

## Ethnicity Pay Gap Reporting (EPG) for the year 2022-2023

<b>Author</b>	Ash Ellis, Deputy Director for Leadership, Inclusion and OD
<b>Purpose of Report</b>	This report sets out an analysis of the Trust's Ethnicity Pay Gap Report for 2022-2023
<p><b>Executive Summary</b></p> <ul style="list-style-type: none"> <li>• Ethnicity Pay Gap reporting is not a specified requirement under the Equality Act 2010 like the Gender Pay Gap.</li> <li>• The Ethnicity Pay Gap is not the same as unequal pay. The Ethnicity Pay Gap is the difference between the average pay of BME and white employees in an organisation.</li> <li>• BHFT's Median Ethnicity Pay Gap in 2022-2023 was 3.59%. This means that on average our white colleagues earn £0.65p more than our colleagues who identify as being from a Black, Asian or other ethnic minority (BME) group.</li> <li>• 2.76% (137) of our workforce are 'Not Stated' which needs more exploration to understand how this could influence the pay gap further.</li> <li>• There is a contrast between higher number of BME staff and lower number of white staff particularly more evident in the lower middle quartile, it needs further exploration. Our BME staff population decreases through higher pay quartiles 8a – 8d.</li> <li>• The Ethnicity Pay Gap data will be published on the Trust's website. In line with the Gender pay gap the information should remain on the Trust website for a period of at least three years, beginning with the date of publication.</li> <li>• The reasons for the Ethnicity Pay Gap can be varied and complex. One of the major reasons for the pay gap is that there is a higher proportion of white colleagues across all quartiles of the workforce than BME colleagues.</li> <li>• The overall aim of this ethnicity pay gap exercise is to assess the pay equality in BHFT, the balance of BME and white colleagues at different paygrades, and how effective we are at nurturing and rewarding talent. All through our anti-racism lens.</li> </ul> <p>The Trust is committed to continuously reviewing our systems, practices and processes to ensure we are reducing our Ethnicity Pay Gap where practically possible and will work closely with our Diversity Steering Group, staff networks, Race Equality Network, Trade Unions and other stakeholders to develop an effective action plan. This action plan will sit within the Trust's overall EDI action plan and agreed priorities.</p> <ul style="list-style-type: none"> <li>• Before we develop a more dedicated and detailed action plan in collaboration with our stakeholders, we would like to engage a statistician to enable the Trust to better understand the drivers for the pay gap so we can know what is within our control and what is systemic and what actions will be effective to reduce the pay gap.</li> </ul>	
<b>Recommendation</b>	The Board is asked to acknowledge the report and subsequent approach to develop actions.

## 1. Background

Although not yet mandated to do so, BHFT will publish its first Ethnicity Pay Gap report alongside its mandated Gender Pay Gap report. We believe this is an important step on our journey towards greater equality, diversity and inclusion and effective anti-racism. As this is the first year we are reporting on this we cannot compare the figures with the previous year. But this does give us a basis on which to build and ensure that we have equality in pay when it comes to ethnicity.

