

GENDER AND ETHNICITY PAY GAP REPORT 2020

INTRODUCTION

BY STUART LOVE, CHIEF EXECUTIVE

Despite the steps we have taken and the programmes that we have put in place to tackle the gender and ethnicity pay gaps over the last couple of years, this year three of the four indicators we measure ourselves on have gone in the wrong direction.

We are devastated by these results. Every member of the Executive Leadership Team (ELT) is committed to tackling and closing our pay gaps. Our people strategy, The Westminster Way, is centred on making us an inclusive, diverse, outward-looking, innovative and ambitious organisation. Our continued aim is to ensure that the council and its leadership are representative of the communities we serve.

In the last two years we have worked hard and seen improvements in the culture of the organisation; our staff have told us that the council feels like a much better place to work. However, we must be better and we must do more. The pay gaps are unacceptable and we know that there is still a long way for us to go to both close the gaps and ensure that they never reappear. This is an absolute priority for ELT and for all of us.

We have identified some key reasons for both pay gaps increasing. These include:

- We are attracting more female and BAME staff, though they are joining the organisation predominantly in more junior and lower paid roles than their male and White counterparts.
- Women and BAME leavers are being replaced by women and BAME joiners at lower grades and salaries, whereas the men and White joiners and leavers are at similar grades and pay.
- Pay increases for current staff are only having a minimal impact on the pay gaps and they are being offset by the impact of joiners and leavers to the organisation.

We recognise culture change is something that is continuous – you cannot tick a box and say you’ve done it and then move on. We will keep pushing the boundaries and expect you to hold us to account every step of the way.

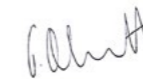
It is important to note this report is based on data as at 31 March 2020 and only shows the impact of our actions in the 12 months leading up to that date. It takes no account of the steps that have been taken since then to address inequalities in our workforce and to create a culture where everyone feels included.

With feedback from our staff networks and working with all of our communities we must redouble our efforts to close the gaps. Presenting the pay gap data has already led to some crucial conversations within the organisation. While this is important, and we want these conversations to continue, we know that we must rethink and that we must redouble our efforts.

The pay gaps affect every single one of us, no matter your gender, ethnicity or the team that you work in. We must all acknowledge and accept responsibility that we still have a long way to go in making sure there is real equality of opportunity for women and BAME staff. Only then will we have a truly inclusive workplace.



Stuart Love
Chief Executive



Gerald Almeroth
Executive Director of
Finance and Resources



Debbie Jackson
Executive Director of Growth,
Planning and Housing



Pedro Wrobel
Executive Director of
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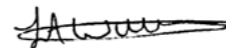
Bernie Flaherty
Bi-Borough Executive
Director of Adult Social
Care and Health



Sarah Newman
Bi-Borough Executive
Director of Children's Services



Raj Mistry
Executive Director of Environment
and City Management



Lee Witham
Director of People Services

WHAT WE ARE DOING TO REDUCE OUR PAY GAPS

Through the three pillars of the Westminster Way, the council's people strategy, we are implementing various programmes to close the gap.

Personal development: Everyone has talent

Inclusive mentoring (formally known as Reverse mentoring). So far, over 100 staff across the council have been paired with individuals of different ages, genders and cultural backgrounds in a 360 degree mentoring relationship. This year the programme was extended to include LGBTQ+ and disability. We will look to continue to grow the programme.

Mandatory Inclusive Recruitment training for hiring managers. All people leaders who are hiring must first attend the inclusive recruitment training. The training has been updated and improved and includes unconscious bias e-learning.

Leadership and talent programmes. So far, more than 300 staff have had access to our talent programmes. Diversity and inclusion is a core part of all modules and we are mindful to ensure equity across all of these programmes.

Rewarding your contribution. Revamping our rewarding your contribution scheme to make sure it is distributed fairly and equitably across the organisation and will take into effect from 1 April 2021.

Value our people and diversity: Everyone is valued

Professionalising our approach to D&I by seeking world class best practice. We will engage the services of one or more world class organisations to bring their experience to bear in helping us to close the pay gaps.

Reward and recognition. Our Step Up process is carefully moderated using diversity data to ensure unconscious bias doesn't creep in when it comes to reviewing annual pay and rewards. We actively encouraged staff to have conversations with their managers.

