

**Ethnicity Pay Gap Report 2022**

**1. Introduction**

We are pleased to publish this year’s Ethnicity Pay Gap report as part of our commitment to being a truly diverse and inclusive organisation which includes recruiting, retaining and advancing a diverse workforce.

Unlike gender pay gap legislation there remains no requirement for employers to publish their ethnicity pay gap. We continue as previous years 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.

Historic pay gap reports can be found on the college’s website [Corporate Policies and Procedures - Birmingham Metropolitan College (bmet.ac.uk)](https://www.bmet.ac.uk/about-bmet/corporate-policies-procedures/)

**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 82%) 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 **712** staffwho qualify as ‘full pay relevant employees’ **4** on the snapshot date of 31st March 2022. 605 are salaried employees and 107 are hourly paid associates. There has been a small decrease in staff numbers overall from 2021 (791) and no change in the ethnic representation across the workforce (See *Table 1).*

In 2022:

* 413 staff are white (393 White British + 20 White Other and White Irish)
* 173 are from a Black, Asian and Minority Ethnic background
* 126 staff are ‘not known’ (includes 10 people who ‘prefer not say’)

*Table 1 – Percentage ethnic split over 3 years*

|  |  |  |  |
| --- | --- | --- | --- |
| Category | 2022 | 2021 | 2020 |
| % | Nos | % | No’s | % | No’s |
| White | 58.0% | 413 | 53.9% | 426 | 60.1% | 464 |
| BAME | 24.3% | 173 | 24.0% | 190 | 22.3% | 172 |
| Not known  | 17.7% | 126 | 22.1% | 175 | 17.6% | 136 |
| *Total employees* | 100% | 712 | 100% | 791 | 100% | 772 |

In 2022:

* The mean ethnic pay gap is **3.9%**
* The median ethnic pay gap is **4.9%**

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2022 | 2021 | 2020 |
| Pay gap |  Pay | Pay gap | Hourly Pay | Pay gap | Hourly pay |
| **Mean** | **3.9%** |  | 10.1% |  | **4.1%** |  |
| Mean White |  | £18.57 |  | £18.42 |  | £18.11 |
| Mean BAME |  | £17.85 |  | £16.56 |  | £17.37 |
| **Median** | **4.9%** |  | 11.7% |  | **2.4%** |  |
| Median White |  | £19.98 |  | £19.49 |  | £18.85 |
| Median BAME |  | £19.00 |  | £17.21 |  | £18.40 |

**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) | **2022** | **2021** | **2020** *193 in each quartile* |
| **White** | **BAME** | **NK** | **White** | **BAME** | **NK** | **White** | **BAME** | **NK** |
| Upper (178) | 67.4% (120) | 19.7% (35) | 12.9% (23) | 69.7% (138) | 18.7% (37) | 11.6% (23) | 62.7%  | 17.6%  | 19.6%  |
| Upper Middle (178) | 54.5% (97) | 27.0% (48) | 18.5% (33) | 56.6% (112) | 29.8% (59) | 13.6% (27)  | 64.2%  | 27.5%  | 8.3% |
| Lower Middle (178) | 56.2% (100) | 30.3% (54) | 13.5% (24) | 51.8% (102) | 26.4% (52) | 21.8% (43) | 55.4%  | 25.9%  | 18.7%  |
| Lower (178) | 53.9% (96) | 20.2% (36) | 25.8% (46) | 37.4% (74) | 21.2% (42) | 41.4% (82) | 58.0%  | 18.1%  | 23.8%  |

*Table 3 Percentage of white, BAME and ‘not known’ employees in the 4 pay band quartiles; with 2020/1 comparisons*

*Table 4 Distribution of white and BAME employees across quartiles in 2022 with 2021/20 comparisons*

|  |  |  |  |
| --- | --- | --- | --- |
| **Quartiles** | **2022** | **2021** | 2020 |
|  | **White** | **BAME** | **NK** | **White** | **BAME** | White | BAME |
| Upper  | 29.1% | 20.2% | 18.3% | 32.4% | 19.4% | 26.1%  | 19.8% |
| Upper Middle  | 23.5% | 27.7% | 26.2% | 26.3% | 31.1% | 26.7%  | 30.8% |
| Lower Middle  | 24.2% | 31.2% | 19.0% | 23.9% | 27.4% | 23.1%  | 29.1% |
| Lower  | 23.2% | 20.8% | 36.5% | 17.4% | 22.1% | 24.1%  | 20.3%  |

**Salaried and Hourly Paid Comparisons**

In 2022 605 staff are salaried employees. 62.5% are white, 25.6% BAME and 11.9% not known. 107 staff are hourly paid. 32.7% are white and 16.8% are BAME with a much greater percentage of not known (50.5%)

