

Title of Report	Gender And Ethnicity Pay Gap 2022
Key Decision No	Non Key Decision
For Consideration By	Cabinet
Meeting Date	12 December 2022
Cabinet Member	Councillor Williams - Cabinet Member, Employment, Skills and Human Resources
Classification	Open with Exempt Appendix
Ward(s) Affected	None
Key Decision & Reason	No, for noting
Implementation Date if Not Called In	
Group Director	Ian Williams, Group Director, Finance and Corporate Resources

1. **Cabinet Member's introduction**

- 1.1. Promoting a diverse workforce has been an explicit Council priority since 2018, and this is reflected in the Single Equality Scheme which was adopted in November that year.
- 1.2. There has been a sustained focus on institutional culture and workforce diversity over the last four years and the Council is working with local partners, across the system, to encourage a consistent approach across Hackney.
- 1.3. As of April 2018 the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, Hackney Council has published information relating to the differences in pay between men and women. The Gender Pay Gap report is published annually on both the council's website and on a dedicated central government site. This is the fifth annual report for Hackney Council.
- 1.4. Although there is no statutory requirement to do so, Hackney also produces the ethnicity pay gap. The ethnicity pay gap is presented in this report.

- 1.5. The current cost of living 'crisis' (the fall in real disposable incomes) and the lasting effects of the Covid pandemic has exposed and exacerbated inequalities in society and the Council knows the impacts have not been felt equally amongst our communities. This makes it more important than ever that the Council understands the pay gaps, and examines every aspect of our services, including recruitment and retention practices as well as our workplace policies to ensure that the Council is as inclusive as possible.
- 1.6. Hackney is proud to be an open, inclusive and diverse borough and a place that people are proud to call home. Everyone can feel they belong here regardless of social background, the young and old, those living with a disability, parents and carers, people with faith and those without faith, people from different ethnicities and nationalities, all genders, gender identities and sexualities. Our workplace must reflect these values. In 2020, the Council also launched our local recruitment campaign to ensure that more Hackney residents explore job opportunities at the Council.
- 1.7. The Council is committed to ensuring that as an employer and as a workplace, all our policies and practices advance equality of outcome and promote demographic diversity. In July, 2020, the council passed an anti-racism motion, resolving to Improve the diversity of the senior leadership of the Council, build on the Inclusive Leadership Training, and maintain the 'excellent' rating in future Local Government Equality Framework peer challenges and work with partners to improve diversity across the public sector.
- 1.8. To inform our priority areas for improvement, the Council wants to continue to gather robust gender and equality profiles of our workforce to identify and address disparities in the diversity of our workplace and provide the evidence base to tackle any barriers to equality of opportunity.
- 1.9. Hackney, as a borough, has a reputation as a beacon of diversity where all of its communities are supported and celebrated. This report is part of its work to ensure that as a Council and as an employer the Council also embody these values.

2. Group Director's introduction

- 2.1 The purpose of calculating a Gender Pay Gap and Ethnicity Pay Gap is for organisations to check if Women and Black and Global Majority staff are doing more of the less well paid jobs than men.
- 2.2 The Council's gender pay gap shows that unlike many other parts of the labour market, the gender pay gap favours women in Hackney Council when considering average pay; and a neutral position when considering median pay. The Council recognises the need to protect the current and relative gender equality that exists at senior levels of the organisation, especially given the structural inequalities which exist for women in the labour market more broadly.

2.3 Although gender pay gaps are an important measure, we also recognise their limitations. Hackney is a provider of direct services to the public, many of which fall in the lower pay quartile and have a traditional (occupational) gender bias. Examples include, Operatives in Housing and Waste services who are predominantly men; and Carers and Nursery staff in Adults, Health and Integration and Children and Education who are predominantly women. The traditional (gender) bias affects the distribution of women and men in the workforce, and this, in turn, affects our gender pay gap - without providing a reliable indication of participation at higher levels of the organisation.

Another common measure of fair participation is 'the top 5% of earners'. In Hackney, this equates approximately to the top 2 pay bands (PO10 and above). The top 5% earners are presented here, as a supplementary measure, to show participation at senior levels.

Top 5% of the workforce	Women	Black & Global Majority	Whole workforce women	Whole workforce Black and Global Majority
2022	126	67	2437	2368
	54.55%	29%	54.58%	53.03%
2021	126	57	2461	2332
	55.02%	25.33%	54.70%	51.83%

There is a higher proportion of women than men in the top 5% of earners (54.55%) and suggests that women participate successfully at senior levels. 54.55% is broadly equivalent to the overall composition of the workforce (54.58%).

Black and Global Majority staff comprise 29% of the top 5% of earners (compared to 51.83% of the overall workforce). The under representation at senior levels is well recognised and the work on Inclusive Leadership is designed to address this inequality (further information about the Inclusive Leadership Programme is in section 6.2). Although there is no specific analysis or evidence to show the impact of the inclusive leadership programme, it is noted that participation of Black and Global Majority staff (top 5% of earners), increased from 25.33% (2021) to 29% (2022).

2.4 A range of influences, including Hackney's policies and wider changes in the economy, also impact:

Insourcing: The Council is pursuing an insourcing strategy aimed at delivering better, more reliable public services. For example, Hygiene Operatives transferred to the Council in January 2021. The 97 employees were predominantly male and Black and Global Majority. Vehicle Maintenance transferred to the Council in June 2021. The 12 employees

were predominantly men and white. Parking transferred to the Council in April 2022, however, the transfer of Parking happened after the statutory reporting snapshot date of 31.3.22. They are not included in this report, but will be included in next year's report.

