

Ethnicity Pay Gap Report 2020

1. Introduction

BMet is committed to being a truly diverse and inclusive organisation which includes recruiting, retaining and advancing a diverse workforce.

Unlike gender pay gap legislation there is currently no requirement for employers to publish their ethnicity pay gap. We are keen however to use this equality measure to show the difference in average earnings between employees who are from a Black, Asian and Minority Ethnic background (BAME) and those who are from a white background.

2. Pay gap reporting explained

The ethnicity pay gap shows the difference in the average hourly rate of pay between Black, Asian and Minority Ethnic and white individuals in an organisation, expressed as a percentage of the average white earnings.

We have followed the statutory gender pay gap reporting methodology when calculating our ethnicity pay gap to provide a mean and median calculation and distribution across pay quartiles. Unlike gender, our ethnicity disclosure rate is not at 100% (currently it stands at 85%) which means that any individuals with undisclosed ethnicities are excluded from our calculations.

This ethnicity pay gap report includes:

- the mean gap in pay¹
- the median gap in pay²
- the distribution of ethnic groups in pay quartile³

It is important to note that ethnicity pay gap is different to the issue of equal pay which is governed by the Equality Act, namely the legal requirement to pay two individuals the same for equal work. The ethnicity pay gap is the difference between the gross hourly earnings for individuals across an organisation, irrespective of the roles they undertake.

¹ **mean** – This is the average value of the data set. By taking into account the full earnings distribution, the mean takes into account the low and high earners in an organisation.

² **median** – This is the middle value of the data set. By identifying the wage of the middle earner, the median is the best representation of the ‘typical’ ethnic difference.

³ This data illustrates the spread of earners across an organisation helping to show employers where certain groups’ progress might be stalling.

3. The ethnicity pay gap at BMet

Figures are drawn from 772 staff who qualify as ‘full pay relevant employees’⁴ on the snapshot date of 31st March 2020.

The drop in overall staff numbers from 2019 is due to the disaggregation of Stourbridge and there is a slight shift in the ethnic representation across the workforce. See *Table 1*.

In 2020:

- 464 staff are white (442 White British + 22 White Other and White Irish)
- 172 are from a Black, Asian and Minority Ethnic background
- 136 staff are ‘not known’ (includes those who ‘prefer not say’)

Table 1 – Percentage ethnic split

Category	2020		2019	
	%	No’s	%	No’s
White	60.1%	464	66.1%	703
BAME	22.3%	172	19.6%	208
Not known	17.6%	136	14.3%	152
<i>Total employees</i>	100%	772	100%	1,063

In 2020:

- The mean ethnic pay gap is 4.1%
- The median ethnic pay gap is 2.4%

Table 2 – mean and median pay gap with hourly rates over 2 years

	2020		2019	
	Pay gap	Hourly pay	Pay gap	Hourly pay
Mean	4.1%		0.7%	
Mean White		£18.11		£17.45
Mean BAME		£17.37		£17.33
Median	2.4%		-8.1%	
Median White		£18.85		£17.21
Median BAME		£18.40		£18.61

⁴ The figures have been calculated using the same standard methodologies as for gender pay gap reporting specified in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. BMet’s full pay relevant employees include salaried employees and hourly paid workers.

Table 3 Percentage of white, BAME and 'not known' employees in the 4 pay band quartiles

Quartiles	2020			2019 * 265/266 in each quartile		
	White	BAME	Not known	White	BAME	Not known
Upper (193)	62.7% (121)	17.6% (34)	19.6% (38)	68.8% (183)	16.2% (43)	15.0% (40)
Upper Middle (193)	64.2% (124)	27.5% (53)	8.3% (16)	66.0% (175)	25.3% (67)	8.7% (23)
Lower Middle (193)	55.4% (107)	25.9% (50)	18.7% (36)	65.4% (174)	21.8% (58)	12.8% (34)
Lower (193)	58.0% (112)	18.1% (35)	23.8% (46)	64.3% (171)	15.0% (40)	20.7% (55)