## 2. Our Ethnicity Pay Gap Report in BHFT

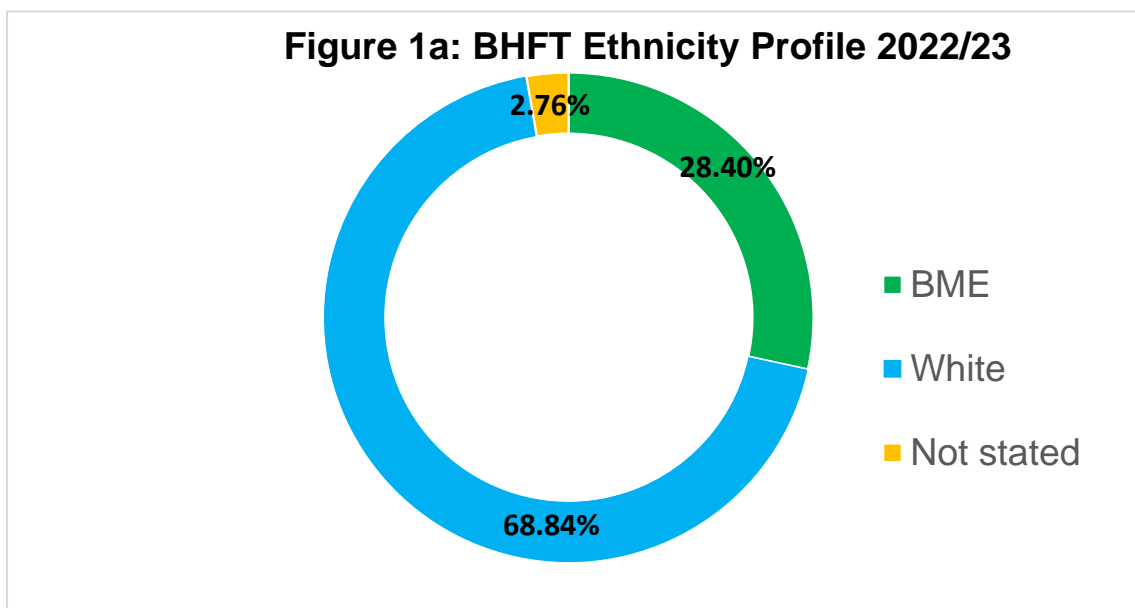
Our Ethnicity Pay Gap report for 2022/2023 contains a number of elements:

- The mean basic pay gap
- The median basic pay gap
- An analysis of the pay gap across specific staff bands and quartiles within BHFT.
- Recommendation as to any future action to reduce any inequality

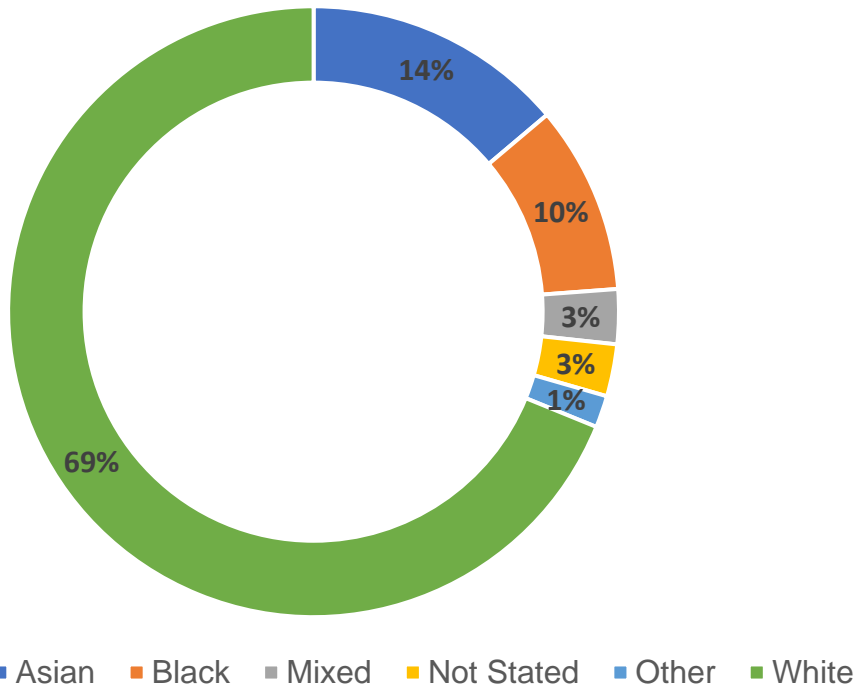
The mean pay gap is the difference between the pay of all white and BME (Black, Asian or other ethnic minority) employees when added up separately and divided by the total number of white and BME employees in the workforce. The median pay gap is the difference between the pay of the middle white employee and the middle BME employee, when all of the employees are listed from the highest to the lowest paid.

## 3. Our Ethnicity Profile in BHFT – 2022/23

Data collected shows that our workforce consists of 4,968 people, 1,411 are BME and 3,420 are White and 137 have not stated. If we break this down further 688 are Asian, 495 are Black, 144 are Mixed and 84 are Other. Figure 1a and 1b below shows our ethnicity profile.



