

Brighter Futures for Children

Ethnicity Pay Gap Report for 2022

1 Purpose of the report

- 1.1 Unlike the gender pay gap, large organisations are not yet legally required to publish their ethnicity pay gap. However, we have decided to voluntarily publish our ethnicity pay gap as we believe it is a fundamental step on the company’s journey to improving workplace equality. We will use this information to help us reflect on what we are doing both internally and externally to achieve a truly diverse and inclusive organisation and where we need to take action to tackle inequality.
- 1.2 The ethnicity pay gap is the percentage difference in the average hourly pay rate for employees from minority ethnic groups compared to the average hourly pay rate for white employees. We calculate our ethnicity pay gap using largely the same methodology as set out in the Government regulations for calculating the gender pay gap. Data for agency workers is not included in this report as they are not on the company’s payroll. Unlike for gender, our ethnicity disclosure rate is not at 100% (currently it stands at 82%). We will work towards improving this rate over the next 12 months by explaining to staff how we use this data to identify areas where there may be inequality so that we can take action to address it.

2 Introduction and background

- 2.1 The averages used in this report are mean and median. A mean average is calculated by totaling all the values in a dataset; this total is then divided by the number of values that make up the dataset. The median of a group of numbers is the number in the middle, when the numbers are in order of magnitude.

Mean ethnicity pay gap	The difference between the mean hourly rate of pay of white full-pay relevant employees (FPREs) ¹ and that of FPREs from minority ethnic groups.
Median ethnicity pay gap	The difference between the median hourly rate of pay of white FPREs and that of FPREs from minority ethnic groups.
Mean bonus gap	The difference between the mean bonus pay paid to white FPREs and that paid to FPREs from minority ethnic groups.
Median ethnicity pay gap	The difference between the median bonus pay paid to white FPREs and that paid to FPREs from minority ethnic groups.
Bonus proportions	The proportions of white FPREs and FPREs from minority ethnic groups who were paid bonus pay during the relevant period.
Quartile pay bands	The proportions of white FPREs and FPREs from minority ethnic groups in the lower, lower middle, upper middle and upper quartile pay bands.

¹ See the [Gov.uk website](#) for a definition and examples of full-pay relevant employees (FPREs)

2.2 At the 'snapshot date' date of 31 March 2022, there were 517 full-pay relevant employees (FPREs).

Table 1 – Workforce profile on 31 March 2022 by ethnic groups

	Number	Percentage
Asian or Asian British	31	6%
Black or Black British	56	11%
Mixed	25	5%
Other Ethnic Groups	4	1%
White	306	59%
Not disclosed	95	18%
Total	517	100%

Table 2 – Overall mean and median ethnicity pay gap and bonus pay gap for Black, Asian and Minority Ethnic Employees

	Black, Asian and Minority Ethnic Employees	White Employees	Black, Asian and Minority Ethnic Employees' earnings are:
Mean hourly rate	£17.67	£18.88	6.4% lower
Median hourly rate	£16.22	£16.77	3.3% lower
Mean amount of bonus	£0	£1,000	100% lower
Median amount of bonus	£0	£1,000	100% lower

Table 2a - Mean and median ethnicity pay gap and bonus pay gap for Asian or Asian British Employees

	Asian or Asian British Employees	White Employees	Asian or Asian British Employees' earnings are:
Mean hourly rate	£16.64	£18.88	11.9% lower
Median hourly rate	£14.63	£16.77	12.8% lower
Mean amount of bonus	£0	£1,000	100% lower
Median amount of bonus	£0	£1,000	100% lower

Table 2b - Mean and median ethnicity pay gap and bonus pay gap for Black or Black British Employees

	Black or Black British Employees	White Employees	Black or Black British Employees' earnings are:
Mean hourly rate	£19.03	£18.88	0.9% higher
Median hourly rate	£17.18	£16.77	2.5% higher
Mean amount of bonus	£0	£1,000	100% lower
Median amount of bonus	£0	£1,000	100% lower

Table 2c - Mean and median ethnicity pay gap and bonus pay gap for employees from Mixed Ethnic Backgrounds

