion (EDI):
 - Understanding and Working with our Communities
 - Leadership and Organisational Commitment
 - Responsive Services and Customer Care
 - Diverse and Engaged Workforce

Our commitment to equality, diversity and inclusion influences how we work with our residents, staff and elected members. We want Oxford City Council to have a workforce that reflects the community it serves and to be seen as an employer of choice that values, and draws strength from, diversity.

2. This report is focused on our workforce, however it is important to recognise the wider context of the council's equalities work and how workforce equalities fits within the strategic framework.
3. The Council's People Strategy defines the Council's ambition for its workforce to have the right people, with the rights 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.
4. 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

5. The key priorities are:

- Recruitment
- Leadership development
- Performance management and motivation
- Flexible working
- Excellence in basic people service delivery
- EDI

Whilst EDI is a priority in its own right, it is also at the centre of each of the key priorities also listed.

Workforce Equalities Report

6. 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.
7. 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 2022) 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.
8. 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.
9. The main items to note are as follows:
 - Recruitment activity was markedly increased, with 142 new starters joining the Council compared to 60 in the previous year. Recruitment had been noticeably lower the previous year due to the pandemic and so the increase was partly a readjustment to normal conditions. There were also more leavers than the previous year (107 leavers) and the apprenticeship programme saw an increase in headcount of 15 people. Overall, the headcount of the organisation increased by 7% over the year.
 - Over half of the workforce are women (60.7%), which is above that of the population of Oxford at 47%. This year, the proportion of women in senior roles has increased by 9%, now making up 50% of roles at grade 11.
 - There was an increase in the representation of minority ethnic groups in the workforce over the reporting period to 14.6% from 12.9% in the previous year. This is above the Council's target of 13.5% by 2022, but lower than

those economically active in the local population of Oxford (18%).
Recruitment data suggests an increase in the proportion of candidates from minority ethnic groups applying for and appointed to roles with the Council.

10. Some key achievements in the last 12 months include:

- Our new People Strategy continues our ambition to put inclusion and respect at the heart of how we develop policy, practice and the behaviour that influences our culture.
- We have completed two quarterly engagement surveys to help us to understand what our employees think of us as an employer and their experience of working at the authority.
- Our apprentice programme was successful in recruiting from local communities and individuals are developing skills and experience to equip them to achieve success in their working lives. Over a third of our Apprentices were from minority ethnic groups. We will recruit a new cohort of apprentices from Oxford in 2023 building on the success to date.
- To improve representation of minority ethnic groups and females at management level, we contracted with our external search and recruitment partners to ensure a diverse talent pool. We have also appointed a Recruitment Consultant and EDI Specialist in the People Team who will help us to target our recruitment of under-represented groups moving forward.
- The Council was awarded Disability Confident Employer status (at Level 2) on 23 March 2021 and this will be in place up to the 19 March 2024.
- We have re-trained our existing mental health first aiders and trained new volunteers for the role to support all employees across the organisation.
- Our employee networks continue to offer employees the opportunity to discuss the issues that affect them and they support our Equalities Steering Group.
- We have developed a new approach to equality impact assessments that is rigorous and has been praised by the organisation, Inclusive Employers.
- We are working with Localities teams to ensure we can plug our recruitment opportunities into local communities.

11. The WER sets out our priority aims and specific actions for 2022/2023. A summary of these include:

- Improve diversity and inclusion by introducing inclusive recruitment practices to reduce the influence of bias and a focus on capability to do the job.
- Roll out of our new Equality Impact Assessments across all people policy and activity to address the needs of protected groups.
- Build inclusive leadership practices and culture.
- Improved understanding of our workforce and individual employee experiences.

Gender Pay Gap

12. The Council is required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 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 2023 relates to Council pay data at the 'snapshot date' of 31 March 2022.

13. 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.

* The mean hourly rate is calculated by totalling the hourly rates of all employees and dividing by the number of employees.

** The median hourly rate is the middle value when all hourly rates are placed in order from lowest to highest.

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.

14. The Council's gender pay gap details for the snapshot date of 31st March 2022 is as follows:

31 March 2022	
Mean gender pay gap (basic pay)	8.0%
Median gender pay gap (basic pay)	11.4%
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	50.82	49.18
Upper Middle	44.81	55.19
Lower Middle	32.24	67.76
Lower	32.79	67.21

15. Comparisons between the Gender Pay Gap as at 31st March 2021 and 31st March 2022 are shown in Table 1 of Appendix 2. This data shows that:

- The mean gender pay gap has decreased from 11.4% in 2021 to 8.0% in 2022, but remains in favour of males. One of the reasons for this, is because the representation of men at senior management level decreased slightly.
- The median gender pay gap has increased from 9.4% in 2021 to 11.4% in 2022. Whilst the number of women in the organisation has increased, a significant number are at the lower pay grades, therefore increasing the median pay gap.
- The gender composition has changed from the previous report with female representation increasing by 2.5% to 60.7% of the workforce.
- The representation of males in the top pay quartile has reduced by 1.45% from 52.27% in 2021 to 50.82% in 2022.

