

To: Cabinet
Date: 13 December 2023
Report of: Head of Business Improvement
Title of Report: Equalities Update

Summary and recommendations	
Purpose of report:	To (i) present and seek approval for the publication of the annual Workforce Equality Report 2023, the Gender Pay Gap Report, Ethnicity Pay Gap Report and Disability Pay Gap Report; and (ii) 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 and Council Companies
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 2023; 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 14 before 30 March 2024, the Ethnicity Pay Gap table at paragraph 24 and the Disability Pay Gap table at paragraph 30 on the Council's website.

Appendices	
Appendix 1	Workforce Equality Report 2023
Appendix 2	Gender Pay Gap and Distribution of Council staff by Grade, Gender and Age

Appendix 3	Ethnicity Pay Gap and Distribution of Council staff by Grade and Ethnicity
Appendix 4	Disability Pay Gap and 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 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.
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 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 within these themes are:
- Recruitment and retention of talented and experienced people

- Leadership and management development to build an inclusive and high-performing organisation
- Providing more career development opportunities
- Improving the diversity of the workforce
- Excellence in basic people service delivery

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 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 2020 to 31 March 2023) 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 decreased compared to the previous year, with 98 new starters joining the Council compared to 142 in the previous year. There were also fewer leavers than the previous year (75 leavers). Overall, the headcount of the organisation increased by 3% over the year.
 - Over half of the workforce are women (59.7%), which is above that of the population of Oxford at 48.2%. This year, the proportion of women in senior roles has decreased by 1%, now making up 49% of roles at grade 11 and above.
 - There was a decrease in the representation of minority ethnic groups in the workforce over the reporting period to 14.2% from 14.6% in the previous year. This is close to the Council's target of 15% by 2024, but lower than the local population of Oxford. 2021 Census data shows that 27.7% of the population of Oxford is from minority ethnic groups. This is total population including children and students and the economically active population is less diverse. Recruitment data suggests a small increase in the proportion of candidates from minority ethnic groups applying for roles, but a decrease in those appointed to roles with the Council. Recruitment data does not cover

all recruitment activity but only direct, online applications so more work is required to make sure we have an accurate, overall picture.

10. Key achievements in the last 12 months include:

- Our 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 are building a more inclusive culture through learning sessions and more internal communication. Over 400 employees have attended lunch and learn sessions. Topics have included Holocaust Memorial Day, Islamophobia Awareness, Black History Month, Neurodiversity and Staff Networks.
- We have updated and completed an engagement survey that now includes a question on belonging to help us to better understand the experience of different groups, with a positive response from 81% of participants.
- The Recruitment Consultant and EDI Specialist in the People Team are new roles in the last 12 months that are working together to extend the reach of our advertising, especially in local, diverse communities.
- We held a well-being at work week to support health, physical and mental well-being and received very positive feedback.
- Our employee networks continue to offer employees the opportunity to discuss the issues that affect them and they support our Equalities Steering Group.
- We introduced Trans and Non-binary options for personal data.
- We have continued to embed our new approach to equality impact assessments and provided training and support where needed.

11. The WER sets out our priority aims and specific actions for 2023/2024.

Continue work to improve diversity of our workforce by building inclusive recruitment practices to improve the diversity of candidates and recruits and offering development for aspiring managers. This will include:

- Guidance and inclusive recruitment training for managers
- Introducing more inclusive recruitment practices including a requirement for more diverse panels for senior roles
- Strengthening contacts with schools, colleges and local community networks
- Offering work experience for students in our targeted schools
- Positive action leadership development programme for a cohort of under-represented groups at senior levels
- Work with Activate Learning to develop skills in local communities and develop more apprenticeship opportunities
- Working in and with communities to improve the reach of recruitment

Continue to build inclusive leadership practices and culture. This will include:

- EDI training for managers and employees
- Ongoing lunch and learn sessions to raise awareness and build inclusion and a sense of belonging for all groups
- Regular communications on best practice and ideas to inspire change
- Building the influence and strength of our Equalities Steering Group to better integrate Equality, Diversity, Inclusion and Belonging with policy, service design and operational delivery
- Design a structured approach to staff networks to increase the number and establish a clear purpose and opportunities to influence
- Establish a new REACH staff network for Race, Ethnicity and Cultural Heritage

Improve the understanding of our workforce and individual employee experiences. This will include:

- Improved collection of personal data in people processes
- Reaching out to individuals to learn about their experience of the organisation
- Ongoing staff surveys and evaluation of results
- Developing a data dashboard to better measure and share the workforce profile and the effectiveness of recruitment processes
- Working closely with Union colleagues and their equality and diversity leads
- Continue to build inclusive leadership practices and culture
- Improve the understanding of our workforce and individual employee experiences.

In addition, the Council will review and increase its target for the percentage of employees from minority ethnic groups.

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 31 March 2024 relates to Council pay data at the 'snapshot date' of 31 March 2023.

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 2023 is as follows:

31 March 2023	
Mean gender pay gap (basic pay)	7.5%
Median gender pay gap (basic pay)	0.7%
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	48.69	51.31
Upper Middle	43.16	56.84
Lower Middle	35.08	64.92
Lower	36.32	63.68

15. Comparisons between the Gender Pay Gap as at 31st March 2022 and 31st March 2023 are shown in Table 1 of Appendix 2. This data shows that:

- The mean gender pay gap has decreased from 8.0% in 2022 to 7.5% in 2023, but remains in favour of males. This is probably because pay at the lowest pay grade has increased proportionately more than for other grades. This was because of a significant increase in the living wage rate due the high cost of inflation. Also, female representation in the highest earning half of the workforce has increased.
- The median gender pay gap has decreased significantly from 11.4% in 2022 to 0.7% in 2023 remaining in favour of males. The median pay gap calculation can be distorted by two factors. The first is salary sacrifice schemes as the value of salary sacrifice payments are excluded from pay when calculating each employee's hourly rate of pay. This has the effect of reducing the pay rate for

individual's taking part in salary sacrifice schemes. The second factor is our grading structure. Median pay fell in grade 6 for women last year but falls within grade 7 this year. A small movement in the number of employees around median pay can have a large impact on median pay if a grade boundary is crossed. There is a 10% difference in pay between the top of grade 6 and bottom of grade 7. However, this positive change to the median pay gap is consistent with the increase in female representation in the highest earning half of the workforce.

- The gender composition has changed marginally from the previous report with female representation decreasing by 1% to 59.7% of the workforce.

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:

- 59.7% of the Council's work force is female. 54% of females work on a part-time basis, compared to 9% of all 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 mean 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.

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 2022 the overall gender pay gap was 14.9%, decreasing from 15.1% in 2021, and still down from 17.4% in 2019 (before the pandemic). The pay gap for the Council compares well with this data.
- The gender pay gap is lower nationally for full time employment at 8.3% (up from 7.7% in 2021)
- The gender pay gap for those in part time employment nationally has reduced from -3.0% to -2.8% (in favour of females).
- Whilst for full time employment the pay gap is 3.2% or below for age groups under 40, it is higher for those 40 and over at approximately 11%.
- The ONS warns that there is still some volatility in the data when comparing year on year data following the pandemic.

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 £18.32 and the median rate is £16.94. Part-time workers are, on average, paid at lower rates of pay because they tend to occupy lower-level roles.

Employment	Average	Pay Gap	Average Female Salary (per hour)	Average Male Salary (per hour)
Full Time	Mean	4.66%	£20.09	£21.08
Part Time	Mean	-0.27%	£18.32	£18.27
Full Time	Median	0%	£19.17	£19.17
Part Time	Median	2.58%	£16.94	£17.39

ETHNICITY PAY GAP

20. Ethnicity pay gap reporting remains voluntary. The Government has published guidance for employers on reporting the ethnicity pay gap. The guidance uses the same methodology that is used for calculating the gender pay gap. This is the method that we have and will continue to use to calculate the Council's ethnicity pay gap.

