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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 of 31 March 2024, together with an outline of intended aims and future positive action.



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## 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 to introduce mandatory ethnicity pay gap reporting during 2018/2019. The Women and Equalities Committee published a report calling for the Government to implement mandatory reporting of ethnicity pay by April 2023. However, the UK Government has not mandated ethnicity pay gap reporting to date. Nevertheless, the Health Board has voluntarily reported its ethnicity pay gap as part of its anti-racist action plan since 2022.

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 modifications which 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 ESR means that there can be no blank or unspecified records. In calculating the mean (average) and median differences, we have used the total number of staff in post for the organisation and 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 mean.



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 Agenda for Change (AfC) was to ensure the NHS had a pay system that addressed unwarranted differences.

Around 94% of Health Board staff are included in the AfC terms and conditions. The pay and terms of conditions of non-AfC staff, largely senior managers, and medical and dental staff, 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

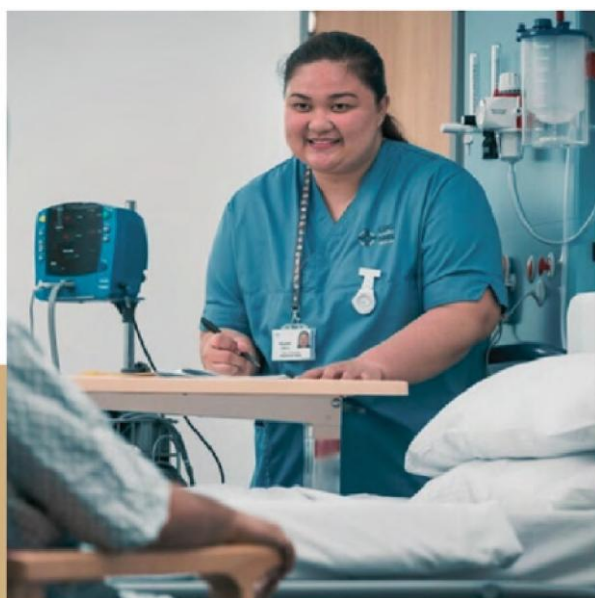
The ethnicity pay gap is different from equal pay. Ethnic pay disparities are not primarily about those from a white background and other ethnic groups being paid differently for the same job. The Equality Act 2010 make it unlawful to discriminate (both directly and indirectly) against employees (and 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 to other factors that impose disadvantage on people from ethnic minorities.

This report aligns the ethnicity pay reporting methodology with gender pay reporting but recognises the differences. All calculations relate to the pay period in which the snapshot day of 31 March 2024 falls. Health Board staff report their ethnicity voluntarily. Ethnicity was not known for 12.9% of AfC staff assignments and 29.3% of non-AfC staff assignments.

## ETHNICITY PROFILE

### *Breakdown of Workforce by Ethnicity*



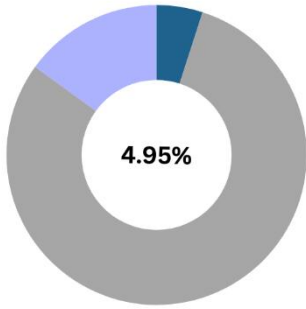
On the 31 March 2024, Aneurin Bevan University Health Board employed 15,353 members of staff, equating to 13,035.98 FTE. **Table 1** below shows the proportions of the relevant workforce from a Black, Asian and Minority Ethnic background and a white background, as well as those who had not completed their ethnicity on Electronic Staff Record (ESR) ("Blank") and those who had indicated they did not wish to disclose their ethnicity ("Not Stated").

	People (heads)	People (%)
<b>Black, Asian &amp; Minority Ethnic</b>	1,415	9.22%
<b>White</b>	11,703	76.22%
<b>Blank / Not stated</b>	2,235	14.56%
<b>Grand Total</b>	<b>15,353</b>	<b>100%</b>

## OUR ANALYSIS

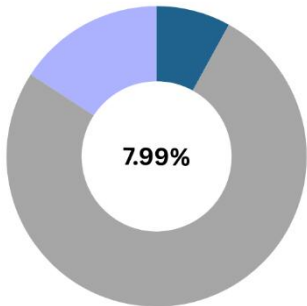
### *Positioning of Black, Asian & Minority Ethnic and White AfC employees across quartile pay bands*

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.



