GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board



ETHNICITY PAY GAP

The following report provides a summary of conclusions drawn from the analysis of statistics in relation to the ethnicity pay gap (snapshot of 31 March 2023), together with an outline of intended aims and future positive action.



CONTENTS

Introduction..... Page 01 - 02
Background..... Page 02
Equal Pay & Ethnicity Pay Gap..... Page 03
Ethnicity Profile..... Page 04 - 05
Ethnicity across Quartile Bands..... Page 06 - 07
Mean & Median Ethnicity Pay Gap..... Page 08 - 09
Conclusions & Next Steps..... Page 10 - 12

INTRODUCTION

In 2017, the UK government published the first report to examine the barriers people from Ethnic Minorities face in employment, named "Race in the Workplace". Their report highlighted the need to first be able to measure the disadvantage some ethnic groups face to address the barriers to earning as much as their white colleagues.

A year later in 2018, the Race Disparity Unit and Chartered Institute of Personnel and Development (CIPD) led the call for the introduction of ethnicity pay gap reporting in "Our Manifesto for Work". This led to the Government consultation on whether to introduce mandatory ethnicity pay gap reporting, which ran from October 2018 to January 2019. The Women and Equalities Committee published a report calling for the Government to implement mandatory reporting of ethnicity pay by April 2023. The Government confirmed no mandatory ethnicity pay gap reporting. Nevertheless, the Health Board voluntarily started to report on its ethnicity pay gap as part of its anti-racist approach in 2022.

In the absence of a mandatory framework for ethnic pay gap reporting, Health Boards who do take the steps to report their ethnicity pay gaps have to select their own reporting measures. As a Health Board, we have aligned our reporting framework with the gender pay gap, but recognise the complexity of ethnicity pay reporting compared with gender pay reporting. We have chosen to replicate the measure used in gender pay gap reporting with some changes, to account for the different data sets. The gender pay gap report compares two distinct groups – male and female – whereas ethnicity recorded on Electronic Staff Record (ESR) can fall into one of four broad categories: white, Black, Asian and minority ethnic, blank (not recorded) and unspecified (chose not to answer).



The way that gender is recorded on the ESR (Electronic Staff Register) system means that there can be no blank or unspecified records. In calculating the mean and median differences, we have chosen to focus on those who have specified their ethnicity to give the most precise view of the ethnicity pay gap in the Health Board, as people with blank or undeclared ethnicities could either be Black, Asian and minority ethnic or White. The blank and unspecified records are included in the Health Board average.
The ethnicity pay gap report shows the difference in the average pay between Black, Asian and minority ethnic staff in our workforce. Where there is a positive percentage, this means that the pay of white staff is higher than the pay of Black, Asian and minority ethnic employees; the higher the percentage, the greater the ethnicity pay gap.

BACKGROUND

The publication of the Agenda for Change white paper in 1999 set out a consistent set of pay bands and job evaluations that cut across occupational groups and aimed to provide equal pay for work of equal value. An important goal of the Agenda for Change (AfC) was to ensure the NHS had a pay system that addressed unwarranted differences in the pay of employees in the NHS.

Around 94% of Health Board staff are included in the AfC system. The pay and terms of conditions of non-AfC staff – largely senior managers and doctors – are determined through nationally negotiated contracts.

It is important to recognise that collating both AfC and non-AfC data sets can have an impact on overall data and averages. Our data tells us there is a difference in the ethnicity pay gap depending on your role. Therefore, for this report, we have analysed the data so we can see the differences between those who are on AfC contracts, and those who are not, this will help us focus our efforts where it is most needed.

EQUAL PAY AND ETHNICITY PAY GAP

The ethnicity pay gap is different from equal pay. Ethnic pay disparities are not primarily about those from a white background and other ethnic groups being paid differently for the same job. The Equality Act 2010 make it unlawful to discriminate (both directly and indirectly) against employees (and people seeking work) because of their race. Therefore, unless there is a failure to comply with existing law, pay disparities between ethnic groups are likely to be due other factors to that impose disadvantage on people from ethnic minorities.

