

**Ethnicity Pay Gap Report 2021**

**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 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 78%) which means that any individuals with undisclosed ethnicities are excluded from our calculations.

This ethnicity pay gap report includes:

* the mean gap in pay 1
* the median gap in pay 2
* the distribution of ethnic groups by 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 **791** staffwho qualify as ‘full pay relevant employees’ **4** on the snapshot date of 31st March 2021. 669 are salaried employees and 122 are hourly paid associates. There has been a small increase in staff numbers from 2020 (772) and there is a slight shift in the ethnic representation across the workforce. See *Table 1.*

In 2021:

* 426 staff are white (407 White British + 19 White Other and White Irish)
* 190 are from a Black, Asian and Minority Ethnic background
* 175 staff are ‘not known’ (includes those who ‘prefer not say’)

*Table 1 – Percentage ethnic split over 3 years*

|  |  |  |  |
| --- | --- | --- | --- |
| Category | 2021 | 2020 | 2019 |
| % | No’s | % | No’s | % | No’s |
| White | 53.9% | 426 | 60.1% | 464 | 66.1% | 703 |
| BAME | 24.0% | 190 | 22.3% | 172 | 19.6% | 208 |
| Not known all | 22.1% | 175 | 17.6% | 136 | 14.3% | 152 |
| Not known hourly paid | 63.9% | 78 |  |  |  |  |
| *Total employees* | 100% | 791 | 100% | 772 | 100% | 1,063 |

In 2021:

* The mean ethnic pay gap is 10.1%
* The median ethnic pay gap is 11.7%

*Table 2 – mean and median pay gap with hourly rates over 3 years*

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2021 | 2020 | 2019 |
| Pay gap | Hourly Pay | Pay gap | Hourly pay | Pay gap | Hourly pay |
| **Mean** | **10.1%** |  | **4.1%** |  | 0.7% |  |
| Mean White |  | £18.42 |  | £18.11 |  | £17.45 |
| Mean BAME |  | £16.56 |  | £17.37 |  | £17.33 |
| **Median** | **11.7%** |  | **2.4%** |  | -8.1% |  |
| Median White |  | £19.49 |  | £18.85 |  | £17.21 |
| Median BAME |  | £17.21 |  | £18.40 |  | £18.61 |

**4** The figures have been calculated using the standard methodologies 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. The college has based its report on the ethnicity identification held within HR systems.

|  |  |  |
| --- | --- | --- |
| **Quartiles**(nos in each quarter) | **2021** | **2020** *193 in each quartile* |
| **White** | **BAME** | **Not known** | **White** | **BAME** | **Not known** |
| Upper (198) | 69.7% (138) | 18.7% (37) | 11.6% (23) | 62.7% (121) | 17.6% (34) | 19.6% (38) |
| Upper Middle (198) | 56.6% (112) | 29.8% (59) | 13.6% (27)  | 64.2% (124) | 27.5% (53) | 8.3% (16) |
| Lower Middle (197) | 51.8% (102) | 26.4% (52) | 21.8% (43) | 55.4% (107) | 25.9% (50) | 18.7% (36) |
| Lower (198) | 37.4% (74) | 21.2% (42) | 41.4% (82) | 58.0% (112) | 18.1% (35) | 23.8% (46) |

*Table 3 Percentage of white, BAME and ‘not known’ employees in the 4 pay band quartiles; with 2020 comparisons*

*Table 4 Distribution of white and BAME employees across quartiles in 2021 with 2020/19 comparisons*

|  |  |  |  |
| --- | --- | --- | --- |
| **Quartiles** | **2021** | 2020 | 2019 |
|  | **White** | **BAME** | White | BAME | White | BAME |
| Upper  | 32.4% | 19.4% | 26.1%  | 19.8% | 26.0% | 20.7% |
| Upper Middle  | 26.3% | 31.1% | 26.7%  | 30.8% | 24.9% | 32.2% |
| Lower Middle  | 23.9% | 27.4% | 23.1%  | 29.1% | 24.8% | 27.9% |
| Lower  | 17.4% | 22.1% | 24.1%  | 20.3%  | 24.3% | 19.2% |

**4. Supporting commentary**

BMet’s median ethnicity pay gap is at **11.7**%.

