

Brighton & Hove City Council Ethnicity Pay Gap Report 2023-24

1. Introduction

1.1. The council is publishing the workforce ethnicity pay gap on a voluntary basis. The report follows the government's ethnicity pay reporting guidance for employers (Appendix A), and the Office of National Statistics (ONS) guidelines for ethnic origin groupings. The government guidance does not recommended looking at the top two measures in isolation, as such the wider Ethnic group reporting measure are also reported. Therefore, this report includes:

- the mean (average) and median ethnicity pay gaps for White and Black and Minority Ethnic (BME) employees*
- the proportions of BME and White employees* in each pay quartile
- the mean (average) and median ethnicity pay gap using hourly pay for Ethnic Groups
- percentage of each Ethnic group in each hourly pay quartile
- percentages of employees in different ethnic groups
- percentage of employees who did not disclose their ethnicity – they either answered 'prefer not to say' or gave no answer when you attempted to collect their ethnicity.
- the percentage of each ethnic group receiving bonus pay
- the mean (average) pay gap for bonus pay
- median ethnicity pay gap for bonus pay
- the proportions of Black and Minority Ethnic (BME) and White employees who received a bonus

*Please see Appendix B for ethnic origin groupings. In line with the ONS ethnicity pay gap reporting, the White binary category includes White British/English/Welsh/Scottish/Northern Irish/White Irish/White-Gypsy/Irish Traveller and Any Other White background groups.

1.2. The reporting data includes council employees who have provided their equalities data and were employed on 31 March 2023. Apprentices, seasonal, temporary or casual employees are included if they fall within the reference period created by the snapshot date. Mirroring the gender pay reporting regulations, the data excludes schools-based staff.

1.3. The council's workforce equalities data is provided confidentially and voluntarily by individuals working for the council. The council encourages its workforce to share their equalities data to understand the workforce profile and plan actions to address inequalities. Not all employees choose to share their details. This report is based on 85.8% of the workforce on the snapshot date who have disclosed their ethnicity data. The remaining 14.2% either preferred not to say, selected 'not known' or did not provide details.

1.4. The council publishes this information on its website.

1.5. This report relates to the snapshot date of March 31st 2023.

2. Ethnicity Pay and Equal pay

- 2.1 Pay gap reporting is different to equal pay. Pay gaps measure the difference in average hourly pay between different groups. Unlike equal pay audits, which look at the difference in pay between people with different characteristics doing the same job, pay gap reporting looks at the wider picture across the workforce.
- 2.2 The ethnicity pay gap measures the difference between White and BME employee average ordinary earnings (excluding overtime) across the workforce. It is expressed as a percentage of White employee earnings, with both the mean (average) and median hourly rates are reported. This report also details the ethnicity pay gap as a measure of the difference between Ethnic group employee average ordinary earnings (excluding overtime) across the workforce, this will be expressed as a percentage difference between each Ethnic group employee earnings.
- 2.3 The Equality Act 2010 makes it unlawful to discriminate (both directly and indirectly) against employees (and people seeking work) because of their race or ethnicity. An employer can be equal pay compliant and still have an ethnicity pay gap. The cause of an ethnicity pay gap may not fall within the direct control of the employer and is likely to be due to other factors that impose a disadvantage on people from ethnic minorities without being explicitly discriminatory.
- 2.4 The council supports the fair treatment and reward of all staff irrespective of race or other characteristics. This report sets out the council's ethnicity pay gap including analysis by ethnic origins and links to the council's Fair & Inclusive Action Plan which includes a comprehensive range of outputs to support the recruitment, retention and progression of BME staff.