Hygiene Operatives, transferred to the Council 1st January 2021					
Women	Men	Black and Global Majority	White	Non disclosed	Total
66	31	63	30	4	97
68.04%	31.96%	64.95%	30.93%	4.12%	100%
Vehicle Maintenance, transferred to the Council 1st June 2021					
Women	Men	Black and Global Majority	White	Non disclosed	Total
2	10	3	8	1	12
17%	83%	25%	66.7%	8.3%	100%

Austerity: Severe funding reductions (over a decade of austerity) has resulted in mitigating action including measures such as restructuring the Council and individual service areas, and voluntary redundancy schemes. The impacts of austerity, nationally, include recruitment and retention difficulties. In part, this is caused by the need to recruit workers with broader spans of knowledge and wider spans of experience creating a narrowing pipeline of skilled candidates for our sector.

The Pandemic: The pandemic brought a different set of challenges, including additional spending on front line services, reduced turnover and a period of moratorium on internal reorganisations.

Brexit: A reduction of EU citizens seeking employment in the UK, is being cited as one of the reasons for the tight labour market and recruitment difficulties experienced by many organisations. The response from many private sector organisations is to increase pay.¹ Even though we may not be recruiting staff with the same job titles, the tightening of the labour market and increased pay in the private sector may (in some areas) affect our ability to compete for talent.

¹ <https://www.cipd.co.uk/knowledge/brexit-hub/workforce-trends>

- 2.5 Changes in Hackney’s gender pay gap over time are subtle and appear to be small changes at all levels and spread across the organisation.

To fully understand the trends and influences, a full analysis is recommended. The Council could consider commissioning an organisation such as the Institute for Employment Studies (IES), to assist with scoping and undertaking the research. The research would seek to explain the subtle changes and trends, and unpack the influences on our workforce composition.

- 2.6 In addition, we recognise that Intersectional differences within specific groups may also impact on experience and could be lost in the generality of the information provided. Here, intersectionality refers to overlapping interdependencies such as race, class and gender that may impact on individuals. The scope of a research project could be expanded to better understand the experiences and participation of those with multiple identities.

- 2.7 It is important to note that the Government’s gender pay gap reporting laws currently make no mention of transgender or non-binary employees – employers can only classify staff as ‘male’ or ‘female’. It is therefore important that this legal requirement is conducted sensitively and as inclusively as possible. As with the previous report, this one should therefore be taken in the context that as an employer the Council recognises that this binary distinction does not fully capture our workforce.

3. Recommendations

Cabinet is recommended to note the Gender and Ethnicity Pay Gap reports

4. Reason(s) for decision

N/A

5. Details of alternative options considered and rejected

N/A

6. Background

The law (the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017) requires that the Council calculate and report the gender pay gap annually. This was first done in March 2018, based on the data as at 31 March 2017. This report gives the statistics for the sixth gender pay gap report (2022/23 reporting year), with data as at 31 March 2022. The required statistics will be uploaded to the Government Equalities website in compliance with the legislation. The gender pay gap tables are also available on the Council's website for each year. The way the gender pay gap is to be calculated is set down in statute and is very specific. The Council must calculate the statistics for both ordinary pay and bonus pay. In our context, bonus pay applies only to the Fair Pay scheme operating in Housing.

Policy Context

6.1 GENDER PAY GAP REPORTING 2022

The gender pay gap is **the difference in the average hourly wage of all men and women across a workforce**. If women do more of the less well paid jobs within an organisation than men, the gender pay gap is usually bigger.

- 6.1.1 The law (the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017) requires that the Council calculate and report the gender pay gap annually. This was first done in March 2018, based on the data as at 31 March 2017. This report gives the statistics for the sixth gender pay gap report (2022/23 reporting year), with data as at 31 March 2022. The required statistics will be uploaded to the Government Equalities website in compliance with the legislation. The gender pay gap tables are also available on the Council's website for each year.
- 6.1.2 The way the gender pay gap is to be calculated is set down in statute and is very specific. The Council must calculate the statistics for both ordinary pay and bonus pay. In our context, bonus pay applies only to the Fair Pay scheme operating in Housing.
- 6.1.3 The gender pay gap remains in favour of women, based on average pay and there is no gender pay gap when using median hourly rate. It is -0.98% as measured by the mean or 0% as measured by the median. The measure more typically used is the median, as it takes a central point in the salary range. Outliers (salaries that are significantly higher or lower than typical salaries) can skew the average (mean). The rates in March 2021 were -1.24% (mean) and -2.52% (median) in favour of women. The gap exists primarily for two reasons. Firstly, because, although there are more women in each quartile, the higher proportion of men are in the lower quartile - typical job titles include Operative - Cleaner, Environmental Operative and Grounds Maintenance employees. Secondly, because in the higher quartiles, more employees are women than men. In 2022, the proportion of women declined in each quartile except the lower middle quartile. There are still more women in each pay band overall. The full data is shown at Appendix 1.
- 6.1.4 It is important to note that the pay gap does not indicate that women are paid more than men in any particular job. The Council operates a nationally recognised and equality proofed pay and grading scheme and is confident that for the same job, men and women are paid equally. The gap arises because, on average, women are in more highly paid jobs than men across the workforce. However, the gap (in favour of women) has reduced gradually over recent years and there is no gender pay gap when looking at the median.
- 6.1.5 It is worth noting that in the highest quartile there are a higher proportion of women than men (53.42% vs 46.58% in 2022).

