

GENDER AND ETHNICITY PAY GAP REPORT 2021

INTRODUCTION

BY STUART LOVE, CHIEF EXECUTIVE

This year we have seen that our ethnicity pay gap is heading in the right direction, but we are disappointed to report that the indicators for our gender pay gap have moved in the wrong direction. Tackling our pay gaps requires a systematic shift and it requires us to think about what we can and must do differently to attract, reward, develop and retain a diverse workforce. This is why everyone in the Executive Leadership Team remains committed to taking firm action and redoubling our efforts to close our pay gaps.

We published our Diversity Audit which allowed us to take an honest look at our organisation and help us better understand how to unblock the barriers to a fully inclusive workplace. Last year we pledged to professionalise our services and appointed a world class organisation to bring their experiences to help us develop an ambitious three-year diversity and inclusion (D&I) plan with clear actions which would help address and close our pay gaps.

We want to accelerate the pace of progress and that is why we have established a D&I Pay Gap Taskforce, that will work directly with senior leaders and teams for where the greatest challenges exist and interventions are required. Our localised diversity and inclusion action plans ensure that our senior leaders are taking accountability and playing their part to ensure that we maintain total focus as an organisation and can measure our progress.

It is important that our staff are able to thrive and grow, and that they have the best experience working with us. As such, we have continued to initiate culture-change programs, talent and learning opportunities and have particularly focused on ensuring that we have diversity across all levels. We have continued to hold fundamental conversations with our staff and communities that focus on the equality agenda to really address what is needed to help initiate systemic and lasting change.

We are committed to being an inclusive employer but it is clear that we need to be more ambitious if we are to make a real difference and effect the step change required to ensure that the council and its leadership are representative of the communities we serve.

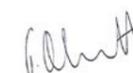
We have identified some key reasons for the gender pay gaps increasing. These include:

- More women join the organisation at a lower starting grade compared to their male colleagues.
- Women's starting salary is lower than her male counterpart.

We recognise that change takes time, diversity and inclusion is a long-term commitment but we hold ourselves accountable for ensuring that we see the change we all want and need.



Stuart Love
Chief Executive



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Executive Director of
Finance and Resources



Debbie Jackson
Executive Director of Growth,
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Pedro Wrobel
Executive Director of
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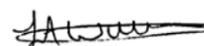
Bernie Flaherty
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Director of Adult Social
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Sarah Newman
Bi-Borough Executive Director
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Raj Mistry
Executive Director
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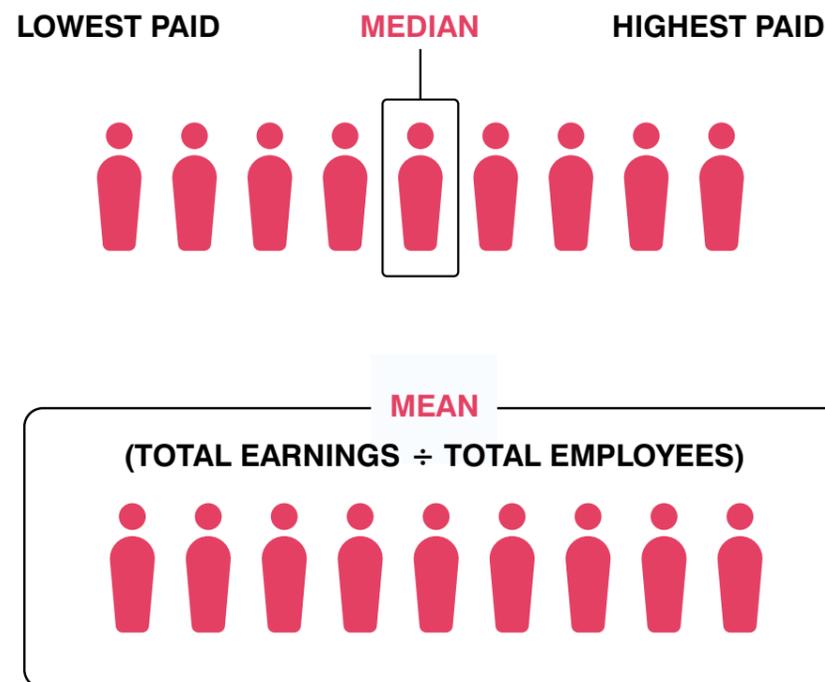