**Figure 1b: BHFT Ethnicity Profile 2022/23**



## 4. Median and Mean Hourly Rate in BHFT

Figure 2: Ethnicity Pay Gap 2022/23

Ethnicity	Mean Hourly Rate	Median Hourly Rate
BME overall	£20.76	£18.10
Asian	£21.66	£18.10
Black	£19.71	£18.47
Mixed	£20.05	£18.10
Other	£20.87	£16.84
White	£20.36	£18.75
Not Stated	£22.26	£21.30
Difference	£0.40	£0.65
Pay Gap %	-1.93%	3.59%

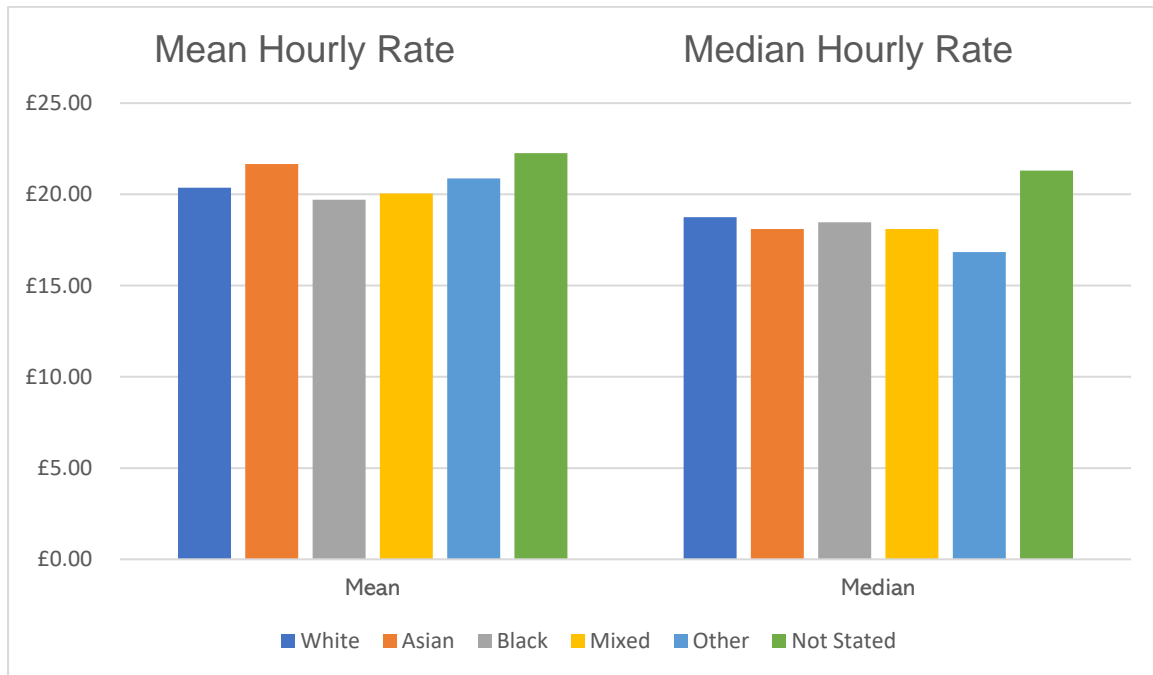
The mean hourly pay for white employees is £0.40p less than of BME employees, which is gap of -1.93% in favour of BME employees. This needs further exploration to understand the reasoning behind this. However, when breaking down BME grouping further, we can see that white employees mean hourly pay is £0.65p more than Black employees, but is £1.30 less than Asian employees.

The median pay for white employees is £0.65p higher than BME employees, which is a gap of 3.59% in favour of white employees. This means that, on average, white colleagues earn slightly more than those colleagues who identify as being from a Black, Asian or other ethnic minority (BME) group. However, if we break BME down further, we can see that white employees median pay is £0.28p higher than Black employees. The 'Other' category of ethnicity has a median of £1.91 less than white.

More exploration is needed to understand the 'not stated' population as this is 2.76% (137) of the workforce, and this group on average earns up to £3 more an hour than our BME stated grouping.

From a purely statistical standpoint, the median is considered to be a more accurate measure as it is not skewed by very low hourly pay or very high hourly pay i.e. such as medical staff who are on much higher salaries than other professional groups. However, we know in the gender pay gap for example the very high paid people tend to be men, and the very low paid people tend to be women, and the mean paints an important picture of the pay gap because it reflects this issue. It is therefore good practice to use both the mean and the median when analysing or reporting on the pay gap.