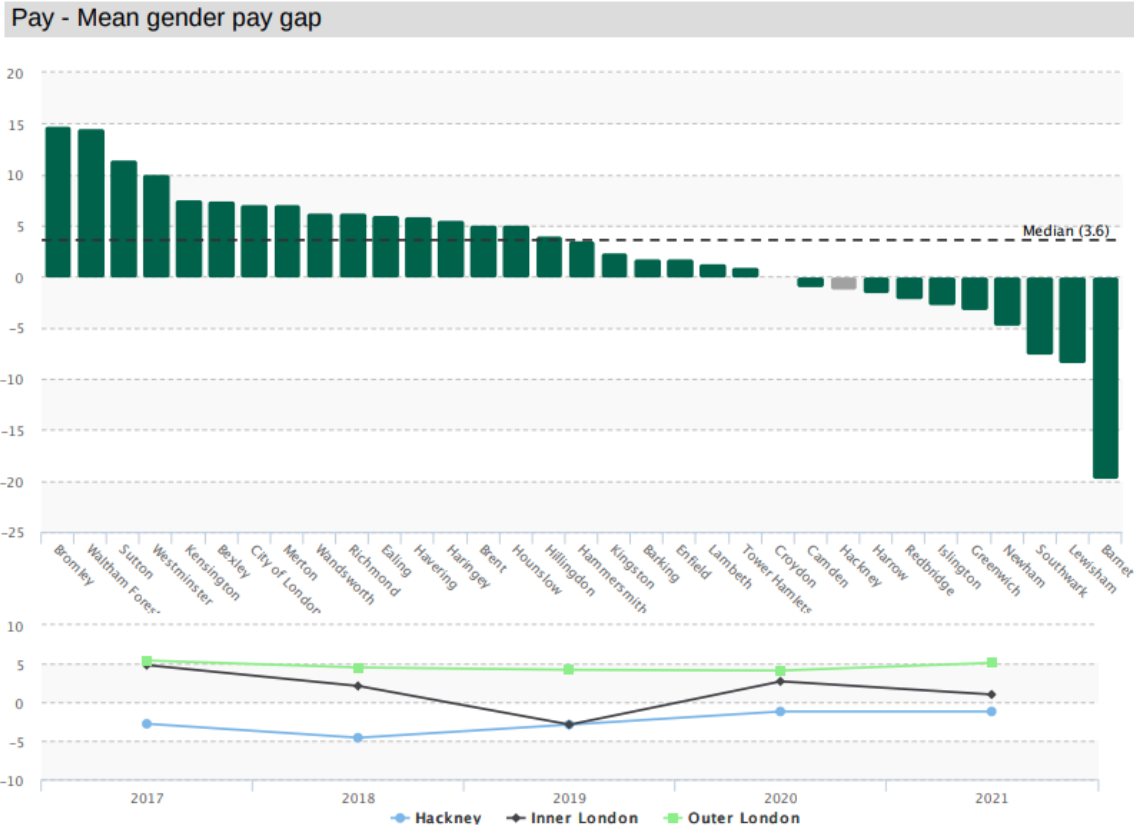
6.1.6 The gap in favour of men in terms of bonus pay remains. However, it is not possible to draw conclusions from this because so few women receive a bonus. Men overwhelmingly benefit from the Fair Pay scheme. This bonus is protected under TUPE regulations.

6.1.7 The Fair Pay scheme applies to 156 operatives working in trades in the Housing Department. Job titles include, for example, carpenters and electricians. Productivity payments are based on evidenced, actual measurements of performance, most importantly the time taken to perform tasks.

6.1.8 Comparative data on the Gender Pay Gap is presented but comes from different sources and is indicative.

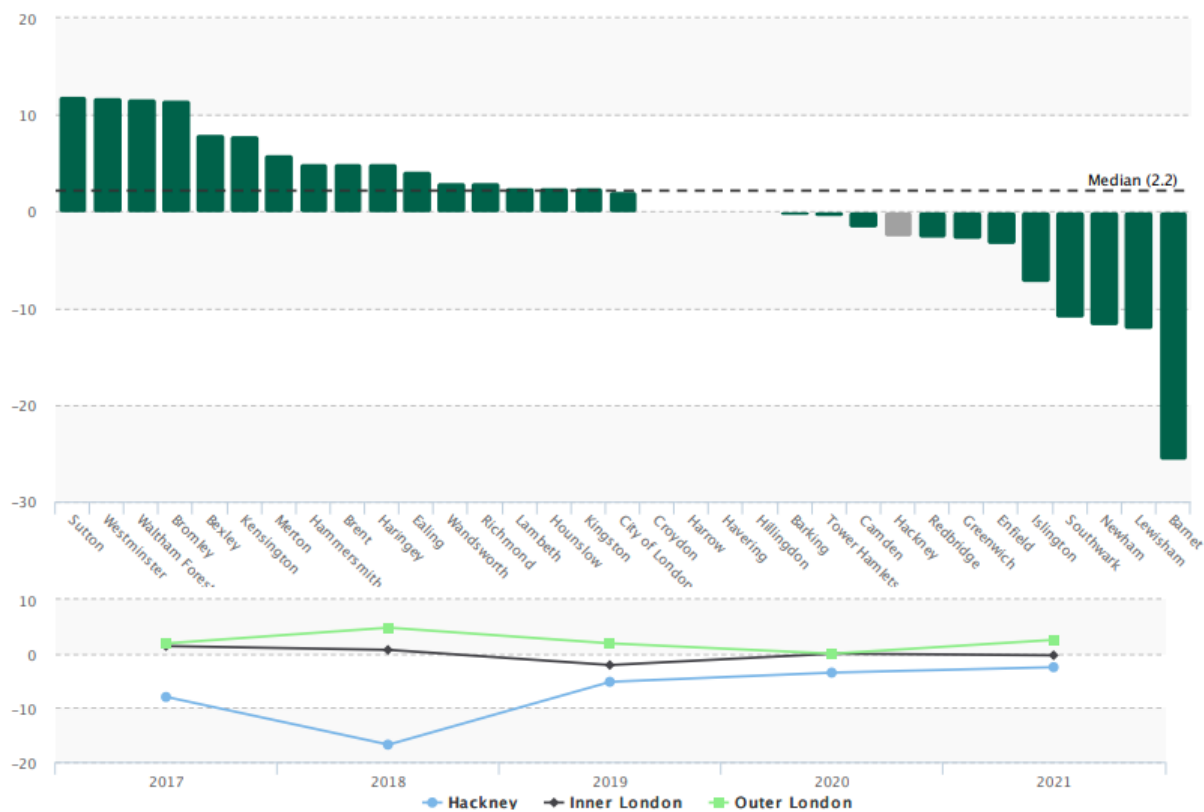
6.1.9 Comparative data for is available from The HR Metrics Benchmarking Services (provided by London Councils). The comparative data for the 33 boroughs who have inputted data for the 2021/22 reporting year is provided below. The snapshot date is 31 March 2021.