3. Ethnicity Pay Gap Reporting

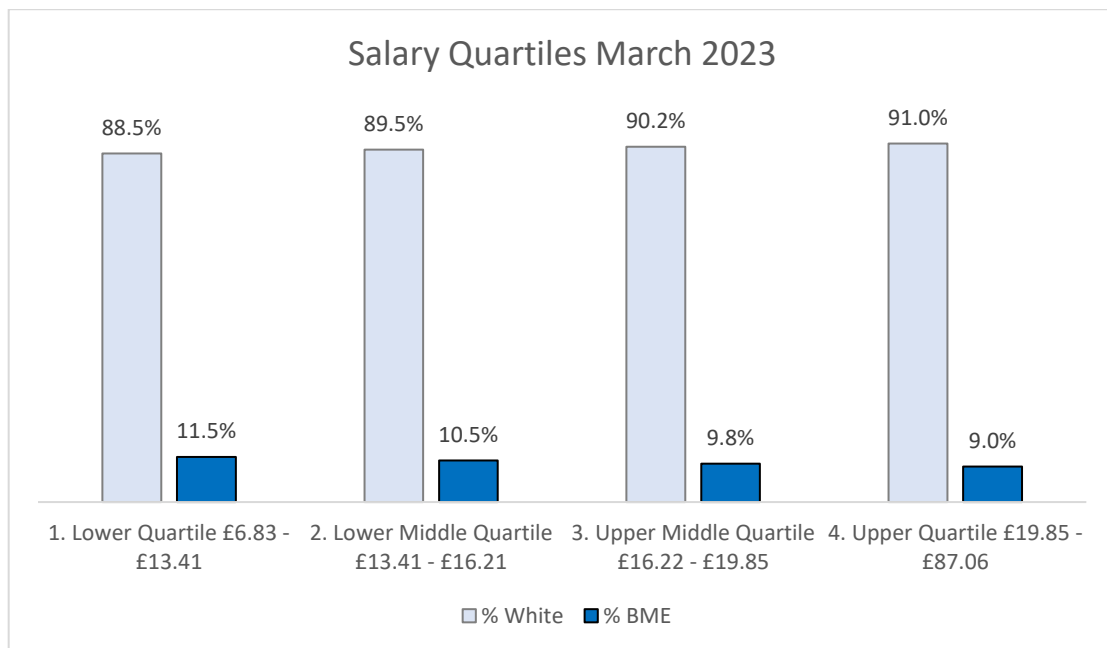
- 3.1 Mean and Median Pay Gap Reporting: Brighton & Hove City Council has a positive pay gap for both the mean and median gross hourly rates. This means the average earnings of White employees is more than BME employees.
- 3.2 The **Mean** (average) ethnicity pay gap in hourly pay is **4.8%**. This is a decrease of 1.3% on the previous year.
- 3.3 The **Median** (middle) ethnicity pay gap in hourly pay is **5.2%**. This is a decrease of 1.7% on the previous year.
- 3.4 **Mean & Median pay gaps between ethnic binary categories.** The tubular table below shows the mean and median pay gaps between five ethnic categories.

Ethnic group	Mixed, Multiple ethnic groups	Asian, Asian British	Black, Caribbean, African, Black British	Other ethnic group
White	Gap between white and Mixed, Multiple ethnic groups. Mean 4.2% Median 3.2%	Gap between white and Asian, Asian British. Mean 5.6% Median 5.2%	Gap between white and Black, Caribbean, African, Black British Mean -3.8% Median -0.4%	Gap between white and Other ethnic group Mean 7.0% Median 7.5%
Mixed, Multiple ethnic groups		Gap between Mixed, Multiple ethnic groups and Asian ethnic groups. Mean 1.5% Median 2.1%	Gap between Mixed, Multiple ethnic groups and Black, Caribbean, African, Black British. Mean -0.5% Median -3.7%	Gap between Mixed, Multiple ethnic and other ethnic groups. Mean 2.9% Median 4.4%
Asian, Asian British			Gap between Asian, Asian British and Black, Caribbean, African, Black British. Mean -1.9% Median -6.0%	Gap between Asian, Asian British and other ethnic groups. Mean -1.5% Median -2.4%
Black, Caribbean, African, Black British				Gap between Black, Caribbean, African, Black British and other ethnic groups. Mean 3.3% Median 7.9%

3.5.1 **Salary quartile reporting** is calculated by sorting employees by their hourly rate earnings from the lowest to the highest, then splitting them into four equal quartiles to show the proportions of White and BME employees in each group. Definitions of the salary quartile information are shown in Appendix C.