**Figure 3: Median and Mean Pay Gap**



## 5. Ethnicity Profile by pay band and quartiles in BHFT 2022-2023

All BHFT staff, except for medical staff, executive (6) and very senior managers (3) are paid on the National Agenda for Change (AfC) pay, terms and conditions of service. The terms and conditions set out band structures and pay for all employees to ensure transparency, fairness and equal treatment for all.

Figure 4a below details the number and percentage of BME and white staff within each pay band.

A majority of the pay bands are broadly representative of the organisations ethnicity ratio, however this does show more white staff as percentages increase in bands 8b, 8c and 8d and less BME staff in bands 8b, 8c, and 8d as BME percentages decrease. Pay band 8d is representative of just 1 BME individual, although 2 have 'not stated'.

**Figure 4a: Ethnicity Profile by Pay Band and pay quartile**

Grouped Pay Scale	BME		White		Not Stated		Total
	Headcount	%	Headcount	%	Headcount	%	Headcount
Ad-Hoc	1	20.00%	2	40.00%	2	40.00%	5
Apprentice	3	27.27%	8	72.73%	0	0.00%	11
Band 2	95	42.04%	126	55.75%	5	2.21%	226
Band 3	172	27.17%	450	71.09%	11	1.74%	633
Band 4	189	24.02%	574	72.94%	24	3.05%	787
Band 5	234	38.30%	361	59.08%	16	2.62%	611
Band 6	249	25.83%	687	71.27%	28	2.90%	964
Band 7	222	25.14%	637	72.14%	24	2.72%	883
Band 8a	86	23.56%	268	73.42%	11	3.01%	365
Band 8b	28	17.07%	133	81.10%	3	1.83%	164
Band 8c	10	16.95%	48	81.36%	1	1.69%	59
Band 8d	1	2.94%	31	91.18%	2	5.88%	34
Band 9	3	27.27%	8	72.73%	0	0.00%	11
Board	4	30.77%	7	53.85%	2	15.38%	13
Medical & Dental	114	56.44%	80	39.60%	8	3.96%	202
<b>Grand Total</b>	<b>1411</b>	<b>28.40%</b>	<b>3420</b>	<b>68.84%</b>	<b>137</b>	<b>2.76%</b>	<b>4968</b>

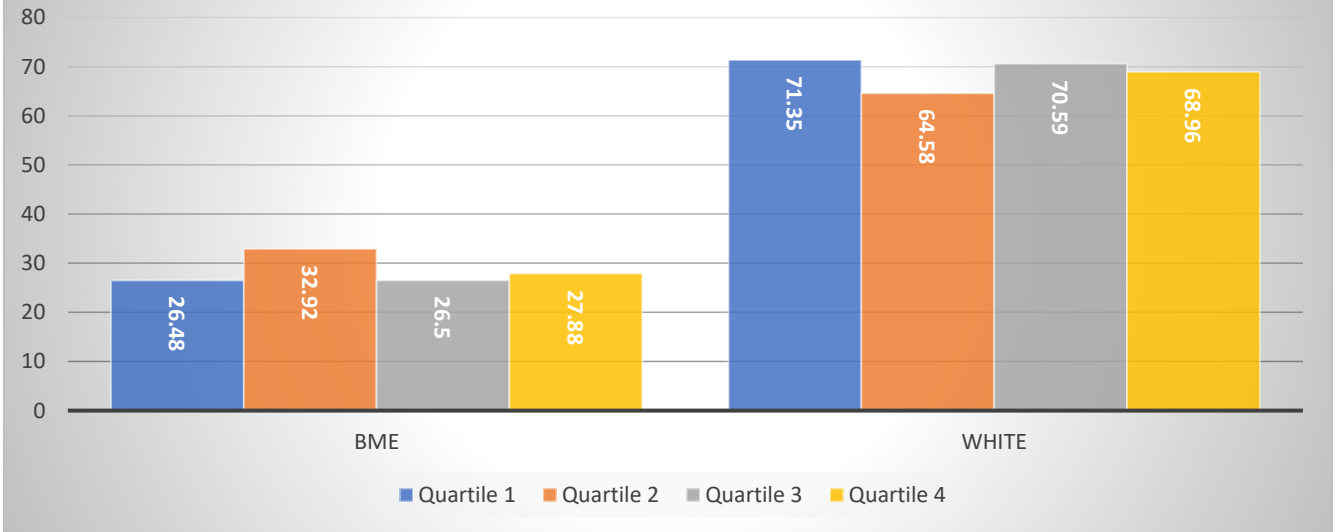
Figure 5 below demonstrates that one of the major reasons for the pay gap is that there is a higher proportion of white staff in more senior bands within the Trust. As highlighted in Figure 1, BME staff represent 28.40% of our workforce yet only 2.94% of the workforce are in Band 8d.; white staff represent 68.84% of our workforce but are overrepresented in band 8d (91.18%). This means that BME staff are underrepresented by 13.81%% in 8d and white staff overrepresented by 7.93%.