6.1.10 Hackney’s comparative position is as follows:



6.1.11 Hackney's mean gender pay gap of -1.2% (2021) falls in the second quartile of all the London boroughs, and for inner London (just outside the top quartile). The average median for London boroughs is 3.6%.

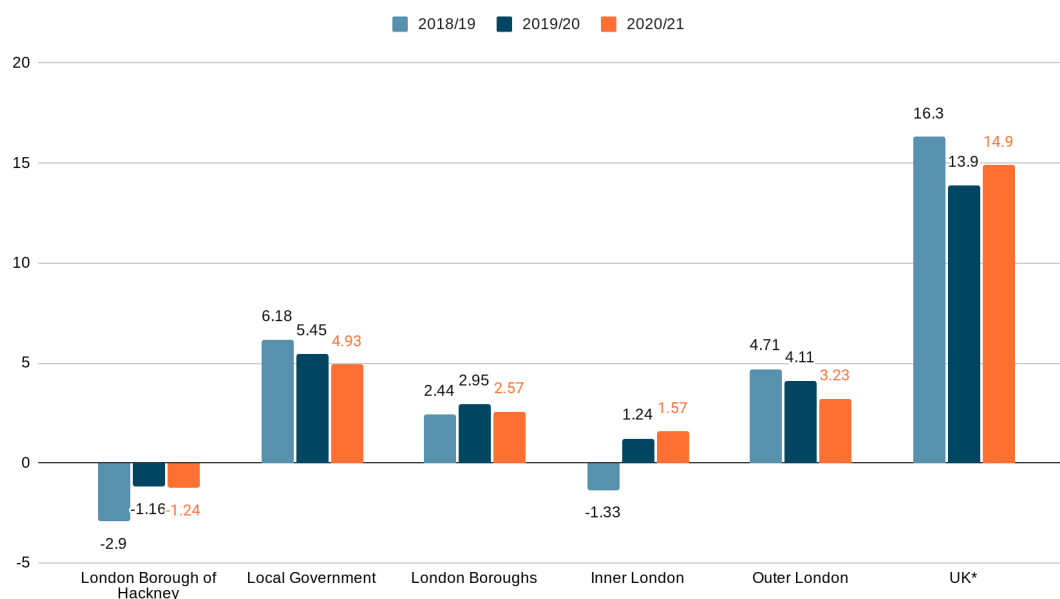
Pay - Median gender pay gap



6.1.12 Hackney's median gender pay gap of -2.5% (2021) falls in the second quartile of all the London boroughs, and for inner London (just outside the top quartile). The average median for London boroughs is 2.2%.

6.1.13 Data taken from various sources provides the following picture:

Average % Mean Gender Pay Gap 2019 to 2021



6.1.14 Average Mean Gender Pay Gaps 2019 to 2021: The average mean gender pay gap values for Local Government indicate that women were paid 4.93% less than men in 2021. This compares to 5.45% less in 2020. In other words, on average for every £1 paid to male employees, only 95.1p was paid to women employees (94.5p in 2020).

6.1.15 Average Median Pay Gap data 2019 to 2021: Table below shows the average median pay gap figures for 2019 to 2021.

Sector	Average % Median Pay Gap		
	2018/19	2019/20	2020/21
London Borough of Hackney	-5.24	-3.53	-2.52
Local Government (All Local Authorities UK)	4.05	3.57	3.21
London Boroughs	0.65	0.27	0.74
- Inner London	-2.53	-0.24	0.02
- Outer London	2.55	0.61	1.2
UK*	17.4	14.9	15.4

6.1.16 The average of the median values for Local Government indicates that in 2021 women were paid 3.21% less on average than men. In other words, for every £1 that the median man was paid, the median woman was paid 96.8p. This compares to 3.57% in 2020.

* Data for UK Gender pay gap averages taken from ONS - Annual Survey of Hours and Earnings (ASHE).

6.1.17 The ONS website notes that interpreting average earnings data is difficult at this time because COVID-19 has impacted the data for 2020 and 2021. This was affected both in terms of wages and hours worked and also disruption to the collection of data from businesses and as ONS states, this means that comparisons with 2020/21 need to be treated with caution.

6.1.18 In Hackney, the position for the past 3 years (2020, 2021, 2022) is as follows:

2020		2021		2022	
Mean	Median	Mean	Median	Mean	Median
-1.16%	-3.53%	-1.24%	-2.52%	-0.98%	0%

6.1.19 At the time of the first gender pay gap report there was a commitment made by the Cabinet Member to produce an ethnicity pay gap on the same basis as the gender pay gap in future years. This has been done and is shown in Appendix 2.

6.1.20 ETHNICITY PAY GAP REPORTING

6.1.21 The Council has also taken the decision to undertake an ethnicity pay gap analysis, despite the fact that a government announcement means it is unlikely to be required by law anytime soon. The Council will continue to do this because of its commitment to fairness and to enhancing the diversity of our workforce. The Council continues to back calls for mandatory reporting of annual ethnicity pay gaps.

6.1.22 The Council is keenly conscious that there remains under-representation of certain communities in our workforce and there is still under-representation of staff from culturally and ethnically diverse communities at senior levels. The Council is committed to taking practical action to address these disparities. The Council wants to foster and promote an inclusive leadership culture, in which managers feel more confident in promoting equality and addressing workforce diversity. Work is summarised in section 4 of this report.

6.1.23 The terminology used in this report reflects Hackney's move away from the term 'ethnic minorities' in favour of the term 'Black and Global Majority', and this term is used throughout the report.