	Employees from Mixed Ethnic Backgrounds	White Employees	Employees from Mixed Ethnic Backgrounds' earnings are:
Mean hourly rate	£18.37	£18.88	2.7% lower
Median hourly rate	£16.06	£16.77	4.2% lower
Mean amount of bonus	£0	£1,000	100% lower
Median amount of bonus	£0	£1,000	100% lower

Table 2d - Mean and median ethnicity pay gap and bonus pay gap for employees from Other Ethnic Groups

	Employees from Other Ethnic Groups	White Employees	Employees from Other Ethnic Groups' earnings are:
Mean hourly rate	£16.63	£18.88	11.9% lower
Median hourly rate	£16.99	£16.77	1.3% higher
Mean amount of bonus	£0	£1,000	100% lower
Median amount of bonus	£0	£1,000	100% lower

Table 1 – Overall proportion of Black, Asian and Minority Ethnic Employees and White Employees who received a bonus

	Black, Asian and Minority Ethnic Employees		White Employees	
FPREs Total	422		306	
Proportion of all those receiving a bonus	0	0%	4	1.3%

3 Analysis

- 3.1 **Table 2** shows that the company’s mean pay gap for Black, Asian and Minority Ethnic employees for 2022 is 6.4% and the median is 3.3%. Nationally, in 2019 (the latest data available²), the median hourly pay for White employees was £12.40 per hour compared to those in minority ethnic groups at £12.11 per hour – a pay gap of 2.3%, its narrowest level since 2012. The pay gap was at its largest in 2014, at 8.4%.
- 3.2 **Tables 2a to 2d** show this data broken down further for employees from different minority ethnic groups compared to their White colleagues. The pay gap is largest for employees who identify as Asian or Asian British. There is a negative pay gap for employees who identify as Black or Black British, who are paid more than their White colleagues on average for both the mean and median pay gaps.
- 3.3 **Tables 2 and 2a to 2d and Tables 3** show employees who received “bonuses” in the relevant period. The company does not pay bonuses within its terms and conditions, but long service awards in the form of money meet the Government’s definition of “bonus” for this report.
- 3.4 Long service awards are in recognition of achieving 20 years’ continuous service. The company is currently running two long service schemes with varying cash values:
 - A one-off money award of £1,000 for those achieving long service with either the company or a combination of the company, Reading Borough Council and Berkshire County Council, with the provision for employees to “trade in” all or part of the award for additional days’ leave, currently at the rate of £100 per day; or;
 - £573 plus double leave for achieving 20 years’ service for employees appointed by the Council before 1 April 1999 who subsequently transferred to the company.
- 3.5 Four employees received long services awards in 2022, all of whom were White, and in all but one case, this was a one-off award of £1,000. This translates into a 100% mean and median bonus pay gap, or put more simply, bonuses for Black, Asian and Minority Ethnic employees are 100% lower than for White employees. However it should be born in mind that all employees are eligible for this payment once they have reached the necessary service related requirements.
- 3.6 **Figures 1 and 2** illustrate the breakdown of employees by ethnic group in each pay quartile. There are more White employees in every quartile.

² Source: Office for National Statistics - Annual Population Survey 2019

3.7 **Figures 3a to Figure 3d** illustrate the breakdown of employees from each minority ethnic group compared to White employees by pay grade. Employees who identify as Asian or Asian British are predominantly employed on grades RG3 to RG5, which explains the higher pay gap for this group compared to White employees. Employees who identify as Black or Black British are employed on grades RG3 to RG8 with the highest proportion (21%) on RG6.

3.8 There are no employees above RG9 (currently £49,702 per annum) who have declared that they are from a Black, Asian or Minority Ethnic background.

Figure 1 - Proportion of employees in each pay quartile by ethnic group on 31 March 2022

