

Ethnicity Pay Gap Report 2023



1. Forward

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 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/corporate-policies-and-procedures)

Our ethnicity pay gap is primarily driven by a lack of representation of ethnically diverse colleagues at senior level. Over the last few years we have made some improvements in this area although we have seen a widening gap in 2023. The increase from 2022 can be largely explained by improved data collection. Whilst disappointing, work undertaken to improve the disclosure rate for ethnicity means we have an increasingly accurate picture. 88% of staff have now let us know the ethnicity they identify best with and 3% have selected 'prefer not say'. 9% have not yet let us know. Almost half of these staff are hourly paid/temporary workers.

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 88%) 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 pay² and 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 **703** staff who qualify as ‘full pay relevant employees’⁴ on the snapshot date of 31st March 2023. **614** are salaried employees and **89** are hourly paid associates. There has been a small decrease in staff numbers overall from 2022 (712) although numbers show a +3.3% increase in Black, Asian and Minority Ethnic representation across the workforce. This largely arises from the reduction of ‘not knowns’ as the percentage of white staff has also increased.

In 2023:

- 424 staff are white (401 White British + 23 White Other and White Irish)
- 194 are from a Black, Asian and Minority Ethnic background
- 23 staff ‘prefer not say’
- 62 staff have not provided this information to the college (40 of these are hourly paid/temporary workers)

Table 1 – Percentage ethnic split over 3 years

Category	2023		2022		2021	
	%	Nos	%	Nos	%	No’s
White	60.3%	424	58.0%	413	53.9%	426
BAME	27.6%	194	24.3%	173	24.0%	190
Not known*	8.8%	62	14.8%	105	19.1%	151
Prefer Not Say	3.3%	23	2.9%	21	3.0%	24
<i>Total employees</i>	100%	703	100%	712	100%	791

*includes ‘prefer not say’

In 2023:

- The mean ethnic pay gap is **5.7%**
- The median ethnic pay gap is **9.3%**

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

	2023		2022		2021	
	Pay gap	Hourly Pay	Pay gap	Hourly Pay	Pay gap	Hourly Pay
Mean	5.7%		3.9%		10.1%	
Mean White		£19.14		£18.57		£18.42
Mean BAME		£18.05		£17.85		£16.56
Median	9.3%		4.9%		11.7%	
Median White		£20.48		£19.98		£19.49
Median BAME		£18.57		£19.00		£17.21

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.

Table 3 Percentage of white, BAME and 'not known' employees in the 4 pay band quartiles; with 2021/22 comparisons

Quartiles (nos in each quarter)	2023			2022			2021 197/8 in each quartile		
	White	BAME	NK	White	BAME	NK	White	BAME	NK
Upper (176)	72.8% (128)	20.5% (36)	6.8% (12)	67.4% (120)	19.7% (35)	12.9% (23)	69.7%	18.7%	11.6%
Upper Middle (175)	56.6% (99)	29.1% (51)	14.3% (25)	54.5% (97)	27.0% (48)	18.5% (33)	56.6%	29.8%	13.6%
Lower Middle (176)	56.3% (99)	33.5% (59)	10.2% (18)	56.2% (100)	30.3% (54)	13.5% (24)	51.8%	26.4%	21.8%
Lower (176)	55.7% (98)	27.3% (48)	17.0% (30)	53.9% (96)	20.2% (36)	25.8% (46)	37.4%	21.2%	41.4%

Table 4 Distribution of white and BAME employees across quartiles in 2023 with 2022/21 comparisons

Quartiles	2023			2022			2021	
	White	BAME	NK	White	BAME	NK	White	BAME
No of staff	424	194	85	413	173	126	426	190
Upper	30.2%	18.6%	14.1%	29.1%	20.2%	18.3%	32.4%	19.4%
Upper Middle	23.3%	26.3%	29.4%	23.5%	27.7%	26.2%	26.3%	31.1%
Lower Middle	23.3%	30.4%	21.2%	24.2%	31.2%	19.0%	23.9%	27.4%
Lower	23.1%	24.7%	35.3%	23.2%	20.8%	36.5%	17.4%	22.1%
	100%	100%	100%	100%	100%	100%	100%	100%

Salaried and Hourly Paid Comparisons

In 2023 614 staff are salaried employees. 63.7% are white (+1.2% from 2022), 29.0% BAME (+3.4%) and 7.3% not known (-4.6%).

89 staff are hourly paid. 37.1% are white (+4.4% from 2022) and 18.0% are BAME (+1.2%) with a large percentage of 'not known', 44.9% (-5.6%).