Lee Witham
Director of People
Services

HIGHLIGHTS

Gender pay gap

57% of our workforce is female. This year's report shows that both our mean and median gender pay gaps have risen from (mean) 8.9% in 2020 to 10.1% in 2021 and (median) from 10.9% in 2020 to 11.8% in 2021.



What this means

Despite the interventions we have put in place, such as a greater focus on salary negotiations, taking proactive measures to examine starting salaries and developing and progressing our female staff, these are being offset by the impact of women joining the organisation at a lower starting grade and salary.

Interventions such as positive action, parental leave policies, agile working, diverse recruitment panels and inclusive mentoring as in previous years have continued to significantly reduce the turnover on both B.A.ME (Black, Asian, Multiple Ethnic) groups and female staff since 2019 (B.A.ME 13.5% to 9.0%; Female 17.4% to 8.8%).

Pay increases are not having the desired impact on the gender pay gap. The staff that are receiving pay increases and promotions are disproportionately female, but the pay gap has still increased due to the high number of female staff joining the organisation in the lower bands.

How we are addressing this

We are determined to tackle our gender pay gap and need more qualitative information to understand why women are joining the organisation in predominately more junior and lower paid roles compared to male colleagues. Our work from the D&I Pay Gap Taskforce will help provide better understanding of the underlying challenges.

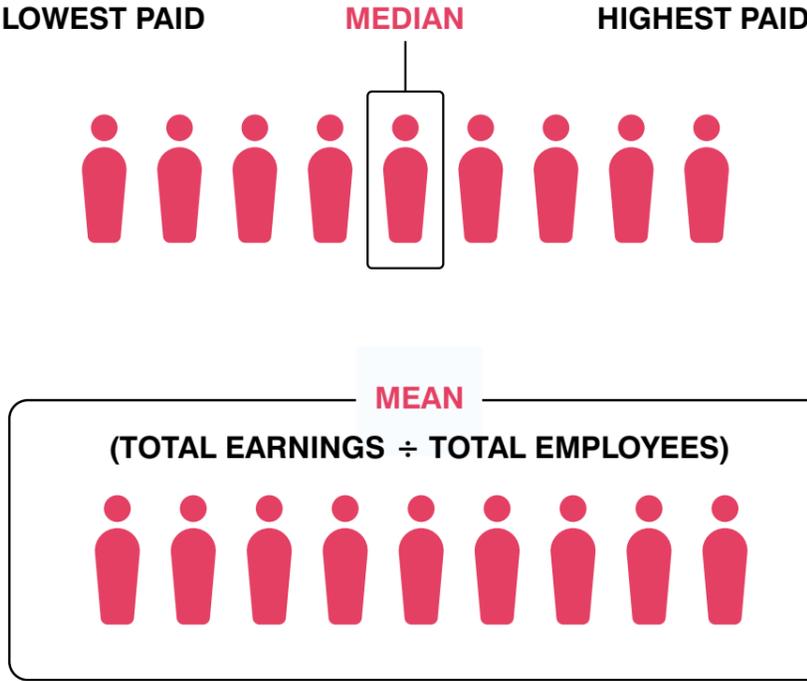
Over the last year we have been continuously tracking recruitment figures which is helping us to understand the weak links in the process and to proactively address with hiring managers and recruitment professionals. As part of our commitment to positive action recruitment we have seen an increase in the proportion of women hired into senior roles. 45% of our senior leaders across the organisation are women, an increase of 4% from the previous year. These improvements are as a result of the following actions:

- Positive action has ensured that every vacancy for middle manager and above roles include a gender balanced shortlist.
- The launch of five new recruitment videos designed to boost confidence, support salary negotiation and ensure hiring managers undertake a fair, equal and robust recruitment process.
- 1,000 Hiring Managers and staff have undertaken inclusive recruitment and unconscious bias training.
- Offered career coaching for staff applying for Band 5 or higher roles and post interview feedback for each interviewee, especially for unsuccessful candidates. Hiring managers also receive coaching to ensure constructive feedback is given to applicants.
- Encouraged senior leaders to positively sponsor female staff in ways that will support career progression such as assigning stretch assignments.
- Delivered a wide range of learning and development opportunities and mentoring schemes through our talent development programmes.