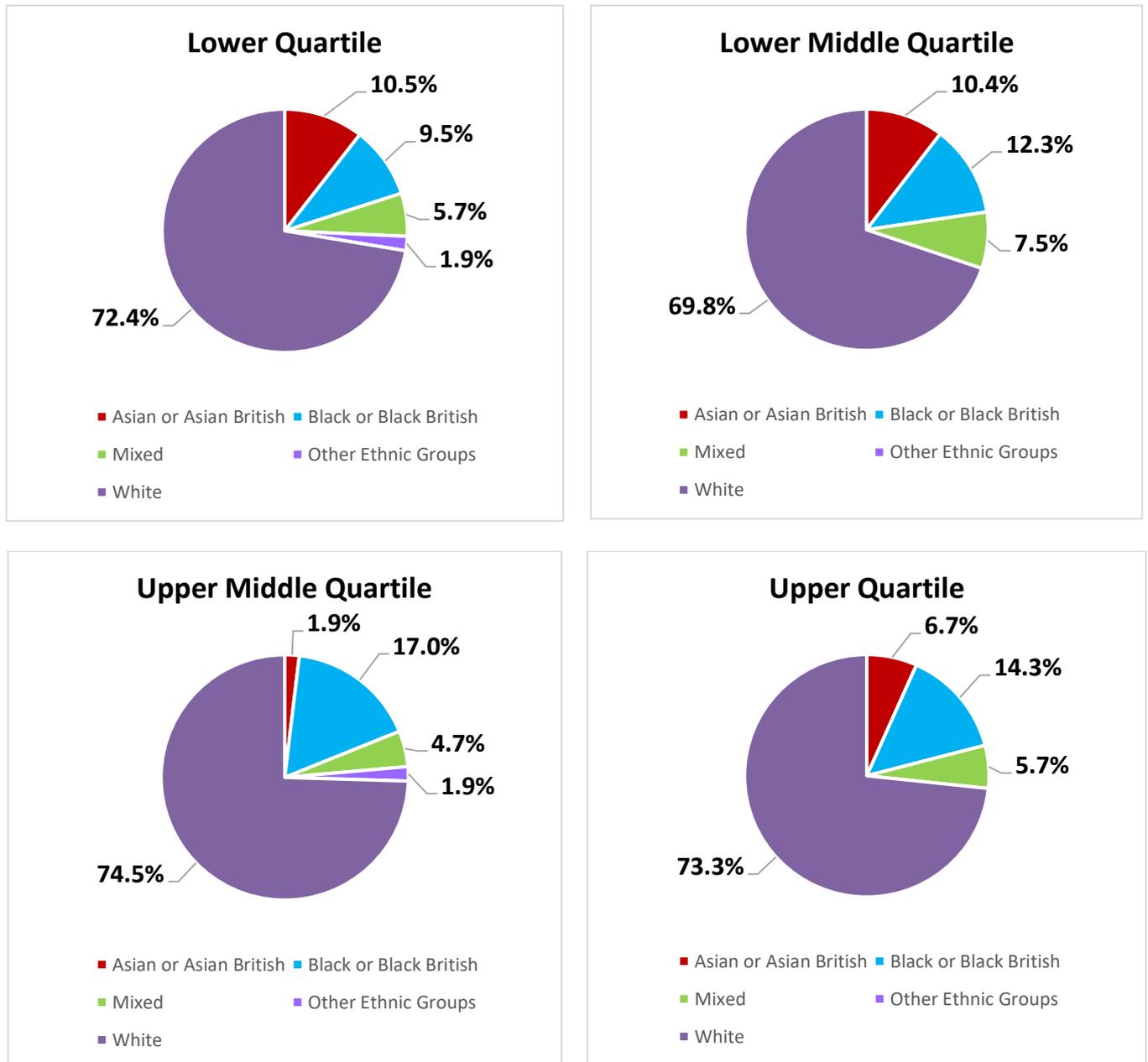


Figure 2 - Number of employees in each ethnic group on 31 March 2022

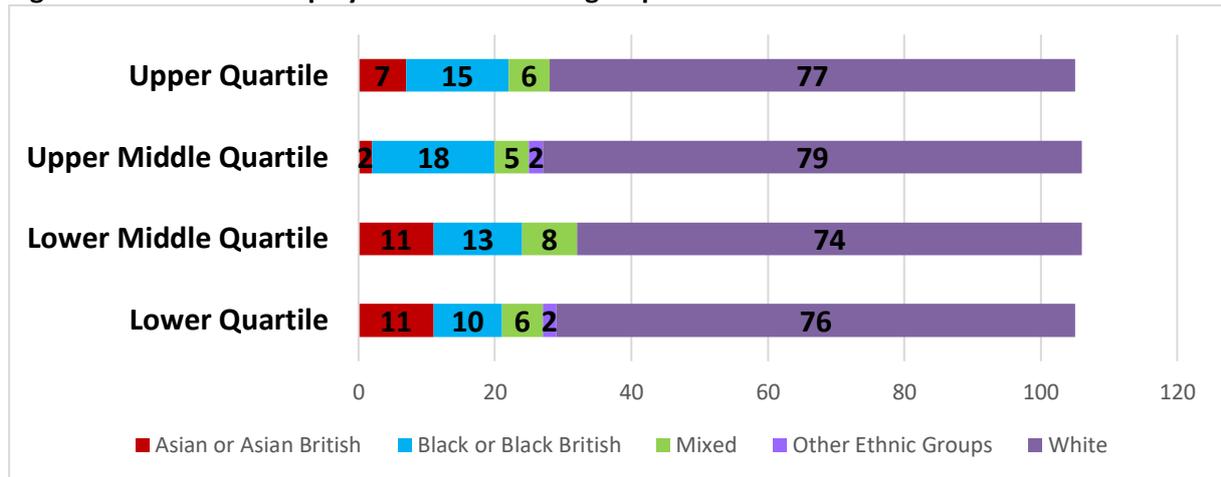


Figure 3a - Proportion of Asian or Asian British employees compared