This report aligns the ethnicity pay reporting with gender pay reporting but recognises the differences. All calculations relate to the pay period in which the snapshot day falls - 31 March 2023. Health Board staff report their ethnicity. Ethnicity was not known for 13.43% of AfC staff assignments and 41.80% of non-AfC staff assignments.



ETHNICITY PROFILE

BREAKDOWN OF AFC WORKFORCE BY ETHNICITY



On the 31 March 2023, Aneurin Bevan University Health Board employed 14031 members of staff, equating to 11859.07 FTE on Agenda for Change (AfC) contracts. **Table 1** below shows the proportions of the relevant workforce from a Black, Asian and minority ethnic background and a white background, as well as those who had not completed their ethnicity on Electronic Staff Record (ESR) ("Blank") and those who had indicated they did not wish to disclose their ethnicity ("Not Stated").

	Heads (Number)	Heads (%)
Black. Asian & Minority Ethnic	956	6.81%
White	11191	79.76%
Blank/Not stated	1884	13.43%
Grand Total	14031	100.00%

BREAKDOWN OF NON-AFC WORKFORCE BY ETHNICITY



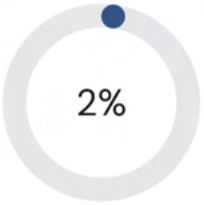
On the 31 March 2023 the Health Board employed 933 members of staff which equates to 829.84 FTE on Non-AfC contracts, (this is predominately Medical and Dental employees).
Table 2 below shows the proportions of the relevant Non-AfC workforce from a Black, Asian and minority ethnic background and a white background, as well as those who had not completed their ethnicity on Electronic Staff Record (ESR) ("Blank") and those who had indicated they did not wish to disclose their ethnicity ("Not Stated").

	Heads (Number)	Heads (%)
Black. Asian & Minority Ethnic	260	27.87%
White	390	30.33%
Blank/Not stated	283	41.80%
Grand Total	933	100.00%

OUR ANALYSIS

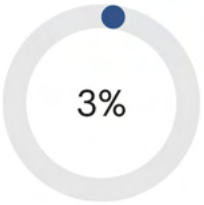
Positioning of Black, Asian & Minority Ethnic and White AfC employees across quartile pay bands

The quartile data ranks our employees from highest to lowest paid, this is divided into four equal parts or quartiles and then works out the percentage of Black, Asian and minority ethnic and White staff in each. The employees identified as 'Blank/Not Stated' ethnicity equates to 13.43%.



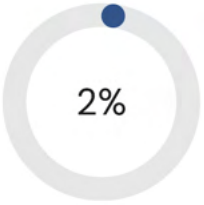
Quartile 1: Lower Quartile (Lowest Paid)

2% Black, Asian & Minority Ethnic
22% White



Quartile 2: Lower Middle Quartile

3% Black, Asian & Minority Ethnic
29% White



Quartile 3: Upper Middle Quartile

2% Black, Asian & Minority Ethnic
27% White



Quartile 4: Upper Quartile (Highest Paid)

0% Black, Asian & Minority Ethnic
2% White



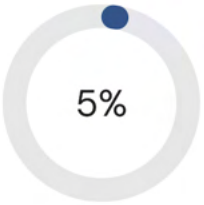
Positioning of Black, Asian & Minority Ethnic and White Non-AfC employees across quartile pay bands

The quartile data ranks our Non-AfC employees from highest to lowest paid, this is divided into four equal parts or quartiles and then works out the percentage of Black, Asian and Minority Ethnic and White staff in each. The employees identified as 'Blank/Not Stated' ethnicity equates to 30%.