HIGHLIGHTS

Ethnicity pay gap

37% of our staff have said they are from a B.A.ME background. This year we have seen a positive decrease in the ethnicity pay gap: firstly, the mean pay gap has decreased significantly from 17.1% in 2020 to 12.9% in 2021 and similarly the median pay gap has reduced from 17.2% in 2020 to 11.8% in 2021.



What this means

The interventions we have introduced are bringing about positive change, for example our positive action programme is helping to change the visual representation of our leadership. In 2020–2021, 41% of all senior advertised roles that have been filled were by candidates from a B.A.ME background. It means 19% of B.A.ME staff now occupy a senior leadership role, compared to a mere 5% in 2016.

B.A.ME staff are also well represented amongst those who are receiving pay increases and promotions. This is having a greater impact as along with a focus on new joiners, there has been an increase in the number of B.A.ME staff in middle and senior graded roles at the council.

How we are addressing this

This success is due to our focussed actions which have included:

- Ensuring that all job roles (band 4 and above) have at least one candidate from a B.A.ME background on every shortlist and that every stage of the recruitment process is gender and B.A.ME diverse.
- Ensuring equal access to our development programmes; fairness in our 'Rewarding Your Contribution' scheme; and annual pay award step-up process.
- Subscribe to Business in the Community (BITC) Race at Work Charter which has seven calls to action, including taking action that supports career progression for B.A.ME groups.
- Access to range of coaching and mentoring options which has been a key enabler towards developing an inclusive culture across the organisation.

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 ethnicity pay gap is the difference between B.A.ME and white employees' pay as a percentage of white employees' pay. We have chosen to voluntarily measure the B.A.ME 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 2021 and the results must be published on our website and a government website each year.

How has it been calculated?

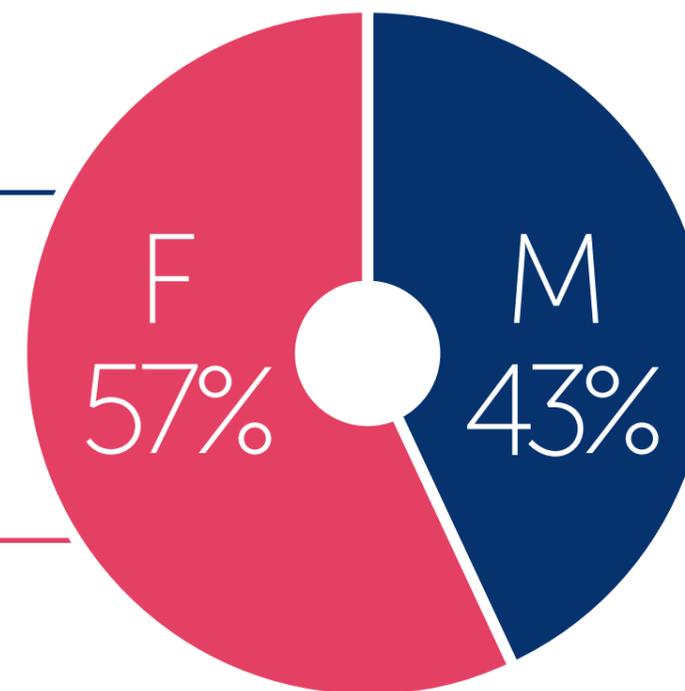
The pay gap report involves carrying out calculations that show the difference between the average earnings of men and women or B.A.ME and white employees, across the following categories:

- 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 B.A.ME 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).