Table 4 Distribution of white and BAME employees across quartiles in 2020 with 2019 comparison

Quartiles	2020		2019	
	White	BAME	White	BAME
Upper	26.1%	19.8%	26.0%	20.7%
Upper Middle	26.7%	30.8%	24.9%	32.2%
Lower Middle	23.1%	29.1%	24.8%	27.9%
Lower	24.1%	20.3%	24.3%	19.2%

4. Supporting commentary

BMet's median ethnicity pay gap is at **2.4%**.

Based on the two-category ethnicity breakdown (that is white, including White British and White Other, and BAME) this is in line with 2020 national rates of 2.3% and compares favourably to West Midlands's rates of a 9.5% gap (See [here](#)).

In March 2020 BMet's employees constituted 57.3% White British, 2.8% White Other and 22.3% BAME. The most recent census data, which is from 2011, provides the following for the West Midlands: 79.2% White British; 3.6% White Other; and 15.3% BAME. When compared with more current data from other institutions in Birmingham, BMet's workforce profile is similar to that reported for 2019 by both Birmingham University and Birmingham City University. The proportion of BAME employees is, however, lower than South & City College and Joseph Chamberlain College who reported figures for 2019 of 33% and 43% respectively.

As can be seen in tables 3 and 4, there is under-representation of staff from a Black, Asian and Minority Ethnic background in the upper quartile but good representation in the upper middle quartile. The shift in the median pay gap from 2019 can be partly attributed to the change in the employee profile resulting from the disaggregation of Stourbridge College. (The 2019 pay gap without the Stourbridge population would have been -5.9% rather than -8.1%.) There has also been an increase in the proportion of staff from a Black, Asian and Minority Ethnic background in the lower quartile.

We know that the aggregated ethnicity classification can hide disparities between groups. For example national data in 2019 shows that employees of Chinese, Indian and White/Asian ethnicity all had higher median hourly pay than White British employees whilst employees in the Pakistani, White/Black African and Bangladeshi ethnic groups had lowest median hourly pay (the latter group earning 20% less than White British workers).

When we explore the different ethnic groups at BMet we see that the largest groups are Indian (29% of BAME staff), Black Caribbean (24%) and Pakistani (16%), with White/Black Caribbean and Asian Other being the next largest groups, 6% and 7% respectively (of BAME staff). See Table 5 for hourly pay of these groups.

Table 5 Hourly pay for the largest ethnic groups at BMet

Categories	No's	Mean Hourly Pay	Median Hourly Pay
White	464	£18.11	£17.45
Indian	50	£17.51	£18.99
Pakistani	28	£17.81	£18.42
Black Caribbean	41	£18.40	£17.10

5. Future action

As with gender, we continue to develop a culture around diversity and inclusion ensuring that we are providing an inclusive and respectful working environment where everyone is engaged and is able to develop. The activities aimed at ensuring that we are able to attract, develop and retain BAME talent are being driven across college with the support of an active BAME staff network.

Our future commitments include:

- Activities to improve the ethnicity disclosure rate
- Continuing analysis of recruitment, retention and progression at different levels
- Further embedding of the performance development process to ensure that career conversations take place
- Further development of diversity and inclusion skills, behaviours and practices including the mitigation of unconscious bias and challenge of stereotypes
- Continuing positive action as both an employer and an education provider to encourage BAME individuals into leadership and management roles or areas where there is poor participation
- Active promotion of flexible and agile working arrangements for existing and potential employees; including the promotion of flexible working at an early recruitment stage
- A Diversity and Inclusion (D&I) four year strategy with specific objectives around empowering a D&I focused community and a demonstrable inclusive culture; ensuring that the 10 point plan for an anti-racist FE system and the blueprint for an anti-racist future in Birmingham is reflected in objectives