Quartile & Hourly rate range table White & BME	% White in Quartile	% BME in Quartile
1. Lower Quartile £6.83 - £13.41	88.5	11.5
2. Lower Middle Quartile £13.41 - £16.21	89.5	10.5
3. Upper Middle Quartile £16.22 - £19.85	90.2	9.8
4. Upper Quartile £19.85 - £87.06	91.0	9.0

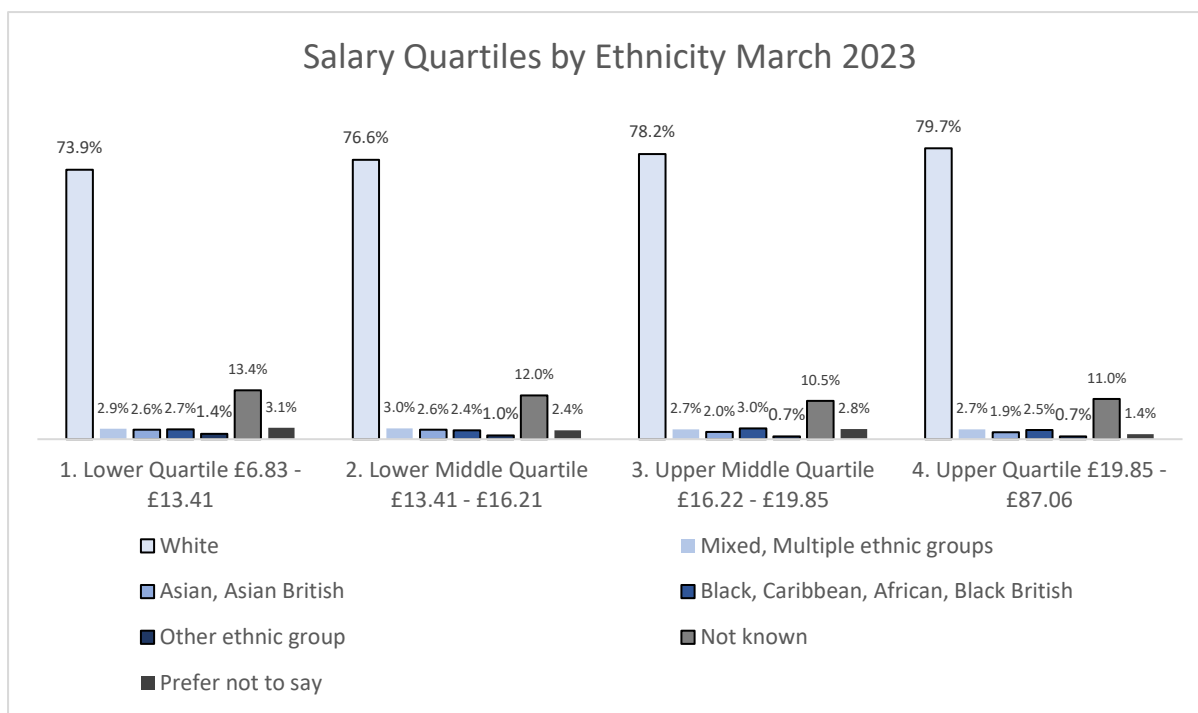
Quartile & Hourly rate range Graph White & BME



3.5.2 **Salary quartile reporting by ethnic binary categories** is measured by sorting employees by their hourly rate earnings from the lowest to the highest, then splitting them into four equal quartiles to show the proportions of the ethnic categories (five), as well as two groups of employees who have reported they Prefer not to say, or do not know their ethnic origin. In total seven categories included in the quartile measure. The below table and graph set out this detail.

Percentage in Quartile by Ethnic Group	Ethnic Categories						
	White	Mixed, Multiple ethnic groups	Asian, Asian British	Black, Caribbean, African, Black British	Other ethnic group	Not known	Prefer not to say
1. Lower Quartile £6.83 - £13.41	73.9%	2.9%	2.6%	2.7%	1.4%	13.4%	3.1%
2. Lower Middle Quartile £13.41 - £16.21	76.6%	3.0%	2.6%	2.4%	1.0%	12.0%	2.4%
3. Upper Middle Quartile £16.22 - £19.85	78.2%	2.7%	2.0%	3.0%	0.7%	10.5%	2.8%
4. Upper Quartile £19.85 - £87.06	79.7%	2.7%	1.9%	2.5%	0.7%	11.0%	1.4%

Quartile & Hourly rate range Graph by Ethnic Group



3.6 Bonus pay reporting. The council does not pay bonuses, as such no figures are reportable.

4. Supporting Narrative & further analysis

4.1 The council's overall workforce ethnicity profile based on this reporting data is 89.8% White and 10.2% BME.

4.2 4265 employees whose ethnicity is known are included in the reporting data, in addition to 704 employees whose ethnicity is not known. These employees held 4,969 job roles in the pay period comprising of 4,598 contracted roles and 371 casual roles. As per applied reporting methodology employees on less than full pay have been excluded.