10.1% MEAN HOURLY RATE

11.8% MEDIAN HOURLY RATE

	HOURLY RATE OF WOMEN	HOURLY RATE OF MEN	DIFFERENCE
MEAN HOURLY RATE	£22.24	£24.75	£2.51
MEDIAN HOURLY RATE	£20.46	£23.21	£2.75

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

-1.3%

MEDIAN

-4.3%

One-off payments paid

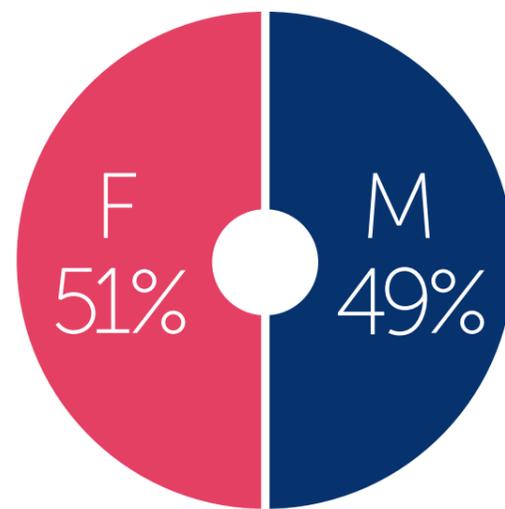
WOMEN PAID
AS % OF
ALL WOMEN

12.3%

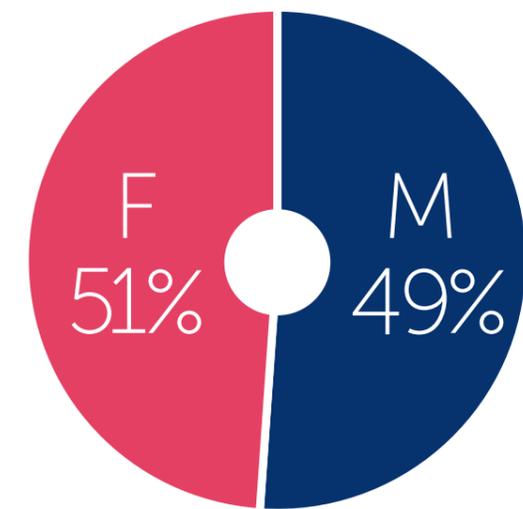
MEN PAID
AS % OF
ALL MEN

17.5%

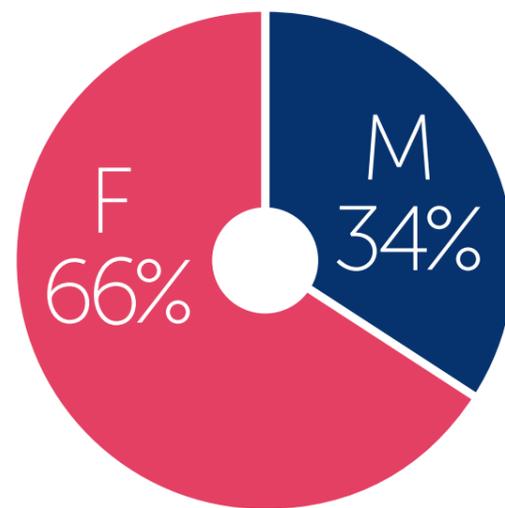
Pay by quartile*



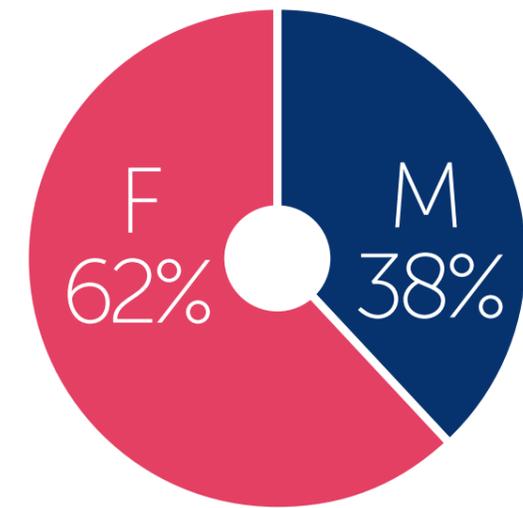
Proportion of women and men in the **upper quartile** (paid above the 75th percentile point)