The median pay gap profile for just salaried staff is higher than the whole workforce although the mean pay gap is almost aligned. The pay gap narrows greatly when calculating just the hourly paid staff with an 0.2% median gap and 3.7% mean gap. This arises because our hourly paid BAME staff are most concentrated in the upper quartile in associate lecturer roles. See Table 7

Table 6 Comparison of salaried and hourly paid against whole workforce

	Salaried	Whole Workforce	Hourly Paid
% White	63.7%	60.3%	37.1%
% BAME	29.0%	27.6%	18.0%
% Not known	7.3%	12.1%	44.9%

	Salaried		Whole Workforce		Hourly Paid	
Mean Pay Gap	5.9%		5.7%		3.7%	
Median Pay Gap	12.8%		9.3%		0.2%	
	White	BAME	White	BAME	White	BAME
Mean Hourly Pay	£19.14	£18.01	£19.14	£18.05	£19.17	£18.46
Median Hourly Pay	£20.48	£17.84	£20.48	£18.57	£20.52	£20.47

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

2023	Salaried Staff <i>153/154 staff per quartile</i>		Whole Workforce <i>175/6 staff per quartile</i>		Hourly Paid <i>22/3 staff per quartile</i>	
	White	BAME	White	BAME	White	BAME
Upper	74.7%	20.1%	72.8%	20.5%	33.3%	14.8%
Upper Middle	60.8%	30.1%	56.6%	29.1%	23.1%	19.2%
Lower Middle	59.7%	35.7%	56.3%	33.5%	48.1%	11.1%
Lower	59.5%	30.1%	55.7%	27.3%	25.9%	22.2%

Table 8 Distribution of BAME staff across quartiles in 2023; salaried, hourly paid and whole workforce

Quartiles	Salaried (178)	Hourly Paid (16)	Whole Workforce (194)
Upper	17.4%	25.0%	18.6%
Upper Middle	25.9%	25.0%	26.3%
Lower Middle	30.9%	25.0%	30.4%
Lower	25.8%	25.0%	24.7%

4. Bonus pay gap

In the pay gap reporting period (1st April 2022-30th March 2023) a non-consolidated payment of 1% of salary was made to eligible salaried employees. This was subject to a maximum payment of £500 (for 1 FTE) and a minimum payment of £250 (for 1 FTE).

67% of those receiving payment were white staff and 27% were BAME (6% ethnicity was not known). The median bonus gap in 2023 is 9.6%. See Table 9

Table 9- mean and median bonus pay gap in 2023

	2023	White	BAME
Mean	32.7%	£313.27	£210.78
Median	9.6%	£294.44	£266.23

The wide mean and median pay gap here is because the bonus was calculated on the person's actual salary and we have more BAME staff sitting in the lower pay bands than white staff.

5. Explaining the gap

After narrowing the ethnicity pay gap in the 2022, we have seen an increase in 2023 with BMet's median ethnicity pay gap rate recorded at 9.3% (+4.4% from 2022). The gap remains lower than 2021's rate of 11.7%. Based on the two-category ethnicity breakdown (that is white, including White British and White Other, and BAME groups) this is aligned to West Midland's rates (9.5%) although is much higher than the 2019 national rates of 2.3%. (See [here](#)).

In March 2023 BMet’s employees constituted **57.0%** White British, **3.3%** White Other and **27.6%** BAME (+3.3% from 2022). 2021 census data provides the following for Birmingham: 71.8% White British; 5.2% White Other; and 22.9% BAME.

When compared with other institutions in Birmingham, BMet’s workforce profile is similar to that reported for 2022 by both Birmingham University (22%) 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 (2022) are 39% and 40% respectively.

In 2023 we have had good representation of BAME applicants and successful appointments in staff recruitment activities and our ethnicity pay gap continues to be explained by the lack of ethnic diversity at senior level and the disproportionate representation in the lower paid roles.

Whilst staff numbers have slightly decreased 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 widening of the pay gap from 2022 (from 4.9%) can be largely attributed to the following:

- The increase in the proportion of BAME staff in the lower and lower middle quartiles and a decrease in the proportion of BAME staff in the upper middle quartile. The increase can be largely explained by improved data collection which has meant we have an increasingly accurate picture.
- BAME staff are in the heaviest concentration in the lower middle quartile

Further breakdown

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 Black Caribbean (25% of BAME staff), Indian (23% of BAME staff), and Pakistani (16%); with White/Black Caribbean (8%), Bangladeshi (6%), Asian Other (6%) and Black African (5%), being the next largest groups (of BAME staff). With the exception of the Indian group all have lower median hourly pay than the ‘white’ group. See *Table 10 for hourly pay of these groups*.

Table 10 Hourly pay for the largest ethnic groups at BMet

Categories	2023 No's	Mean Hourly Pay	Median Hourly Pay	2022 No's	Mean Hourly Pay	Median Hourly Pay	2021 No's	Mean Hourly Pay	Median Hourly Pay
White	424	£19.14	£20.48	413	£18.57	£19.98	426	£18.42	£19.49
Black Caribbean	48	£18.57	£19.28	42	£18.35	£18.39	45	£15.25	£15.05
Indian	45	£18.94	£20.58	46	£18.17	£19.98	51	£18.77	£17.49
Pakistani	31	£18.12	£17.66	29	£17.70	£18.27	36	£16.83	£17.21

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 succeed. Our activities aimed at ensuring that we are able to attract, develop and retain Black, Asian and Minority Ethnic talent continue with the support of the Black Leadership Group, the Student Commission for Racial Justice (Leaders Unlocked) and through the Colleges West Midlands Equality Group and the 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
- Continuing positive action to encourage BAME individuals into leadership and management roles or areas where there is poor participation for example through a 'Future Leaders' programme for staff
- Professional journal approach to career development
- Ongoing development of diversity and inclusion skills, behaviours and practices including the mitigation of unconscious bias and challenge of stereotypes