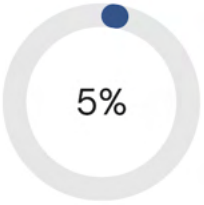
Quartile 1: Lower Quartile (Lowest Paid)

9% Black, Asian & Minority Ethnic
6% White



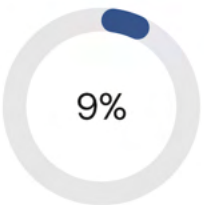
Quartile 2: Lower Middle Quartile

5% Black, Asian & Minority Ethnic
5% White



Quartile 3: Upper Middle Quartile

5% Black, Asian & Minority Ethnic
9% White



Quartile 4: Upper Quartile (Highest Paid)

9% Black, Asian & Minority Ethnic
22% White



AfC Mean and Median Hourly Rates

The mean ethnicity pay gap is defined as the difference between the mean hourly rate of pay of all white full-pay relevant employees and the mean hourly rate of relevant employees from a Black, Asian and minority ethnic background.

The median ethnicity pay gap is defined as the difference between the median hourly rate pay of all white full-pay relevant employees and that of full-pay relevant employees from a Black, Asian and minority ethnic background.

Table 3 outlines our mean and median ethnicity pay gap in hourly pay between our Black, Asian & Minority Ethnic and White AfC workforce, the mean hourly pay gap is 3.31% and the median hourly pay gap is 0%.

	Mean Hourly Rate	Median Hourly Rate
Black, Asian & Minority Ethnic	£15.75	£17.32
White	£16.29	£17.32
Difference	£0.54	£0
Pay Gap %	3.31%	0%

In this Health Board, Black, Asian & minority ethnic staff earn 96.69p for every £1 that White staff earn when comparing the mean (average) hourly rate.

Black, Asian and Minority Ethnic and White staff's median hourly rates are equal.

Non - AfC Mean and Median Hourly Rates

Table 2 outlines our mean and median ethnicity pay gap in hourly pay between our Black, Asian and Minority Ethnic and White Non-AfC workforce, the mean hourly pay gap is 15.81% and the median hourly pay gap is 15.46%.

	Mean Hourly Rate	Median Hourly Rate
Black, Asian & Minority Ethnic	£41.79	£37.78
White	£49.64	£44.69
Difference	£7.85	£6.91
Pay Gap %	15.81%	15.46%

When comparing median hourly pay for Non-AfC employees, in this Health Board, Black, Asian and Minority Ethnic staff earn 85p for every £1 that White staff earn.

CONCLUSIONS & NEXT STEPS

Currently, there is a legal requirement for organisations employing over 250 people to routinely report gender pay gaps but no requirement for ethnicity pay gaps. This is the second voluntary Ethnicity Pay Gap Statement published by Aneurin Bevan University Health Board, demonstrating our active commitment to better understand recruitment, staff development and retention in relation to the experiences of our ethnic minority staff.

In 2023, our reported median ethnicity pay gap was 34.16% (based on data from the 31st March 2022). It is important to note that this pay gap was calculated including the pay of AfC staff and non-AfC staff. Recognising that collating both AfC and non-AfC data sets can have an impact on overall data and averages and that there is a difference in the ethnicity pay gap depending on your role, for this year's report, we have analysed the data so we can see the differences between those who are on AfC contracts, and those who are not, to help us focus our efforts where it is most needed. The pay of doctors and consultants and staff such as senior managers, which is not covered by AfC, has a disproportionate impact on aggregate pay differences across all Health Board staff. Their pay is usually higher than other staff groups and they also have a very different ethnic composition.

This report has found a significantly greater proportion of Black, Asian and minority ethnic staff (27.87%) not covered by AfC than Black, Asian and minority ethnic staff paid under the terms and conditions of AfC (6.81%).

There are several aspects to note about the distribution of ethnicity within the pay bands. There is no significant variation in the proportion of people who chose not to declare their ethnicity throughout the quartiles for staff who are paid under the terms and conditions of AfC. The highest proportion of people with no ethnicity completed is within the upper quartile of the non-AfC staff group, suggesting the records of those paid the most are more likely to be incomplete.

Black, Asian and minority ethnic staff are broadly under-represented across the majority of the AfC pay bands with the proportion of Black, Asian and minority ethnic staff declining across the higher pay bands.

The highest proportion of Black, Asian and minority ethnic staff are in the Band 5 pay band. We know that the Health Board's largest staff group is Nursing and Midwifery, which amounts to just under 30% of our workforce and Nurses make up the majority of the AfC clinical workforce at the Health Board. The Health Board employs approximately 500 Internationally Educated Nurses, with the majority from the Philippines and India. The entry-level is Band 5, which may partly explain why we have a larger proportion of Black, Asian and minority ethnic staff in Band 5 roles.