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)

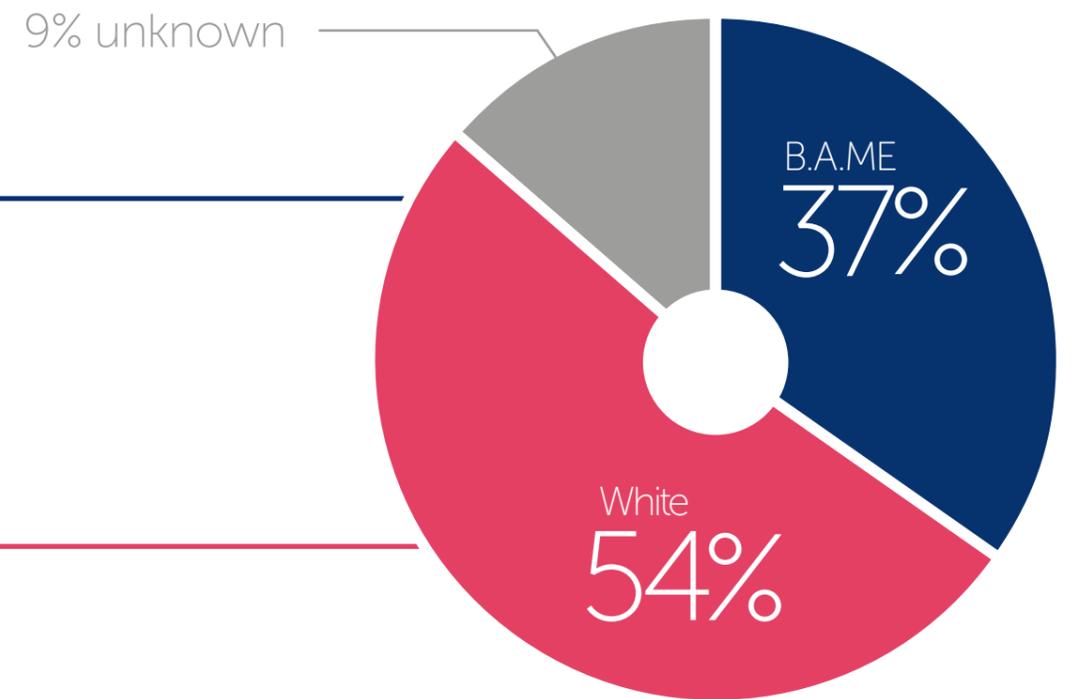


Proportion of women and men in the **lower quartile** (paid below the 25th percentile point)

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

ETHNICITY PAY GAP

Proportion of B.A.ME and White employees across the council



Ordinary pay

Ethnicity pay gap – the difference between B.A.ME and White employees pay as a percentage of White employees pay.

(Positive % means White employees have higher pay).

12.9% MEAN HOURLY RATE **11.8%** MEDIAN HOURLY RATE

	HOURLY RATE B.A.ME EMPLOYEES	HOURLY RATE OF WHITE EMPLOYEES	DIFFERENCE
MEAN HOURLY RATE	£21.73	£24.95	£3.22
MEDIAN HOURLY RATE	£20.46	£23.21	£2.75

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 B.A.ME pay gap – the difference between B.A.ME payments and White payments as a % of White payments.