21. The provision of ethnicity information is voluntary and for the Council's workforce 13.5% of the data is not known. For the purpose of this report the categories have been grouped into three classifications:

- Minority ethnic groups
- White
- Not known

22. 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. The Government guidance, recommends that when calculating data it should be at the most specific level that is possible, however, it also recommends a minimum group size of 50 for published data. The current number of employees from minority ethnic groups is relatively small, representing 14.2% of the workforce.

23. Appendix 3 provides details of the Council's ethnicity pay gap.

24. The Council's ethnicity pay gap details for the snapshot date of 31st March 2023 are below:-

31 March 2023	
Mean ethnicity pay gap (basic pay)	10.8%
Median ethnicity pay gap (basic pay)	11.6%
Mean ethnicity bonus gap	0%
Median ethnicity bonus gap	0%

Pay quartiles by Ethnicity

Quartile	Minority Ethnic Groups %	White %
Top	9.04	90.96
Upper Middle	12.12	87.88
Lower Middle	20.61	79.39
Lower	24.85	75.15

25. Comparisons between the Ethnicity Pay Gap as at 31st March 2022 and 31st March 2023 are shown in Table 1 of Appendix 3. This data shows that:

- The mean ethnicity pay gap has decreased from 14.4% in March 2022 to 10.8% in March 2023.
- The median ethnicity pay gap is static at 11.6%.
- The representation of minority ethnic groups has increased in the top and lower middle quartiles and decreased in the other two. The increase in the upper quartile from 7.23% to 9.04% is the main reason for the decreasing pay gap.

26. The non-reporting of personal information impacts the reliability of this data. 13.5% of the whole workforce, including 44% of new starters in the current year, have not declared information.

DISABILITY PAY GAP

27. This is the third 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.

28. 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

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

30. The Council's disability pay gap details for the snapshot date of 31st March 2023 are below:-

31 March 2023	
Mean disability pay gap (basic pay)	4.9%
Median disability pay gap (basic pay)	0.0%
Mean disability bonus gap	0%
Median disability bonus gap	0%

Pay Quartiles by Disability

Quartile	Disabled %	Non-disabled %
Top	9.32	90.68
Upper Middle	16.77	83.23
Lower Middle	9.94	90.06
Lower	12.42	87.58

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.

The Council has no median disability pay gap. This compares favourably with a national median pay gap of 13.8% in 2021.

31. Appendix 4 provides a table and graphic representation of disability by grade. There is a notably higher level of employees with a disability in grades 5-8.
32. The non-reporting of information impacts the reliability of this data. At 10.9% of the whole workforce the number of people not reporting on disability is higher than the proportion of people reporting to have a disability at 10.4% and 50% of new starters in the current year have not declared information.

SEXUAL ORIENTATION PAY GAP

33. The pay gap for sexual orientation is included for the first time this year but the data is based on 31 employees out of 526, with 220 employees not declaring personal data on sexual orientation. The data may not represent the true picture. A breakdown of the data is not provided because of the small number and risk of identifying individuals.

31 March 2023	
Mean sexual orientation pay gap (basic pay)	8.2%
Median sexual orientation pay gap (basic pay)	11.6%
Mean sexual orientation bonus gap	0%
Median sexual orientation bonus gap	0%

MEASURING PROGRESS / OUTCOMES

34. 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 and inclusive management.

FINANCIAL IMPLICATIONS

35. A base budget of £60,000 is in place to support the Council's on-going commitment to building a more diverse workforce and inclusive culture.

LEGAL IMPLICATIONS

36. 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. This report does not address the requirement in the 2017 regulations to publish information relating to persons other than employees affected by the Council's policies and practices. That duty is to be discharged separately.

- 44. 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. The information must be published within 12 months of the relevant snapshot date.
- 45. The Workforce Equality Report and the Action Plan have been prepared in compliance with the requirements of the Act.

Report author	Gail Malkin
Job title	Head of People
Service area or department	Business Improvement
e-mail	gmalkin@oxford.gov.uk

Background Papers: None