16. 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:

- 61% of the Council's work force is female. 34% of them work on a part-time basis, compared to 9% 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 11.4% in 2020 to 8% in 2022. 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 decreased from 17 to 12 this year and the number of females has increased by 1 from 10 in 2020 to 11 in 2021. These changes will be one of the contributory factors causing the reduction in the mean gender pay gap.

17. 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 2021 the overall gender pay gap was 15.4%, increasing from 14.9% in 2020, but is still down from 17.4 in 2019 (before the pandemic).
- The gender pay gap is lower nationally for full time employment at 7.9%.
- The gender pay gap for those in part time employment nationally has reduced from -3.5% to -2.7% (in favour of females).
- Whilst for full time employment the pay gap is close to zero for age groups under 40, it is higher for those 40 and over at approximately 12%.

18. Nationally the gender pay gap is higher for all employees than it is for full time or part-time employees. This is because women fill more part time jobs which have a lower hourly median pay compared to full time roles.

19. The table below shows the Council's mean hourly rate of pay for part time female staff is £17.33 and the median rate is £16.36.

Employment	Average	Pay Gap	Average Female Salary (per hour)	Average Male Salary (per hour)
Full Time	Mean	6.84%	£18.84	£20.23
Part Time	Mean	-2.61%	£17.33	£16.89
Full Time	Median	0%	£18.54	£18.54
Part Time	Median	0%	£16.36	£16.26

20. 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.

Ethnicity Pay Gap

21. This is the third year that the Council has reviewed its ethnicity pay gap.

22. 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.

23. 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:

- Minority ethnic groups
- White
- Not known

24. 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.

25. The current number of employees from minority ethnic groups is relatively small, representing 14.6% of the workforce.

26. 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 from minority ethnic and white backgrounds.

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

31 March 2022	
Mean ethnicity pay gap (basic pay)	14.4%
Median ethnicity pay gap (basic pay)	11.8%
Mean ethnicity bonus gap	0%
Median ethnicity bonus gap	0%
Proportion males receiving a bonus	0%

Pay quartiles by Ethnicity

Quartile	Minority Ethnic Groups %	White %
Top	7.23	92.77
Upper Middle	13.86	86.14
Lower Middle	15.66	84.34
Lower	27.88	72.12

28. Comparisons between the Ethnicity Pay as at 31st March 2021 and 31st March 2022 are shown in Table 1 of Appendix 3. This data shows that:

- The mean ethnicity pay gap has increased from 11.4% in March 2021 to 14.4% in March 2022. One of the key reasons for this is the new cohort of Apprentices. Whilst representation of minority ethnic groups has increased, when these people are on lower pay grades the pay gap increases.
- The median ethnicity pay gap is static at 11.8%.
- The representation of minority ethnic groups has increased across all quartiles, but reduces as pay increases. Representation has increased by 7.63% in the lower quartile, but only by 0.32% in the top pay quartile. This is the reason for the increasing pay gap.

29. The pay gap figures above exclude the 70 (amounts to 9.3%) employees for whom ethnicity is not known.

Disability Pay Gap

30. This is the second year that 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.

31. The provision of disability information is voluntary and for the Council's workforce 10.9% 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

32. The current proportion of the workforce at the Council declaring a disability is 10.7%.

33. The Council's disability pay gap details for the snapshot date of 31st March 2022 are below:-

31 March 2022	
Mean disability pay gap (basic pay)	4.0%
Median disability pay gap (basic pay)	0.0%
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	9.15	90.85
Upper Middle	14.72	85.28
Lower Middle	12.27	87.73
Lower	10.43	89.57

34. The data shows the mean disability pay gap is 4%. The representation of disability in the top pay quartile has increased to 9.15% in March 2022 from 8.33% March 2021.

35. The table below shows that the Council's had no median disability pay gap. This compares with a national pay gap of 13.8%.

Population (2021)	Disabled Median Hourly Rate	Non-disabled Median Hourly Rate	Disability Pay Gap
England and Wales	£12.10	£14.03	13.8%
Oxford City Council	£18.54	£18.54	0%

36. Appendix 4 provides a table and graphic representation of disability by grade. There is a notably higher level of disabled employees in grades 5-8.

Measuring Progress / Outcomes

37. 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 equalities aspirations. Alongside this, the Council's staff survey will help to set outcomes and measure progress – the focus being on qualitative related outcomes such as trust and belonging, career progression, inclusive governance etc.

38. 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 equality, diversity and inclusion (EDI) into its business philosophy aligned to the commitment to being an "inclusive and diverse organisation that values our people".

Financial Implications

39. 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.

Legal Implications

40. 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.

41. 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.

42. 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.

43. 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.
44. The Workforce Equality Report and the Action Plan have been prepared in compliance with the requirements of the Act.

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Background Papers: None

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