Figure 4b: Ethnicity Profile by Pay Band and pay quartile – further breakdown

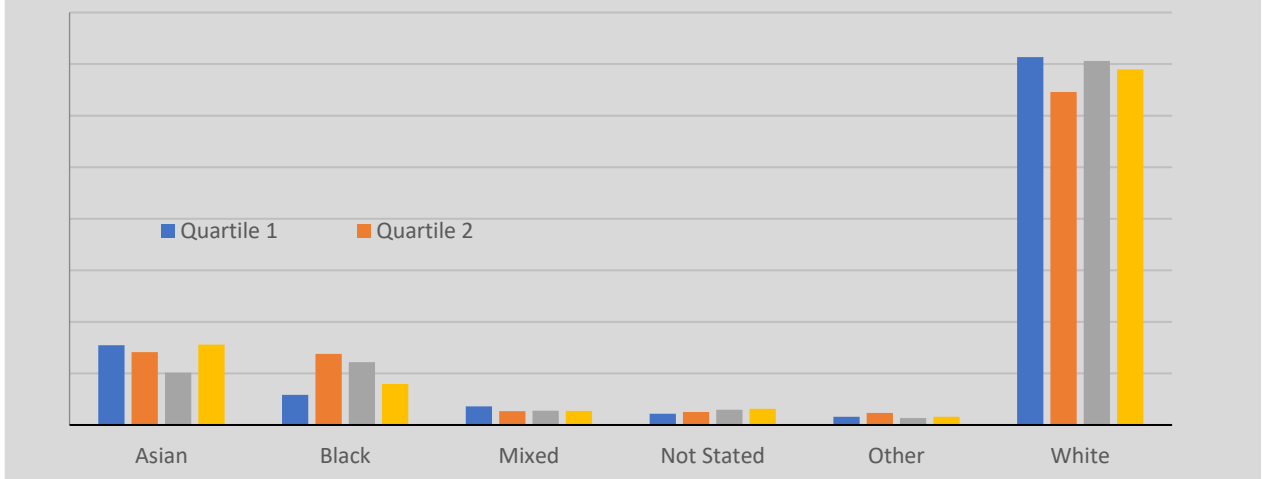
Grouped Pay Scale	Asian		Black		Mixed		Not Stated		Other		White		Total
	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount
Ad-Hoc	0	0.00%	1	20.00%	0	0.00%	2	40.00%	0	0.00%	2	40.00%	5
Apprentice	4	25.00%	1	6.25%	0	0.00%	0	0.00%	0	0.00%	11	68.75%	16
Band 2	44	19.47%	40	17.70%	4	1.77%	5	2.21%	7	3.10%	126	55.75%	226
Band 3	86	13.59%	54	8.53%	24	3.79%	11	1.74%	8	1.26%	450	71.09%	633
Band 4	109	13.94%	39	4.99%	23	2.94%	24	3.07%	16	2.05%	571	73.02%	782
Band 5	93	15.22%	112	18.33%	15	2.45%	16	2.62%	14	2.29%	361	59.08%	611
Band 6	104	10.79%	106	11.00%	30	3.11%	28	2.90%	9	0.93%	687	71.27%	964
Band 7	91	10.31%	95	10.76%	22	2.49%	24	2.72%	14	1.59%	637	72.14%	883
Band 8a	49	13.42%	27	7.40%	8	2.19%	11	3.01%	2	0.55%	268	73.42%	365
Band 8b	11	6.71%	6	3.66%	8	4.88%	3	1.83%	3	1.83%	133	81.10%	164
Band 8c	3	5.08%	5	8.47%	1	1.69%	1	1.69%	1	1.69%	48	81.36%	59
Band 8d	1	2.94%	0	0.00%	0	0.00%	2	5.88%	0	0.00%	31	91.18%	34
Band 9	2	18.18%	0	0.00%	1	9.09%	0	0.00%	0	0.00%	8	72.73%	11
Board	3	23.08%	0	0.00%	1	7.69%	2	15.38%	0	0.00%	7	53.85%	13
Medical & Dental	88	43.56%	9	4.46%	7	3.47%	8	3.96%	10	4.95%	80	39.60%	202
<b>Grand Total</b>	<b>688</b>	<b>13.85%</b>	<b>495</b>	<b>9.96%</b>	<b>144</b>	<b>2.90%</b>	<b>137</b>	<b>2.76%</b>	<b>84</b>	<b>1.69%</b>	<b>3420</b>	<b>68.84%</b>	<b>4968</b>