The ethnicity pay gap shows that there is a pay gap in favour of white employees of 14.19% as measured by the mean, and 15.15% as measured by the median. The measure more typically used is the median, as it takes a central point in the salary range. Outliers (salaries that are significantly higher or lower than typical salaries) can skew the average (mean).

The proportion of white employees as compared to Black and Global Majority employees, increases progressively in the 3 higher quartiles. There is a higher proportion of Black and Global Majority employees in the lower middle quartile (66.04% compared to 33.96%) and the lower quartile (65.94% compared to 34.06%). The full data set is shown in Appendix 2.

- 6.1.24 This compares to the position in 2021, which showed a 15.09% mean and 12.94% median. The lower quartile had the highest representation of Black and Global Majority employees (65.49% compared to 34.51%).

In Hackney, the position for the past 3 years (2020, 2021, 2022) is as follows:

2020		2021		2022	
Mean	Median	Mean	Median	Mean	Median
15.00%	12.11%	15.09%	12.94%	14.19%	15.15%

- 6.1.25 The Council recognised this as an issue some time ago and has been working on delivering a corporate equalities action plan. This is summarised in section 4 of this report.

- 6.1.26 Although ethnicity pay gap reporting is not currently mandatory, on 24 June 2020 the government responded to a parliamentary petition to introduce mandatory ethnicity pay gap reporting, stating that it is currently analysing detailed responses it received from its consultation on ethnicity pay reporting, which ran from October 2018 to January 2019.

The government has confirmed that it will not be legislating for mandatory ethnicity pay gap reporting “at this stage”, however, they have committed to “supporting employers across the UK who want to publish ethnicity pay gaps”. This will be done through the Department of Business, Energy and Industrial Strategy (BEIS) publishing new guidance on voluntary ethnicity pay gap reporting in “summer 2022”. The guidance has not yet been published.

- 6.1.27 The reasons for the changes in the ethnicity pay gap are not fully understood. Changes year on year appear to be relatively small and spread across the quartiles. Although the proportion of Black and Global Majority staff has increased in all quartiles, the biggest increase is in the Lower Middle Quartile (compared to 2021).

Black and Global Majority staff made up 63% of the lower middle quartile in 2021. This increased to 66% in 2022. This is thought to have affected the median (midpoint), where the pay gap has increased; while the pay gap for average pay has reduced. Although the percentage of Black and Global

Majority staff increased in all quartiles, the greatest increase was below the midpoint which could account for the reduced median pay.

6.1.28 The percentage of women in each pay band was reduced by small amounts in all quartiles, except the lower middle quartile. In 2021 women were 56% of the lower middle quartile, rising to 58% in 2022. This could account for the lower median pay (midpoint) resulting in a reduction to 0 pay gap for median pay. There is still a small pay gap in favour of women for average pay (0.98% in 2022, down from -1.24% in 2022)

6.1.29 The data within this report is for directly employed Council staff.

Equality impact assessment

6.2 Corporate Equalities Action Plan Summary

Introduction

6.2.1 Promoting a diverse workforce has been an explicit Council priority since 2018, and this is reflected in the Single Equality Scheme which was adopted in November that year.

6.2.2 An action plan has been developed based on taking a dual focus, promoting demographic diversity and promoting an inclusive leadership culture

Key equality issues and indicators

6.2.3 The **key equality issues** identified at the start of the programme were:

Workforce diversity

- The under-representation of Black and culturally and ethnically diverse, and disabled staff at senior² levels
- The under-representation of disabled staff at all levels
- The variations in workforce diversity between different directorates
- The need to protect the current gender equality which exists at senior levels of the organisation, given the structural inequalities which exist for women in the labour market more broadly

Staff satisfaction

- Much lower rates of satisfaction amongst disabled staff and (to a lesser extent) Black and Global majority staff over the last three surveys
- Disabled staff and those from Black and Black and Global majority backgrounds, are much more likely to disagree that the Council is

² By Senior we mean officers who are service heads and above / by grade we mean PO10 and above. However, when we consider what actions we need to take, we need also to focus on PO5 upwards, so that we are developing a pool of potential managers who can progress into more senior roles.

committed to equality and diversity in practice than white staff and non disabled staff

Hidden inequalities

- The Equality Act originally contained a clause which would have placed a requirement for local authorities to address social economic inequalities as part of their equality work. Although the Government ultimately decided not to implement this socioeconomic duty, Hackney Council decided to adopt this on a voluntary basis. This means that when we consider equality and cohesion we fully consider socioeconomic inequality across the work the council does, including how we make the workforce more inclusive and support progression across pay grades.

6.2.4 The **key indicators of success** for the Corporate Equality Action Plan are:

- The gap is closed between the 82% (81% in 2016) of staff who feel Council is committed to Equality in policy and 69% (71% in 2016) who feel the Council is committed in practice (this went up from 61% to 70% in 2011 and peaked at 73% before falling to 71% in 2016 and now 69%)
- There are a higher proportion of disabled staff working at the Council
- Senior management is more reflective of Hackney's diversity (ethnic origin and disability)
- Managers feel more confident and competent in promoting equality and addressing workforce diversity (need baseline)
- Disabled staff are more satisfied with the Council as an employer and higher proportion feel Council is committed to Equality in practice
- A narrowing of the ethnicity pay gap

Responding to these issues

The case for diversity

6.2.5 Research has shown that having a **demographically diverse workforce** can help businesses to be successful, drive innovation and capture new markets. In the public sector³. Having a diverse workforce is seen as a way of **bringing in a diversity of experiences and perspectives to better meet the needs of residents and improve service**. It is also seen as a way of tapping into and harnessing talent from across the whole community.