4.3 **Pay & Grading** – The council's annual pay policy statement provides details of the council's pay and grading arrangements and can be found here on the link at Appendix C.

4.4 The mean hourly earnings for White employees were £18.31. The mean hourly earnings for BME employees were £17.43, this results in the reported 4.8% difference.

4.5 The median hourly earnings for White employees were £16.49. The median hourly earnings for BME employees were £15.63, this results in the reported 5.2% difference.

4.6 **White British** - headline ethnicity pay gap figures comparing mean and median earnings for White British with White Irish, White Gypsy/Traveller & BME Binary categories.

Reporting the White ethnic categories individually highlights that on average for both the mean and median measure, White Irish employees earn more than White British, White Other and BME employees. The median pay gap for BME employees is 5.8% when comparing earnings to White British employees, this is 0.6% higher than reporting represented for the White binary category at 3.3.

The below table sets out the mean and median pay gaps for the same groupings.

Ethnicity	Mean (Average) Hourly Rate £	Pay Gap	Median Hourly Rate £	Pay Gap	Headcount (Contracts)
White British	18.44		16.60		3364
White Irish	18.60	-0.9%	18.00	-5.8%	87
White Other, White Gypsy/Traveller	17.12	7.1%	15.63	5.8%	380
BME	17.43	5.4%	15.63	5.8%	434
Not Known	17.73	3.8%	15.63	5.8%	583
Prefer not to say	16.65	9.7%	15.26	8.1%	121

4.7 **White British Pay Gap - (18 categories)** mean and median hourly earnings and percentage difference with White British employees. Reporting the pay gaps for all ethnic origin categories provides greater detail, however, it is important to note that the group headcounts are small in size for some ethnic groups which results in volatility of some figures. Due to small sample sizes, figures for White and Black African, Black Other, and White - Gypsy / Irish Traveller, Pakistani and Arab ethnic groups should be treated with caution.

The below data is sorted by the median pay gap, from negative pay gaps, where the median hourly earnings of employees in individual ethnic origin categories are higher than White British employees, down to positive pay gaps, where the earnings of White British employees are higher than employees in the individual ethnic origin category.

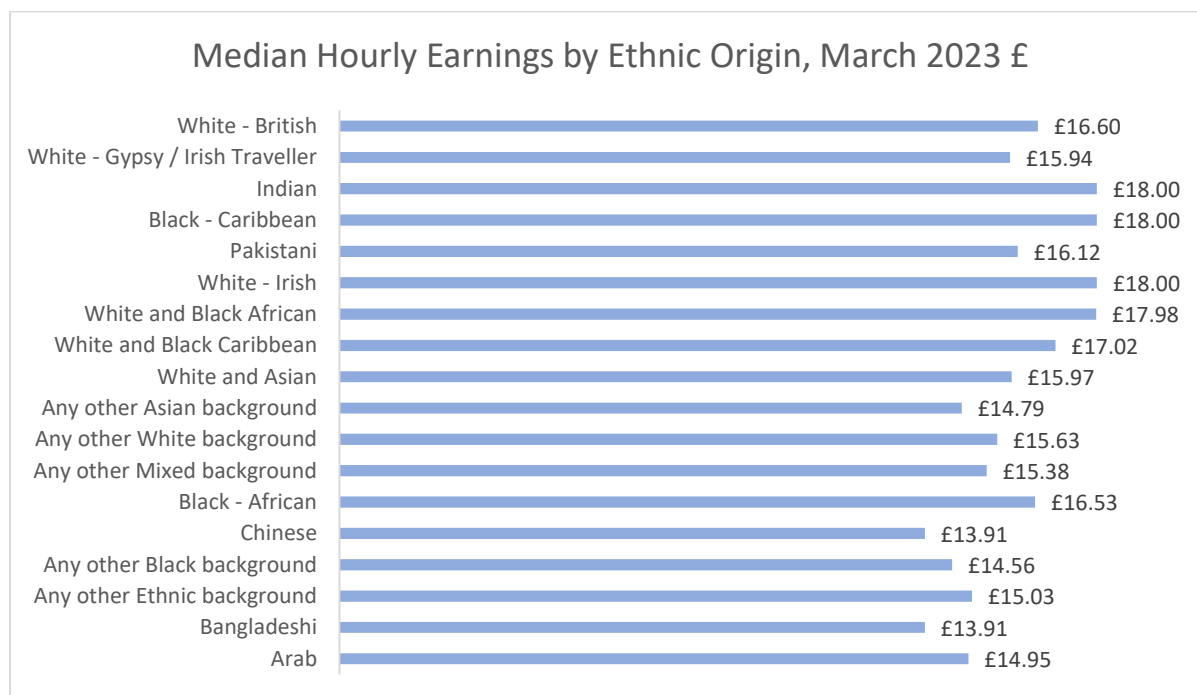
- The data details that on median earnings, employees with the following ethnic origins earn more than White British employees; Indian, Black Caribbean, White Irish, White and Black African, White and Black Caribbean.