Staff Networks. Serena Simon, chair of our BAME Network launched a series of Pan-London events to address the disproportionate impact of COVID-19 on the BAME community, attracting other councils and MPs to contribute to the conversation. We have also held many (virtual) events to celebrate the rich diversity we have in Westminster and look forward to more virtual and hybrid ones this year.

Recognising the achievements of our staff. We will continue to recognise the great achievements of our staff, for example through the Westminster Way staff awards, and keep sharing stories that will inspire others.

Accessibility. We will continue to improve accessibility both internally and externally. This year, we launched a Disability and Reasonable a Adjustment policy and we have committed to ensuring our buildings and services are dementia-friendly.

Diversity audit. As our Diversity Audit was delayed due to COVID-19, we will be taking an honest look at our organisation with a new diversity audit to inform our long-term strategy. We want to be a learning organisation and better understand how to unblock the barriers to a fully inclusive workplace.

Race at Work Charter. We have re-signed up to Business in the Community's Race at Work Charter, the industry standard to achieve good race relations at work.

Diversity Dashboard. We created and are regularly publishing a data dashboard of all our staff's diversity information to increase transparency and better target interventions.

Mental health in the workplace. The mental health of our staff was our top priority of 2020 and will continue to be even after lockdown measures continue to ease and staff continue to work agilely.

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The Westminster Way of working: Everyone is a leader

Policies. Positive action is working well for Band 4 roles; but not yet for Band 5 plus. ELT will now be involved in every Band 5 appointment before it is made. Tailored interview coaching will be offered for Band 5 plus roles and detailed interview feedback from each interviewee, especially unsuccessful candidates.

Action plans. Creating and implementing localised action plans in each directorate, bringing to life what they are doing specifically tailored to their areas.

Meaningful conversations. Performance and development conversations for all senior leaders will now focus on how they actively live and role model the Westminster Way and what they are doing on the five Race at Work Charter pledges. We have introduced quarterly directorate seasonal conversations with the Chief Executive that have the Westminster Way and diversity and inclusion as a core component where leaders will be asked what they are doing on this agenda.

Positive Sponsorship. Senior leaders are encouraged to positively sponsor women and BAME staff to take on challenging assignments and actively advance their career progression.

Diverse shortlists for band 4 roles and above. Our continued positive action programme already ensures at least one candidate from a BAME background on every shortlist for middle and senior manager roles and our inclusive recruitment training will be expanded to include gender and disability.

Diverse interview panels. All interview panels for middle and senior manager roles continue to be gender and BAME diverse.

PAY GAP SUMMARY

Gender and Ethnicity pay gap

This year's report shows our mean gender pay gap has unfortunately risen from 7% in 2019 to 8.9% in 2020. However, our median pay gap has decreased from 11.8% in 2019 to 10.9% in 2020.

Our mean Ethnicity pay gap has unfortunately increased from 15.5% in 2019 to 17.1% in 2020. The median BAME pay gap also increased from 13.1% in 2019 to 17.2% in 2020.