Figure 4b above details the number and percentage of further breakdown of BME and white staff within each pay band. A majority of the pay bands are broadly representative of the organisations ethnicity ratio, however this does show more white staff as percentages increase in bands 8b, 8c and 8d and less BME staff in bands 8b, 8c, and 8d as BME percentages decrease. Pay band 8d is representative of just 1 BME individual.

**Figure 5a: Percentage of Employees in Each Quartile**



**Figure 5b: Percentage of Employees in Each Quartile**



Across the quartiles for BME staff, It is relatively similar with 1% or so between them with the exception of the lower middle quartile having the majority of BME staff by around 5% more than any other quartile.

Across the quartiles for white staff, it's relatively similar with 1% or so between them with the exception of the lower middle quartile have the least majority of white staff by around 6% less than any other quartile.

With 28.40% of our workforce being BME and 68.84% of our workforce being white, we have to remember that 2.76% of the workforce are 'not stated'. This needs more exploration as does the contrast between higher number of BME staff and lower number of white staff in the lower middle quartile.

It's also useful to look at our workforce compared to the communities we support (Figure 6) to see how representative our workforce is of our local population. The data shows that BHFT BME workforce is overrepresented by 0.7% compared to overall Berkshire population.

The data also shows that BHFT white workforce is overrepresented by 5.94% compared to overall Berkshire population. Like within BHFT there is a large population of the overall Berkshire population where we do not know their ethnicity (9.4%).



The further breakdown of BME shows that we are underrepresented in our workforce population for Asian and Other Ethnic Groups, and overrepresented for Black and Mixed Groups compared to the overall Berkshire population.

**Figure 6: BHFT Workforce compared to Berkshire Population**

(from Insights population health data)

	BME	White	Not stated	Total
<b>BHFT Workforce</b>	1,411 (28.40%)	3,420 (68.84%)	137 (2.76%)	4,968
<b>Berkshire Population</b>	279,170 (27.7%)	632,934 (62.89%)	94,280 (9.36%)	1,006,384

	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	Not stated	Total
<b>BHFT Workforce</b>	688 (13.85%)	495 (9.96%)	144 (2.89%)	84 (1.69%)	3,420 (68.84%)	137 (2.76%)	4,968
<b>Berkshire Population</b>	172,453 (17.13%)	33,546 (3.33%)	28,062 (2.78%)	45,109 (4.48%)	632,934 (62.89%)	94,280 (9.36%)	1,006,384

## 6. Ethnicity breakdown of staff who have received bonus pay – Medical Clinical Excellence Awards

**Figure 7: Ethnicity breakdown of bonus payments in BHFT**

	Count of Ethnicity	%
<b>BME</b>	38	53.52%
<b>White</b>	32	45.07%
<b>Not Stated</b>	1	1.41%
Further breakdown of 'BME'		
<b>Asian</b>	32	45.07%
<b>Black</b>	2	2.82%
<b>Mixed</b>	1	1.41%
<b>Other</b>	3	4.23%
<b>Grand Total</b>	71	

**Bonus Pay**, the data presented in Figure 7 shows that 8.45% more of our BME colleagues received bonus pay compared to our white colleagues, with the majority of these Asian.