	Mean Hourly Rate £	2023 Pay Gap	Median Hourly Rate £	2023 Pay Gap	Headcount	Headcount as % of Data
White - British	18.46	0.0%	16.60	0.0%	3160	63.6%
White - Gypsy / Irish Traveller	15.94	13.7%	15.94	4.0%	2	0.0%
Indian	20.89	-13.1%	18.00	-8.4%	34	0.7%
Black - Caribbean	19.23	-4.2%	18.00	-8.4%	33	0.7%
Pakistani	16.05	13.1%	16.12	2.9%	13	0.3%
White - Irish	18.60	-0.8%	18.00	-8.4%	87	1.8%

White and Black African	17.56	4.9%	17.98	-8.3%	11	0.2%
White and Black Caribbean	17.19	6.9%	17.02	-2.5%	24	0.5%
White and Asian	18.43	0.1%	15.97	3.8%	45	0.9%
Any other Asian background	16.06	13.0%	14.79	10.9%	30	0.6%
Any other White background	17.13	7.2%	15.63	5.8%	378	7.6%
Any other Mixed background	17.00	7.9%	15.38	7.3%	61	1.2%
Black - African	17.25	6.5%	16.53	0.4%	85	1.7%
Chinese	14.75	20.1%	13.91	16.2%	21	0.4%
Any other Black background	15.89	13.9%	14.56	12.3%	13	0.3%
Any other Ethnic background	14.97	18.9%	15.03	9.5%	4	0.1%
Bangladeshi	16.16	12.4%	13.91	16.2%	15	0.3%
Arab	15.20	17.7%	14.95	9.9%	8	0.2%

- In contrast employees with the following ethnic origins earn less than White British employees (highest pay gap to lowest): Chinese; Bangladeshi; Any other Black background; Any other Asian background; Arab; Any other Ethnic background; Any other Mixed background; Any other White background; White - Gypsy / Irish Traveller; White and Asian; Pakistani; Black - African;

The below graph shows the median hourly earnings by Ethnic origin compared to White British sorted highest to lowest hourly rate.



4.8 Wider Ethnic binary category - Five ethnic categories.

- The mean White employee hourly rate is £18.31 resulting in a 4.3% pay gap for Mixed, Multiple ethnic group employees, a 5.6% gap for Asian, Asian British employees, 3.8% gap for Black, Caribbean, African, Black British employees, and a 7.0% pay gap for Other ethnic group employees.
- The median White hourly rate is £16.49, resulting in an 3.2% pay gap for Mixed, Multiple ethnic group employees, 5.2% gap for Asian, Asian British employees, and 7.5% gap for Other ethnic group employees. The median pay

gap for gap for Black, Caribbean, African, Black British employees was negative, -0.4%.