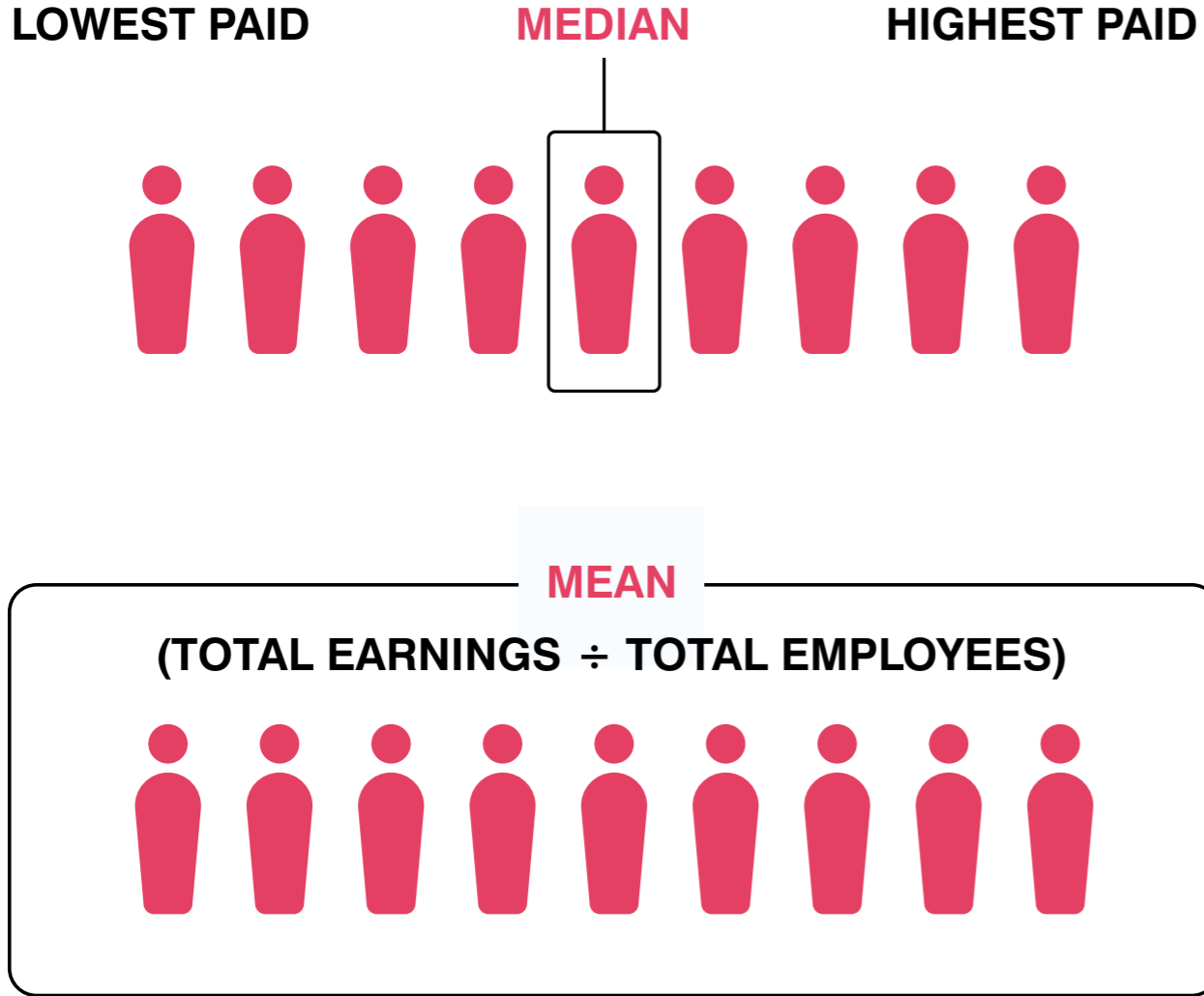
What this means

Interventions introduced in previous years such as Positive Action, parental leave policies, agile working, diverse panels and inclusive mentoring have helped to significantly reduce the turnover on both BAME and female staff since 2019 (BAME 13.5% to 8.2%; Female 17.4% to 10.2%).

We are increasingly successful in attracting female and BAME staff, however they are joining the organisation predominantly in more junior and lower paid roles than their male and White counterparts.

The focus on pay increases for current staff is only having a minimal impact on the pay gaps, and these are being more than offset by the impact of joiners and leavers to the organisation. Step-ups in 2019/20 had a slightly positive effect on the median pay gaps (-0.4% for gender and -0.2% for BAME) but negatively affected the mean pay gaps (0.4% for gender and 0.9% for BAME).

We are resolved to continue to try and close the BAME pay gap. The positive action programme we introduced in April 2019, along with inclusive mentoring and diverse recruitment panels, should continue to help us reduce the pay gaps and we will constantly look at new and innovative ways to ensure our workforce, at all levels, reflects the community we serve.



THE PAY GAP IN DETAIL

What is the pay gap?

The gender pay gap measures the difference between men and women's average salaries.

Under the Equality Act 2010 (gender pay gap information regulations 2017), employers with 250 or more employees are required to publish statutory calculations every year, showing the difference in the average pay of their male and female employees.

The council is confident that employees, whatever their gender or ethnic background, are paid equally for doing equivalent roles – or what's called 'equal pay'. Consequently, this report does not look at equal pay.

The BAME pay gap is the difference between BAME and White employees' pay as a percentage of White employees' pay. We have chosen to voluntarily measure the Ethnicity pay gap because we want to be transparent with our workforce about the gap that one can easily see in the organisation and commit to narrow the gap over time.