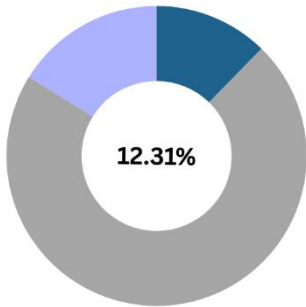
**Quartile 1: Lower Quartile (Lowest Paid)**

4.95% Black, Asian & Minority Ethnic; 79.97% White; 15.08% Not Stated



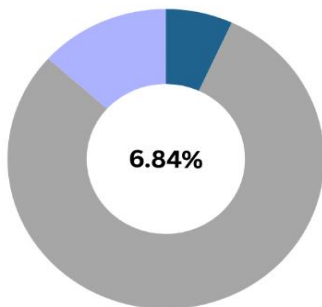
**Quartile 2: Lower Middle Quartile**

7.99% Black, Asian & Minority Ethnic; 76.19% White; 15.82% Not Stated



**Quartile 3: Upper Middle Quartile**

12.31% Black, Asian & Minority Ethnic; 71.51% White; 16.18% Not Stated



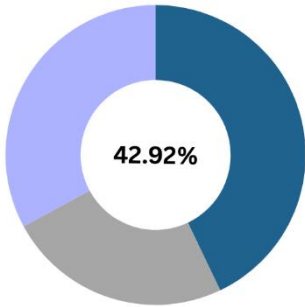
**Quartile 4: Upper Quartile (Highest Paid)**

6.84% Black, Asian & Minority Ethnic; 79.83% White; 13.33% Not Stated



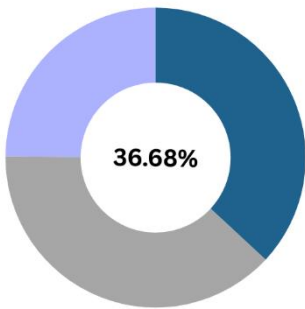
## Positioning of Black, Asian & Minority Ethnic and White Non- AfC employees across quartile pay bands

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.



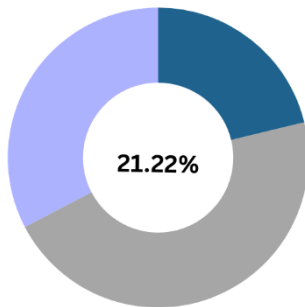
### Quartile 1: Lower Quartile (Lowest Paid)

42.92% Black, Asian & Minority Ethnic; 24.17% White; 32.91% Not Stated



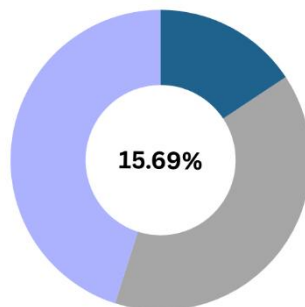
### Quartile 2: Lower Middle Quartile

36.68% Black, Asian & Minority Ethnic; 38.61% White; 24.71% Not Stated



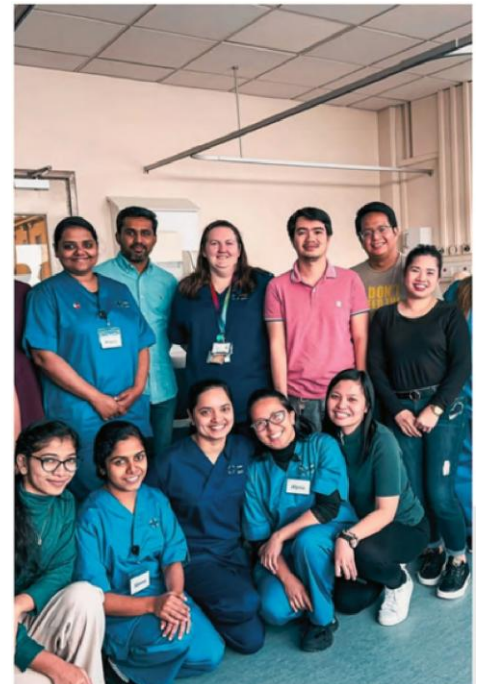
### Quartile 3: Upper Middle Quartile

21.22% Black, Asian & Minority Ethnic; 46.12%; White 32.66%; Not Stated



### Quartile 4: Upper Quartile (Highest Paid)

15.69% Black, Asian & Minority Ethnic; 39.22% White; 45.09% Not Stated



## ***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 2** below 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 -0.55% and the median hourly pay gap is -10.55%.

	<b>Mean Hourly Rate</b>	<b>Median Hourly Rate</b>
<b>Black, Asian &amp; Minority Ethnic</b>	£18.06	£17.64
<b>White</b>	£17.96	£15.95
<b>Difference</b>	£0.10	£1.69
<b>Pay Gap %</b>	-0.55%	-10.55%

In Aneurin Bevan University Health Board, Black, Asian & Minority Ethnic staff earn £1.01 for every £1 that White staff earn when comparing the mean (average) hourly rate.

Black, Asian & Minority Ethnic staff earn £1.11 for every £1 that White staff earn when comparing the median hourly rate.

