



# ETHNICITY

## PAY GAP REPORT 2021

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## INTRODUCTION

Newham is most diverse local authority in England and Wales where the BAME community is 71% of the total population. It is a key priority that our staff profile represents our local community to ensure they maximise every opportunity to foster understanding and tolerance of the diverse communities' students live and will work in. We know this is critical for improving outcomes for our students, and to improving the experiences and career opportunities of our staff and volunteers.

This report is based on data from August 2021, which shows the College's mean ethnicity pay gap is 1.89%. This means colleagues who identify as being from a Black, Asian or other ethnic minority (BAME) group, earn slightly less on average than their Non - BAME colleagues. This is based on a disclosure rate of 100% of staff who have shared their ethnicity with the College.

As with any data of this kind, the headlines only tell us so much. Our analysis shows that when we look specifically at colleagues identifying as Black, Asian, Mixed; and Other, 50% are representative at senior levels which is well above the average of 6%.

We acknowledge there is still work for us to do. We have identified that representation and distribution of BAME staff across our grading structure and job types are factors that influence the ethnicity pay gap. With that in mind we have excellent community links with networks to support both our students and staff in creating a more equal, diverse and inclusive College by driving change through professional leadership and management practices.

We will publish an Ethnicity Pay Gap Report regularly from now on, and we hope this will encourage others to do the same.

### **Mandeep Gill**

Principal and Chief Executive

## ETHNICITY PAY GAP REPORTING EXPLAINED

The ethnicity pay gap shows the difference in the average hourly rate of pay between BAME (Black, Asian and Minority Ethnic) and non-BAME individuals at the College expressed as a percentage of the average non-BAME earnings.

An ethnicity pay gap can be driven by a number of factors including, crucially, more BAME representation in certain positions. It is important to note that this is different to the issue of equal pay - namely the legal requirement to pay two individuals the same for equal work - which is governed by the Equality Act.

Pay quartiles represents the proportion of BAME and Non-BAME categories of employees in each of four pay bands:

- Lower Quartile
- Lower Middle
- Upper Middle
- Upper Quartile

## METHODOLOGY

We have used the same calculation methodology set out by the Government Equalities Office (“GEO”) for gender pay gap reporting, for our mean and median ethnicity pay gap, and distribution across pay quartiles.

The pay gap is often expressed as a percentage difference between the pay of people from ethnic minorities and the pay of White British people, with the latter representing 100%. The College has followed the same formula it used for its gender pay gap reporting, which is as follows:

$$\frac{A - B}{A} \times 100$$

Where A is the mean/median hourly rate of pay for relevant non BAME staff; and, Where B is the mean/median hourly rate of pay for relevant BAME staff.

The College is publishing their overall mean and median ethnicity pay gaps and has used the snapshot date of 31 August 2021.

It is worth noting when reviewing the findings that salaries at the College are determined through harmonised pay scales for teaching and support staff in Sixth Form Colleges. This forms the basis of our pay structure which is a collection of wage grades, levels or bands that link related jobs within a hierarchy or series.

Therefore, the College pays the same salary to roles of equal weight. The Pay scales determines they pay and not the post holder. It makes no reference to gender or any other personal characteristics of existing or potential job holders.

## OUR ETHNICITY PAY GAP: WHAT DOES IT SHOW US?

The College does not make bonus payments and as such, are not relevant and have not been undertaken.

### Ethnicity Pay Gap Results:

Mean and Median

The Colleges mean Ethnicity pay gap% is 1.89%

The Colleges median Ethnicity pay gap % is 5.78%

**Table 1. Average Hourly Rate of Pay**

Ethnicity	Mean	Median
BAME	£24.90	£24.39
Non-BAME	£25.38	£26.31

The mean ethnicity pay gap, is the difference between the average hourly pay between BAME and non-BAME staff. Using the mean average calculation, BAME colleagues are paid 1.89% less compared to Non- BAME colleagues.

The median ethnicity pay gap, is the difference between the midpoints of the average hourly pay of BAME and non-BAME staff. Using the median average calculation, BAME colleagues are paid 5.78% less compared to Non-BAME colleagues. This is due to a slight overrepresentation at junior grades.

## QUARTILE SUMMARY

The next section looks at the ethnicity pay gap by quartile. This quartile data has been calculated by dividing the workforce into four equal sized groups and separating them according to the hourly pay rate, starting from lowest paid to the highest paid. This mirrors the approach taken for gender pay gap reporting. The analysis by quartile shows that there is an ethnicity pay gap in the lower and upper quartiles. To be clear the quartiles relates the number of staff in each quartile and not pay.

The proportion of BAME and Non-BAME staff in each quartile band is:

**Table 2.**

Ethnicity	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile
BAME	58.82%	55.88%	48.53%	58.21%
Non-BAME	41.18%	44.12%	51.47%	41.79%

### Quartiles broken down by the number of staff

**Table 3. By Head Count**

Ethnicity	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile
BAME	40	38	33	39
Non-BAME	28	30	35	28

The data above shows that the lowest ethnicity pay gap is amongst the Lower Quartile (40 BAME staff and 28 Non-BAME staff) which is the main reason for the gap.