MEAN

-3.9%

MEDIAN

-14.3%

One-off payments paid

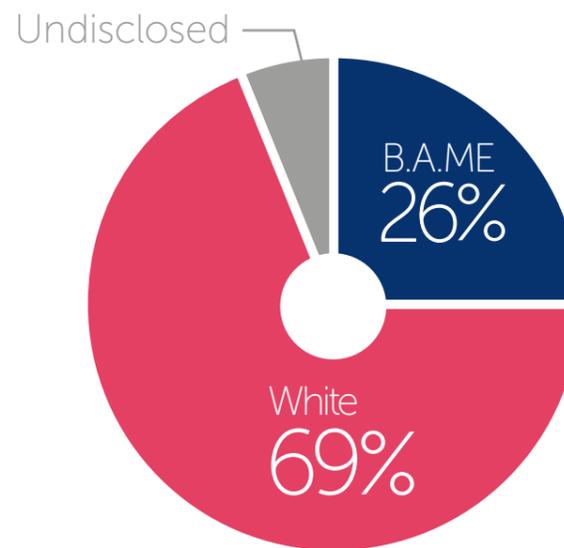
B.A.ME PAID BONUS AS % OF ALL B.A.ME STAFF

13.9%

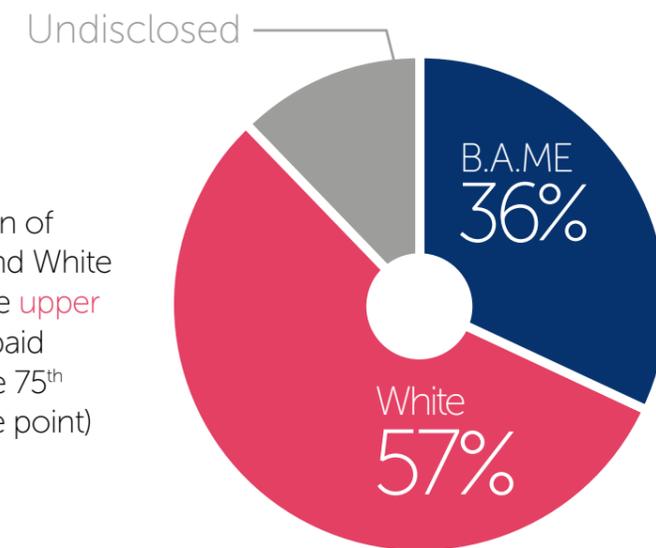
WHITE PAID BONUS AS % OF ALL WHITE STAFF

15.9%

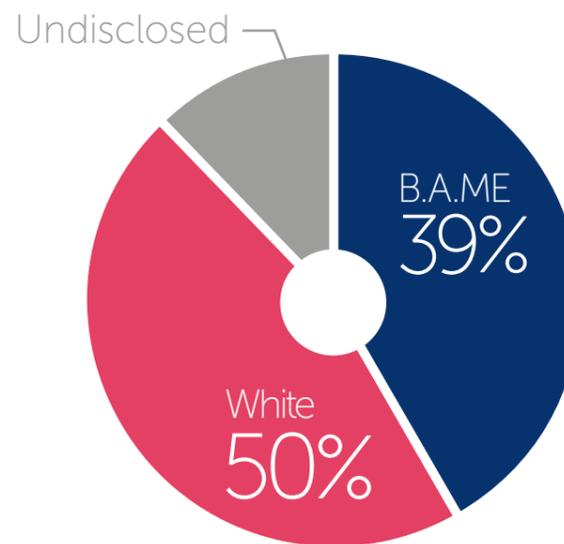
Pay by quartile*



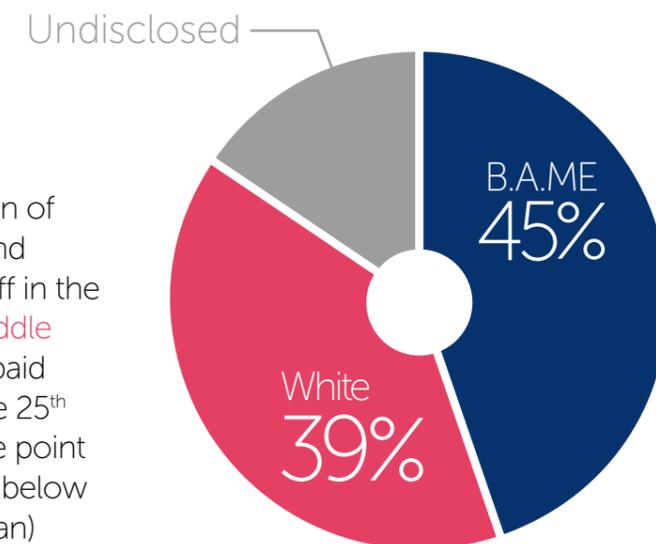
Proportion of B.A.ME and White staff in the **upper quartile** (paid above the 75th percentile point)



