

## Appendix A – Ethnicity Pay Gap 2023 data

### All full pay employees

The **mean** (average) ethnicity pay gap for Luton Council was **8%** in favour of white employees when compared to people with ethnic minority/global majority backgrounds

The **median** (mid-point) ethnicity pay gap for Luton Council was **7%** in favour of white employees when compared to people with ethnic minority/global majority backgrounds

Breakdown of full pay workforce by ethnicity

55% White 31% People with ethnic minority/global majority backgrounds: 14% Not Known/Declined to Specify

### Employees paid at M6 and above

The **mean** (average) ethnicity pay gap for senior managers is **7.5%** in favour of employees of white backgrounds when compared to ethnic minority/global majority background employees

The **median** (mid-point) ethnicity pay gap for senior managers is **1.8%** in favour of white employees when compared to employees of ethnic minority/global majority backgrounds

Breakdown of M6 managers by ethnicity

70% White: 20% Ethnic Minority/Global Majority Background: 10% Not Known/Declined to Specify

## B Ethnicity Bonus Gap

### All full pay employees

The **mean** (average) ethnicity bonus gap is **1.6%** in favour of employees from white backgrounds when compared to ethnic minority/global majority employees

The **median** (mid-point) ethnicity bonus gap is **14.3%** in favour of employees from white backgrounds when compared to ethnic minority/global majority employees

Bonus recipients

42.5% White: 42.8% Ethnic Minority/Global Majority: 14.7% Not Known/Declined to Specify

## Appendix A – Ethnicity Pay Gap 2023 data

### Employees paid at M6 and above

The mean (average) ethnicity bonus gap for senior managers is **13%** in favour of employees from **ethnic minority/global majority backgrounds** when compared to white employees

The median (mid-point) ethnicity bonus gap for senior managers is **4%** in favour of employees from **white backgrounds** when compared to ethnic minority/global majority employees

11 Recipients

White: 82% Ethnic Minority/Global Majority: 18%

Mean and median values calculated using standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and are based on hourly rate values calculated for Gender Pay Gap for the snapshot date of 31 March 2022.

### C Distribution of White, Ethnic Minority/Global Majority and Not Known/Decline to Specify Employees in each quartile at 31 March 2022

Band	White	Ethnic Minority/Global Majority	Not known	Mean EPG*	Median EPG*
<b>A. Lowest quartile</b>	51%	30%	19%	3%	0%
<b>B. Lower middle quartile</b>	50%	36%	14%	0.3%	0.3%
<b>C. Upper middle quartile</b>	59%	31%	10%	0.1%	0%
<b>D. Upper quartile</b>	61%	26%	13%	7%	5%
<b>All full pay relevant employees</b>	55%	31%	14%	8%	7%

\*mean EPG for each quartile (negative value - indicates in favour of Ethnic Minority/Global Majority Background)

## Appendix A – Ethnicity Pay Gap 2023 data

### Appendix 2

#### Ethnicity Pay and Bonus Gaps 2023 – analysis of data

1. In line with its legal responsibilities under the Public Sector Equality Duty, Luton Council is absolutely committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.
2. Equality and Diversity in the Workforce – the council has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, the council:
  - carries out pay and benefits audits at regular intervals,
  - evaluates job roles and pay grades as necessary to ensure a fair pay structure, and
  - publishes annually a Pay Policy which sets out clearly the Council's pay matters
3. The Council's pay approach supports the fair treatment and reward of all staff irrespective of ethnicity with pay systems and grades aligned to nationally negotiated pay spines. Employees are expected to move through the relevant pay range for their grade; the longer period of time in a grade the more they are expected to earn, irrespective of ethnicity.
4. At a previous meeting of the Administration and Regulation Committee a request was made that a report on the council's EPG be produced. In particular the Committee sought information on the EPG at senior management levels and this report considers grades M6 and above to align to the data required for the BAME Workforce Motion.
5. The report sets out the analysis we have undertaken and also the breadth of activity across the Council to address the EPG and our wider work on the development and retention of ethnic minority/global majority background colleagues.
6. The overall Ethnicity Pay Gap is defined in two ways, firstly as the difference between the mean (average) hourly pay of white and ethnic minority/global majority background employees expressed as a percentage of the mean hourly pay of white employees. Secondly, it is defined as the median (actual midpoint) hourly pay of white and ethnic minority/global majority background employees expressed as a percentage of the median hourly pay of white employees.
7. Hourly pay at the Council has been calculated in accordance with the regulations relating to gender pay gap reporting and includes shift premiums and allowances, clothing and car allowances and those monthly market supplement payments paid in the relevant pay period (March 2023 pay). The calculations exclude overtime payments and all those employees who were on reduced pay for reasons such as unpaid leave or maternity/parental leave or those on long term absence where their full sickness pay has been exhausted.