3

<https://www.local.gov.uk/our-support/workforce-and-hr-support/local-government-workforce/equalities-and-inclusion> and
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/658488/Strategy_v10_FINAL_WEB6_TEST_021117.pdf

6.2.6 Research reported in the Harvard Business Review also makes the case that a workforce which reflects a diversity of perspectives also **supports innovation**⁴. This research talks about **acquired diversity** versus demographic diversity and considers the benefits of promoting a culture which values and welcomes a diversity of perspectives. Through programmes that tackle key inequalities such as the Improving Outcomes for Young Black Men Programme, we have reached the conclusion that promoting a more inclusive leadership culture needs to be part of the way we **tackle underlying and systemic issues that might drive inequalities**. By questioning traditional behaviour patterns and decision making structures we will be better able to identify the institutional change which is needed to tackle key inequalities.

Taking a dual approach

6.2.7 Actions which promote a demographically diverse workforce and those which promote “acquired diversity” can also reinforce each other. By promoting a more inclusive leadership culture, the workforce may become more welcoming to people from different backgrounds as well as ensuring that, where a workforce is not demographically diverse, there is a culture which values and draws on a diversity of perspectives.

6.2.8 By promoting a demographically diverse workforce, we are more likely to promote an inclusive leadership culture that draws on the perspectives of people from different backgrounds. In seeking to achieve a more demographically diverse workforce, we need to ensure we develop specific and tailored responses to complex inequalities, rather than bland, generic responses. Alongside this, more **practical action is needed to address poor levels of staff satisfaction among disabled staff** with regards to management and leadership. Failure to tackle this specific equality issue could undermine wider efforts to promote workforce diversity outlined above.

Workstreams

6.2.9 The programme includes a number of “business as usual” and “stretch” strands of activity:

Business as usual:

1) Organisation Development

⁴ <https://hbr.org/2013/12/how-diversity-can-drive-innovation>

Key Outcome: Coherent well utilised organisational development programme promoting equality and diversity for staff and managers, utilising apprenticeship levy to upskill managers if appropriate

2) Communication

Key Outcome: All staff are aware of organisation commitment to equality and diversity and can recognise ways that the policies are put into practice.

Stretch:

3) Improving the employee journey for disabled staff from recruitment through to progression

Key outcomes:

- Barriers for disabled staff are removed across the employee journey from recruitment through to progression and promotion
- Managers see the benefits of employing disabled staff and can do so competently and confidently.
- Supported employment opportunities are created within the Council

4) Promoting an inclusive leadership culture

Key outcome: Senior managers understand, value and promote an inclusive leadership culture systematically as part of addressing workforce diversity.

5) Tackling the lack of diversity at senior levels, with regards to Black and Global Majority and disabled staff

Key outcomes: We have a better understanding of the specific reasons for the lack of Black and Global Majority and disabled staff representation at senior levels.

We have identified positive actions needed to address issues and barriers.

We have identified opportunities to make processes more open and transparent.

Update on the implementation of the Corporate Equality Action Plan

Progress against success measures

6.2.10 Our workforce data shows progress in most of the areas, but there is still work to be done. Between March 2019 and March 2021 data for the top 5% earners revealed that:

- The percentage of women rose from 50 to 55%;
- The proportion of disabled top earners rose from 2.2 to 3%;
- The proportion of the top earners who are ethnically diverse rose from 21.5 to 25.7%; and

- The proportion of top earners identifying as LGBTQIA+ rose from 6.2 to 6.5%.

6.2.11 For the workforce overall, the data showed that:

- The proportion of part-time workers rose from 14% to 16%.
- The percentage of women in the workforce overall rose from 52.5 - 54%;
- The proportion of disabled staff overall has risen from 4.7 - 5.2%:
The proportion identifying as ethnically diverse rose from 50.9 - 51.7%, with those identifying as Black up from 33.5 - 34.1%;
- The percentage of staff identifying as Lesbian, Gay or Bisexual rose from 3.4 - 3.5%, and those identifying as 'other', which may include colleagues who are Transgender, Non-Binary or Gender-Non-Conforming rose from 0.14 - 0.22%.
- The average age of the workforce rose from 44.5 - 45.4 years, which might suggest that we have more to do in attracting younger workers.

6.2.12 Our 2021 staff survey was launched in September. Results show the percentage of staff who say that senior managers are committed to inclusivity has risen from 45% in 2020 to 50% and the percentage of staff who believe the Council is committed to equality in practice has risen from 57% in 2020 to 62% in 2021.

6.2.13 There are still disparities in responses between different groups. Disabled staff, staff from Black and Mixed heritage groups and carers, especially those who provide high numbers of unpaid care reporting lower levels of satisfaction. Satisfaction levels among colleagues who choose not to disclose their equality characteristics are also generally lower than for those who disclose.

Work undertaken to implement the Corporate Equality Programme in the past year

Training

- 100 senior managers were trained in Inclusive Leadership before the Pandemic.
- During the pandemic:
 - The Inclusive Leadership and Cultural Humility training were adapted to be delivered remotely and an additional 150 managers undertook each course.
 - Cultural Humility training is now being rolled out to colleagues in Customer Services and Public Health (not just managers).
 - Education Services are planning to make Inclusive Leadership and Cultural Humility training available to staff (not just managers).

- A short course was developed for Leaders Week 2020, blending the main aspects of Inclusive Leadership, Cultural Humility and talking about racism which was delivered to around 350 managers. During the same week an online session with Dr Shola Mos-Shogbamimu attracted over 400 staff and a session with Cllr Carole Williams, Dr Sandra Husbands and Sonia Khan also attracted over 100 staff.
- In Leader's Week 2021, sessions on anti-racism, inclusive recruitment, Managing Disabled Staff and Meet the Inclusion Champions reached around 300 managers.
- Cllr Carole Williams, Lead Cabinet Member for Employment, Skills and Human Resources led a show and tell session for 178 staff updating on anti-racism and inclusive leadership.
- A training course on managing disabled staff was developed by disabled staff and delivered to managers.
- An online Equality, Diversity and Inclusion in Public Service module has been developed aimed at frontline staff across the system. It includes information about meaningful conversations with residents (59 staff have enrolled and 2 passed to date). A similar module is available for managers.
- An online video module featuring Sonia Khan, Lisa Aldridge and Solomon Rose (former lead for the Improving Outcomes for Young Black Men programme) discussing institutional racism and the role of leadership in tackling this was produced and piloted as part of a 'think piece' discussion debrief with staff (21 managers).

