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| Committee | Dated: |
| Establishment Committee | 26 February 2019 |
| Subject: Equality and Inclusion - Update | Public |
| Report of: Director of Human Resources | For Decision |
| Report author: Carol Simpson; Amanda Lee-Ajala; Tracey Jansen Town Clerk's | |

Summary

This report sets out the pay gap differential with regards to ethnicity and disability. The calculations contained in this report mirror the elements of those used in the gender pay gap mandatory reporting. The report also sets out the current work of the Diversity and Business Engagement Lead Officer and a general update on equality and inclusion initiatives since the last report to this Committee.

Recommendation(s)

Members are asked to:

- Note ethnicity and disability pay gaps and plans to develop and consult on an action plan to redress any imbalances.
- Note the update and proposed schedule from the Diversity and Business Engagement (D&BE) Lead Officer with particular attention to the Stonewall Diversity Champions section and Diversity Networks.
- Note the general equality and inclusion update.
- Note and support City Pride's participation at Pride London Parade on 7 July 2018.
- Agree to fund the cost of participating in the Parade from the Establishment Committee Contingency fund of up to £1000 for the entry cost of £800 and any further associated expenses.

Main Report

Background

1. The City of London Corporation's disability and ethnicity pay gaps at the snap shot date of March 2017 have been completed to sit alongside the gender pay gap which was reported to the Committee last year.

2. The D&BE Lead Officer who commenced their role in November 2018 provides an update of what has been achieved to date and plans for the future. This includes details of the status of the Equality and Inclusion Action Plan; recognition and accreditations in the area of equality and inclusion; and the work of our diversity networks.
3. The key issues within the E&I action plan are highlighted in this report.

Current Position

Ethnicity and Disability Pay Gap

4. It is the government's intention to introduce ethnicity pay gap reporting. It is probable that this will mirror the existing gender pay gap reporting process and that subsequently disability pay gap reporting will follow.
5. We reported on the City Corporation's gender pay gap 2017-18 (Appendix 1) as required under current government regulations and a further report provided a more detailed analysis on the subject. As the City Corporation strives to be an 'employer of choice' it is timely to consider our own pay gap differential with regards to ethnicity and disability. In the absence of any pre-set regulations this report mirrors as far as possible the elements of the gender pay gap mandatory reporting i.e.
 - average pay gap as a mean average
 - average pay gap as a median average
 - average bonus pay gap as a mean average
 - average bonus pay gap as a median average
 - proportion in receipt of a bonus payment
 - proportion of the overall group divided into four groups ordered from lowest to highest pay.
6. The pay gap calculation is based on the total pay, so for example includes responsibility allowance in schools, unsocial hour's payments and market forces supplements.
7. The Committee is reminded that the grades which determine basic pay are defined by the job evaluation scheme. It is difficult to compare to our grades consistently, but as a very rough guide
 - Upper quartile: Grade G and above
 - Upper middle quartile: Grade E to F
 - Lower middle quartile: Grade C to D
 - Lower quartile: Grade A to B
8. Whilst the City Corporation has 100% gender records for all staff, the collation of records on ethnicity and disability is from City People employee self-service. It does not therefore represent 100% of the workforce as the provision of such data is voluntary. However, we send out communication to all employees periodically and more frequently on City People encouraging them to enter their personal

data explaining that we collate it for statistical purposes to inform and help measure our progress against our E&I action plan.

9. It should be noted that a significant proportion of employees in the lower quartile are casual employees and are therefore less likely to enter their ethnicity and disability information on City People.
10. For ethnicity classification, all BAME categories (Black, Asian and Minority Ethnic) are amalgamated taking account of the fact that the range and numbers of individual ethnic categories which employees can select will produce non-meaningful data and also to avoid individuals from being identifiable in statistical reports.
11. The Ethnicity Pay Gap (Appendix 2) is based on 79.5% of the workforce and Disability Pay Gap (Appendix 3) 76.3%. The headline pay gap comparison identifies the following:

| Protected characteristic | Mean hourly rate | Mean Bonus Rate |
|--|------------------|-----------------|
| Gender pay gap - the difference between women's pay and men's pay as a percentage of men's pay | 8.1% lower | 14% lower |
| Ethnicity pay gap – BAME employees' pay and white employees pay as a percentage of white employees' pay | 26.6% lower | 54.1% lower |
| Disability pay gap - pay of employees who have declared a disability and the pay of employees who have declared they do not have a disability as a % of the pay of employees who have declared they do not have a disability | 11.6% lower | 32% lower |