## Appendix A – Ethnicity Pay Gap 2023 data

8. The table in section C (Appendix 1) depicts pay quartiles by ethnicity, showing the council's full pay workforce divided into four equal-sized groups based on hourly pay rates, with band A including the lowest-paid 25% of employees (the lowest quartile) and band D covering the highest-paid 25% (the upper quartile).
9. In order for there to be no ethnicity pay gap, there would need to be a ratio of white employees to people of ethnic minority/global majority backgrounds in each band reflecting exactly the Council's full pay ethnicity make up (ie 55% white and 31% ethnic minority/global majority) with a zero EPG in each quartile.
10. The proportion of employees of ethnic minority/global majority backgrounds in the upper quartile is 5% below the level of ethnic minority/global majority background employees across the Council (31%). The proportion of white employees in this quartile is also at its highest level (61%) and has a much wider ethnicity pay gap than in the other three quartiles. Until we have full ethnicity data on the entire full pay workforce we cannot reliably rely on this data.
11. From the data relating to M6 above employees it can be seen that ethnic minority/global majority employees remain underrepresented at senior management levels and their level of representation (18%) shows a slight decline from 18.3% of the M6+ cohort declaring as people of ethnic minority/global majority background in 2022.
12. With no ethnicity data for 14% of the workforce in 2023 these calculations are incomplete and cannot be representative of the overall picture and therefore to a greater or lesser degree continue to be unreliable as a measure of the true ethnicity pay gap. A campaign to encourage all employees to provide or update their personal sensitive data has been undertaken recently and the amount of missing data has continued to decrease. Continuing efforts over the coming year should provide a more accurate reflection of the council's ethnicity pay and bonus gaps in March 2024.
13. For the purposes of the ethnicity bonus calculations the retention payments, long service award and market supplement payments, which are paid as recruitment or retention incentives, have been included in the bonus calculations.
14. In contrast the mean (average) Ethnicity Bonus Gap (EBG) in 2023 was 1.6% whilst the median (mid-point) EBG was 14.3 %, in both cases favouring employees from white backgrounds. This is a significant shift in both measures from 2022 that is likely to stem from the removal of the relatively small one-off retention payment paid to front line Adult Social Care workers plus the extension of a full year's market supplement payment to those working in civil enforcement and refuse drivers with a HGV licence.
15. Previously both the mean and median EBG favoured EMB/GM employees, when there was lower proportion of EMB/GM employees in receipt of a "bonus" payment. This was because most of the EMB/GM employees were in social work related positions which attract the largest payments of £5000 per annum. With nearly 43% of bonus recipients each, in both the white and EMB/GM categories (previously 43% and 36% respectively) there has been a rebalancing of both the mean and median bonus payments paid to EMB/GM employees.

## Appendix A – Ethnicity Pay Gap 2023 data

- 16.** The mean EBG for full pay employees at grade M6 and above remains in favour of EMB/GM colleagues at 13% more than white colleagues. However due to the small number of recipients (EMB/GM:2 White:9) this outcome is an erratic measure.
- 17.** Further work is being undertaken on the ITrent HR system to ensure that the sub strands of the EMB/GM categories are consistently filtered so that we can provide more detailed comparisons between different ethnicities that come under the umbrella EMB/GM category eg Black African and Asian with white employees. The government guidance suggests that where possible these detailed calculations are undertaken.
- 18.** As statutory ethnicity pay gap reporting has not yet been introduced the Office for National Statistics (ONS) does not currently provide comparative information from other public/private/charitable organisation against which we are able to compare Luton's EPG. Once reliable information from other sectors/councils becomes available the council will seek to compare its progress in reducing the ethnicity pay gap.