Ethnicity	Mean Hourly Rate £	2023 Pay Gap	Median Hourly Rate £	2023 Pay Gap	Headcount (Contracts)
White	18.31		16.49		3831
Mixed, Multiple ethnic groups	17.53	4.3%	15.97	3.2%	141
Asian, Asian British	17.28	5.6%	15.63	5.2%	113
Black, Caribbean, African, Black British	17.62	3.8%	16.56	-0.4%	131
Other ethnic group	17.03	7.0%	15.26	7.5%	49
Not Known	17.73	3.8%	15.63	5.2%	583
Prefer not to say	16.65	9.1%	15.26	7.5%	121

4.9 **Salary Quartiles are shown at section 3.5.1.** The % of BME employees in each quartile is lower than the % of White employees. This is similar to the workforce ethnicity profile of 10.2% noted above. The highest % representation of BME employees is at the lower quartile (11.5%), with higher representation than the workforce profile at the lower middle quartiles (10.5%), and upper middle (9.8%). The upper quartile shows the lowest proportion of BME employees (9.0%).

Analysing the pay gaps within the reported pay quartiles highlights the variance of gaps across the quartiles.

Ethnicity Pay Gap Quartile	Mean / Median Hourly rate	White £	BME £	% Pay Gap by quartile	Quartile Hourly rate £
1. Lower Quartile £6.83 - £13.41	Mean hourly rate	12.31	12.32	-0.1%	12.30
	Median hourly rate	12.47	12.42	0.4%	12.47
2. Lower Middle Quartile £13.41 - £16.21	Mean hourly rate	14.81	14.71	0.7%	14.79
	Median hourly rate	14.75	14.50	1.7%	14.71
3. Upper Middle Quartile £16.22 - £19.85	Mean hourly rate	18.15	18.15	0.0%	18.11
	Median hourly rate	18.00	18.00	0.0%	18.00
4. Upper Quartile £19.85 - £87.06	Mean hourly rate	27.39	25.99	5.1%	27.30
	Median hourly rate	24.13	22.97	4.8%	24.13

- The median ethnicity pay gap is highest for the lower quartile at 0.4%. The lower middle quartile has a median pay gap of 1.7%; the upper middle 0%, and the upper quartile has a pay gap of 4.8%
- The mean ethnicity pay gap is 0.1% for the lower quartile, 0.7% for the lower middle quartile and 0.0% for the upper middle. The upper quartile had the highest pay gap at 5.1%.

4.9 **Salary Sacrifice Schemes** are where an employee gives up the right to receive part of their salary due under their contract of employment, in return for the employer's agreement to provide an equivalent non-cash benefit, the value of which is exempt from tax and national insurance contributions (NICs). For the purposes of pay gap reporting these values must be deducted from relevant employees pay thus reducing the overall reportable pay to include for average earnings. Schemes include:

- Cycle to Work - to help employees save on bikes purchased to commute to work
- Childcare vouchers - to help employees save on childcare costs.
- Additional Voluntary Contribution (AVC) Pension –enables Local Government Pension Scheme (LGPS) members to increase their retirement benefits by saving money alongside their pension pot.

The number of employees in a salary sacrifice scheme within this data report total 418. 7.2% are BME employees (headcount of 30) with an average monthly deduction of £269, and 83% are White employees (headcount 344) with an average monthly deduction of £303. The remainder are employees of unknown ethnicity.

5. How figures compare nationally

5.1 The Office of National Statistics latest figures from 2019 reported a 2.3% national median ethnicity pay gap. This is 2.9% lower than the council's 5.2% reported ethnicity pay gap. The ONS reported a median hourly pay for White ethnic groups as £12.40 per hour compared with those in an ethnic minority group at £12.11 per hour. The council's reported median hourly rates are higher with £16.49 for comparable White ethnic groups and £15.63 per hours for BME groups. The link to the ONS 2019 report can be found at Appendix D.

5.2 Of those organisations that have published ethnicity pay gap data similar to the council there is a trend towards a concentration of BME staff in lower grades and an absence, or under-representation of BME staff at senior grades.