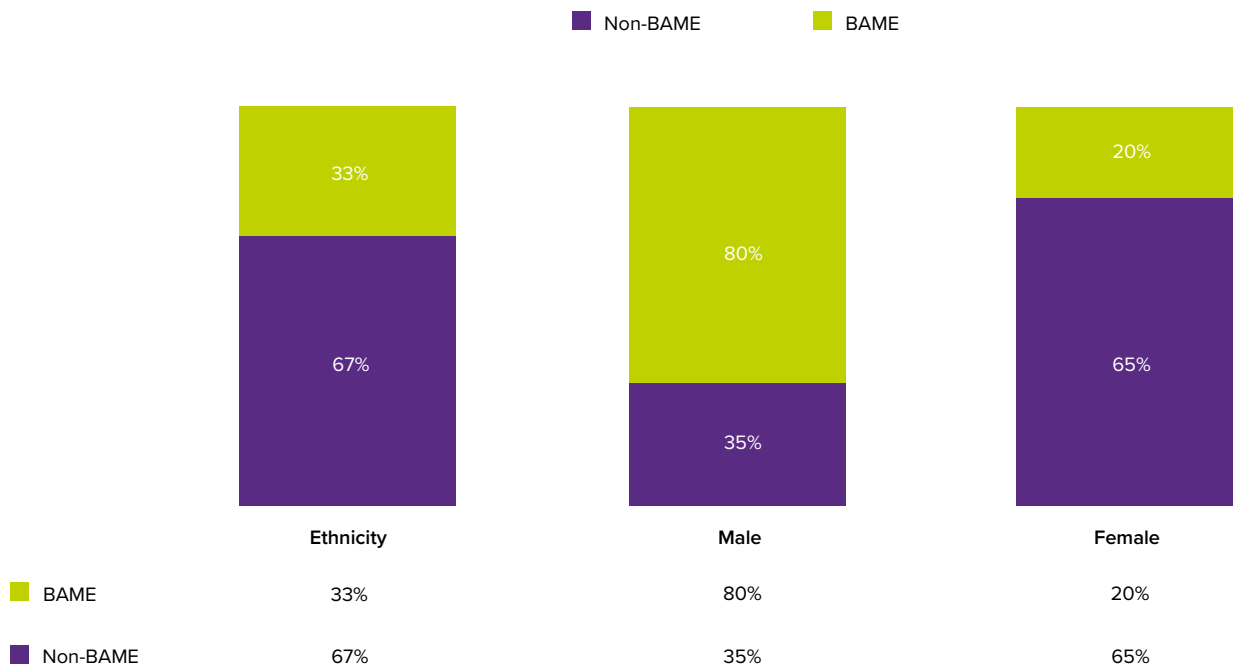
Our analysis also shows, aside from a discrete pocket, that our BAME colleagues are paid the same average hourly earnings as their non-BAME colleagues. However, this does not mean that we do not have work to do. We know for example that BAME colleagues are over represented in the lowest pay quartile compared to the total NewVic's population. This means Non BAME colleagues are underrepresented in our frontline support services.

### Staffing Profile

It is noted that that the ethnicity distribution of the national FE workforce has not changed substantially over time, and the national FE workforce remains 80-90% white British. Those working in FE say there has been a sharp decline in BAME college leaders, down from 13% in 2017 to around 5% or 6% today. (<https://www.theguardian.com/education/2020/aug/06/sharp-drop-in-bame-leaders-in-englands-fe-colleges-spurs-call-for-action>)

The composition of all college managers are illustrated in table 4 - (including teaching staff with management responsibility, senior post holders and senior management).

**Table 4. Managers Profile by Gender and Ethnicity**



Through effective succession planning and by identifying emerging BAME leaders, 50% of our Senior Leadership Team is BAME, our Board of Governors is 42% BAME. It is noted however, there are 30 managers of which, 20 are non BAME. There remains the continued challenge to improve the recruitment levels for BAME staff who are under-represented at middle management.

We are committed to advancing our inclusive culture and continuing to use our pay gap and diversity data to drive tangible, effective and lasting cultural change, allowing everyone to achieve their full potential at the College.

### **Future Actions to be taken**

- We are also committed to robust analysis of equality data and an action plan which will address the key areas focus and targeted interventions. This will include recruiting from difference pilots.
- The anonymisation of application forms will continue for all application forms at shortlisting stage, which can help address potential bias for all applicants at all stages.
- We seek a diverse balanced shortlist for all roles, particularly at the early careers level.
- Actively encourage hiring managers to have diverse selection panels to improve candidate experience and reduce bias in hiring decisions.
- Continue to monitor our ethnicity pay gap which will be presented to our Senior Leadership Team Meetings, Finance & Resources Committee and the Board on a regular basis.

The reports will be shared on our intranet and will be publicly available on our website.