to White Employees in each pay band on 31 March 2022

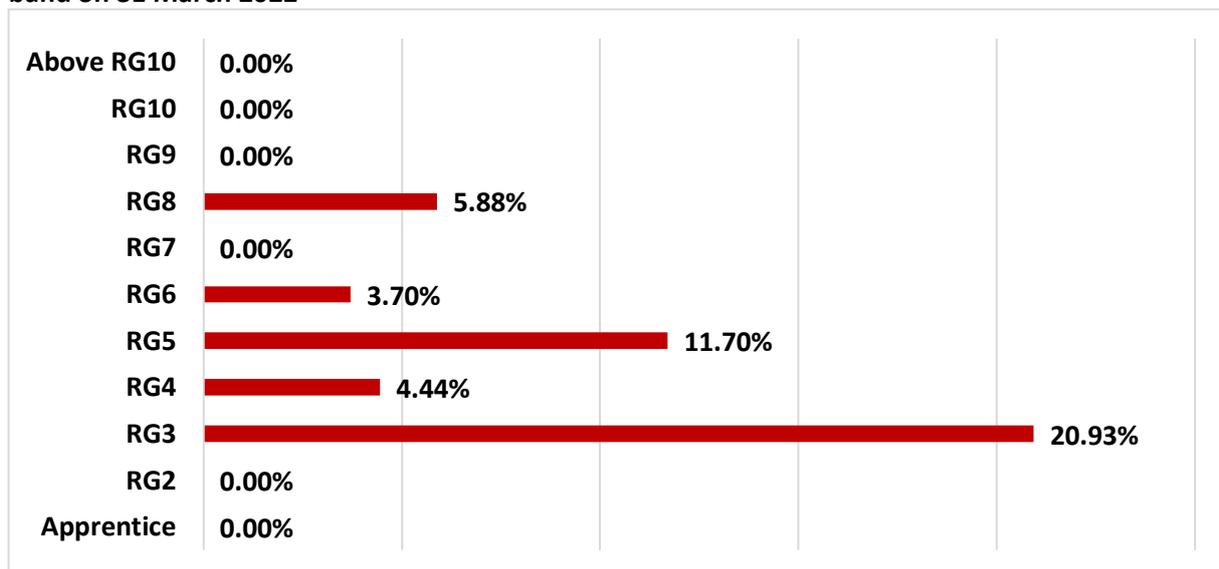


Figure 4b - Proportion of Black or Black British employees compared to White Employees in each pay band on 31 March 2022