For the 94% of Aneurin Bevan University Health Board staff paid under the terms and conditions of AfC, the ethnicity pay gap between White staff and Black, Asian and minority ethnic staff is equal. However, this disguises the complexities of pay inequalities within the Health Board, particularly when considering that Black, Asian and Minority Ethnic staff on non-AfC contracts mean hourly rate is 15.81% lower than White staff on non-AfC contracts. Much of this seems due to the concentration of Black, Asian and minority ethnic staff under non-AfC contracts (largely Medical and Dental). Whilst for staff paid under the terms and conditions of AfC, there is an under-representation of Black, Asian and minority ethnic staff in the highest bands. To get the full story, we need to distinguish between different ethnic groups and analyse the pay gap at lower levels, for example, by staff group and within pay bands for AfC staff.

Furthermore, in-depth analysis is needed to investigate warranted and unwarranted pay differences and to better understand and quantify the relative contributions of different reasons leading to the overall pay gap across all staff. An intersectional lens to this analysis is vital to ensure a deeper understanding of pay inequalities and actions to address these. For example, rather than looking at the effect of gender or ethnicity in isolation, we need to explore the combined impact of gender and ethnicity on pay and position in the workforce. Expanding to other sources of pay (such as overtime payments) would also add a further perspective on the extent of pay differences, whilst comparing pay gaps within staff groups and occupations may provide another view; We know that staff numbers vary considerably for different ethnic groups and occupation – and this will have a bearing on pay and, in turn, on pay differences between groups.

It is also important to note that this gap is a combined estimate for all ethnic minorities – comparing White staff with specific ethnic groups would reveal a more nuanced picture (there are 47 ethnic groups specified within the ESR data set).

In line with the recommendations made in last year's report, we have:

- Expanded the Health Board's Cultural Competence Scheme with Diverse Cymru to more divisions;
- Developed a reverse mentorship programme aimed at raising awareness of the barriers faced by Black, Asian and minority ethnic staff;
- Developed a 'buddy scheme' to support International Medical Graduates (IMGs) with personalised guidance that facilitates the transition of new IMGs into their roles; and
- Endorsed protected time and Executive Sponsorship for our staff diversity networks.

We aim to continue to reduce our gender and ethnicity pay gap year on year, to create greater equality in our pay frameworks. To effectively reduce the pay gaps a holistic approach is needed to attraction, recruitment, development and retention initiatives.

Given the proportion of employees identified as 'Blank/Not Stated' ethnicity equates to 13.43% (AfC) and 30.33% (non-AfC), we will seek to improve staff ethnicity disclosure rates by encouraging staff to speak about their lived experiences to their managers and identify and record their ethnicity on ESR.

We will work to increase access to leadership and development opportunities - We need to ensure our female staff at lower bands have the confidence and skills and are supported to apply for posts at band 8A and above. Positive action plans are being considered as part of the revised Strategic Equality Plan for 2024 – 2028, this includes the delivery of a Reverse Mentorship programme for ethnic minority staff.

Structured interviews with balanced recruitment panels who have received unconscious bias training is a key process change that can improve access to external and internal roles for diverse candidates. We, therefore, need organisational commitment to diversify interview panels for all positions at Band 8+ and to provide culturally competent and active bystander training as part of recruitment training for managers. As a first step towards achieving this ambition, a Recruitment and Retention Policy is being developed with embedded Equality, Diversity and Inclusion measures.

Before we develop dedicated and detailed actions to address our ethnicity pay gap in collaboration with our diversity steering groups, Trade Unions and other stakeholders, we would like to engage the support of a statistician to enable the Health Board to better understand the reasons for the pay gap. We will be working in collaboration with Cardiff University during 2024 to undertake the analysis and action required by the 'equal pay duty', to ensure its effectiveness and to make a lasting impact on ethnicity pay disparities in the Health Board.

GET IN TOUCH


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