Guidance and culture

- An Inclusive Management Toolkit was launched, summarised in 9 short slide decks, which were released weekly (1265 unique views to date).
- Think Inclusive conversation video series was launched, recording conversations with colleagues on a range of topics such as microaggressions, intersectionality, power and privilege, the importance of using the right language and terminology, the difference between diversity and inclusion. These videos aim to raise the organisation's literacy around race and racism.
- The Think Inclusive conversation club started in November 2020. This is a six-weekly gathering inviting colleagues to read a short article or view a Ted Talk as a way of opening up discussion about a particular topic around diversity, inclusion and belonging and to share learning. We have between 15 and 30 staff from across the council in attendance and 90 staff have opted in to the mailing list;
- In early 2021, we refreshed our pool of Inclusion Champions with an additional 26 new recruits, taking the total number of champions to 60. Champions have all been trained in the principles of inclusive leadership and then have options to become trainers, develop work in their divisions or work on cross organisational policy development.
- Six Inclusion Champions have been trained to lead Action Learning Sets.

- There have been ongoing communications about this programme and our wider work on Equality and Diversity through a range of channels like Staff Headlines, Google Communities, Show and Tells, training and Managers' Forums;

Policy and process change

- Equality Works were engaged to act as critical friends during the recruitment of two group directors and the new Chief Executive.
- Inclusion champions were involved in the recruitment of a number of senior directors and Chief Executive.
- A collaborative and co-produced approach was taken to review the bullying and harassment policy and the grievance policy with staff from across the council, representatives from staff-led forums, the unions and HR. New policies around bullying, microaggressions and harassment and grievance resolution have been launched.
- Over 200 staff attended seven workshops to discuss the impact of the Council's Hybrid working arrangements with colleagues from a range of protected groups e.g. disability, sexual orientation, ethnic background, gender.
- Candidate applications are now anonymised as standard practice.

Service-specific change

- We have been working with Directors to look at developing workforce diversity action plans that are specific to their area and for this to be embedded within their service delivery plans. HR have released a new scorecard on the workforce profile. Strategic Delivery have completed a short [analysis](#) that can be used by Directors to guide their actions.
- Diversity and inclusion are now embedded into staff surveys and pulse surveys so that there is always data around this area (for instance the recent wellbeing survey).

Best practice and shared approaches

- The council has been convening a number of discussions with partners across the borough to discuss how approaches to inclusive leadership can be shared, including resources and joining up opportunities (partners include health, education, voluntary and community sector, private business).
- The strategic delivery and policy team have also been sharing our approach through a range of forums and have been approached by different local authorities to share our resources and learning:
 - We wrote an article for [Apolitical](#) (a digital platform highlighting best practice for public servants across the world)
 - A [Case study](#) on inclusive leadership, based on Hackney's experience, is featured on the LGA website.
 - We have been approached by Cardiff County Council, Gloucestershire, Tower Hamlets and Islington, Hammersmith

- and Fulham and numerous others to share our approach and resources.
- Hackney also contributes to discussions at the Chief Executive London Council's (CELC) tackling racial inequality working groups and Westminster's pan-London forum for ethnically diverse staff. We are leading the development of a consistent approach to inclusive leadership for London through the CELC work. We are also playing a key role in the Transforming Leadership working group and co-chairing a group developing a shared commitment statement for all London Councils to adopt.

What are the planned next steps:

The Council has agreed a Workforce Development Strategy and a number of initiatives are planned to support its implementation, namely:

- A Training Needs Analysis is currently being undertaken by Organisational Development. Managers are being encouraged to discuss training needs with staff during Check-ins and submit the results. The results will be used to inform future learning and organisational development activity across the Council;
- The Organisational Development team is looking at ways of supporting the management of Hybrid working - this may involve some training, advice from a dedicated staff member and action learning sessions;
- A Managers academy covering the entire employee journey (including modules on Inclusive Leadership and Cultural Humility) was launched in October, starting with new managers.
- An AMBIT session was held with managers from across the system in November to bring together the different approaches to training and learning to help inform future approaches;
- We propose continuing to offer the Inclusive Leadership and Cultural Humility training to managers in the Council and beyond as long as there is demand;
- We plan to offer managers who have completed the Inclusive Leadership and Cultural Humility training the opportunity to participate in Action Learning Sets where they can practice applying the learning to practical scenarios;
- We have offered Peer Support sessions for staff within:
 - Children and Families;
 - Managers across the Council
 - Staff across the Council.
 - This will be piloted with staff who have experienced racialised trauma in the first instance.
- We provide regular updates to staff about where we are with our measures of success.

Priorities for the coming year

In the coming year we want to ensure that inclusive leadership remains at the front of people's minds as we move to hybrid working. We need to do more to promote diverse recruitment and career progression by ensuring that the way roles are designed, advertised and recruited to, is fair. We want to ensure that each directorate has clear plans in place to ensure they become more inclusive and diverse.

We want to improve support to our staff networks, enable colleagues to raise concerns safely and develop mentoring and coaching opportunities available to staff. In view of the outcome of the recent staff survey, we need to ensure managers fully understand how to recruit and support disabled staff. We also need to improve the profile of disabled staff within the organisation.

Sustainability and climate change

6.3 N/A

Consultations

6.4 N/A

Risk assessment

6.5 N/A

7. Comments of the Group Director of Finance and Corporate Resources.

- 7.1. Activities proposed in the Action Plan (workstreams 1 - 5) will be funded from the existing service revenue budget. Any consequent proposals which have financial implications will be brought back to Councillors.