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



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



Proportion of B.A.ME 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.

PAY GAP BY BOTH ETHNICITY AND GENDER

Intersectionality

Intersectionality, looks at how various social identities such as gender, race, disability and age overlap and intersect to create unique experiences of discrimination or disadvantage.

Intersectionality analysis of gender and ethnicity pay gaps is also undertaken and it shows that when compared to White males, B.A.ME females have the largest median pay gap at 20.3% followed by B.A.ME males pay gap of 17.2% and then White females at 13.4%. This insight is more revealing than looking at one category in isolation. We know that we have much more work to do in the area of intersectionality if we want to ensure equality of opportunity and create better outcomes for everyone.

ETHNICITY	MEAN		MEDIAN	
	FEMALE	MALE	FEMALE	MALE
B.A.ME	20.0%	14.4%	20.3%	17.2%
WHITE	10.7%	0.0%	13.4%	0.0%

*The calculations are made using White Male as the comparator using hourly rate

WHAT'S NEXT IN 2022 AND 2023

For us, people remain at the heart of our D&I agenda. Our relentless pursuit in this space is about creating better sustainable outcomes for everyone.

Through the three pillars of the Westminster Way, the council's people strategy, we want to ensure that we integrate equality into the day to day working of the organisation to influence a consideration for diversity and inclusion as part of everything we do. It is essential that going forward diversity and inclusion becomes part of the structures, behaviours and culture of our organisation. We want to ensure that we use the learning from our D&I Strategic Partner to inform what we do and how we do it. In tackling our pay gaps, we will continue to focus on interventions for those parts of the business where it is required and use any longer-term recommendations from the taskforce to transform our organisation.

Pillar 1: Everyone is a Leader

We believe that Everyone is a Leader and our aim is to develop inclusive leaders at every level of the council, who have the skills and confidence to create safe spaces for their teams. This will consequently result in staff feeling a sense of belonging and empowerment to give their best.

Pillar 2 : Everyone has Talent

We want to ensure that everyone across the council has equal access to opportunities that aim to develop their careers, skills and talents. We will continue to improve our talent development programme to create leaders for the future who in turn will help us become a World-Class organisation.

Through a series of events, activities and campaigns we will be looking to further develop our offer for:

- Inclusive Leadership
- 'Leading in Colour' workshops particularly Cultural competency
- Unconscious bias
- Inclusive recruitment
- Learning from a range of external speakers
- Emerging leaders

Pillar 3 : Everyone is valued

We value our people and diversity and as such, we will continue to be accountable and transparent, regularly publishing our data dashboard which includes our ethnicity and gender pay gaps. For the first time we will also publish our disability pay gaps and our action plan to address any disparities. Our mantra is 'what gets measured, gets done' and we will continue to analyse the data, identify issues and take action where necessary.

We will take forward the recommendations from our D&I Pay Gap Taskforce working with senior leaders to help us drive forward and embed long-term, sustainable change.

In addition to this, we will launch our 2024 inclusion ambitions setting out our three-year action plan which include actions such as:

- Continue to reduce the pay gaps.
- Ensure dedicated leadership and accountability by setting ourselves bold targets and D&I commitments.
- Drive forward our inclusion agenda both internally and externally.
- Support career progression and talent.
- Engage with our staff and staff networks who will help shape our work and continue to contribute to our progress.

How you can help

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

We will maintain our relentless focus on closing our pay gaps and on diversity and inclusion but 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.