

# Combined Pay Gap Report 2022

City of Wolverhampton Council

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## Combined pay gap report summary

### Equality monitoring at City of Wolverhampton Council

City of Wolverhampton Council (CWC) are committed to continuous monitoring of workforce equality to identify areas for improvement and enhance the diversity of the workforce in a way that benefits all employees and the city it serves. The council publishes an annual workforce equality monitoring report including details on recruitment, promotions, turnover and reasons for leaving, pay and grading, disciplinary and grievance cases in addition to the overall workforce profile according to protected characteristics.

The introduction of a suite of key performance indicators relating to workforce equality, diversity and inclusion aims to increase transparency, enhance knowledge on trends and patterns and monitor the impact of any actions taken to resolve them. As part of these indicators, the Council will report regularly on the workforce diversity profile compared to that recorded in the city population, provide a similar comparison relating to senior roles, and explore the impact of recruitment and turnover trends.

The regular publication of these details highlights the commitment of the organisation to transparency when it comes to matters of equality, diversity and inclusion and ensures accountability for taking actions to address issues. Pay gap reporting especially can help to focus targeted action on diversity and inclusion and allow for exploration of the opportunities presented and barriers to these opportunities faced by employees from minority groups when it comes to sex, ethnicity, disability status or sexual orientation. By producing an annual, direct comparison of the pay of employees from different groups the organisation can increase understanding of the issues faced by employees and enable appropriate actions to be identified, implemented, and regularly evaluated.

### Pay gap reporting at City of Wolverhampton Council

Gender pay gap reporting was introduced as a statutory requirement in 2017 and all employers with 250 or more employees are required to publish mean and median gender pay gaps in addition to details on the gender profile of the workforce by pay quartile. City of Wolverhampton Council has been producing a gender pay gap report since 2015, which has enabled the introduction of measures to reduce the mean gender pay gap from 9.43% to 4% and the median gender pay gap from 6.27% to 1.18% over that time period. Due to the success of actions taken to reduce the gender pay gap, CWC began reporting on the ethnicity pay gap in 2020 despite there being no statutory requirement to do so. Whilst still in the early years of producing this information, this has so far enabled identification of various areas impacting the ethnicity pay gap, including employee turnover, an increase in new starters from ethnic minority groups and the lower average pay of those new to the organisation (due to commencement at minimum point of advantage on a salary grade with local pay points), as well as the impact of training programmes, mentoring schemes and apprenticeships.

In addition to the above, CWC have also started to analyse and monitor the pay of employees from other minority groups, including employees that have confirmed they have a disability or employees who are LGB+. This report focuses on pay gap reporting for ethnicity, disability and sexual orientation and summarises the identified patterns and measures taken so far alongside proposed further actions.

The council's gender pay gap report and annual equality monitoring report can be found [here](#).

### Pay gap report datasets

As cited in the requirements of gender pay gap reporting, only employees who are considered full-pay relevant are included in the analysis. Any employee who is not paid their usual full basic salary during the pay period considered (i.e. those on maternity, paternity, adoption or parental leave or sick leave resulting in amended pay or is paid less than their basic salary for reasons other than leave) are excluded from pay gap analysis. In addition to this group, any employee who left the workforce prior to the snapshot date and all agency employees are also excluded.

City of Wolverhampton Council employed a workforce of 4522 people throughout the financial year of 2021-2022, of whom 3559 remained employed and full-pay relevant as of the snapshot date of 31 March 2022. For each individual analysis, employees who did not record details of the protected characteristic being reported were also excluded from the analysis, as were those employed by schools.

For the purpose of highlighting workforce trends and patterns across the financial year of 2021-2022, an additional full dataset of all those employed during this time has been used throughout the report and is labelled accordingly. This includes analysis of starters and leavers over the year who may not have been included in the pay gap dataset, but where these exclusions may have impacted on the change in pay gap detailed from the previous year and therefore help us to understand where changes may have arisen.

## Ethnicity pay gap report 2021-2022

### Introduction and background

There is currently no statutory requirement to produce an ethnicity pay gap report. For this reason, the guidance for gender pay gap reporting has been applied to produce an equivalent summary relating to the ethnicity pay gap at City of Wolverhampton Council for the snapshot date of 31 March 2022. The Council has utilised its 'inclusive language' guide to write the ethnicity pay gap report, which is based on the UK Governments preferred style of writing about ethnicity as published in 2021. These guidelines specified that people from white ethnic groups not reported as 'white – British' (i.e., 'white – other') should be included in reporting figures relating to ethnic minority groups unless the excluded groups are stated. Appendix 1 shows the ethnicity groupings used in this report.

Of the 3559 full-pay relevant employees as of 31 March 2022, 3249 had reported their ethnicity and were therefore included in the ethnicity pay gap analysis.

### Ethnicity profile at City of Wolverhampton Council

The ethnicity profile of the workforce has changed in recent years, with an increase by 3.4 percentage points in the proportion of employees from ethnic minority groups since the 2019-2020 financial year (table 1). This translated to a 3.7 percentage point increase in the proportion of full-pay relevant employees from ethnic minority groups included in the pay gap report (table.2).

Employees	Workforce 2019-2020		Workforce 2020-2021		Workforce 2021-2022		Change (% point)
Ethnic minority groups	1128	24.8%	1111	25.6%	1220	27%	+2.2
White (other)	164	3.6%	187	4.3%	217	4.8%	+1.2
White (British)	2742	60.4%	2578	59.3%	2616	57.9%	-2.5
Not recorded*	508	11.2%	468	10.8%	469	10.4%	-0.8
Total	4542		4344		4522		

Table.1 Full City of Wolverhampton Council workforce by ethnic group and full financial year

Employees	Pay gap report 2020		Pay gap report 2021		Pay gap report 2022		Change (% point)
Ethnic minority groups	965	25.0%	954	25.9%	980	27.5%	+2.5
White (other)	138	3.6%	166	4.5%	170	4.8%	+1.2
White (British)	2349	60.9%	2208	60.0%	2099	59%	-1.9
Not recorded*	405	10.5%	350	9.5%	310	8.7%	-1.8
Total	3857		3678		3559		

Table.2 Full-pay relevant workforce included in pay gap reports by ethnic group and snapshot date

Some of the increase in the diversity of the workforce ethnicity profile can be explained by recruitment data for the 2021-2022 reporting year. This shows an increase in the hiring success rate of candidates from ethnic minority groups from 3.7% (consistent both when including or excluding candidates from white minority groups) in the previous year to 6.7% in 2021-2022. The proportion of new starters from ethnic minority groups has increased by 7.6 percentage points from 35.9% of all new starters in 2019-2020 to 43.5% of all new starters in 2021-2022. In all three of the financial years reported, employees from ethnic minority groups have made up a higher proportion of new starters than of the existing workforce (31.8% in 2021-2022).

Ethnic group	2019-2020		2020-2021		2021-2022	
White (British)	202	43.4%	140	45.3%	245	48.0%
Ethnic minority groups	167	35.9%	140	45.3%	222	43.5%
Not recorded	96	20.6%	29	9.4%	43	8.4%
Total	465		309		510	

*Table.3 Full workforce new starters by financial year and ethnic group*

This follows the introduction of improved vacancy advertising to increase the diversity of applicants, including working with local community groups to attract diverse candidates. The WVJobs website was also launched providing valuable information to those seeking employment on the organisation values and goals and employee benefits. In addition to this, the requirement to ensure that recruitment panels are diverse (with ethnicity and gender as a minimum) was written into council policy in 2021.

In addition to the recruitment drive, the City of Wolverhampton Council HR service and Equality Diversity and Inclusion team have been working closely together to identify opportunities to encourage employees and new starters to report their ethnicity alongside other protected characteristics. With ethnicity details recorded for 89.6% of the full workforce in 2021-2022 (and 91.3% of those included in the pay gap analysis) there has already been some progress in reporting rates in recent years, from 88.8% in 2019-2020.

The remaining increase in the proportion of the workforce from ethnic minority groups can be explained by the inclusion of white ethnic minority groups in the ethnic minority group category, following the release of government guidance on writing about ethnicity in 2021. For the full year, 217 employees recorded their ethnicity as 'white – other', of whom 170 were included in the pay gap analysis in the ethnic minority groups category, who would have previously been counted in the white category.

While the overall ethnicity profile of the workforce has increased in diversity in recent years, there is some variation between ethnic groups. Alongside the proportion of the workforce made up of white (British) employees decreasing, there has been an increase in the proportion of the workforce made up of employees from black ethnic

groups and mixed heritage groups. The overall number employees from Asian ethnic groups has remained stable, with an increase of one from 5 years previously.

Once non-full pay employees and those who did not report their ethnicity have been excluded, the overall ethnicity profile of the remaining employees is similar to the overall workforce profile. The proportion of employees included in the pay gap report who were white (British) was slightly higher (at 64.6%) than the overall workforce proportion (57.3%), as was the proportion of employees from Asian ethnic groups who made up 16.71% of those included in the pay gap report but only 14.9% of the full workforce for the year. A higher proportion of those included in the pay gap report were black at 9.51% compared to the full workforce for the year (8.6%), and the remaining groups made up similar proportions as in the workforce as a whole.

Of those included in the ethnicity pay gap report, employees from 'other' ethnic groups made up the smallest proportion at 0.62%, with just 20 included employees in this group. For this reason, pay quartile analysis has not been included for this group.

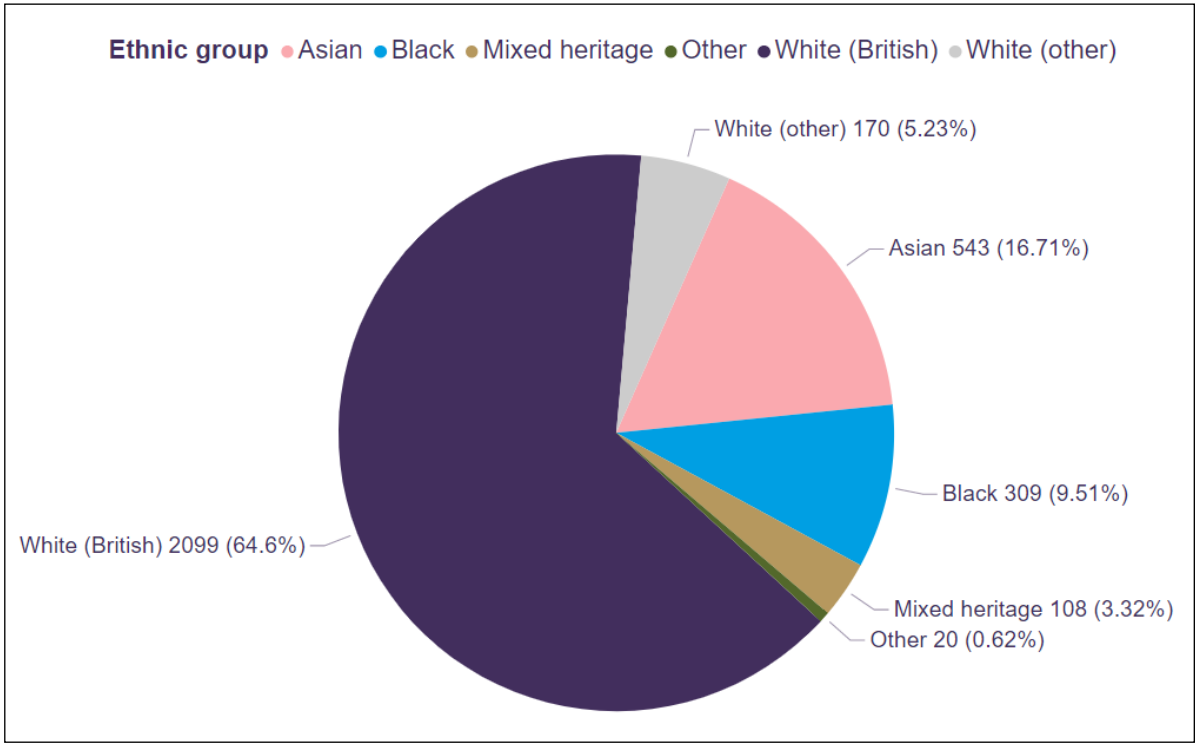


Fig.1 Number of employees included in the pay gap analysis by ethnic group

More employees have been included in this latest pay gap report primarily because there has been an increase in employees reporting their ethnicity since 2020.

Employees	Pay gap report 2020		Pay gap report 2021		Pay gap report 2022		Change (% point)
Asian groups	540	14.01%	542	↑ 16.29%	543	↑ 16.71%	+2.7
Black groups	314	8.15%	290	↑ 8.71%	309	↑ 9.51%	+1.36
Mixed heritage	98	2.54%	103	↑ 3.09%	108	↑ 3.32%	+0.78
Other	13	0.34%	19	↑ 0.57%	20	↑ 0.62%	+0.28
White (British)	2349	60.95%	2208	↑ 66.35%	2099	↓ 64.6%	+3.65
White (other)	138	3.29%	166	↑ 4.99%	170	↑ 5.23%	+1.94
Not recorded*	402	10.43%	350	↓ 9.5%	310	↓ 8.7%	-1.73
Total	3854		3678		3559		

Table.4 Full pay relevant workforce included in pay gap reports by ethnic group and snapshot date

## Ethnicity pay gap at City of Wolverhampton Council

### Median and Mean ethnicity pay gap combined

The Office for National Statistics (ONS) defines ethnicity pay gaps as ‘The difference between the median hourly earnings of the reference group (white or white British) and other ethnic groups as a proportion of the average hourly earnings of the reference group’. The mean and median ethnicity pay gaps are expressed as a percentage of the white (British) employee pay and will therefore show as a negative figure where employees from ethnic minority groups earn more than white (British) employees.