The data in this report is based on a snapshot from 31 March 2020 and the results must be published on our website and a government website each year.

How has it been calculated?

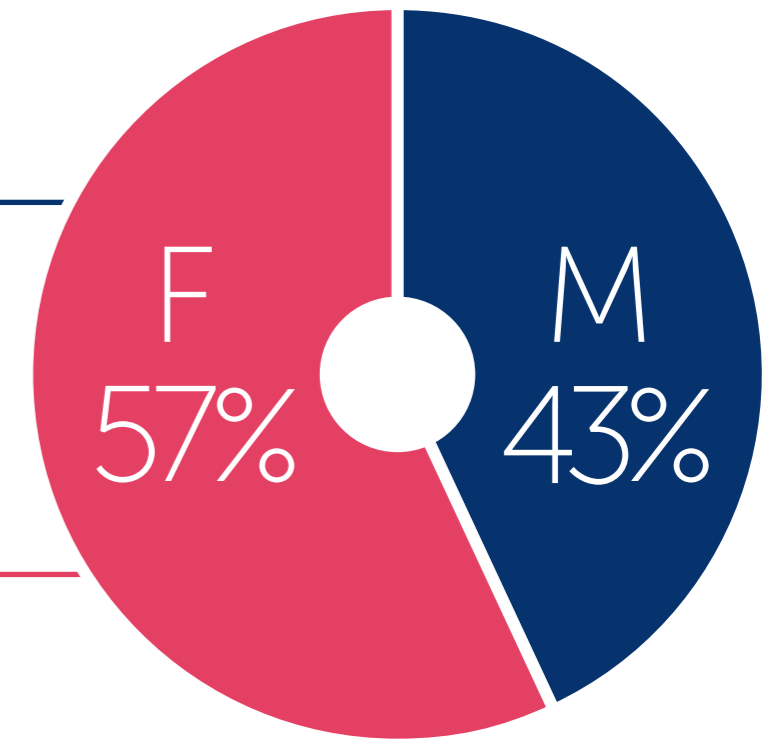
The pay gap report involves carrying out calculations that show the difference between the average earnings of men and women or BAME and White employees, across the following categories:

- 1. Ordinary pay**
The hourly rate.
- 2. One-off contributions (bonus pay)**
The difference between the one-off contributions paid.
- 3. Quartile pay**
The proportion of full-pay employees in the lower, lower middle, upper middle and upper quartile pay bands.

Each category includes calculations based on two different types of average (mean and median) to give a balanced overview of an employer's overall gender and BAME pay gap.

GENDER PAY GAP

Proportion of female and male employees across the council



Ordinary pay

Gender pay gap – the difference between women’s pay and men’s pay as a percentage of men’s pay.

(Positive % means men have higher pay).

8.9% MEAN HOURLY RATE **10.9%** MEDIAN HOURLY RATE

	HOURLY RATE OF WOMEN	HOURLY RATE OF MEN	DIFFERENCE (£)
MEAN HOURLY RATE	£21.34	£23.42	£2.08
MEDIAN HOURLY RATE	£19.92	£22.35	£2.43

GENDER PAY GAP

One-off contributions

Westminster City Council does not pay bonuses. To comply with the regulations, we have used any pay that is paid annually or less frequently than monthly as a 'one-off contribution' to calculate the equivalent of bonus pay. This includes one-off 'rewarding your contribution' payments and long service awards.

One-off pay

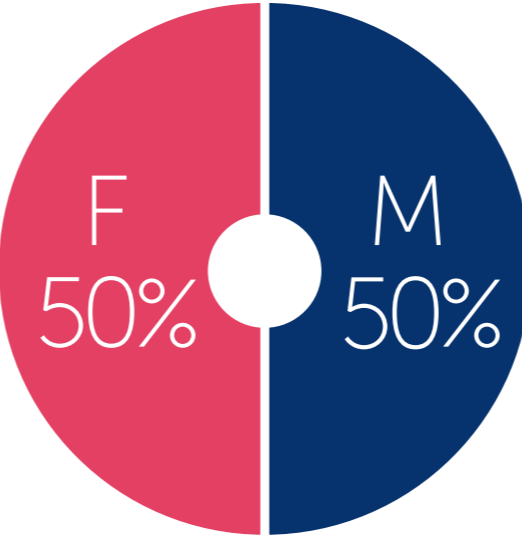
One-off payments gender pay gap – the difference between women's payments and men's payments as a % of men's payments.