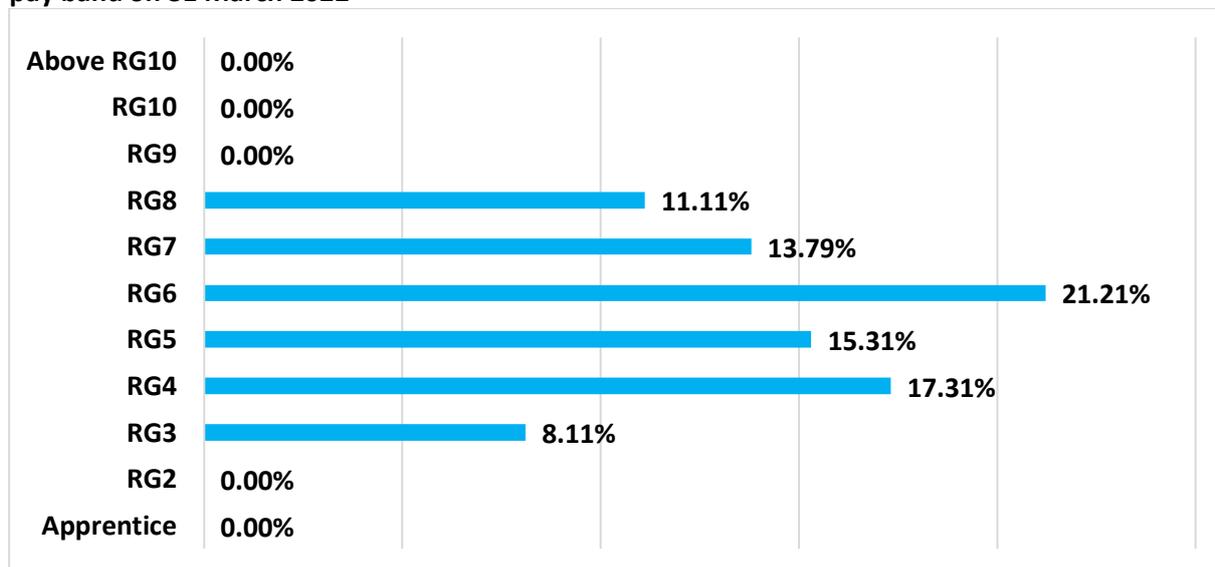


Figure 5c - Proportion of employees from Mixed Ethnic Backgrounds compared to White Employees in each pay band on 31 March 2022