City of Wolverhampton Council’s workforce covers a diverse range of service areas rather than a single sector. Grades for each role vary based on level of responsibility and therefore there is a wide range of salary scales to reflect this. The median pay gap is often prioritised for reporting as this shows the situation closest to the typical earner and is less sensitive to the presence of outliers (extremely high or low earners at either end of the pay scale).

The **median** ethnicity pay gap for 2022 remained at 0.0%, with a median hourly rate of £14.26 for both groups:

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022
Ethnic minority groups**	£13.64	£14.02	£14.26**
White*	£13.64*	£14.02*	£14.26
All employees	£13.64	£14.02	£14.26
Pay gap	0.00%	0.00%	0.00%

\*Includes white minority groups for 2020 and 2021 \*\*Includes white minority groups for 2022

Table.5 Median hourly pay by ethnic group and median ethnicity pay gap at CWC from 2020-2022

The median ethnicity pay gap has been stable at 0.0% for each of the three reporting years, which suggests that the distribution of employees between the highest and



lowest paid half of the workforce is similar in both groups.

Whilst the median pay gap identifies the typical situation for an employee at CWC, the mean calculation includes all rates of pay and can therefore provide further information by identifying specific issues such as lower proportion of some groups in higher paid roles within each of the higher and lower paid halves of the workforce.

The **mean** pay gap at CWC for 2022 was 6.69% and has increased by 1.98 percentage points from the previous year:

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022
Ethnic minority groups**	£14.67	£15.38	£15.61**
White*	£15.46*	£16.14*	£16.73
All employees	£15.15	£15.87	£16.29
Pay gap	5.13%	4.71%	6.69%

\*Includes white minority groups for 2020 and 2021 \*\*Includes white minority groups for 2022

Table.6 Mean hourly pay by ethnic group and mean ethnicity pay gap at CWC from 2020-2022

As the median pay gap is 0%, this indicates that the mean pay gap is being influenced by employees at the extreme ends of the pay scale, i.e. the highest earners and lowest earners (such as apprentices). As the median hourly rate is smaller than the mean hourly rate for all groups, it is likely that the mean rate is being influenced by a small number of higher earners in both ethnic groups reported. The existence of a persistent mean ethnicity pay gap suggests that this impact is much larger amongst employees who are white (British) than amongst employees from ethnic minority groups, and the gap can be explained by this group of higher earners.

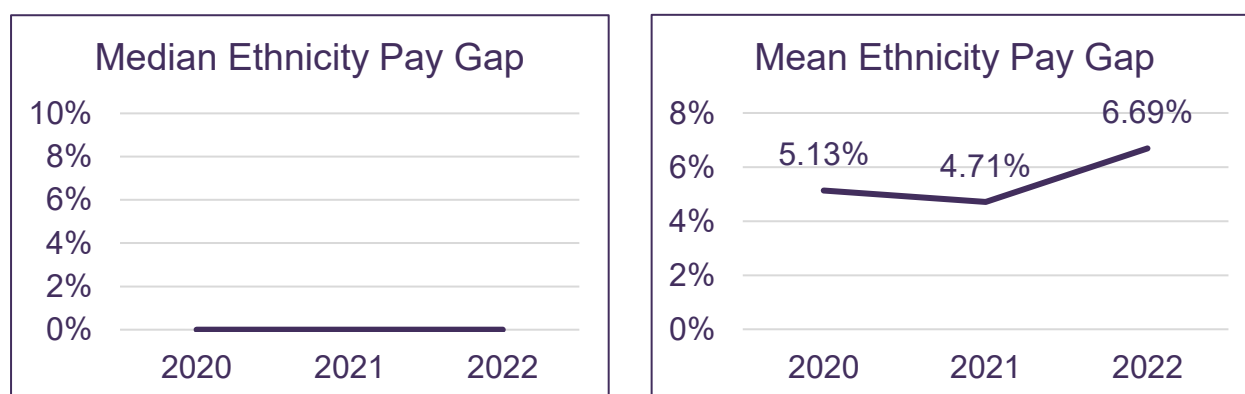


Fig.2 Mean and median ethnicity pay gap from 2020-2022

### Median and Mean ethnicity pay gaps by aggregated ethnic groups

The overall pay profile of the workforce by ethnic group remains similar to that seen in previous years, with the highest mean hourly rate amongst employees from 'other' ethnic groups, followed by those from white (British) ethnic groups. The median pay is slightly higher for employees from black ethnic groups than the overall median.

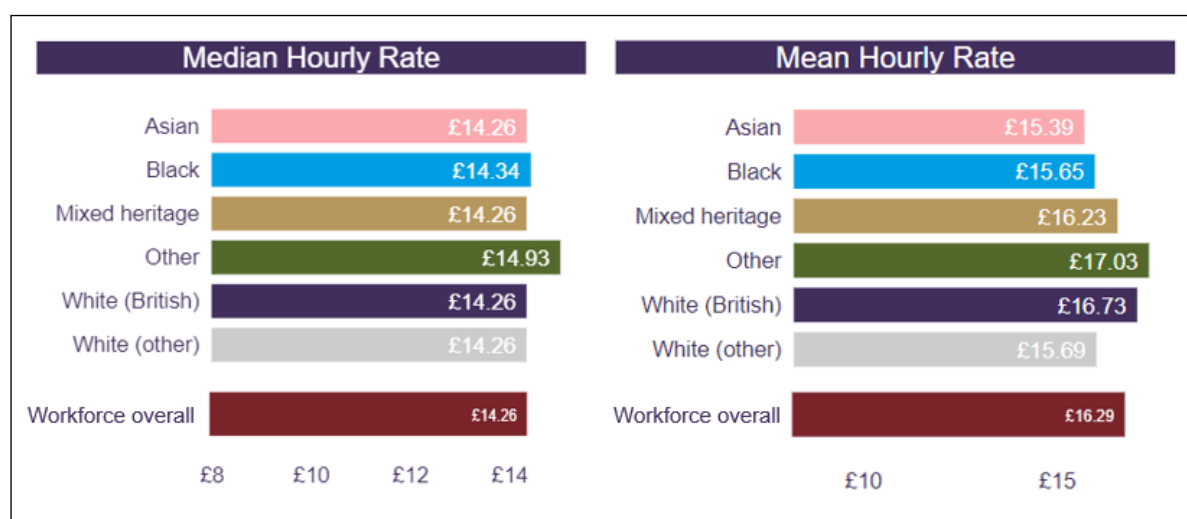


Fig.3 Median and Mean hourly rate by ethnic group (2022)

The pay gap analysis has also been completed for the groups Asian, black, mixed heritage, white (other) and 'other' ethnic groups with the white (British) ethnic group used as the reference group for comparison. In addition to this, details have also been provided of the pay gap with each ethnic group used as the reference group to identify patterns between groups.

When using the white (British) group as the reference, the **median** ethnicity pay gap for 2022 remained at 0.0% for all ethnic groups other than black ethnic groups and 'other' ethnic groups. There is a negative median pay gap relating to black ethnic groups, indicating that the typical black employee earns slightly more (8p per hour) than the typical white (British) employee, consistent with the trend identified in the previous year. There was a larger negative pay gap relating to employees from 'other' ethnic groups, who earned 67p per hour more than the reference group (white British), however as this group includes only 20 people the median can be impacted by a small number of employees. Of those from 'other' ethnic groups, 12 earned above the overall median and 8 earned below it, so the median for this group is being influenced by just 4 employees.

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022	Median Pay gap 2022	
Asian	£12.85	£14.02	£14.26	£0.00	0%
Black	£13.64	£14.72	£14.34	£0.08	-0.56%
Mixed	£13.64	£14.02	£14.26	£0.00	0%
Other groups	£11.88	£15.33	£14.93	£0.67	-4.70%
White (British)	£13.64	£14.02	£14.26	Reference	
White (other)	£13.64	£14.02	£14.26	£0.00	0%
All employees	£13.64	£14.02	£14.26	N/A	

Table.7 Median hourly pay by ethnic group and median ethnicity pay gap at CWC from 2020-2022

The median pay of the workforce overall has consistently been equivalent to the

highest pay point in the NJC pay grade 5, which is also one of the most common pay grades across the workforce, with 1215 employees (25.94%) in positions at this pay grade during 2021-2022. For this reason, the overall median would require a change in positions across a large number of employees in order to change from this point. The only ethnic groups with median hourly rates varying from this pay point are those from black ethnic groups and other ethnic groups.

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022	Mean Pay gap 2022	
Asian	£14.30	£14.95	£15.39	£1.34	8.00%
Black	£14.90	£15.65	£15.65	£1.08	6.46%
Mixed heritage	£16.11	£16.61	£16.23	£0.50	3.00%
Other	£13.31	£16.75	£17.03	£0.30	-1.79%
White (British)	£15.48	£16.19	£16.73	Reference	
White (other)	£15.22	£15.40	£15.69	£1.04	6.22%
All employees	£15.15	£15.87	£16.29	N/A	

*Table.8 Mean hourly pay by ethnic group and mean ethnicity pay gap at CWC from 2020-2022*

Although the median hourly rate for employees from black ethnic groups was higher than the overall median and the median for the white (British) reference group, this is not true for the mean hourly rate. The **mean** hourly rate for employees from black ethnic groups was £1.08 less than the mean rate for white (British) employees. This suggests that although the distribution of employees from black ethnic groups is similar between the highest and lowest paid employees as for the white (British) group, the mean pay remains lower due to a small number of white (British) employees at the highest end of the pay scale skewing the mean upwards for this group.

The mean pay is also lower for employees from Asian ethnic groups, mixed heritage groups and white (other) groups than it is for the white (British) reference group. As the median hourly rate for all these groups is the same as the reference group median, it can be concluded that the difference in the mean pay for these groups is also caused by a number of white (British) employees at the highest end of the pay scale.

The only group with a higher hourly rate than the reference group for both the mean and the median is the 'other' ethnic group. This is a small group made up of only 20 people and so is influenced more than other groups by those employees in positions in the highest pay grades, where there are fewer posts overall but a bigger difference between hourly pay by each pay point than in lower pay grades.

Reference group	Asian	Black	Mixed heritage	Other	White (British)	White (other)
Asian	ref					
Black	0.56%	ref				
Mixed heritage	0%	-0.56%	ref			
Other	4.49%	3.95%	4.49%	ref		
White (British)	0%	-0.56%	0%	-4.70%	ref	0%
White (other)	0%	-0.56%	0%	-4.70%	0%	ref

Table.9 Median 2022 pay gap by ethnic group

The median pay for 'other' ethnic group is highest, and there is a positive pay gap against all groups when using this group as the reference group. There is also a positive median pay gap against all remaining groups for employees from black ethnic groups, for whom the median pay is higher than the rest of the workforce.

Reference group	Asian	Black	Mixed heritage	Other	White (British)	White (other)
Asian	ref					
Black	1.66%	ref				
Mixed heritage	5.18%	3.57%	ref			
Other	9.63%	8.10%	4.70%	ref		
White (British)	8.00%	6.46%	3.00%	-1.79%	ref	
White (other)	1.91%	0.25%	-3.44%	-8.54%	-6.63%	ref

Table.10 Mean 2022 pay gap by ethnic group

### Mean pay patterns compared to Asian ethnic groups

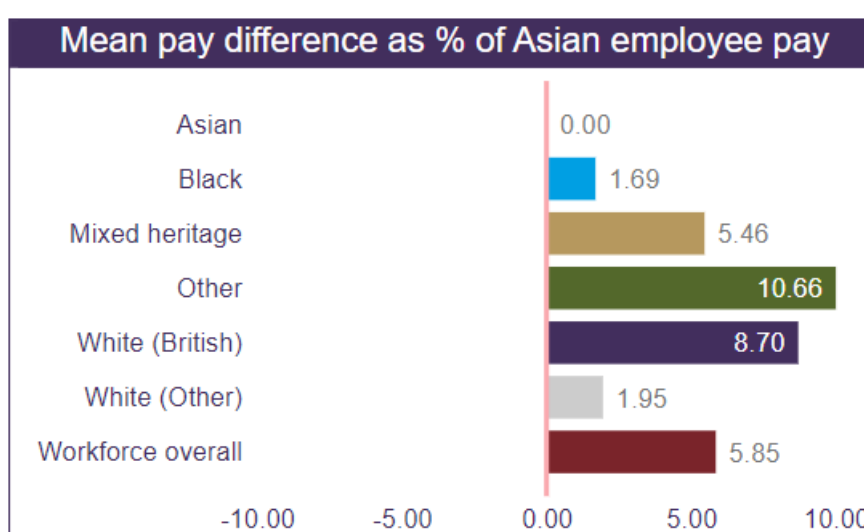


Fig.4 Mean pay difference as a percentage of Asian employee mean pay

The mean pay of Asian employees is lower than all other groups, with a pay difference ranging from 1.69% more for employees from black ethnic groups to 10.66% more for employees from other ethnic groups. If using Asian employees as the reference group, this would translate as a negative pay gap for all other groups. When comparing the pay of Asian employees to those from black or ‘other’ ethnic groups the mean pay gap is larger than the median gap, suggesting that the main reason for these gaps is that there are fewer employees from Asian groups in the highest end of the pay scale.