MEAN	MEDIAN
16.8%	20.6%

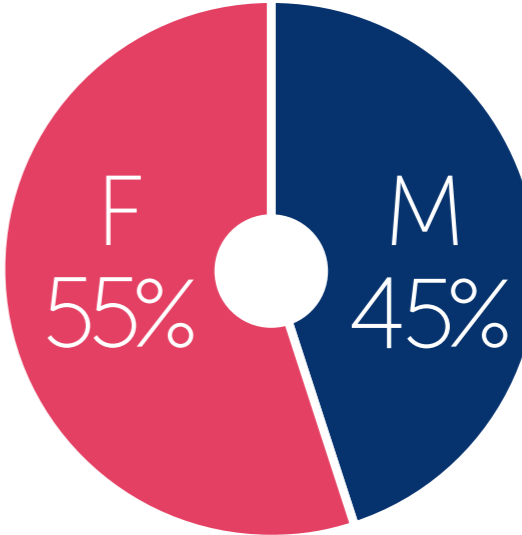
One-off payments paid

WOMEN PAID AS % OF ALL WOMEN	MEN PAID AS % OF ALL MEN
14.2%	19.2%

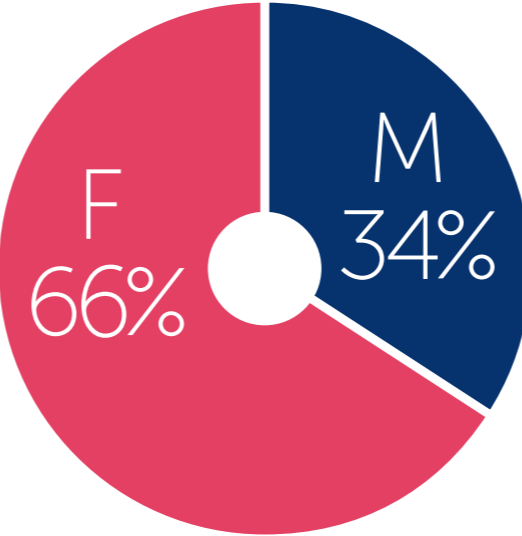
Pay by quartile*



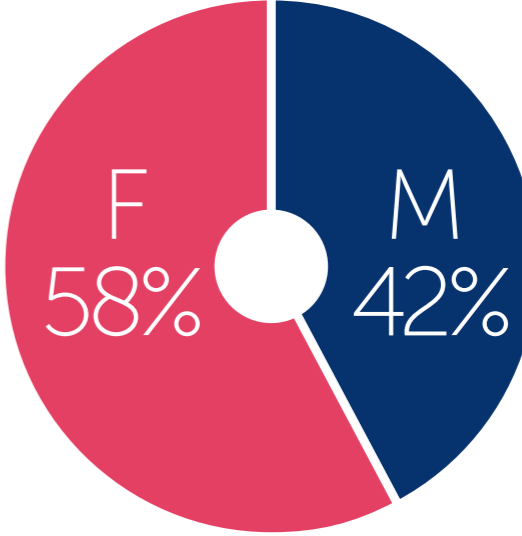
Proportion of women and men in the **upper quartile** (paid above the 75th percentile point)



Proportion of women and men in the **upper middle quartile** (paid above the median and at or below the 75th percentile point)



Proportion of women and men in the **lower middle quartile** (paid above the 25th percentile point and at or below the median)