Based on the two-category ethnicity breakdown (that is white, including White British and White Other, and BAME groups) this is more aligned to West Midland’s rates (9.5% gap) than the 2019 national rates of 2.3%. (See [here](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2019#analysis-of-ethnicity-pay-gaps)).

In March 2021 BMet’s employees constituted 51.5% White British, 2.4% White Other and 24.0% 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 (20.4%) and Birmingham City University (23.4%). The proportion of BAME employees is however lower than South & City College and Joseph Chamberlain College who reported figures for 2020 of 35% and 43% respectively.

There has been an increase in numbers of BAME staff in 2021. As can be seen in *Table 3* and *Table 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 2020 and the widening of the pay gap from (2.4 to 11.7%) can be largely attributed to the following:

* the proportion of BAME staff has increased in all quartiles but there has been a greater increase in the lower and upper middle
* an uneven distribution of white staff across quartiles compared to previous years; with an increasing percentage of white staff from the lower, lower middle to upper quartiles
* there has been a reduction in the proportion of white staff in the lower quartile and an increase in the proportion of white staff in the upper quartile. This is linked to the recruitment of 69 Hourly Paid Associates for the Covid-19 Mass Testing Programmewhich has changed quartile boundaries. *Table 5* illustrates this using the hourly rate of £21.21 as an example. Whilst the number of staff and the percentage of BAME and white staff on this rate remains similar between years 64% are now found in the upper quartile compared to 26% in 2020. When we remove the 69 Hourly Paid Associates from the calculations the pay gap narrows to 8.1% median and there is a more even distribution of white and BAME workers in the lower quartile.

*Table 5 Illustrating the shift in quartile boundaries with the hourly rate of £21.21 and numbers of staff across 2 years*

|  |  |  |
| --- | --- | --- |
| **Hourly Rate £21.21** | **2021** | **2020** |
| Total no of staff | 132 | 137 |
| BAME  | 41 | 40 |
| White  | 82 | 89 |
| Not known | 9 | 8 |
| **Upper Quartile**  |  |
| Total  | 84 | 35 |
| BAME  | 26 | 10 |
| White  | 52 | 23 |
| Not known | 6 | 2 |
| **Upper Middle Quartile** |  |
| Total no | 48 | 102 |
| BAME | 15 | 30 |
| White | 30 | 66 |
| Not known | 3 | 6 |

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 (27% of BAME staff), Black Caribbean (24%) and Pakistani (19%); with Asian Other (6%), African (5%) and White/Black Caribbean (5%) being the next largest groups (of BAME staff). *See Table 6 for hourly pay of these groups.*

*Table 6 Hourly pay for the largest ethnic groups at BMet*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Categories** | **No’s** | **Mean Hourly Pay** | **Median Hourly Pay** | **2020****No’s** | **Mean Hourly Pay** | **Median Hourly Pay** |
| White | 426 | £18.42 | £19.49 | 464 | £18.11 | £18.85 |
| Indian | 51 | £18.77 | £17.49 | 50 | £17.51 | £18.99 |
| Black Caribbean | 45 | £15.25 | £15.05 | 41 | £18.40 | £17.10 |
| Pakistani | 36 | £16.83 | £17.21 | 28 | £17.81 | £18.42 |

**5. Future action**

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 the Black Further Education Leadership Group, the Student Commission for Racial Justice (Leaders Unlocked) and the College’s 10 point plan for an anti-racist FE system.

Our future commitments include:

* Activities to improve the ethnicity disclosure rate
* Continuing analysis of recruitment, retention and progression at different levels
* A recruitment project with the aim of broadening our reach and ensuring that our recruitment practices are inclusive
* 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
* 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
* Active promotion of flexible and agile working arrangements for existing and potential employees; including the promotion of flexible working at an early recruitment stage
* Implementation of the real living wage from January 2022
* A Diversity and Inclusion (D&I) four year strategy with specific objectives around empowering a D&I focused community and a demonstrable inclusive culture