## ***Non-AfC Mean and Median Hourly Rates***

**Table 3** below outlines the Health Board's 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 13.92% and the median hourly pay gap is 14.74%.

	<b>Mean Hourly Rate</b>	<b>Median Hourly Rate</b>
<b>Black, Asian &amp; Minority Ethnic</b>	£47.52	£48.68
<b>White</b>	£55.20	£57.10
<b>Difference</b>	£7.68	£8.42
<b>Pay Gap %</b>	13.91%	14.75%

When comparing median hourly pay for non-AfC employees, in this Health Board, Black, Asian and Minority Ethnic staff earn £0.86 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 third 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.

As of March 2024, the mean hourly pay gap was -0.55% between our Black, Asian & Minority Ethnic and White AfC workforce and the median hourly pay gap was -10.55%.

Black, Asian & Minority Ethnic AfC staff earn £1.01 for every £1 that White staff earn when comparing the mean (average) hourly rate. This is an increase from the March 2023 data, from £0.97 per hour for Black, Asian & Minority Ethnic. This change is influenced by the number of internationally educated nurses that have commenced in post over this period.

Black, Asian & Minority Ethnic staff earn £1.11 for every £1 that White staff earn when comparing the median hourly rate. This has increased since our previous report where the median rates were equal.

For the Medical and Dental workforce, when comparing median hourly pay for non-Agenda for Change employees, in this Health Board, Black, Asian and Minority Ethnic staff earn £0.86 for every £1 that White staff earn. This has remained on par with our previous report.

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.

In June 2024, the Health Board received its Wales Race Equality Standards (WRES) Report. The report detailed the workforce race equality data for ABUHB, focusing on representation, development, disciplinary equality, and institutional culture. The report outlined its key both positive findings and areas for further improvement across the health board. The key findings included:

Key Finding (areas for improvement):

1. Absence of Ethnic Minority Board Membership
2. Progression to Senior Grades
3. Ethnicity Declaration Rates

4. Likelihood of Appointment and Capability Processes
5. Experience of Discrimination and Harassment

Positive Findings:

1. Equal Access to Non-Mandatory Training and Continuing Professional Development
2. Parity in Shortlisting to Interview Process
3. Structured Support for Reapplication
4. Inclusive Training Programs
5. Commitment to Long-Term Improvement

Following the receipt of the Health Board’s WRES report and further discussion at the Race Advisory Group meeting in September 2024, a deeper analysis was conducted on our workforce demographic data. The analysis looked at the demographic population basis on ethnicity and religion for England and Wales, Wales, Gwent, and the Health Board’s workforce. The idea of the analysis was to consider if our workforce population is representative of our local, regional, and national population, and then to consider further actions for improvement.

Population	White	Black, Asian and Minority Ethnic
England & Wales	81.7%	18.3%
Wales	93.8%	6.3%
Gwent	94.2%	5.9%
Aneurin Bevan University Health Board*	76.4%	10.4%

*\*13.2% not disclosed in the Health Board*

The highest proportion of Black, Asian and Minority Ethnic staff are in the Agenda for Change pay bands up to band 6 and Medical and Dental staff groupings. 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. 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.

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 teams following the achievement of our Patient Experience Team and Midwifery department.
- Implemented the reverse mentorship pilot in July 2024 and undertake formal evaluation. The Programme is aimed at raising awareness of the barriers faced by Black, Asian and Minority Ethnic staff.
- Continued to support our International Medical Graduates (IMGs) with personalised guidance that facilitates the transition of new IMGs into their roles through our IMG Induction Programme; and
- Continued to improve attendance at our staff diversity networks.

We aim to continue to reduce our 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.

The proportion of employees identified as 'Blank/Not Stated' ethnicity equates to 12.9% (AfC) and 29.3% (non-AfC) which is a slight improvement on the previous report, we continue to encourage staff 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 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 Health Board's updated Strategic Equality Plan for 2024 - 2028, as well as our new Talent and Succession Framework.

We have updated our local Equality, Diversity, and Inclusion Induction Training to focus on targeted training that embeds our values and behaviours framework. This framework outlines the qualities we aim to cultivate and guides participants on how to be inclusive leaders and colleagues. The training covers various topics, including the meaning of inclusive leadership, traits of effective leaders, cultural competency, conscious and unconscious bias, and trauma-informed practices. This training is currently being implemented across the Health Board, with attendees developing action plans based on what they have learned. We will revisit the training in 9 to 12 months to assess its impact on those who have participated.

Finally, we have recently updated our Recruitment and Retention Policy which includes embedded Equality, Diversity and Inclusion measures as well as updated our Equality, Diversity, and Inclusion Policy for the Health Board.

## GET IN TOUCH

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