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The bonus data relates only to Clinical Excellence Awards (CEA) paid to all eligible substantive Consultant Medical Staff who have been in post for at least a year – 71 in the group. However, it is important to note the context and challenges associated with the bonus pay system:

- CEA's are not a one-off annual performance payment. Instead, it relates to a nationally agreed contractual payment which forms part of the salary package for Consultant Medical Staff.
- This system is prescribed by the British Medical Association (BMA) and NHS Employers – the Trust adopts a nationally agreed system.
- Many of the CEA's that are still being paid out are historic and will be maintained until the recipient's retirement.

In 2022-23 the Trust proposed equal bonus payments for all eligible Consultants in the Trust, irrespective of whether they were full-time or part-time without any pro-rata calculations. This would have helped eliminate any pay gap in the year. However, this proposal was rejected by the Local Negotiating Committee and BMA guidance (for pro-rata payment) was required to be implemented. Additionally, as stated above, there is an on-going annual legacy bonus payments made in relation to CEA points awarded prior to 2018 that some of the Consultants will continue to benefit from until retirement.

## 7. Conclusion and recommendations

Actions to further improve the Trust's ethnicity pay gap align with the Trust's strategic ambitions and priorities, in particular making Berkshire Healthcare a great place to work for our people. To meet this goal the Trust has refreshed its strategy and has committed to:

- Scale workforce gap closing action including international recruitment, apprenticeships and streamline student placement employment offer. Attraction focus widens into schools, T levels, NHS Reservists and underrepresented groups including veterans – *this will support our aim to try and increase the diversity of our workforce at all levels in all pay quartiles.*
  - Internal matching to place staff into roles prior to external recruitment – *in time this could help our BME workforce with progression and carer development.*
  - Recruitment and onboarding process improvement supported by automation and customer focused recruit/candidate connection prior to start – *will be developed alongside our review of inclusive recruitment to ensure this is anti-racist and removes any bias.*
  - Anti-racism commitment and action key area of ambition to address staff experience differential – *we will start with our vision and action scope.*
  - Talent management cycle/pooling and leadership programme development. Service management skills set development – *this will support our BME staff to progress and develop their careers within BHFT.*
  - Streamline internal progression path (competency based) with smooth upward grade movement – *will provide more opportunity for BME workforce to progress up the bands.*
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As part of our EDI priorities work we will have key areas of focus which are designed to reduce any ethnicity Pay Gap. Within our EDI Priorities outlined in the EDI and People Strategies, our ethnicity Pay Gap actions will focus on 5 key areas:

- Inclusive Recruitment – consider as to how we might increase underrepresented groups in all quartiles.
- Pay and Reward - Although the NHS Terms and Conditions do not allow the legacy Consultant bonus payments to be changed, we will explore further to ensure that ethnicity is looked at against this. Also exploring the ethnicity pay gap through an intersectional lens is vital to understanding the different dimensions of historically marginalised groups. Looking at the ethnicity pay gap through regions, departments and job role which will also provide useful insight collectively but also for managers and leaders.
- Learning and Development – We need to ensure our BME staff at lower bands have the confidence, skills and are supported to apply for posts at band 8A and above.
- Culture and Engagement – we need to share our ethnicity pay gap position with our staff, and include them in the co-production of any action plan. We will continue to publish ethnicity pay gap every year from now on, and we hope this will encourage others to do the same. We also need to encourage and support people to self declare on ESR, as 2.76% (137) of our workforce have not stated their ethnicity, and this could have further bearing on the pay gap.
- Ways of working – continue to embed flexible working and ensuring our people policies are supportive and enabling of greater flexibility in the way we deliver our services.

Before we develop dedicated and detailed actions in collaboration with our Diversity Steering Group, Race Equality Network, Trade Unions and other stakeholders, we would like to engage the support of a statistician to enable the Trust to better understand any statistical significance in the pay gap within BHFT.

### **Contact for further information**

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