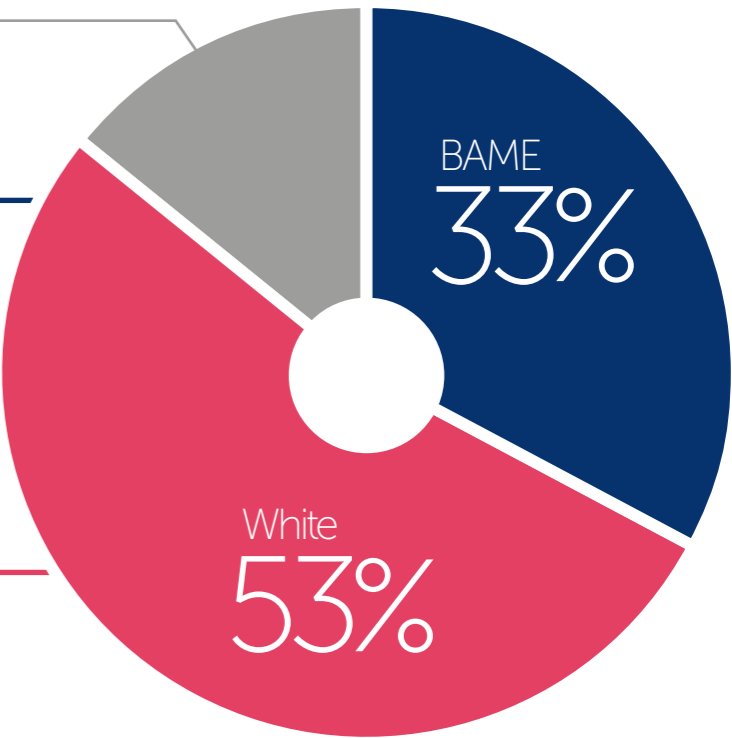


Proportion of women and men in the **lower quartile** (paid below the 25th percentile point)

*Only 'full pay relevant employees' are counted for these calculations.

ETHNICITY PAY GAP

14% of staff currently do not record their ethnicity.



Proportion of BAME and White employees across the council

Ordinary pay

Ethnicity pay gap – the difference between BAME and White employees pay as a percentage of White employees pay.

(Positive % means White employees have higher pay).

17.1% MEAN HOURLY RATE **17.2%** MEDIAN HOURLY RATE

	HOURLY RATE BAME EMPLOYEES	HOURLY RATE OF WHITE EMPLOYEES	DIFFERENCE (£)
MEAN HOURLY RATE	£20.60	£24.20	£4.14
MEDIAN HOURLY RATE	£18.71	£22.59	£3.88

ETHNICITY PAY GAP

One-off contributions

Westminster City Council does not pay bonuses. To comply with the regulations, we have used any pay that is paid annually or less frequently than monthly as a 'one-off contribution' to calculate the equivalent of bonus pay. This includes one-off 'rewarding your contribution' payments and long service awards.

One-off pay

One-off payments BAME pay gap – the difference between BAME payments and White payments as a % of White payments.