Mean pay patterns compared to black ethnic groups

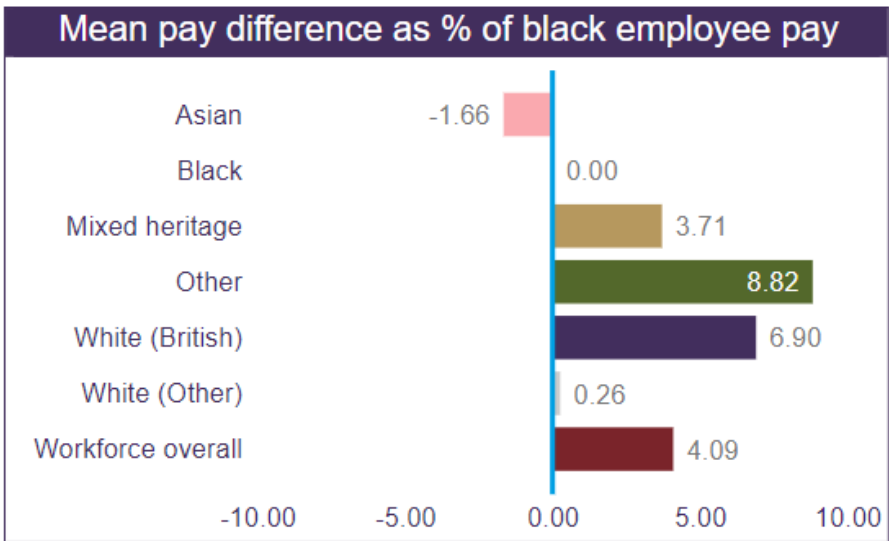


Fig.5 Mean pay difference as a percentage of black employee mean pay

Black employees have a lower mean hourly rate than employees from all other ethnic groups except for those from Asian ethnic groups. As the median pay of black employees is actually higher than all ethnic groups (with the exception of ‘other ethnic groups’), whilst the mean is lower – it can be concluded that this is due to this group being most well represented in the upper middle pay quartile, but without a high enough mean pay in this group to counter the impact of having less representation in the highest (upper) pay quartile.

Mean pay patterns compared to mixed heritage ethnic groups



Fig.6 Mean pay difference as a percentage of mixed heritage employee mean pay

The mean pay of employees from mixed heritage groups is higher than the mean pay for Asian, black and white (other) groups, but lower than the hourly rate of those from ‘other’ ethnic groups or the white (British) group. The mean pay of this group is around midway between the mean pay of those from black ethnic groups and the white (British) group.

Mean pay patterns compared to other ethnic groups

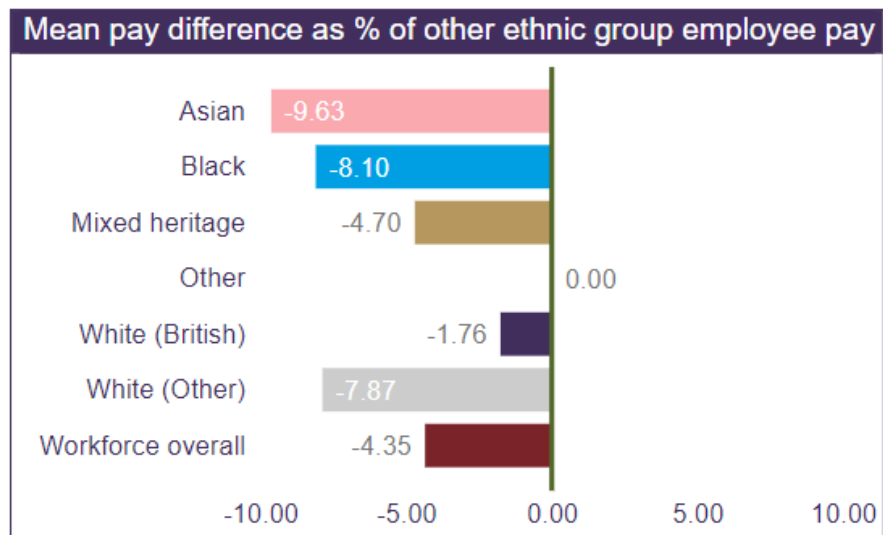


Fig.7 Mean pay difference as a percentage of employees from ‘other’ ethnic groups mean pay

The mean hourly rate of employees from other ethnic groups is the highest amongst the CWC workforce. However this mean is calculated from the pay of only 20 employees in the workforce who were considered full-pay relevant and included in the pay gap calculations. Because of this, the mean for this group is susceptible to fluctuation created by the movement of a very small number of employees. Just two years ago, in 2020, the mean pay of this group (when 13 employees from this group were included) was substantially lower than the average for the full workforce, and it

is likely that this will continue to change year on year.

Mean pay patterns compared to white (British) ethnic groups

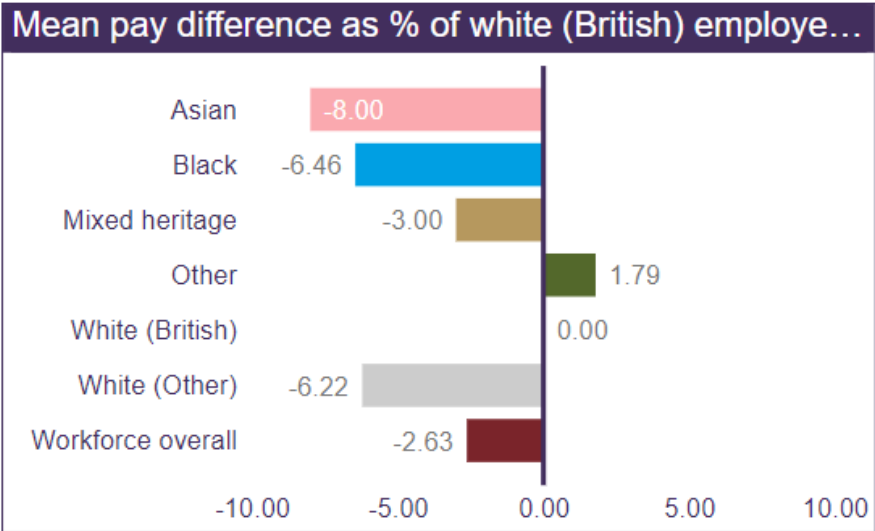


Fig.8 Mean pay difference as a percentage of white (British) employee mean pay

The white (British) group earns more on average than the remaining workforce, with the exception of those from ‘other’ ethnic groups. However, due to the small number of employees included in the ‘other’ ethnic group pay calculation this group should not be considered when assessing trends. When excluding ‘other’ ethnic groups for the reason provided the white (British) group has consistently reported a higher mean hourly rate than any other group throughout the reporting period. This is also the largest ethnic group in the workforce so any change to this pattern is likely to be gradual. The main cause of this pattern is the high proportion of white (British) employees amongst the senior workforce and in the upper pay quartile, where employee turnover is lower than in other pay quartiles, which will also impact the speed in which change will be visible in this pay group.

Mean pay patterns compared to white (other) ethnic groups

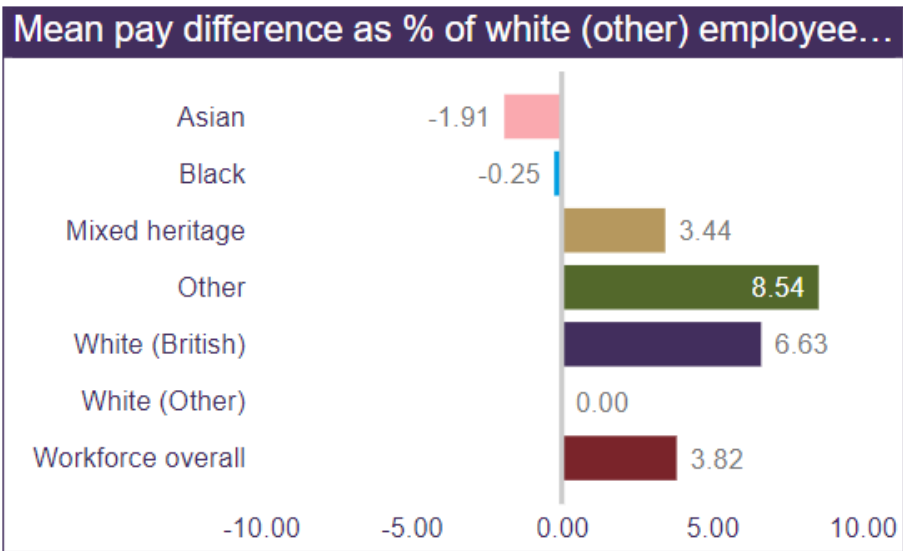


Fig.9 Mean pay difference as a percentage of white (other) employee mean pay

The mean pay of those from white (other) ethnic groups is lower than white (British), ‘other’ ethnic groups and mixed heritage groups. The mean hourly rate is higher than the mean rate for Asian or black employees. Although the mean pay of white (other) employees is higher than the mean pay of black employees, the reverse is true of the median pay for these groups. This is because of the high proportion of black employees in the upper middle pay quartile. There is a relatively small number of employees from white (other) groups amongst the highest paid employees.

Mean pay patterns compared to overall workforce hourly pay

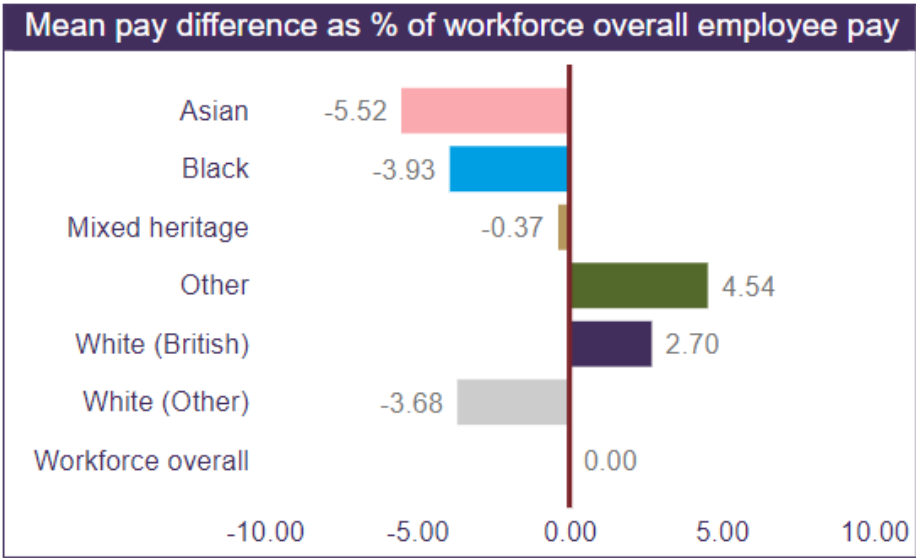


Fig.10 Mean pay difference as a percentage of workforce overall mean pay

The mean hourly rate for the included workforce as a whole is £16.29. The chart above shows the extent of variation of this mean by ethnic group, with the overall rate being increased primarily by the higher mean pay of the large number of white (British) employees. The pay of those from ‘other’ ethnic groups is unlikely to have impacted the overall mean much due to only 20 employees being in this group. With the exception of employees from ‘other’ ethnic groups, all ethnic minority groups have a lower mean hourly rate than the average.

Pay quartiles

Quartile pay bands divide the workforce into four equally sized groups and are used to show the distribution of employees from different groups across the pay scale. This allows an overview of where the concentration of employees from each ethnic group varies most. The national reportable quartile labels for gender pay gap reporting are used here and are lower quartile, lower middle quartile, upper middle quartile, and upper quartile.



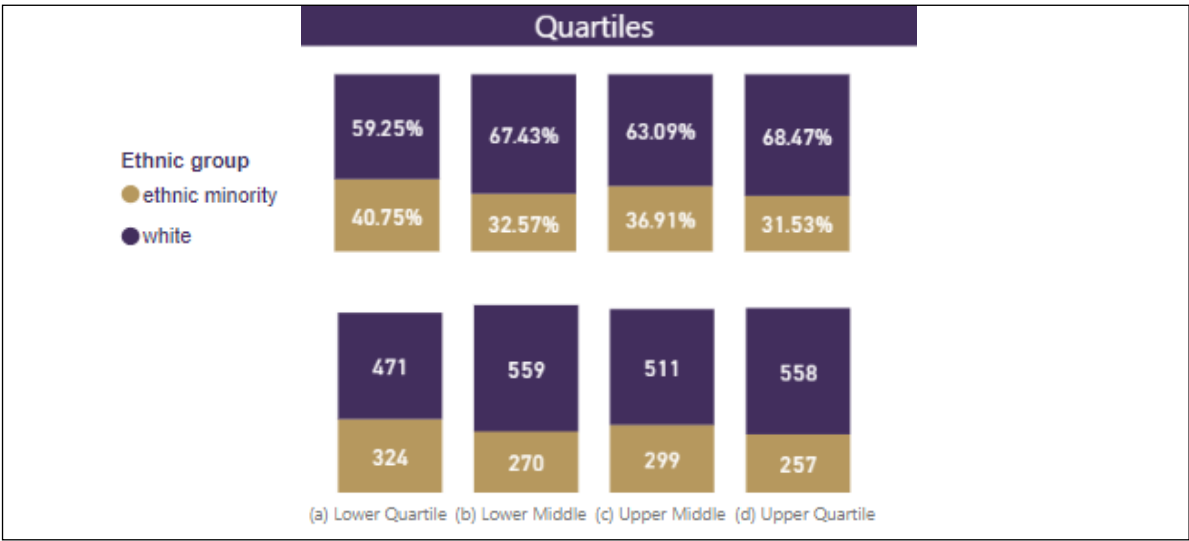


Fig.11 Distribution of employees across quartile pay bands

The chart above shows the distribution of white employees and employees from ethnic minority groups in the four quartiles and highlights that employees from ethnic minority groups are represented in all pay quartiles, but in greater numbers in the lower pay quartile. The quartile with the lowest proportion of employees from ethnic minority groups is the upper quartile, which is consistent with trends shown in previous years.

The proportion of employees from ethnic minority groups has increased in all pay quartiles due to the change in grouping of white minority ethnic groups who were previously included in the pay calculations for white employees. The largest increase in the proportion of employees from ethnic minority groups was in the upper middle quartile, with the smallest increase in the upper pay quartile.