8. VAT implications on land and property transactions

- 8.1. None

9. Comments of the Director of Legal, Democratic and Electoral Services

- 9.1. In line with Article 5.2 of the Councils constitution, Cabinet has the authority to carry out all of the Council's functions which are not the responsibility of any other part of the Council.
- 9.2. The Equality Act 2010 imposes an obligation on employers to publish information relating to the gender pay gap in their organisation. This report contains information relating to that obligation and is produced for the benefit and consideration of cabinet.

Appendices

[Appendix 1 - Gender Pay Gap](#)

[Appendix 2 - Ethnicity Pay Gap](#)

Exempt

N/A

Background documents

None

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Appendix 1 - Gender Pay Gap Table

Gender Pay Gap Reporting 2022						
Statutory Part of the Template Data That Must be Provided Under the Equalities Act			Extra Data for Local Collection by London Councils For Local Benchmarking			
Pay Rates	Gender Pay Gap The difference between Female and Male pay as a percentage of Male pay <i>A minus % means Female employees have higher pay, a positive % means Male employees have higher pay</i>		Gender Pay Gap Female pay as a percentage of Male pay	Hourly Rate Female	Hourly Rate Male	Difference £
Mean Hourly Rate (Male Hourly Rate - Female Hourly Rate) / Male Hourly Rate x 100			-0.98%	£ 20.68	£ 20.48	-£ 0.20
Median Hourly Rate As Above Calculation but for Median Hourly Rates			0.00%	£ 19.49	£ 19.49	£ -

Pay Quartile Information			
Pay Quartiles	Female	Male	Total
Proportion of Female and Male in the Upper Quartile Paid Above the 75th Percentile Point	53.42%	46.58%	100.00%
Proportion of Female and Male in The Upper Middle Quartile Paid Above the Median and at or Below the 75th Percentile Point	57.02%	42.98%	100.00%
Proportion of Female and Male in the Lower Middle Quartile Paid Above the 25th Percentile Point and at or Below the Median	58.25%	41.75%	100.00%
Proportion of Female and Male in the Lower Quartile Paid Below the 25th Percentile Point	50.44%	49.56%	100.00%

Workforce Composition		
Female Headcount	Male Headcount	Total Headcount
609	531	1,140
650	490	1,140
664	476	1,140
575	565	1,140
2,498	2,062	4,560

Bonus Pay	Bonus Gender Pay Gap The difference between Female bonus and Male bonus as a % of Male bonus
Mean bonus	37.98%
Median bonus	43.29%
Bonuses Paid	
Female Paid Bonus as % of All Females	0.20%
Male Paid Bonus as % of All Males	7.32%

Bonus Gender Pay Gap Female bonus as a % of Male bonus	Bonus Pay Female	Bonus Pay Male	Difference £
62.02%	£ 6,510.74	£ 10,497.39	£ 3,986.65
56.71%	£ 7,368.81	£ 12,994.32	£ 5,625.51

Appendix 2 - Ethnicity Pay Gap Table

Ethnicity Pay Gap Reporting 2022							
Pay Rates	Ethnicity Pay Gap The difference between Black and Global Majority employees pay and White employees pay as a percentage of White employees pay <i>A minus % means Black and Global Majority employees have higher pay, a positive % means White employees have higher pay</i>			Ethnicity Pay Gap Black and Global Majority employees pay as a percentage of White employees pay	Hourly Rate Black and Global Majority Employees	Hourly Rate White Employees	Difference £
Mean Hourly Rate (White Hourly Rate - Black and Global Majority Hourly Rate) / White Hourly Rate x 100	14.19%			85.81%	£ 19.39	£ 22.60	£ 3.21
Median Hourly Rate As Above Calculation but for Median Hourly Rates	15.15%			84.85%	£ 18.15	£ 21.39	£ 3.24
Pay Quartile Information				Workforce Composition			
Pay Quartiles	Black and Global Majority	White	Total	Black and Global Majority Headcount	White Headcount	Total Headcount	
Proportion of Black and Global Majority and White Employees in the Upper Quartile Paid Above the 75th Percentile Point	38.58%	61.42%	100.00%	409	651	1,060	
Proportion of Black and Global Majority and White Employees in The Upper Middle Quartile Paid Above the Median and at or Below the 75th Percentile Point	56.32%	43.68%	100.00%	597	463	1,060	
Proportion of Black and Global Majority and White Employees in the Lower Middle Quartile Paid Above the 25th Percentile Point and at or Below the Median	66.04%	33.96%	100.00%	700	360	1,060	
Proportion of Black and Global Majority and White Employees in the Lower Quartile Paid Below the 25th Percentile Point	65.94%	34.06%	100.00%	699	361	1,060	
				2,405	1,835	4,240	
Bonus Pay	Bonus Ethnicity Pay Gap The difference between Black and Global Majority employees bonus and White employees bonus as a % of White employees bonus			Bonus Ethnicity Pay Gap Black and Global Majority employees bonus as a % of White employees bonus	Bonus Pay Black and Global Majority Employees	Bonus Pay White Employees	Difference £
Mean Bonus	11.37%			88.63%	£ 9,750.11	£ 11,001.18	£ 1,251.07
Median Bonus	19.18%			80.82%	£ 11,461.09	£ 14,180.25	£ 2,719.16
Bonuses Paid							
Black and Global Majority Paid Bonus as % of All Black and Global Majority	2.87%						
White Paid Bonus as % of All White Staff	4.52%						
Black and Global Majority includes employees ethnicity classifications in the following categories (taken from the 2001 Census): Asian/Asian British (inc Chinese), Black/Black British, Mixed/Multiple Heritage and Other Ethnic Group (ie: all other categories than that of White British and White Other). For calculation purposes employees whose ethnicity is Not Known or have indicated they Prefer Not To Say have been excluded.							