MEAN
25.3%

MEDIAN
21.0%

One-off payments paid

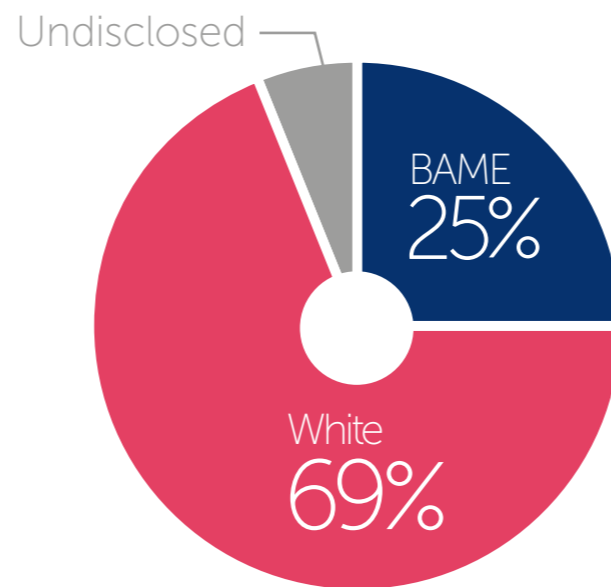
BAME PAID BONUS AS % OF ALL BAME STAFF

13.9%

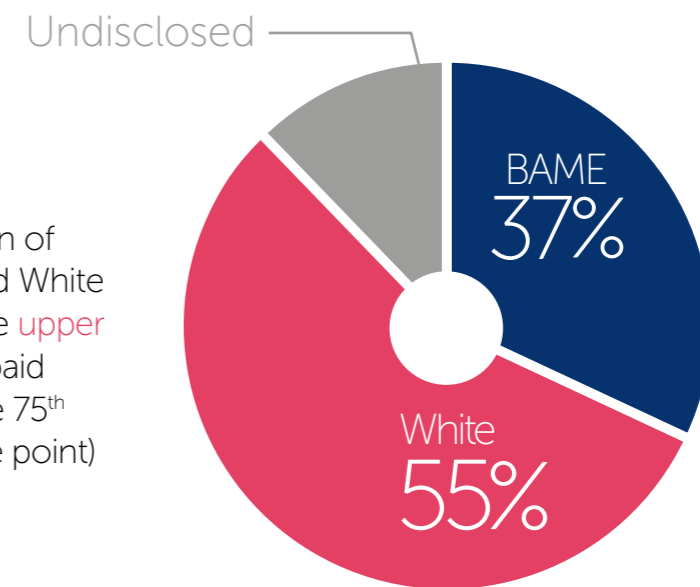
WHITE PAID BONUS AS % OF ALL WHITE STAFF

17.8%

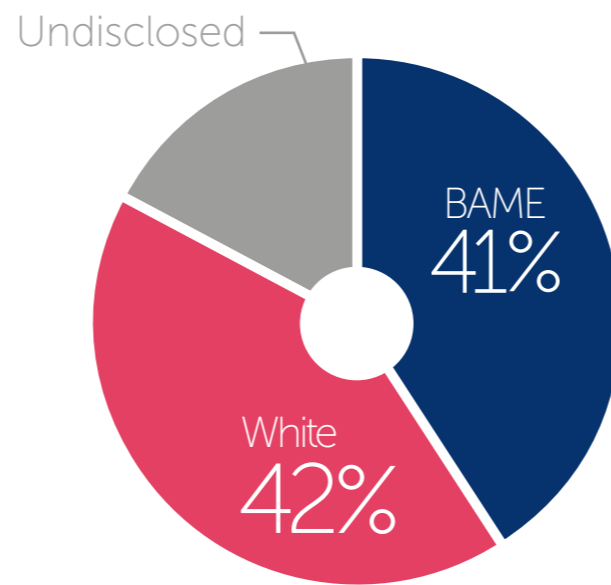
Pay by quartile*



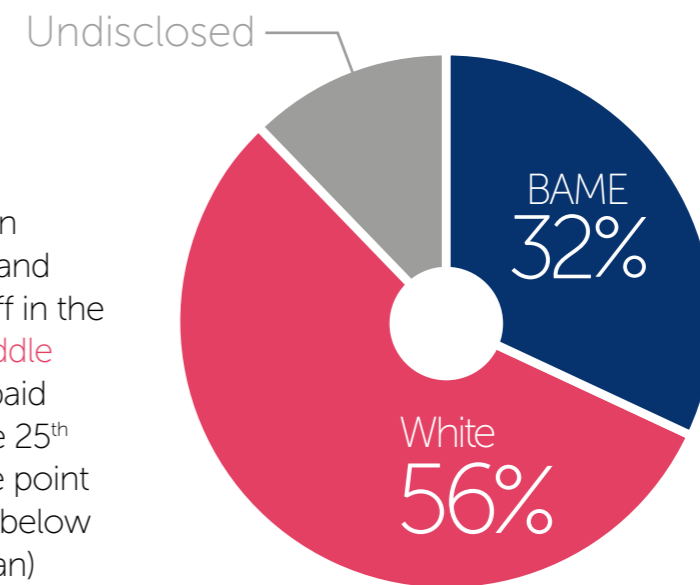
Proportion of BAME and White staff in the **upper quartile** (paid above the 75th percentile point)



Proportion of BAME and White staff in the **upper middle quartile** (paid above the median and at or below the 75th percentile point)



Proportion of BAME and White staff in the **lower middle quartile** (paid above the 25th percentile point and at or below the median)



Proportion of BAME and White staff in the **lower quartile** (paid below the 25th percentile point)

*Only 'full pay relevant employees' are counted for these calculations. The above figures do not add up to 100% due to 'unknown' ethnicity category.

How you can help

Diversity and inclusion starts with a commitment by the Executive Leadership Team – but it is everybody's business.

While we are moving in the right direction and will maintain our relentless focus on diversity and inclusion, we need all our leaders to play their part. You can help by ensuring your personal data is up to date on IBC so we have an accurate reflection of our workforce. Get involved in our staff networks, sign up to e-learning courses and workshops to develop your cultural awareness and eliminate unconscious bias and, if you're a manager, remember to plan early when recruiting new staff. Positive action includes diverse panels throughout the process and not just at interview stage.