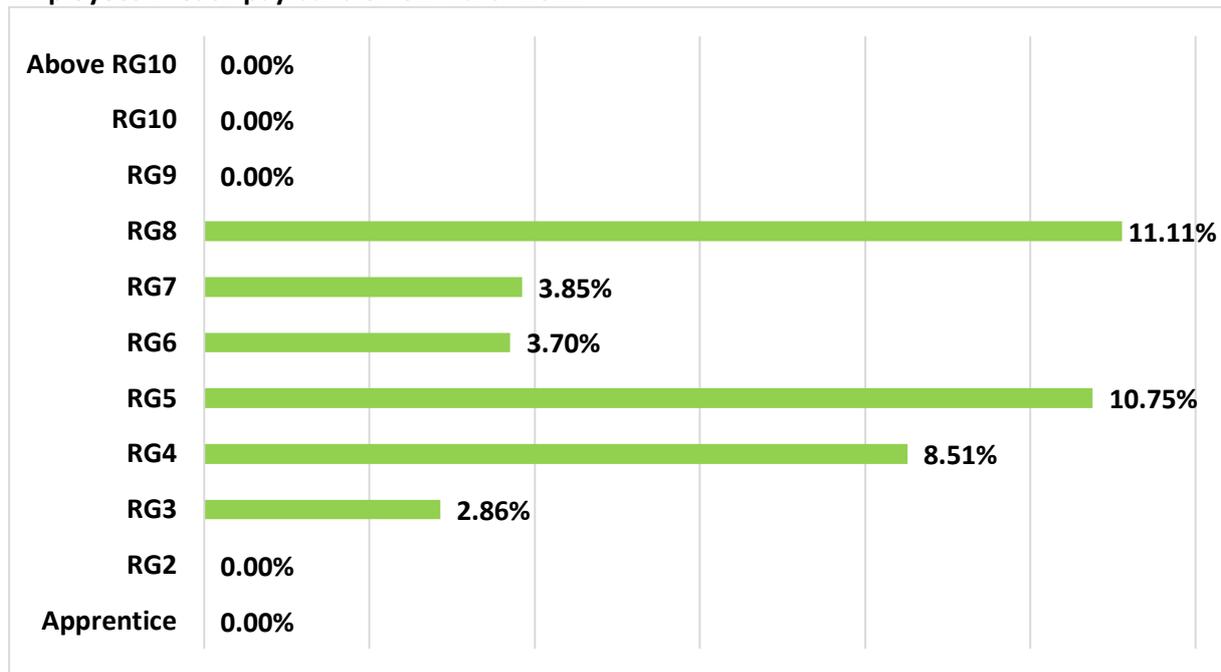
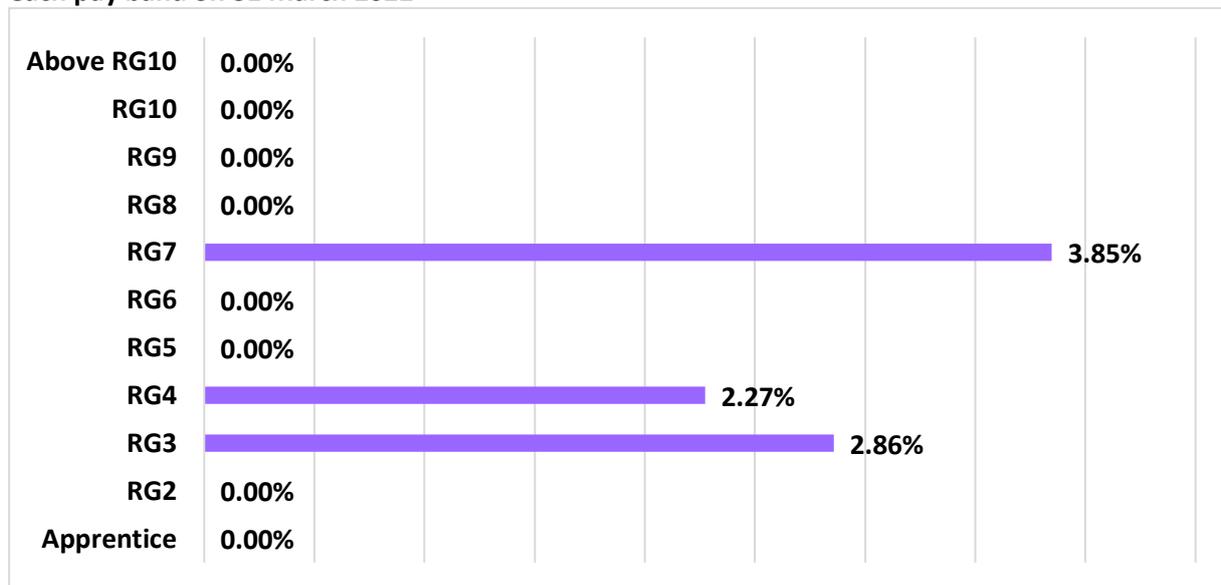


Figure 6d - Proportion of employees from Other Ethnic Groups compared to White Employees in each pay band on 31 March 2022



4 Action plan to reduce the ethnicity pay gap

- 4.1 Taking positive action on workplace equality can have significant benefits for an organisation’s reputation, culture and people. This Ethnicity Pay Gap report, along with our Gender Pay Gap and Workforce Profile reports, are a fundamental step on the company’s journey to improving workplace equality. It helps to create a baseline to track current progress and drive continual improvement.

- 4.2 This report will be highlighted to all staff and the company Board, and will be published on our website, as part of our approach to improve inclusion and tackle inequality in the workplace.
- 4.3 There is a large proportion of employees (18%) who have either not been asked to provide their ethnicity or have chosen a 'prefer not to say' response. Low ethnicity disclosure rates are a problem for many employers, but the information is vital to help address any ethnicity pay gaps accurately and for producing effective action plans. We will therefore seek to encourage all employees to disclose their ethnicity, explaining how we use this data.
- 4.4 We will continue to promote the benefits of working for the company both internally and externally, such as flexible hours and hybrid working arrangements, our diversity commitments etc. We will increase awareness about apprenticeship schemes to encourage more employees to enhance their skills and qualifications, giving them greater opportunities to progress their careers.
- 4.5 We will ensure that all promotion opportunities are advertised internally to our staff to embed a culture where we grow our own talent from within the company.
- 4.6 We are developing recruitment and selection training which we will require all recruiting managers to complete which highlights the issue of unconscious bias during recruitment and interview processes and seeks to eliminate it.
- 4.7 We will continue to ensure that recruiting managers use structured interviews as this is more effective at guarding against unconscious bias by ensuring that all candidates are asked the same questions and are assessed using pre-specified, standardised criteria.