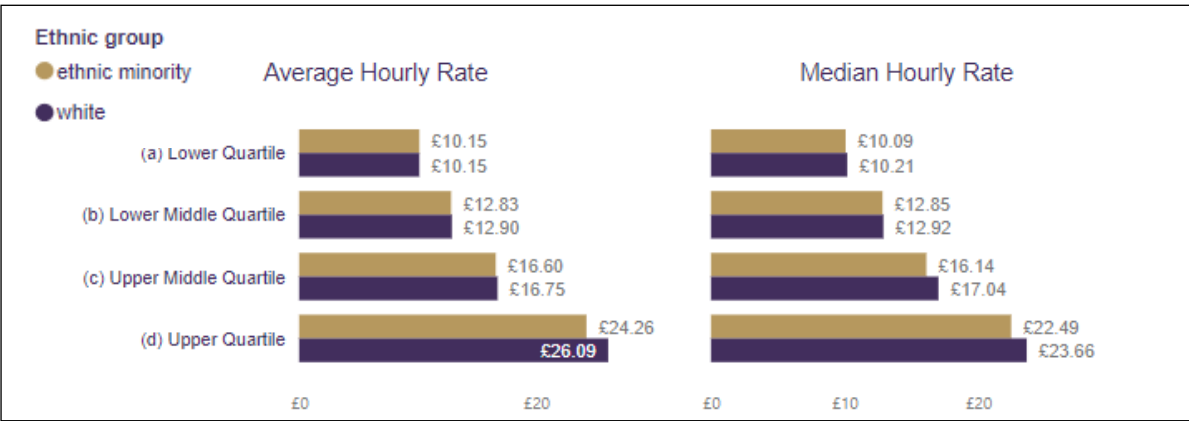


Fig.12 Average and median hourly rate by pay quartile and ethnic group

In addition to the variation in representation of employees from ethnic minority groups by pay quartile, the mean pay of employees within each of these quartiles also varies. Fig.12 shows that whilst employees in the lower pay quartile have an equal mean hourly rate by ethnic group, white (British) employees earn a higher average hourly rate in each of the other three pay quartiles.

Total Workforce 3,249	Approximate pay grades	Ethnic minority groups 1150 (35.4%)		White (British) 2099 (64.6%)		Mean Pay gap
Lower Quartile	App-GR04	40.75%	324	59.25%	471	0.00%
Lower Middle Quartile	GR04-GR05	32.57%	270	67.43%	559	0.54%
Upper Middle Quartile	GR05-GR07	36.91%	299	63.09%	511	0.90%
Upper Quartile	GR07+	31.53%	257	68.47%	558	7.01%

Table.11 Distribution of employees across quartile pay bands including mean pay gap by pay quartile

Since the 2019-2020 financial year, the mean ethnicity pay gap has decreased in the lower pay quartile and the upper middle quartile, however the impact of this is diluted by the increase in the pay gap in both the lower middle quartile and the upper quartile over the three years of reporting. In the most recent year, the mean ethnicity pay gap has increased in both of the highest two pay quartiles and the largest mean pay gap has consistently been evident in the upper pay quartile.

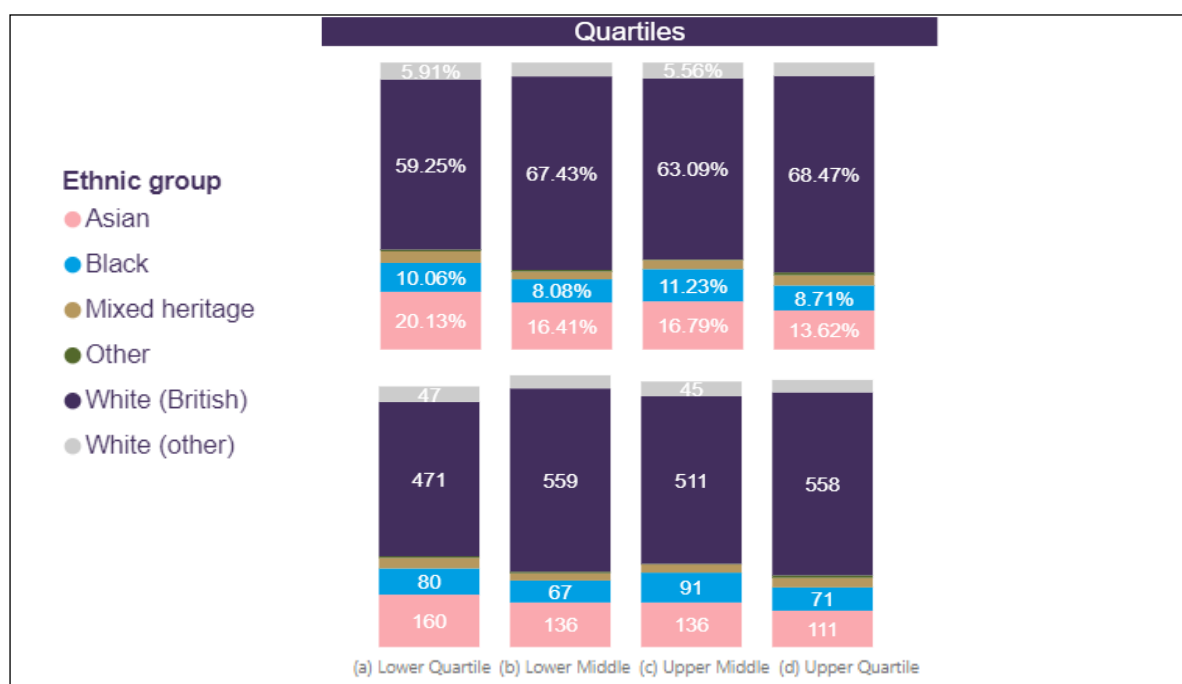


Fig.13 Distribution of employees across quartile pay bands by ethnic group

The chart above shows the distribution of employees by ethnic group across the four pay quartiles (quartiles calculated and split for full-pay relevant workforce including those who did not record their ethnicity). White (British) employees are most likely to be represented in the upper pay quartile (making up 68.47% of this group), while employees from Asian ethnic groups are most likely to be represented in the lower pay quartile (at 20.13% of this group). Out of all the pay quartiles, black employees make up the highest proportion of each of the ethnic minority groups in the upper middle quartile, which is consistent with the previous explanation of why the median pay for this group is higher than other groups despite being the second lowest-paid group by

mean.

Hourly pay distribution

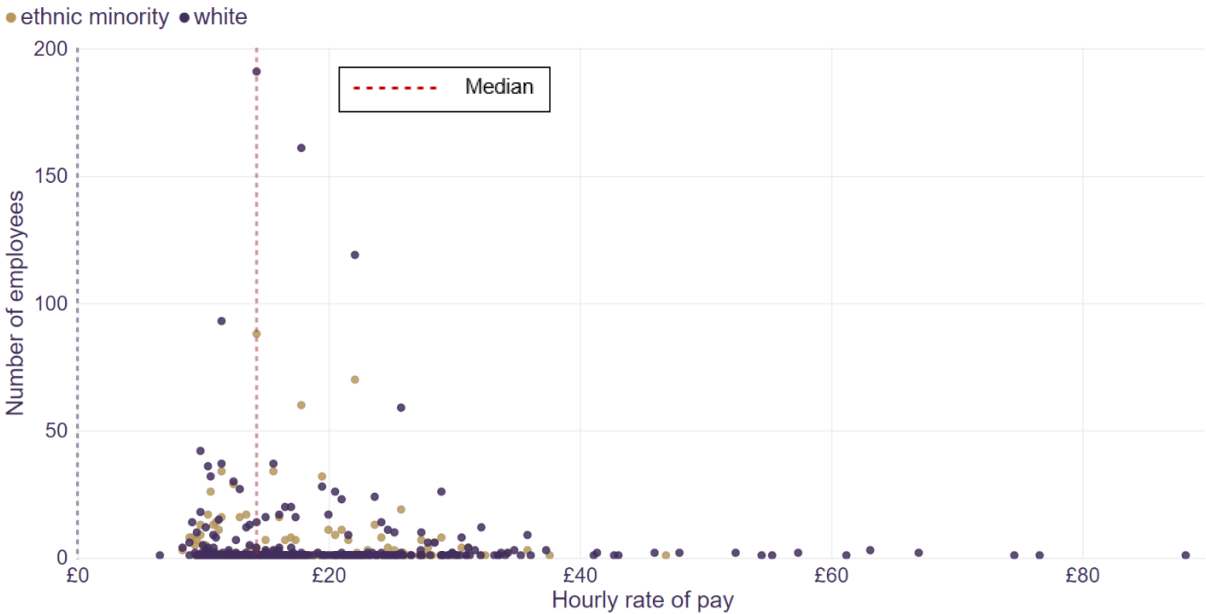


Fig.14 Average and median hourly rate by pay quartile and ethnicity

Figure.14 shows the proportionate distribution of employees above and below the median hourly rate. As there is a much broader range of salaries in the group earning above the median (as indicated by the positioning of the red median line towards the left of the chart), this allows more opportunity for a small number of employees to impact the mean overall.



Fig.15 Average and median hourly rate by pay quartile and aggregated ethnic group

Figure.15 further breaks down the details shown in figure.14 by aggregated ethnic

group. As with the previous chart this highlights the impact of the broader range of salaries in the upper quartile, with fewer employees amongst the highest paid.

## Factors influencing the ethnicity pay gap

### Grouping

In December 2021 the UK government published updated guidance on reporting and writing about ethnicity. Following review of the new guidance it was identified that the previous grouping of employees who reported their ethnicity as 'white – other', or 'white – Irish' for the purposes of ethnicity pay gap reporting should be amended. For the current reporting year these employees have been grouped as 'ethnic minority groups'. Appendix one shows the grouping of each ethnic group used in the pay gap report.

As a result of the above, 170 employees have been included in the analysis of pay for employees from ethnic minority groups who would have been included in the analysis of white employee pay in previous years. This group made up 5.2% of the full-pay relevant workforce on 31 March 2022.

If the pay gap analysis had been conducted using the same groupings as the previous year, the mean pay gap for 31 March 2022 would have been 6.36%. Using the new groupings, the pay gap is 0.33 percentage points higher than it would have been without this change. The amended grouping of employees who identified their ethnicity as 'white – other' or 'white – Irish' accounted for 21.2% of the overall increase in the mean pay gap from the previous year. The mean pay for this group of employees was £15.69 per hour, which was 64p per hour less than the overall mean pay for all employees who reported their ethnicity (£16.33) and £1.04 per hour less than the mean pay for white (British) employees (£16.73).

### Starters

In recent years actions have been introduced around formalising the policy of diverse panels for recruitment and selection, developing our existing workforce through coaching and mentoring, review and removal of barriers and increasing training requirements on unconscious bias and the impact of discrimination. The WVJobs website was also launched to reflect the council as being an equal opportunities employer, including the implementation of changes to job adverts to promote the importance of the council's staff equality forums and welcoming applicants from diverse backgrounds. Improvements have also been made to the reporting options for new starters on protected characteristics and in the processes transferring this information onto the HR system.

The increase in the proportion of new starters from ethnic minority groups recorded since implementing the above changes (from 35.9% of new starters in 2019-2020 to 43.5% of new starters in 2021-2022) is a positive change for the Council and one that should have a long-term impact on workforce diversity and lead to long-term benefits for its employees and for the cause of reducing the reported pay gap. However, the short-term impact of this on the ethnicity pay gap outcome is less likely to be positive as the average contracted pay of new starters is lower than the average pay of the

existing workforce (because new starters commence on the minimum point of advantage on a pay scale), and this is true of both the mean and median hourly rates:

Ethnic group	Total	% of starters	Starters <b>mean</b> hourly rate (contracted)	Full workforce mean hourly rate (contracted)	Starters <b>median</b> hourly rate (contracted)	Full workforce median hourly rate (contracted)
Ethnic minority groups	222	43.53%	£14.00	£15.72	£12.45	£14.30
White (British)	245	48.03%	£14.18	£16.81	£12.35	£15.30
Not recorded	43	8.43%	£17.23		£14.62	
<b>Total</b>	<b>510</b>	<b>100.00%</b>	<b>£14.31</b>	<b>£16.30</b>	<b>£12.45</b>	<b>£15.30</b>

*Table.12 Contracted hourly pay of all new starters in 2021-2022 compared to the contracted hourly pay of the full workforce by ethnic group*

Any increase in the proportion of employees from ethnic minority groups through recruitment is therefore likely to temporarily slow any reduction in the ethnicity pay gap by reducing the average pay of employees from ethnic minority groups.

## Apprentices

City of Wolverhampton Council is committed to developing and enhancing the skills of its residents and workforce through increasing the availability of a variety of training programmes and targeting the delivery of high-quality apprenticeships for local people. The total number of apprentices in the CWC workforce has more than doubled since the 2019-2020 financial year, from 28 to 57.