12. We are required to report our gender pay gap 2018-19 by the end of March 2019 and are currently finalising that report. The ethnicity and disability pay gaps will be updated at the same time.

E&I Action Plan

13. The action plan contains several completed targets. These have now been updated with appropriate statuses that reflect the work that has been completed corporately and by departments. The updated plan for 2019-20 will be reported to the Committee once it has been finalised.

14. The revised action plan will be refreshed to include actions arising from the ethnicity and disability pay gap analysis as well as those put in place to address the gender pay gap.

Working with partners

15. The D&BE Lead attended the Radius Employee Network Leadership programme workshop. This programme connects and inspires people from a diverse range of organisations, sectors and backgrounds, enables best practice, engagement and strong and meaningful business relationships to be built that are beneficial to this role.
16. There is the possibility of further events being developed, which we may participate in if they align to our programme of action.

Diversity Champions - Stonewall

17. The D&BE Lead is progressing becoming a Stonewall Diversity Champion. The timeline is as follows:
 - January 2019: Induction meeting with our allocated Client Account Manager, together setting an action plan for the first six months.
 - February 2019: They will review HR policies to ensure they are fully LGBT inclusive:
 - Bullying and Harassment and Equality and Diversity policies
 - Family polices (Maternity, Paternity, Adoption, Parental Leave, Shared Parental Leave, Special Leave)
 - Transitioning at Work and Trans Inclusion policies
 - June - September 2019: They will support us to enter the [Stonewall Workplace Equality Index \(WEI\)](#) for the first time. The City Corporation can enter as many or few sections as it wishes.
 - September – November 2019: Stonewall will support the City Corporation in sharing the Staff Feedback Survey that they will conduct with our staff.
 - January 2020: The City Corporation's WEI score and rank will be shared with us. This score and our participation will remain confidential.
 - February/March 2020: Detailed WEI feedback meeting, including analysis of Staff Feedback Survey and our performance compared to other organisations in our sector and region will be given.
18. The agreed package will include attendance at the [Stonewall Workplace Conferences](#) that takes place each year. The [London conference](#) will take place on 26th April 2019 at the QE2 Centre in Westminster. This conference is aimed at employers, including senior leaders, HR and diversity professionals, employee network groups, and LGBT staff and allies with a focus on making the workplace inclusive for all LGBT staff, suppliers, customers and service users.
19. The face-to-face meeting with the Client Account Manager has taken place to discuss joining the programme. Following the package negotiation meeting the contract and membership information has been forwarded and sent to the

Comptroller & City Solicitor's Office for approval. The cost of this programme will be covered with the D&BE Lead's current budget.