The pay gap profile for just salaried staff is on par with the whole workforce although the mean pay gap is lower at 2.8%. The pay gap widens greatly when calculating just the hourly paid staff with an 15.3% median gap and 11.9 % mean gap. This arises because our hourly paid BAME staff are most concentrated in the lowest quartile in professional services roles. See Table 6

*Table 6 Comparison of salaried and hourly paid against whole workforce*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Salaried** | **Whole Workforce** | **Hourly Paid** |
| Mean Gender Pay Gap | 2.8% | 3.9% | 11.9% |
| Median Gender Pay Gap | 4.9% | 4.9% | 15.3% |
|  | **White** | **BAME** | **White** | **BAME**  | **White** | **BAME**  |
| Mean Hourly Pay | £18.64 | £18.11 | £ 18.57 | £17.85  | £17.73 | £15.62 |
| Median Hourly Pay  | £19.98 | £19.00 | £19.98 | £19.00 | £19.60 | £16.60 |

*Table 7 Percentage of White and BAME in the 4 pay band quartiles; salaried, hourly paid and whole workforce*

|  |  |  |  |
| --- | --- | --- | --- |
| **2022** | **Salaried Staff*****151/2 staff per quartile*** | **Whole Workforce*****178 staff per quartile*** | **Hourly Paid*****26/7 staff per quartile*** |
| **Quartiles** | **White** | **BAME** | **White** | **BAME** | **White**  | **BAME** |
| Upper  | 71.1% | 19.7% | 67.4% | 19.7% | 33.3% | 14.8% |
| Upper Middle  | 62.3% | 31.1% | 54.5% | 27.0% | 23.1% | 19.2% |
| Lower Middle  | 58.9% | 27.8% | 56.2% | 30.3% | 48.1% | 11.1% |
| Lower  | 59.6% | 22.5% | 53.9% | 25.8% | 25.9% | 22.2% |

*Table 8 Distribution of BAME staff across quartiles in 2022; salaried, hourly paid and whole workforce*

|  |  |  |  |
| --- | --- | --- | --- |
| **Quartiles** | **Salaried** | **Hourly Paid** | **Whole Workforce** |
| Upper  | 19.4% | 22.2% | 20.2% |
| Upper Middle  | 30.3% | 27.8% | 27.7% |
| Lower Middle  | 28.4% | 16.7% | 31.2% |
| Lower  | 21.9% | 33.3% | 20.8% |

**4. Supporting commentary**

BMet’s median ethnicity pay gap is at **4.9**%.

Based on the two-category ethnicity breakdown (that is white, including White British and White Other, and BAME groups) this is an improvement on West Midland’s rates (9.5% gap) and closer to 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 2022 BMet’s employees constituted 55.2% White British, 2.8% White Other and 24.3% 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 2021 by both Birmingham University (21%) and Birmingham City University (23%). The proportion of BAME employees is however lower than South & City College and Joseph Chamberlain College whose latest reported figures (2020) are 35% and 43% respectively.

Whilst staff numbers have decreased overall there remains an under-representation of staff from a Black, Asian and Minority Ethnic background in the upper quartile. See *Table 3* and *Table 4.*  The narrowing of the pay gap from 2021 (from 11.7% to 4.9%) can be largely attributed to the following:

* there has been a reduction in the proportion of BAME staff in the lower quartile and an increase in the proportion of BAME staff in the upper quartile.
* BAME staff remain in heaviest concentration in the middle quartiles

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 (17%); with African (6%), White/Black Caribbean (6%) and Asian Other (5%) being the next largest groups (of BAME staff). *See Table 9 for hourly pay of these groups.*

*Table 9 Hourly pay for the largest ethnic groups at BMet*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Categories** | **2022****No’s** | **Mean Hourly Pay** | **Median Hourly Pay** | **2021****No’s** | **Mean Hourly Pay** | **Median Hourly Pay** | **2020****No’s** | **Mean Hourly Pay** | **Median Hourly Pay** |
| White | 413 | £18.57 | £19.98 | 426 | £18.42 | £19.49 | 464 | £18.11 | £18.85 |
| Indian | 46 | £18.17 | £19.98 | 51 | £18.77 | £17.49 | 50 | £17.51 | £18.99 |
| Black Caribbean | 42 | £18.35 | £18.39 | 45 | £15.25 | £15.05 | 41 | £18.40 | £17.10 |
| Pakistani | 29 | £17.70 | £18.27 | 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 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:

* A BMet Strategy with specific targets for 2030 of increasing BAME representation at college at all levels
* Further work with our staff recruitment project with the aim of broadening our reach and ensuring that our recruitment practices are inclusive
* Continuing analysis of recruitment, retention and progression at different levels
* Activities to improve the ethnicity disclosure rate
* 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