Apprentices are amongst the lowest paid employees at the Council and apprenticeship positions are included in the pay gap reports within the lower pay quartile. Both the full workforce dataset and the pay gap included dataset show that apprentices also have a proportionately more diverse ethnicity profile than the full workforce:

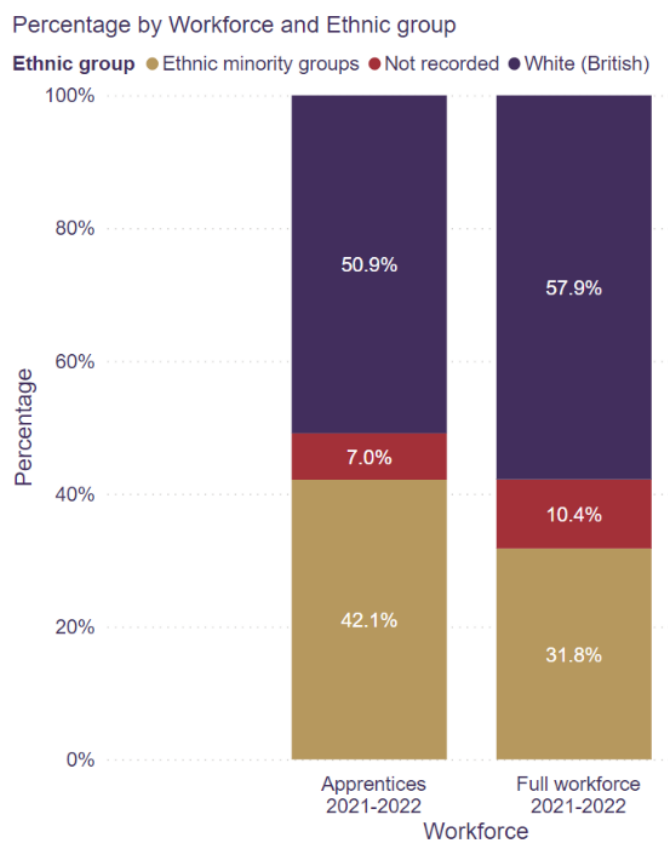


Fig.16 Ethnicity profile of CWC apprentices compared to full workforce ethnicity profile

If the current apprentices complete their programme and remain in the workforce, their overall hourly rate will increase with the standard progression into a permanent position. Part of the aim of attracting more apprentices to the workforce is to enable the Council to develop new employees so that they may continue to progress in future years. The increase in the proportion of apprentices from ethnic minority groups should be reflected by a long-term gradual increase in the average hourly pay of employees from ethnic minority groups, even though the initial impact of this recruitment activity is likely to reduce the average pay in the short-term.

Promotions

There has been an increase in the proportion of promotions relating to employees from ethnic minority groups in the last 3 years, from 23.6% in 2019-2020 to 39.4% in the most recent financial year. Employees from ethnic minority groups made up a higher proportion of those promoted in the most recent year than of the workforce as a whole, with a promotion rate of 7.1%, compared to 5.5% for white (British) employees.

Ethnic group	2019-2020		2020-2021		2021-2022	
Ethnic minority groups	43	23.6%	65	31.6%	102	39.4%
White (British)	109	60%	126	61.2%	143	55.2%
Not recorded	30	16.5%	15	7.3%	14	5.4%
Total	182		206		259	

*Table.13 Total promotions across the full workforce and financial years 2019-2020 to 2021-2022 by ethnic group*

Whilst possibly not directly attributable, some of the previous actions mentioned on recruitment and selection may have impacted the increase in promotions for employees from ethnic minority groups. The diverse panel review conducted by HR showed ethnic minority employees who had been part of a panel had improved their own interview skills as a result and went on to secure other internal positions.

There were 186 promotions across the year related to employees who were included in the ethnicity pay gap analysis and had provided details of their ethnicity. Of these, 44.1% were employees from ethnic minority groups and 55.9% were white (British) employees. Although the total number of promotions relating to employees from ethnic minority groups was lower than the number relating to white British employees, those from ethnic minority groups make up a smaller proportion of the workforce as a whole so this is to be expected. Despite this, employees from ethnic minority groups were more likely to be promoted than white British employees were in 2021-2022, confirming that promotions were therefore unlikely to have impacted the ethnicity pay gap overall.

### Leavers and employee turnover

Whilst there has been an increase in the total number of employees leaving the organisation in 2021-2022, turnover overall remains below that recorded in 2019-2020:

Ethnic group	2019-2020	2020-2021	2021-2022
Ethnic minority groups	11.6%	6.9%	10.4%
White (British)	12.2%	8.7%	10.0%
Not recorded	16.3%	10.9%	12.5%
Total	12.5%	8.4%	10.4%

*Table.14 Employee turnover rate by financial year and ethnic group*

The proportion of leavers across the year who were from ethnic minority groups has increased over the last 3 years, however this group makes up the same proportion of leavers as the workforce as a whole, giving a turnover rate identical to the workforce average. This turnover rate does vary significantly between ethnic groups as evidenced in table.15:

Ethnic group	Leavers 2021-2022	End of year headcount	Turnover
Asian ethnic groups	58	615	9.4%
Black ethnic groups	42	346	12.1%
Mixed heritage groups	8	128	6.3%
Other ethnic groups	3	21	14.3%
White (British)	237	2374	10%
White (minority groups)	24	191	12.6%
Not recorded	52	415	12.5%
Total	424	4090	10.4%

*Table.15 Leavers, employee headcount and employee turnover by ethnicity*

Whilst there was a lower-than-average turnover rate amongst employees from Asian ethnic groups, mixed heritage groups and employees who are white (British), all remaining groups recorded a higher than average turnover rate. If this pattern continues then this could lead to an increase in future ethnicity pay gaps, due to the incremental increase in pay rates and enhanced progression opportunities experienced by employees who remain in the workforce over a longer period of time.

In addition to the impact of a higher turnover amongst some ethnic groups, in 2021-2022 there is likely to have been an impact of turnover on the ethnicity pay gap explained by the contracted hourly rates of those who left during the year:

Ethnic group	Total	% of leavers	leavers mean hourly rate (contracted)	Full workforce mean hourly rate (contracted)
Ethnic minority groups	135	31.8%	£15.05	£15.72
White (British)	237	55.9%	£14.95	£16.81
Not recorded	52	12.3%	£16.67	
Total	424	100.00%	£15.21	£16.30

*Table.16 Contracted hourly rate of leavers across the full financial year by ethnic group*

Of those who left the organisation across the year (and were therefore excluded from the pay gap calculations), both the mean and median hourly rate was higher amongst those from ethnic minority groups than for white (British) employees. If these employees had remained in the workforce for the snapshot period and been included in the ethnicity pay gap calculations, the ethnicity pay gap may have been reduced by a further 0.21 percentage points to an estimated 6.48% (based on contracted salaries).

It is important that the Council takes steps to understand the reasons for employees leaving, and to identify any patterns which may help to explain the higher turnover



amongst some ethnic minority groups, and the higher average pay of leavers from ethnic minority groups. The introduction of a leavers interview process will capture this information and allow us to use this data to make informed, evidence-based decisions on employee retention issues. Work is also in progress to improve the diversity records held for employees. It was noted that there was a gap in such information for employees in frontline services so a survey will be distributed using alternative sharing methods to help to capture this.

### Exclusions

As specified in reporting guidelines for the statutory gender pay gap report; some employees are excluded from the analysis. This guidance has been followed for the ethnicity pay gap analysis and has resulted in a high enough proportion of the workforce being excluded to make a difference to the overall ethnicity pay gap.

For the ethnicity pay gap analysis, 487 employees who were not receiving their full basic salary during the reporting period due to leave types such as maternity leave, paternity leave, adoption parental leave, special leave or long-term sickness absence were excluded. A further 360 employees who were not considered to be directly employed by City of Wolverhampton Council were also excluded.

Of those excluded for the reason of receiving partial pay during the reporting period, 413 had provided details of their ethnicity therefore enabling us to assess the impact these employees may have made to the pay gap outcome if they had received their basic salary during this time.

Ethnic group	Total	% of workforce	Mean hourly rate (contracted)	Median hourly rate (contracted)
Ethnic minority groups	147	35.6%	£14.84	£12.45
White	266	64.4%	£14.97	£13.69
Total	413	100%	£14.92	£13.42

*Table.17 Excluded employees for reporting year 2021-2022 by ethnic group and contracted hourly rate*

Excluded employees who were white (British) were contracted at a higher mean and median hourly rate than excluded employees who were from ethnic minority groups. The above differences in contracted pay translate to a mean ethnicity pay gap of 0.87% for excluded employees and a median ethnicity pay gap of 9.06% for excluded employees.

As the mean ethnicity pay gap amongst employees who were excluded from the analysis was significantly lower than the reported mean pay gap, it is possible that the inclusion of this group would have reduced the overall pay gap slightly.

## Future actions

A number of steps have been taken in recent years to improve the employee journey from recruitment to leaving for employees from all ethnicities. The impact of some of these actions are beginning to be evidenced by the change in the ethnicity profile of the workforce, and positive change such as the increase in the proportion of apprentices from ethnic minority groups and the higher promotions rate amongst employees from ethnic minority groups. By continuing efforts to explore the workforce patterns presented in this report the Council aims to ensure that these positive trends continue and that all opportunities for enhancing the diversity of the workforce are explored. When it comes to pay and ethnicity, there is more work to be done, and the following measures are planned for the next financial year:

- Introduction of a formal feedback mechanism for applicants' unsuccessful following interview
- Further utilise targeted advertising media and available channels to reach all local communities and increase applications for senior positions renumarated at pay grades GR10 and above and encourage applications from a more diverse range of audiences
- Continuous review of the WVJobs website to ensure up to date, valid information is provided to those who may consider applying for positions at CWC
- Updated training for panel members in recruitment and selection
- Review of the exit leavers process data to understand trends, patterns and issues
- Collection of diversity data from frontline employees using a manual process
- Digital inclusion project to be progressed to allow all employees without access to computers to input their diversity details from mobile devices
- Continue to promote participation in internal programmes including the mentoring scheme to enhance progression opportunities
- Build on partnerships with community groups to promote job advertisements where representation can be increased

## Disability pay gap report 2021-2022

### Introduction and Background

There is no statutory requirement or guidance available for producing a pay gap report relating to disability. For this reason the guidance for gender pay gap reporting have been applied to produce an equivalent summary relating to the disability pay gap at City of Wolverhampton Council for the snapshot date of 31 March 2022.

Of the 3559 full-pay relevant employees as of 31 March 2022, 3037 had reported their disability status and were therefore included in the disability pay gap analysis. The remaining 522 full-pay relevant employees were excluded from the analysis as they had not reported their disability status.

### Disability at City of Wolverhampton Council

Part of the CWC Vision for 2030 proposal included a commitment to building a workforce reflective of the communities it serves. When reporting on disability status and producing a comparison with the city population, it is important to take into consideration that the city census details include residents whose disability is described as having 'as significant impact on day-to-day activities' and that some of these residents are less likely to be in the workforce for this reason. There is also an increased prevalence of disability amongst older adults, who are also less likely to be represented in the workforce as they reach retirement age.

The profile of the workforce in relation to disability status has only fluctuated slightly in recent years, remaining below 4%. Whilst the proportion of employees reporting no disability has increased, this is partly accounted for by an increase in the proportion of employees who have recorded their disability status.

Employees	Workforce 2019-2020		Workforce 2020-2021		Workforce 2021-2022		Change (% point)
Disability	161	3.5%	157	3.6%	155	3.4%	-0.1
No disability	3546	78.1%	3433	79.0%	3632	80.3%	+2.2
Not recorded or unsure	835	18.4%	754	17.4%	735	16.3%	-2.1
Total	4542		4344		4522		

*Table.18 Full City of Wolverhampton Council workforce by disability status and full financial year*

The pay gap report for 2021-2022 also shows a decrease in the proportion of included employees with a disability when compared to the previous year. As with the full workforce data, progress in increasing the level of reporting on disability status is evident with the proportion of employees not recording their disability status reduced by 1.7 percentage points to 14.7% in the most recent year.

Employees	Pay gap report 2020		Pay gap report 2021		Pay gap report 2022		Change (% point)
Disability	n/a	n/a	128	3.5%	116	3.3%	-0.2

No disability	n/a	n/a	2947	80.1%	2921	82.1%	+2.0
Not recorded or unsure	n/a	n/a	603	16.4%	522	14.7%	-1.7
Total	n/a		3678		3559		

*Table.19 Full-pay relevant workforce included in pay gap reports disability status and snapshot date*

The success in increasing the proportion of employees reporting their disability status is mirrored by data on new starters, which shows a sharp decrease in the proportion of new starters who haven't reported this from 23.2% in 2019-2020 to just 7.5% in 2021-2022. This follows increased efforts in recent years to raise awareness amongst potential candidates of the benefits of working for CWC, including providing information on staff equality forums through the WVJobs website. In addition to this, all vacancy advertisements include the disability confident status logo ensuring candidates with a disability are aware that if they meet the essential criteria for the position, they will be guaranteed an interview. The provision of reasonable adjustments to support candidates to attend interviews and remove any potential barriers are also mentioned at application stage.

Disability status	2019-2020		2020-2021		2021-2022	
Disability	20	4.3%	18	5.8%	14	2.7%
No disability	337	72.5%	266	86.1%	458	89.8%
Not recorded or unsure	108	23.2%	25	8.1%	38	7.5%
Total	465		309		510	

*Table.20 Full workforce new starters by financial year and disability status*

The decrease in the proportion of employees in the workforce with a disability can be explained by recruitment and employee turnover data across the financial year. Employees with a disability made up a lower proportion of new starters (Table.20) than of the existing workforce (3.4% Table.18), whilst turnover for those with a disability was higher than the average (Table.21).

Disability status	2019-2020	2020-2021	2021-2022
Disability	16.1%	11%	12.6%
No disability	11.8%	8.2%	9.8%
Not recorded or unsure	14.7%	8.6%	12.8%
Total	12.5%	8.4%	10.4%

*Table.21 Employee turnover by financial year and disability status*

Although the employee turnover rate was higher than average for those with a disability in 2021-2022 (12.6%, Table.21), this does represent a large decrease in

turnover rate for this group when compared to 2019-2020 where employees with a disability recorded a turnover rate of 16.1%.

## Disability pay gap at City of Wolverhampton Council

### Median and Mean disability pay gaps

Current guidance on gender pay gap reporting relies on a comparison of mean and median values between two groups of comparable sizes and may not always be appropriate when applied to groups with large differences between group sizes such as employees with a disability and employees with no disability. The following calculations are made according to the guidance on gender pay gap reporting, whereby the mean and median hourly rates are presented as a proportion of the hourly rate of those without a disability, however these figures should be interpreted with caution due to the increased vulnerability to fluctuation in the mean for the group of employees with a disability given the small number included in this group. Additional information has been included throughout this report to provide a more balanced picture of pay by disability status in the CWC workforce.