Diversity Intelligence

20. Diversity champions are focused on LGBT, research has also been conducted to look for other such benchmarking accreditations that would complement Diversity Champions.
21. The City Corporation has a number of accreditations:
 - Employer status for the Disability Confident scheme;
 - Gold Award for the Armed Forces Covenant;
 - Silver Award for the Fair Train Work Experience Quality Standard;
 - Time to Change pledge for mental health awareness;
 - Women in Finance Charter where we have set a 2023 target for senior management positions grade G and above to be filled by 45% of women where possible (see paragraph 30 - 31 below).
22. To follow the example of some leading organisations in the public and private sectors such as PwC, KPMG, Centrica, HSBC and the DWP it would be of significant value to the City Corporation's aspiration to champion equality and inclusion and showcase the good work it is doing around employment. It is therefore proposed that the [Business in the Community](#) (BITC) is approached with a view to exploring the possibility of utilising their Diversity Intelligence benchmarking tool previously known as the Business in the Community Diversity Benchmark, in the future to build upon the outcomes from the Diversity Champion process.
23. BITC benchmark measures age, gender and race workplace diversity and is a management tool that will help to evaluate performance, including peer comparisons, and inform evidence-based decision-making around workplace diversity. The City Corporation would receive bespoke feedback and recommendations, that support with practical steps for improving performance. This will include the identification of strengths and weaknesses by peer comparison; and a confidential score and banding (Platinum, Gold, Silver or Bronze) that reflect performance.
24. As the Stonewall Diversity Champion process will need to be focussed on over the coming year, it is suggested that we look more closely at BITC toward the end of the year, by which time the experience and feedback from the Stonewall Diversity Champion process may well indicate areas where improvements can be made before embarking on this further accreditation.

Diversity Networks

25. The networks are working well, with a range of events being facilitated. The main concern affecting current Chairs is that they have been in position for a while and many are ready to step down, so are in the process of succession planning.

26. Some Chairs have raised issues about the time allocated to plan events and communications although they are clear that this is a voluntary role. Relevant managers will be reminded that there are two-days (volunteering days) assigned to these roles and we also ask managers to be flexible in the run up to meetings and hosting of their events.
27. The main change being implemented is the re branding of the Carers Network to a Parents and Carers network. This change will enhance the numbers of people in attendance and connect these groups who have many similarities in the topics that they can explore and to give a voice to all parents.
28. It is the intention of the D&BE Lead Officer to introduce an annual away day/half day for Diversity Network chairs, to ensure annual workplans and schedules are discussed and agreed with appropriate support. This will be communicated as a wider learning and development opportunity which in turn may encourage more staff to be interested in becoming Diversity Network Chair's.
29. The D&BE Lead Officer has a clear coordinating role for the networks and it has proposed that the Diversity networks budgets are brought back into a central fund from the beginning of the next financial year. The practicalities of this is being discussed with the networks as it is believed that this will enable better oversight of expenditure, ensure consistency and collaborative working amongst the networks and where possible pool resources.
30. Pride in London Parade is on Saturday 6th July 2019 and it is proposed to support City Pride our LGBT+ Staff Network to participate in the Parade.
31. The City Pride group is likely to be in the region of 50–100 people walking with wristbands. As an organisation the standard rate for this is £800. However, it is likely that there will be other incidental costs such as for example, flags and/or T Shirts and so a provision of up to £1000 is the estimated full cost.
32. Last year the Establishment Committee agreed to fund participation in the parade from its Contingency fund and it is suggested that the Committee agrees the same level of funding for this year's event.

Women in senior positions grade G and above- progress

33. In the quarter July – October there were 2 recruitment campaigns at grade G and above. Of these 4 applicants were women and 16 were men; 1 male was appointed, and 1 female was appointed.
34. HRBPs work with recruiting managers on each senior recruitment campaign to ensure that we maximize the pool of candidates and ensure that recruitment literature is encouraging, welcoming and person specifications reflect minimum experience and qualification requirements.

Work experience

35. A review has been undertaken across the organisation on the work experience currently offered by the City Corporation, alongside research on what is offered by external organisations.
36. A proposal is currently being drafted on how the City Corporation can maximise its offering, not only to students but also to other groups, for example adults returning to the workplace after a long break; ex-offenders; care leavers etc.

Audit of Public Sector Equality Duty (PSED) considerations in decision making reports

37. This will commence in the New Year with Audit colleagues. Chief Officers are reminded that the Committee Report Writing Guidance includes guidance on reflecting PSED considerations, in decision making reports and as a minimum a test of relevance should have been completed as part of the development of proposals.