6. Summary & Actions

6.1 The council is confident that its ethnicity pay gap does not stem from an equal pay issue. In 2010 the council introduced a new pay and grading system to ensure all roles are graded using a recognised job evaluation system to make sure individuals receive equal pay for equal work. In 2013 a new system of allowances and expenses was implemented to ensure consistency across the workforce.

6.2 The council's ethnicity pay gap shows that on average (by both measures) White employees are paid more than BME employees and this is similar to the national ethnicity pay gap. This is because we have more White employees in higher graded job roles.

6.3 The council undertook a low pay review during 2022 and implemented significant retrospective pay increases in September 2022. This included the re-

organisation of our lowest 4 pay scale and the removal of our bottom pay scale 1-2. This resulted in between 9.2% and 2% pay increases for approximately 3,800 employees on our lowest grades. Due to these late year retrospective changes to pay, the impact was not reflected in the 2022 Ethnicity Pay Gap report. These changes, along with the National Joint Council pay award for 22/23 from April 2022 have had a positive impact to reduce the council's pay gap for this reporting period.

6.4 The council is committed to improving the diversity of its workforce to reflect its communities and ethnicity forms part of our wider inclusion agenda. Being a fair and inclusive place to work is one of the five commitments of 'Our People Promise' made to employees. The work programme to deliver this promise, our co-created 'Fair and Inclusive Action Plan' has a comprehensive range of outputs to support the recruitment, retention and progression of BME staff. See Appendix E for a link to the Council's Fair & Inclusive Action Plan.

Appendix A

Link to Governments Ethnicity pay reporting guidance for employers:

<https://www.gov.uk/government/publications/ethnicity-pay-reporting-guidance-for-employers>

Appendix B

Ethnic Origin Groupings for reporting purposes. In line with the Office of National Statistics (ONS) ethnicity pay gap reporting.

Ethnicity Binary Category	Ethnicity Group	Ethnic Origin
BME	Asian, Asian British	Any other Asian background Bangladeshi Chinese Indian Pakistani
	Black, Caribbean, African, Black British	Any other Black background Black African Black Caribbean
	Mixed, Multiple ethnic groups	Any other Mixed or Multiple background White and Asian White and Black African White and Black Caribbean
	Other ethnic group	Any other ethnic group Arab
White	White	Any other White background White Irish White British White Gypsy / Irish Traveller

Appendix C

Hourly Pay Definition for the purposes of calculating the mean and median hourly rates.

Pay will include:

- basic pay
- paid leave, including annual leave, sick leave, maternity, paternity, adoption or parental leave (except where an employee is paid less than usual because of being on any such leave)
- area and other allowances
- shift premium pay
- pay for piecework
- bonus pay

It will not include:

- overtime pay
- allowances earned during paid overtime hours
- redundancy pay
- pay related to termination of employment
- pay in lieu of annual leave
- any repayments of authorised expenses
- benefits in kind
- interest-free loans

Where ordinary pay is used to contribute to a salary sacrifice the employee's gross pay after any reduction for a salary sacrifice scheme must be used for the earnings calculation.

Full-pay Relevant Employee Definition

“Full-pay relevant employee” means a relevant employee who is not, during the relevant pay period, being paid at a reduced rate or nil as a result of the employee being on leave. Employees who receive no pay at all during the relevant pay period, whether or not this is as a result of being on leave are excluded from the ethnicity pay gap calculations. “Leave” includes—

(a) annual leave

(b) maternity, paternity, adoption, parental or shared parental leave

(c) sick leave and

(d) special leave

Pay Quartiles.

This calculation requires an employer to show the proportions of White and BME “full-pay relevant employees” in four quartile pay bands. This is done by dividing the workforce (so far as possible) into four equal sections to determine the lower, lower middle, upper middle and upper quartile pay bands. Where employees receiving the same hourly rate of pay fall within more than one quartile pay band, a relative proportion of BME and White employees receiving that rate of pay was assigned to each of those pay quartiles.

Appendix D: Link to Council's Pay Policy Statement: <https://www.brighton-hove.gov.uk/jobs/pay-policy-statement>.

Appendix E: ONS 2019 Ethnicity Report Link (remains the latest release: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2019>

Appendix F: Link to the Council's Fair and Inclusive Action Plan: <https://www.brighton-hove.gov.uk/fair-and-inclusive>