Whilst there is no statutory requirement to produce details of the disability pay gap, CWC has undertaken this analysis to monitor pay by disability status over time and ensure that any patterns or trends are identified so that they may be addressed.

As with other pay gap reports, the median pay gap is prioritised as this shows the situation closest to the typical earner and is less sensitive to the presence of outliers (extremely high or low earners at either end of the pay scale). Where the pay gap is presented as a negative value, this suggests that employees with a disability earn more than those without a disability.

The **median** disability pay gap for 2022 remained negative at -21.74%, showing that the typical employee with a disability earns £3.10 per hour more than the typical employee with no disability.

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022
Disability	n/a	£15.33	£17.36
No disability	n/a	£14.02	£14.26
All employees	n/a	£14.02	£14.26
Pay gap	n/a	-9.34%	-21.74%

Table.22 Median hourly pay by disability status and median disability pay gap at CWC from 2021-2022

The median disability pay gap has been negative in the councils two reporting years so far, with the difference between pay of employees with a disability and those without increasing in the most recent year. This shows us that, in contrast to the ethnicity pay gap, a large amount of the disability pay gap can be explained by an uneven distribution of employees between the highest and lowest paid half of the workforce

between the two groups.

Whilst the median pay gap identifies the typical situation for an employee at CWC, the mean calculation includes all rates of pay and can therefore provide further information by identifying specific issues such as lower proportion of some groups in higher paid roles within each of the higher and lower paid halves of the workforce.

The **mean** disability pay gap at CWC for 2022 was -7.69% with the negative mean pay gap also increasing since the previous year:

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022
Disability	n/a	£16.34	£17.37
No disability	n/a	£15.77	£16.13
All employees	n/a	£15.87	£16.29
Pay gap	n/a	-3.61%	-7.69%

Table.23 Mean hourly pay by disability status and mean disability pay gap at CWC from 2021-2022

As there is a negative pay gap recorded for both the mean and the median calculations, it can be assumed that patterns and trends exist both within each of the upper and lower paid half of the workforce and in the distribution of employees from each group between the two pay halves. The mean and median hourly rate is very similar when only considering employees with a disability, which suggests that the large negative pay gap is likely to exist both above and below the median, whereby those with a disability in the lower paid half are more likely to earn an hourly rate closer to the median rate (or above the overall median hourly rate).

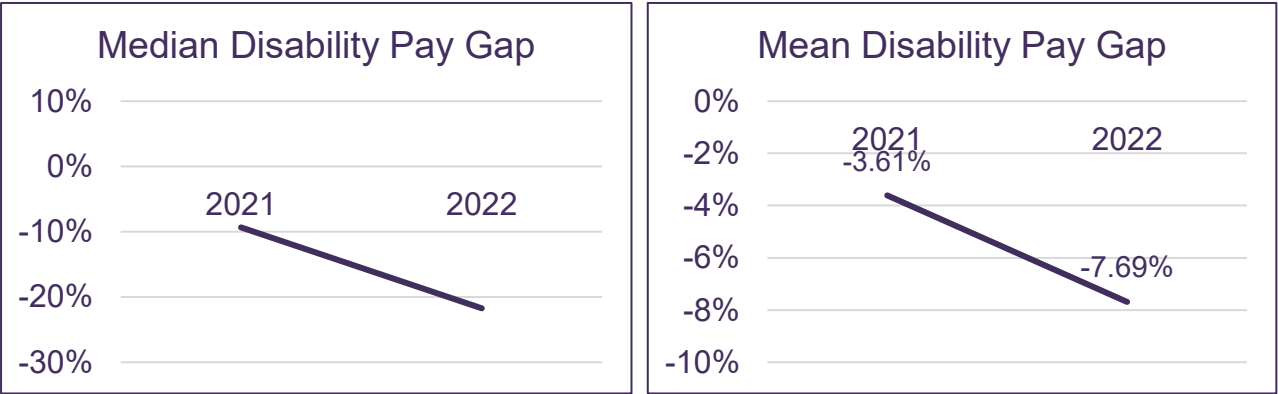


Fig.17 Mean and median disability pay gap from 2021-2022

Pay quartiles

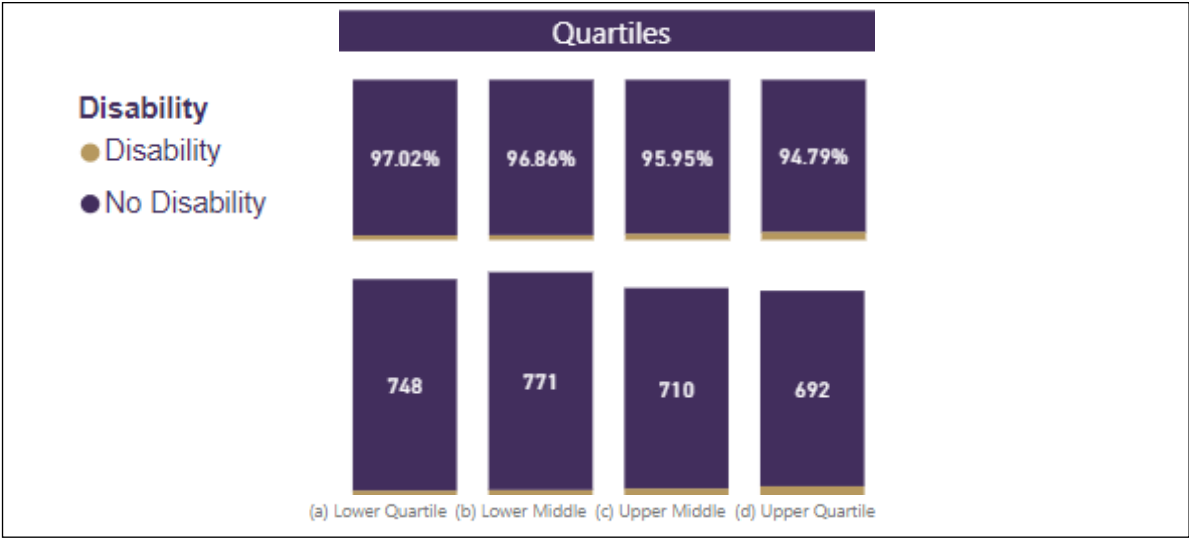


Fig.18 Distribution of employees across quartile pay bands

The chart above shows the distribution of employees either with or without a disability in the four quartiles and highlights that employees with disabilities are represented in all pay quartiles, but in greater numbers in the highest (upper) pay quartile. The quartile with the lowest proportion of employees with a disability is the lower quartile.

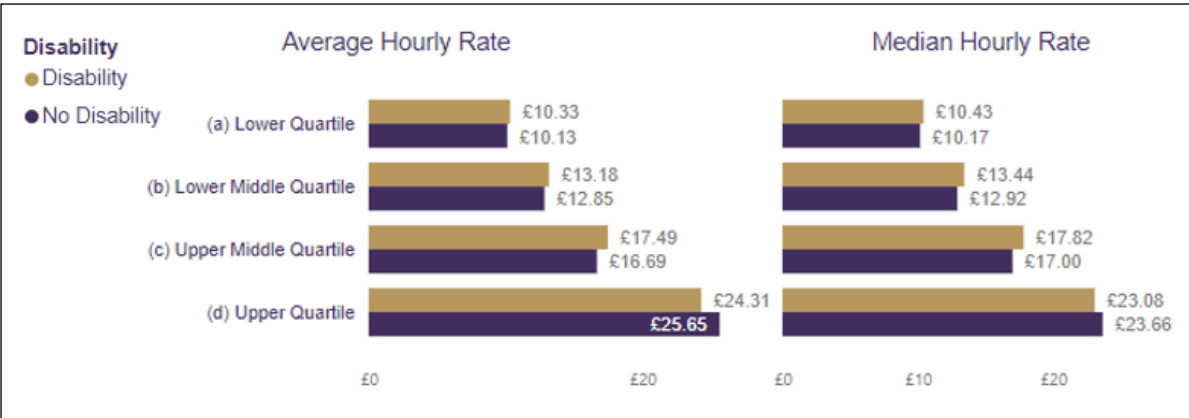


Fig.19 Average and median hourly rate by pay quartile and disability status

In addition to the variation in representation of employees by disability status across pay quartiles, the mean pay of employees within each of these quartiles also varies. Fig.19 shows that whilst employees with a disability earn more on average by the hour in each of the lowest three pay quartiles, this is not true for the highest (upper) pay quartile.

The following table (Table.24) shows the mean pay gap for each pay quartile. The grouping of employees into pay quartiles was completed using the total number of employees including those who did not record their disability status therefore the total number of employees in each quartile may vary below dependent on the number of employees who had not recorded this within that pay quartile.

Total Workforce 3,559	Approximate pay grades	Disability 116 (3.26%)		No disability 2921 (82.1%)		Mean Pay gap
Lower Quartile	App-GR04	2.59%	23	84.14%	748	-1.97%
Lower Middle Quartile	GR04-GR05	2.81%	25	86.63%	771	-2.57%
Upper Middle Quartile	GR05-GR07	3.37%	30	79.78%	710	-4.79%
Upper Quartile	GR07+	4.27%	38	77.75%	692	5.22%

Table.24 Distribution of employees across quartile pay bands including mean pay gap by pay quartile

The only quartile with a positive pay gap is the upper pay quartile, where the mean pay gap is 5.22% showing that amongst the highest paid employees, those without a disability generally earn more than those with a disability. This also suggests that it is the higher proportion of employees with a disability within this group which prevents a reversal of the overall negative pay gap rather than the average hourly rate itself.

### Hourly pay distribution

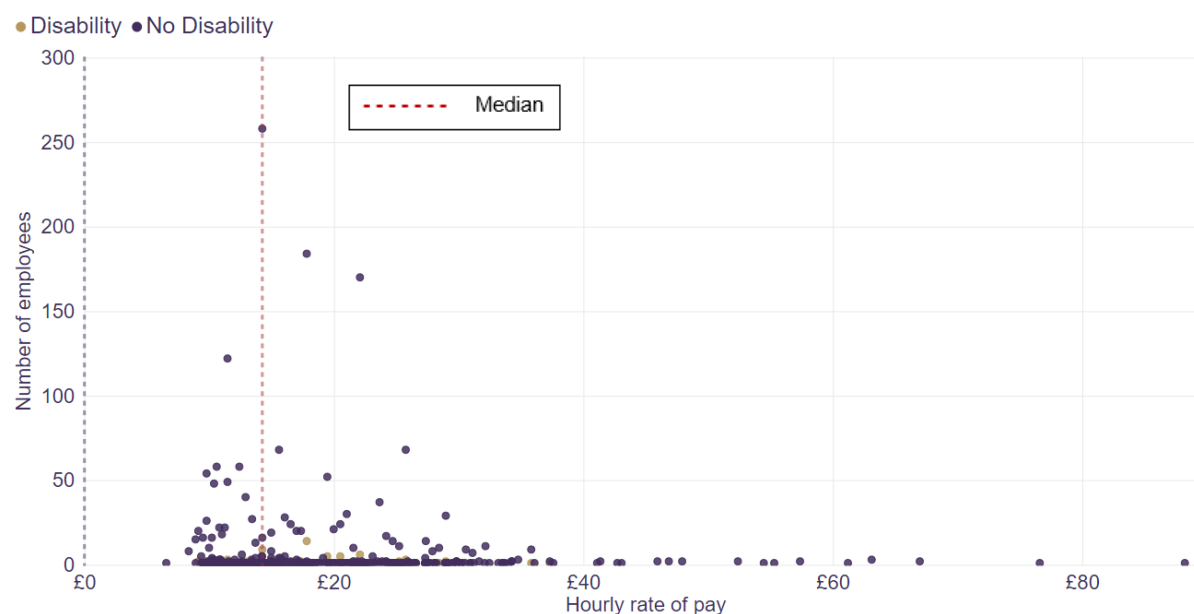


Fig.20 Average and median hourly rate by pay quartile and disability status

Figure.20 shows the proportionate distribution of employees above and below the median hourly rate. This shows the number of employees with a disability appearing in higher numbers with hourly rates above the median, but not amongst the highest paid employees in the workforce shown in low numbers on the right of the chart. This provides an explanation for how both the mean and the median pay gap can be negative when it comes to disability with a positive mean pay gap still shown in the upper pay quartile.



## Factors influencing the disability pay gap

### Workforce numbers

One of the main considerations to make when considering the patterns leading to the negative mean and median disability pay gap is the low number of employees in the workforce as a whole who have reported a disability. Of the 155 employees in the workforce over the full year, only 116 of these were considered full-pay relevant and remained in the workforce at the time of the snapshot date. Because of this the mean and median pay gaps are both highly susceptible to being influenced by outliers (mean) or being more skewed towards one end of the pay scale by only a handful of additional individuals in roles above that pay point (median).

With the dataset used for this report, the median disability pay gap is being substantially influenced by the existence of just 20 more employees with a disability earning above the overall median than below it. This small group is responsible for a negative median pay gap of -21.74%.

### Disclosure

Reporting of disability status by employees at CWC is done on a voluntary basis and is therefore reliant on employees being comfortable to do so. Through the implementation of mandatory employee training related to disability, additional guidance and training on autism awareness, and the utilisation of staff equality forums, CWC aims to create a workplace where all employees can confidently report their disability and discuss requirements with line management. In addition to this a mentoring scheme which was originally developed to support employees from ethnic minority groups in developing and progressing in their careers has been extended to include employees with a disability in the expectation that this offer will further enhance confidence that disclosure will not impact progression.