Equality and Inclusion Training

38. There are now a number of online courses as well as classroom based learning, however, take up has been low for some of them and we are designing a communications campaign to increase enrolment on and completion of the courses available. The online learning courses that are available are as follows:
 - Equality Act 2010
 - Equality Analysis
 - Equality in the Workplace
 - Unconscious bias
 - Mental Health – Managers guidance
 - Transgender Awareness
39. The revised recruitment and selection course incorporates unconscious bias information and the new suite of manager training will also incorporate equalities considerations and unconscious bias.
40. Coaching Skills for Managers training is being reviewed next year and the Coaching Conversations course will also incorporate unconscious bias.

Options

41. Members can decide whether to agree or not to the proposed funding or may agree an alternative level of funding.

Proposals

42. Members are asked to note the report agree the proposed estimated funding requirement for our staff networks participation in Pride London on 6 July 2019.

Corporate & Strategic Implications

43. The Establishment Committee has oversight of the City of London Corporation's policies and practices in respect of equality and inclusion, including the implementation of the Equality Act 2010 and other relevant legislation. This report and the actions and activities within it contribute to the corporate plan outcome 'People have equal opportunities to enrich their lives and reach their full potential'.

Implications

44. The City Corporation has six Staff Networks which it supports, and the Committee maybe minded to support other Staff Network initiatives throughout the year. The Establishment Committee has a locally managed contingency of £16,000 available for the financial year 2019/20.

Conclusion

45. This report provides the Committee with an update on initiatives currently underway or planned with regards to E&I in employment. Our next report will include contributions from the recently appointed DCCS Equality and Inclusion Manager who has resumed the work with equality representatives and Chief Officers on service delivery aspects of our Public Sector Equality Duty.

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Appendix 1: Gender Pay Gap at snap shot date of 31 March 2017

| Pay rates | Gender pay gap - the difference between women's pay and men's pay as a percentage of men's pay | | |
|---|---|------------|--------------|
| Mean hourly rate | 8.1% Lower | | |
| Median hourly rate | 1.4% Lower | | |
| Pay quartiles | Women | Men | Total |
| Proportion of women and men in the upper quartile (paid above the 75th percentile point) | 43% | 57% | 100% |
| Proportion of women and men in the upper middle quartile (paid above the median and at or below the 75th percentile point) | 51% | 49% | 100% |
| Proportion of women and men in the lower middle quartile (paid above the 25th percentile point and at or below the median) | 47% | 53% | 100% |
| Proportion of women and men in the lower quartile (paid below the 25th percentile point) | 46% | 54% | 100% |
| Bonus pay | Bonus Gender Pay Gap - the difference women's bonus and men's bonus as a % of men's bonus | | |
| Mean bonus | 14% Lower | | |
| Median bonus | 0% | | |
| Bonuses paid | Women | Men | |
| Who received bonus pay | 11% | 13% | |

Appendix 2: Ethnicity Pay Gap at snap shot date of 31 March 2017

| BAME Pay Gap data | | | | | |
|--------------------|---|--|---------------------------------------|--|--------------|
| Pay rates | BAME pay gap - the difference between BAME employees' pay and white employees pay as a percentage of white employees' pay | BAME pay gap - BAME employees' pay as a percentage of white employees' pay | Hourly rate of pay for BAME employees | Hourly rate of pay for white employees | Difference £ |
| Mean hourly rate | 26.6% | 73.4% | £18.19 | £24.80 | £6.61 |
| Median hourly rate | 5.9% | 94.1% | £16.69 | £20.32 | £3.63 |

| Pay Quartile Information | | | | Workforce composition | | | |
|--|------|-------|-------|-----------------------|-----------------|-------------------------|-----------------|
| Pay quartiles | BAME | White | Total | BAME headcount | White headcount | Non disclosed headcount | Total headcount |
| Proportion of BAME and white employees in the upper quartile (paid above the 75th percentile point) | 6% | 78% | 84% | 68 | 918 | 196 | 1182 |
| Proportion of BAME and white employees in the upper middle quartile (paid above the median and at or below the 75th percentile point) | 13% | 75% | 88% | 156 | 884 | 143 | 1183 |
| Proportion of BAME and white employees in the lower middle quartile (paid above the 25th percentile point and at or below the median) | 20% | 67% | 87% | 233 | 793 | 157 | 1183 |
| Proportion of BAME and white employees in the lower quartile (paid below the 25th percentile point) | 17% | 43% | 60% | 199 | 508 | 476 | 1183 |

| Bonus pay | Bonus BAME Pay Gap - the difference BAME employees' bonus and white employees' bonus as a % of white employees' bonus | Bonus BAME Pay Gap - BAME employees' bonus as a % of white employees' bonus | Bonus pay of BAME employees | Bonus pay of white employees | Difference £ |
|--|---|---|-----------------------------|------------------------------|--------------|
| Mean bonus | 54.1% | 46.0% | £98.48 | £214.34 | £115.86 |
| Median bonus | 0.0% | 100.0% | £0.00 | £0.00 | £0.00 |
| Bonuses paid | | | | | |
| BAME paid bonus as % of all BAME | 10% | | | | |
| White paid bonus as % of all White staff | 15% | | | | |

Note: Black, Asian and Minority Ethnic (BAME) includes employees recorded in the following categories (categories taken from the 2001 Census): Asian/Asian British (inc Chinese), Black/Black British, Mixed/Multiple Heritage and Other Ethnic Group (i.e. all other categories than that of White British and White Other). The calculations exclude any employees whose ethnicity is not known.

Appendix 3: Disability Pay Gap at snap shot date of 31 March 2017

| Pay rates | Disability pay gap - the difference between the pay of employees who have declared a disability and the pay of employees who have declared they do not have a disability as a % of the pay of employees who have declared they do not have a disability | Disability pay gap - the pay of employees who have declared a disability as a percentage of the pay of employees who have declared they do not have a disability | Hourly rate of employees who have declared they have a disability | Hourly rate of employees who have declared they do not have a disability | Difference £ |
|--------------------|---|--|---|--|--------------|
| Mean hourly rate | 11.6% | 88.4% | £21.05 | £23.82 | £2.77 |
| Median hourly rate | 11.0% | 89.0% | £17.64 | £19.82 | £2.18 |

| Pay Quartile Information | | | | Workforce composition | | | |
|---|----------|--------------|-------|-----------------------|-------------------------|--------------------------|-----------------|
| Pay quartiles | Disabled | Not disabled | Total | Disabled head-count | Not disabled head-count | Non disclosed head-count | Total headcount |
| Proportion of disabled and not disabled employees in the upper quartile (paid above the 75th percentile point) | 2% | 80% | 82% | 28 | 941 | 213 | 1182 |
| Proportion of disabled and not disabled employees in the upper middle quartile (paid above the median and at or below the 75th percentile point) | 2% | 80% | 82% | 26 | 950 | 207 | 1183 |
| Proportion of disabled and not disabled employees in the lower middle quartile (paid above the 25th percentile point and at or below the median) | 3% | 78% | 81% | 37 | 925 | 221 | 1183 |
| Proportion of disabled and not disabled employees in the lower quartile (paid below the 25th percentile point) | 3% | 56% | 59% | 36 | 668 | 479 | 1183 |

| Bonus pay | Bonus Disability Pay Gap - the difference between the bonus paid to employees who have declared a disability and employees who have not declared a disability as a % of employees who have declared a disability. | Bonus Disability Pay Gap - Pay of employees who have declared a disability as a % of pay of employees who have declared they do not have a disability | Bonus pay of employees who have declared they have a disability | Bonus pay of employees who have declared they do not have a disability | Difference £ |
|---|---|---|---|--|--------------|
| Mean bonus | 32.0% | 68.0% | £132.42 | £194.65 | £62.23 |
| Median bonus | 0.0% | 100.0% | £0.00 | £0.00 | £0.00 |
| Bonuses paid | | | | | |
| Disabled paid bonus as % of all Disabled | 12.6% | | | | |
| Non disabled paid bonus as % of all Non disabled staff | 14.5% | | | | |
| Note: Calculations exclude any employees for whom disabled/not disabled is not known. | | | | | |