Overall, the reporting rate for disability status in the CWC workforce is good at 83.7% and has increased from 81.6% in 2019-2020. However, this is still below the reporting rate for ethnicity (89.7%), sex (100%) and age (100%). A recent snapshot of the positions held by employees who had not recorded their disability status showed a high proportion were in positions within the Council's frontline services. Whilst this trend has also been identified in the reporting of other protected characteristics, it is difficult to identify the extent to which less frequent access to HR systems is responsible for this or whether employees in these roles may be less confident reporting as adjustments made by the Council may be less visible for those working away from large groups of employees.

To address some of the patterns in disability status reporting, a digital inclusion project is near conclusion which should encourage and support employees in frontline service areas to share their details. In addition, a new option has been made available for employees to state "Prefer not to say" in response to this which should allow further identification of areas with high numbers of employees who haven't reported but may if supported to do so.

## Starters

The lowest pay point in the workforce, and the lowest pay point at each pay grade is usually the point at which new starters begin their positions prior to receiving any annual incremental pay increases. Because of this, in general new starters at the Council have a lower average hourly rate than those who have been in the workforce for a longer period of time and had opportunities to progress.

As employees with no disability reported made up a higher proportion of new starters than of the existing workforce, this may have impacted the average pay of this group slightly by lowering the mean hourly rate calculated.

	Starters mean hourly rate (contracted)	Full workforce mean hourly rate (contracted)	Starters median hourly rate (contracted)	Full workforce median hourly rate (contracted)
Total	£14.31	£16.30	£12.45	£15.30

*Table.25 Mean and median pay of new starters compared to full workforce in 2021-2022*

## Promotions

There has been an increase in the proportion of promotions relating to employees with a disability since the 2019-2020 financial year from 3.3% to 4.25% of all those promoted. In both of the last two financial years, employees with a disability have made up a higher proportion of those promoted than of the workforce as a whole leading to higher-than-average promotions rates amongst those with a disability. In the most recent financial year, employees with a disability were promoted at a rate of 7.1% (compared to the workforce average of 5.7%).

Disability status	2019-2020		2020-2021		2021-2022	
Disability	6	3.30%	11	5.34%	11	4.25%
No disability	123	67.58%	154	74.76%	208	80.31%
Not recorded or unsure	53	29.12%	41	19.9%	40	15.44%
Total	182		206		259	

*Table.26 Total promotions across the full workforce and financial years 2019-2020 to 2021-2022 by disability status*

## Leavers and employee turnover

Whilst there has been an increase in the total number of employees leaving the organisation in 2021-2022, turnover overall remains below that recorded in 2019-2020.

Although the overall workforce turnover rate has decreased in the most recent financial year, it remains higher for employees with a disability.

Disability status	Leavers 2021-2022	End of year headcount	Turnover
Disability	18	143	12.6%
No disability	323	3296	9.8%
Not recorded or unsure	83	651	12.8%
Total	424	4090	10.4%

*Table.27 Leavers, employee headcount and employee turnover by disability status*

It is important that the Council takes steps to understand the reasons for employees leaving, and to identify any patterns which may help to explain the higher turnover amongst those with a disability. The introduction of a leavers interview process will capture this information and allow us to use this data to make informed, evidence-based decisions on employee retention issues. Work is also in progress to improve the diversity records held for employees. It was noted that there was a gap in such information for employees in frontline services so a survey will be distributed using alternative sharing methods to help to capture this.

### Future actions

Although there are positive messages to share relating to the pay and promotions rate of employees with a disability, it is evident that there are still areas for improvement in the diversity of the workforce when it comes to disability status.

By continuing efforts to explore the workforce patterns presented in this report the Council aims to ensure that these positive trends continue and that all opportunities for enhancing the diversity of the workforce are explored. When it comes to disability there is more to be done particularly around recruitment and representation, and the following measures are planned for the future financial years:

- Introduction of a formal feedback mechanism for applicants' unsuccessful following interview
- Utilise targeted advertising media and available channels to reach all local communities and increase applications for senior positions remunerated at pay grades GR10 and above and encourage applications from a more diverse range of audiences
- Utilise staff equality forums to highlight the importance of reporting and encourage confidence in disclosure
- Continuous review of the WVJobs website to ensure up to date, valid information is provided to those who may consider applying for positions at CWC
- Updated training for panel members in recruitment and selection
- Introduction of a process for leavers to have an exit interview with their manager or human resources and for all information to be analysed according to

protected characteristics to identify trends and issues and take corrective, targeted action where required

- Collection of diversity data from frontline employees using a manual process
- Digital inclusion project to be progressed to allow all employees without access to computers to input their diversity details from mobile devices
- Continue to promote participation in internal programmes including the mentoring scheme to enhance progression opportunities
- Build on partnerships with community groups to promote job advertisements where representation can be increased

## Sexual orientation pay gap report 2021-2022

### Introduction and Background

There is no statutory requirement or guidance available for producing a pay gap report relating to sexual orientation. For this reason, the guidance for gender pay gap reporting have been applied to produce an equivalent summary relating to the sexual orientation pay gap at City of Wolverhampton Council for the snapshot date of 31 March 2022.

Of the 3559 full-pay relevant employees as of 31 March 2022, 2207 had disclosed their sexual orientation and were therefore included in the sexual orientation pay gap analysis. The remaining 1352 full-pay relevant employees were excluded from the analysis as they had not reported their sexual orientation.

### Sexual orientation at City of Wolverhampton Council

Part of the CWC Vision for 2030 proposal included a commitment to building a workforce reflective of the communities it serves. The introduction of a suite of key performance indicators relating to workforce equality, diversity and inclusion aims to increase transparency, enhance knowledge on trends and patterns and monitor the impact of any actions taken to resolve them. As part of these indicators, the Council will report regularly on the workforce diversity profile compared to that recorded in the city population.

The profile of the workforce in relation to sexual orientation has increased in diversity in recent years, with a 0.4 percentage point increase in the proportion of employees disclosing that they are LGB+, and an increase of 5.6 percentage points in the proportion overall who disclosed their sexual orientation:

Employees	Workforce 2019-2020		Workforce 2020-2021		Workforce 2021-2022		Change (% point)
Heterosexual	2447	53.9%	2429	55.9%	2673	59.1%	+5.2
LGB+	62	1.4%	62	1.4%	80	1.8%	+0.4
Not recorded or unsure	2033	44.7%	1853	42.7%	1769	39.1%	-5.6
Total	4542		4344		4522		

*Table.28 Full City of Wolverhampton Council workforce by sexual orientation and full financial year*

The pay gap report for 2021-2022 also shows a small increase in the proportion of included employees who were LGB+ when compared to the previous year. As with the full workforce data, progress in increasing the rate of disclosure on sexual orientation is evident with the proportion of employees not recording their sexual orientation reduced by 2.8 percentage points to 38% in the most recent year.

Employees	Pay gap report 2020		Pay gap report 2021		Pay gap report 2022		Change (% point)
Heterosexual	n/a	n/a	2121	57.7%	2148	60.35%	+2.7
LGB+	n/a	n/a	56	1.52%	59	1.66%	+0.1
Not recorded or unsure	n/a	n/a	1501	40.8%	1352	38%	-2.8
Total	n/a		3678		3559		

*Table.29 Full-pay relevant workforce included in pay gap report sexual orientation and snapshot date*

Some of the increase in the proportion of employees who are LGB+ can be explained by recruitment patterns and new starter over recent years. The proportion of new starters who were LGB+ has remained higher than the proportion in the existing workforce for the last 3 years and has increased to 3.9% of new starters in 2021-2022.

The success in increasing the proportion of employees disclosing their sexual orientation is mirrored by data on new starters, which shows a sharp decrease in the proportion of new starters who haven't reported this from 24.5% in 2019-2020 to just 12.7% in 2021-2022. This follows increased efforts in recent years to raise awareness amongst potential candidates of the benefits of working for CWC, including providing information on staff equality forums through the WVJobs website.

Sexual orientation	2019-2020		2020-2021		2021-2022	
Heterosexual	341	73.3%	255	82.5%	425	83.3%
LGB+	10	2.2%	6	1.9%	20	3.9%
Not recorded or unsure	114	24.5%	48	15.5%	65	12.7%
Total	465		309		510	

*Table.30 Full workforce new starters by financial year and sexual orientation*

The increase in the proportion of the workforce who are LGB+ would be higher if not for the high turnover rate amongst this group. The turnover amongst LGB+ employees in 2020-2021 was much lower than the full workforce turnover at just 3.4%, however this increased in the most recent year to 16.7%

Sexual orientation	2019-2020	2020-2021	2021-2022
Heterosexual	12.6%	7.9%	10.2%
LGB+	13%	3.4%	16.7%
Not recorded or unsure	12.3%	9.2%	10.4%
Total	12.5%	8.4%	10.4%

*Table.31 Employee turnover by financial year and sexual orientation*

## Sexual orientation pay gap at City of Wolverhampton Council

### Median and Mean sexual orientation pay gaps

Current guidance on gender pay gap reporting relies on a comparison of mean and median values between two groups of comparable sizes and may not always be appropriate when applied to groups with large differences between group sizes such as employees who are LGB+ and employees who are heterosexual. The following calculations are made according to the guidance on gender pay gap reporting, whereby the mean and median hourly rates are presented as a proportion of the hourly rate of the heterosexual group, however these figures should be interpreted with caution due to the increased vulnerability to fluctuation in the mean for the group of LGB+ employees given the small number included in this group. Additional information has been included throughout this report to provide a more balanced picture of pay by sexual orientation in the CWC workforce.

Whilst there is no statutory requirement to produce details of the sexual orientation pay gap, CWC has undertaken this analysis to monitor pay by sexual orientation over time and ensure that any patterns or trends are identified so that they may be addressed.

As with other pay gap reports, the median pay gap is prioritised here as this shows the situation closest to the typical earner and is less sensitive to the presence of outliers (extremely high or low earners at either end of the pay scale).

The **median** sexual orientation pay gap for 2022 remained negative at -9.4%, showing that the typical LGB+ employees earns £1.34 per hour more than the typical heterosexual employee.

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022
Heterosexual	n/a	£14.02	£14.26
LGB+	n/a	£15.56	£15.60
All employees	n/a	£14.02	£14.26
Pay gap	n/a	-11%	-9.4%

*Table.32 Median hourly pay by sexual orientation and median pay gap at CWC from 2021-2022*

The median sexual orientation pay gap has been negative in both reporting years so far. This shows that the sexual orientation pay gap can be explained by an uneven distribution of employees between the highest and lowest paid half of the workforce between the two groups.

Whilst the median pay gap identifies the typical situation for an employee at CWC, the mean calculation includes all rates of pay and can therefore provide further information by identifying specific issues such as lower proportion of some groups in higher paid roles within each of the higher and lower paid halves of the workforce.

The **mean** sexual orientation pay gap at CWC for 2022 was 1.94%, in contrast to the

previous year where the sexual orientation mean pay gap was negative.

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022
Heterosexual	n/a	£16.13	£16.53
LGB+	n/a	£16.32	£16.21
All employees	n/a	£15.87	£16.29
Pay gap	n/a	-1.18%	1.94%

Table.33 Mean hourly pay by sexual orientation and mean pay gap at CWC from 2021-2022

As the mean pay gap is positive, whilst the median remains negative, it can be assumed that the pay of heterosexual employees in the higher paid half of the workforce is being increased by a smaller number of high earners, creating a mean pay gap even though there are proportionately more LGB+ employees in this higher paid half than in lower pay brackets.

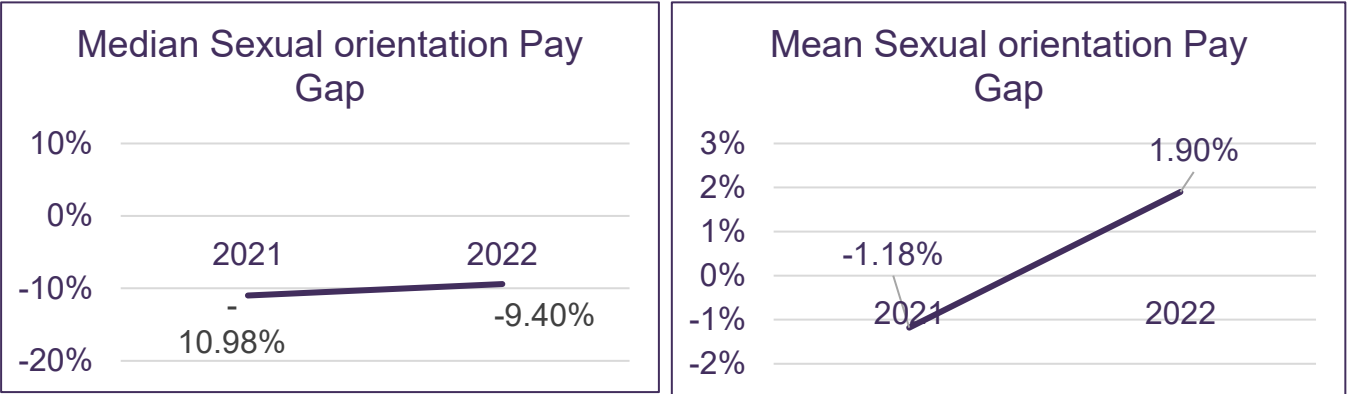


Fig.21 Mean and median sexual orientation pay gap from 2021-2022

Pay quartiles

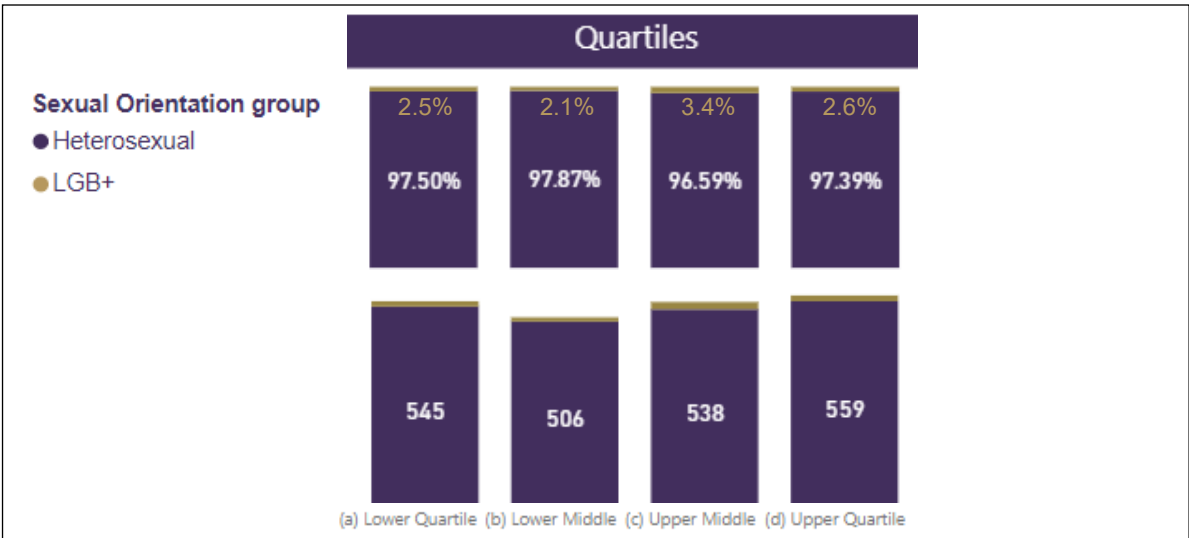


Fig.22 Distribution of employees across quartile pay bands



The chart above shows the distribution of either LGB+ or heterosexual employees in the four pay quartiles and highlights that LGB+ employees are represented in all pay quartiles, but in greater numbers in the upper middle pay quartile. The quartile with the lowest proportion of employees with a disability is the lower middle quartile.

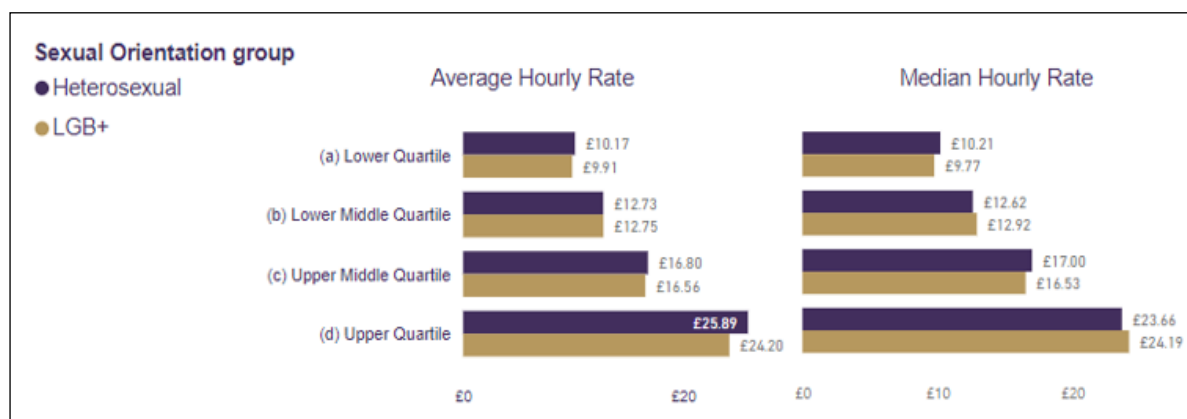


Fig.23 Average and median hourly rate by pay quartile and sexual orientation

In addition to the variation in representation of employees by sexual orientation across pay quartiles, the mean pay of employees within each of these quartiles also varies. Fig.14 shows that whilst heterosexual employees earn more on average by the hour in the lower, upper middle and upper quartile, it is LGB+ employees who earn more in the lower middle quartile.

Table.28 shows the mean pay gap for each pay quartile. The grouping of employees into pay quartiles was completed using the total number of employees including those who did not disclose their sexual orientation therefore the total number of employees in each quartile may vary below dependent on the number of employees who had not recorded this within that pay quartile.

Total Workforce 3,559	Approximate pay grades	Heterosexual 2148 (60.4%)		LGB+ 59 (1.7%)		Mean Pay gap
Lower Quartile	App-GR04	61.3%	545	1.6%	14	2.6%
Lower Middle Quartile	GR04-GR05	56.9%	506	1.2%	11	-0.2%
Upper Middle Quartile	GR05-GR07	60.4%	538	2.1%	19	1.4%
Upper Quartile	GR07+	62.8%	559	1.7%	15	6.5%

Table.34 Distribution of employees across quartile pay bands including mean pay gap by pay quartile

The only quartile with a negative pay gap is the lower middle pay quartile, where the mean pay gap is -0.2% and appears in the same quartile as the lowest proportion of LGB+ employees overall. This quartile will therefore have less of an impact on the overall mean pay gap, which explains why there is still a mean pay gap overall even though there are more LGB+ employees within the highest two pay quartiles.

## Hourly pay distribution

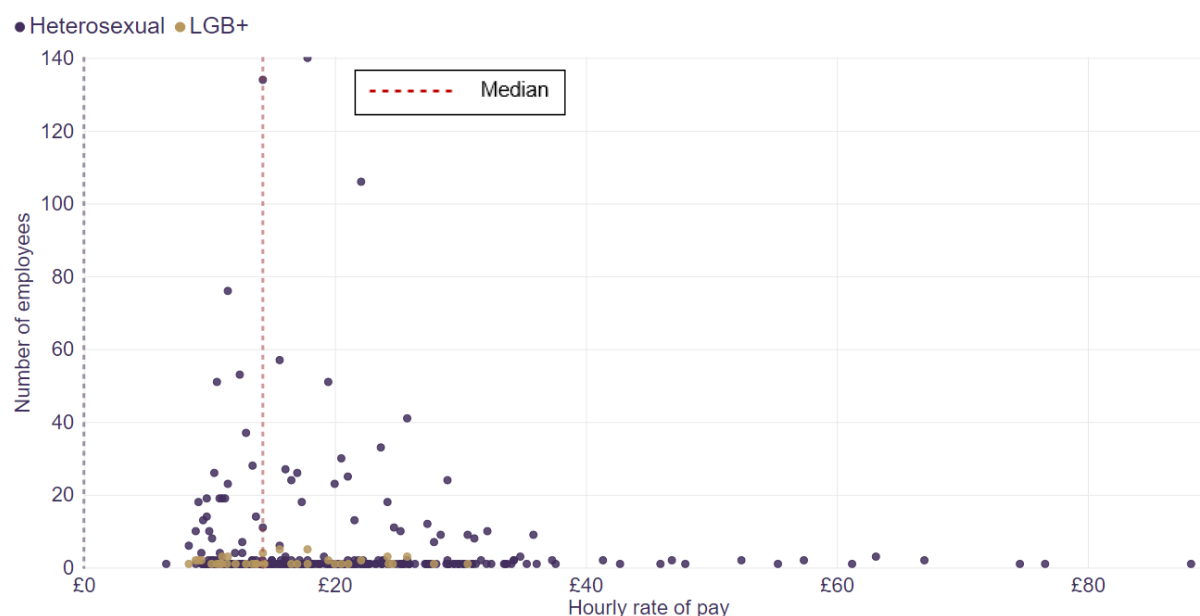


Fig.24 Average and median hourly rate by pay quartile and sexual orientation

Figure.24 shows the proportionate distribution of employees above and below the median hourly rate. This shows the number of LGB+ employees appearing in higher numbers with hourly rates above the overall median, but not amongst the highest paid employees in the workforce. This section of the chart where LGB+ employees are shown with slightly higher gold indicators is the upper middle pay quartile, which has the highest proportion of LGB+ employees.

## Factors influencing the sexual orientation pay gap

### Workforce numbers

One of the main considerations to make when considering the patterns leading to the and median sexual orientation pay gap is the low number of employees in the workforce as a whole who are LGB+. Of the 80 employees in the workforce over the full year, only 59 of these were considered full-pay relevant and remained in the workforce at the time of the snapshot date. Because of this the mean and median pay gaps are both highly susceptible to being influenced by outliers (mean) or being more skewed towards one end of the pay scale by only a handful of additional individuals in roles above that pay point (median).

With the dataset used for this report, the median sexual orientation pay gap is being influenced by the existence of just 9 more LGB+ employees earning above the overall median than below it. This small group is responsible for a negative median pay gap even where the mean pay gap remains in favour of heterosexual employees.

### Disclosure

Disclosure of sexual orientation by employees at CWC is done on a voluntary basis

and is therefore reliant on employees being comfortable and choosing to do so. Through the utilization of staff equality forums CWC aims to create a workplace where all employees are able to confidently report their sexual orientation in order to enable further exploration of workplace trends and identify potential actions towards addressing any issues.

Sexual orientation has remained one of the less reported characteristics in the CWC workforce, with a reporting rate of 60.9%. Whilst this is an area that has been identified for improvement, it is possible that the overall workforce profile in terms of sexual orientation may be more diverse than currently reported and any increase in disclosure will enable the Council to confirm this. There has been progress in increasing reporting rates in recent years, with records available for an additional 5.6% of the workforce compared to two years prior, which is a trend the Council hopes to continue. A recent snapshot of the positions held by employees who had not recorded their sexual orientation showed a high proportion were in positions within the Council's frontline services. Whilst this trend has also been identified in the reporting of other protected characteristics, it is difficult to identify the extent to which less frequent access to HR systems is responsible for this or whether employees in these roles may be less confident reporting.

To address some of the patterns in sexual orientation reporting, a digital inclusion project is planned in order to encourage and support employees in frontline service areas to share their details.

### Promotions

Although the proportion of promotions relating to LGB+ employees was lower in 2021-2022 than in the previous two years, it remains higher than the proportion of LGB+ employees in the workforce as a whole. In recent years, LGB+ employees have consistently been promoted at a higher rate than heterosexual employees, with a promotion rate of 6.3% in the most recent year compared to a workforce average promotion rate of 5.7%. This has had the effect of not only increasing the average pay of LGB+ employees, but also increasing the number of LGB+ employees overall in positions remunerated at an hourly rate higher than the workforce median.

Sexual orientation	2019-2020		2020-2021		2021-2022	
Heterosexual	121	66.5%	133	64.6%	191	73.7%
LGB+	5	2.7%	9	4.4%	5	1.9%
Not recorded or unsure	56	30.8%	64	31.1%	63	24.3%
Total	182		206		259	

*Table.35 Total promotions across the full workforce and financial years 2019-2020 to 2021-2022 by sexual orientation*

### Leavers and employee turnover

Whilst there has been an increase in the total number of employees leaving the organisation in 2021-2022, turnover overall remains below that recorded in 2019-2020.

Although the overall workforce turnover rate has decreased in the most recent financial year, it remains higher for LGB+ employees.

Sexual orientation	Leavers 2021-2022	End of year headcount	Turnover
Heterosexual	248	2433	10.2%
LGB+	11	66	16.7%
Not recorded or unsure	165	1591	10.4%
Total	424	4090	10.4%

*Table.36 Leavers, employee headcount and employee turnover by sexual orientation*

Although the turnover figures are likely to be highly sensitive to being impacted by a small number of LGB+ employees leaving due to the low number of LGB+ employees in the workforce overall, it is still important to note that the turnover rate for LGB+ employees is one of the highest reported across the whole workforce when calculating this by protected characteristic groups. The Council is taking steps to understand the reasons for employees leaving, and to identify any patterns which may help to explain the higher turnover amongst LGB+ employees. The introduction of a leavers interview process will capture this information and allow us to use this data to make informed, evidence-based decisions on employee retention issues. Work is also in progress to improve the diversity records held for employees. It was noted that there was a gap in such information for employees in frontline services so a survey will be distributed using alternative sharing methods to help to capture this.

## Future actions

The increase in disclosure and reporting rate for employees on sexual orientation allows a more detailed review of workplace trends and patterns and enables the Council to monitor the journey of LGB+ employees more closely. However, due to the low numbers of LGB+ employees in the workforce there are still limitations to what information can be drawn from any analysis and for this reason one of the most important steps to be taken at this point will be to increase the reporting rate on sexual orientation. The currently available data shows a higher-than-average promotion rate amongst LGB+ employees, and an increase in the proportion of new starters who are LGB+ which should lead to increased diversity in the workforce overall if continued over time. This is more likely to occur if the current hiring success rate for LGB+ applicants, which is higher than the average hiring success rate also continues.

By continuing efforts to explore the workforce patterns presented in this report the Council aims to ensure that these positive trends continue and that all opportunities for enhancing the diversity of the workforce are explored. When it comes to sexual

orientation there is more to be done around disclosure and representation, and the following measures are planned for the future financial years:

- Introduction of a formal feedback mechanism for applicants' unsuccessful following interview
- Utilise targeted advertising media and available channels to reach all local communities and increase applications for senior positions renumarated at pay grades GR10 and above and encourage applications from a more diverse range of audiences
- Utilise staff equality forums to highlight the importance of reporting and encourage confidence in disclosure
- Continuous review of the WVJobs website to ensure up to date, valid information is provided to those who may consider applying for positions at CWC
- Updated training for panel members in recruitment and selection
- Introduction of a process for leavers to have an exit interview with their manager or human resources and for all information to be analysed according to protected characteristics to identify trends and issues and take corrective, targeted action where required
- Collection of diversity data from frontline employees using a manual process
- Digital inclusion project to be progressed to allow all employees without access to computers to input their diversity details from mobile devices
- Continue to promote participation in internal programmes including the mentoring scheme to enhance progression opportunities
- Build on partnerships with community groups to promote job advertisements where representation can be increased