




Ethnicity Pay Gap Report 2024.



Gille Davis



Jan 25
Version 1



This electric vehicle is
100% POWERED BY
YOUR WASTE

Introduction

What is the Ethnicity Pay Gap (EPG) and why do we report on it?

Context

All public sector employers with over 250 employees are required to publish gender pay gap (GPG) reporting under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. Despite consultation regarding extending this to EPG reporting closing in 2019, there is still no formalised requirement to do this. However, at Milton Keynes City Council (MKCC) we have published our EPG since 2020 and will continue to do so in line with our GPS publication. At MKCC we recognise that diverse organisations are successful ones, with breadth of experience, differing insight and perspective which allow us to make better decisions and increase resilience. We want to celebrate our diversity and ensure that we are an inclusive organisation that has fairness for everyone at its heart. Whilst it has been illegal to discriminate against anyone because of their race or ethnic group for many years, research suggests racial and ethnic minority groups, racial and ethnic marginalised or minoritised groups, underserved or underrepresented groups still face barriers in their professional careers that represented workers do not¹. The report highlights that our EGP figures remain fairly consistent, there is a broad range of experiences from different ethnic backgrounds, so we need to be careful not to just generalise at a summarised level. However, there are really encouraging signs around levels of recruitment in 2024 where new recruits were just as likely to be from any other ethnic background as they were to be White British, which is a first for MKCC.

Reporting metrics

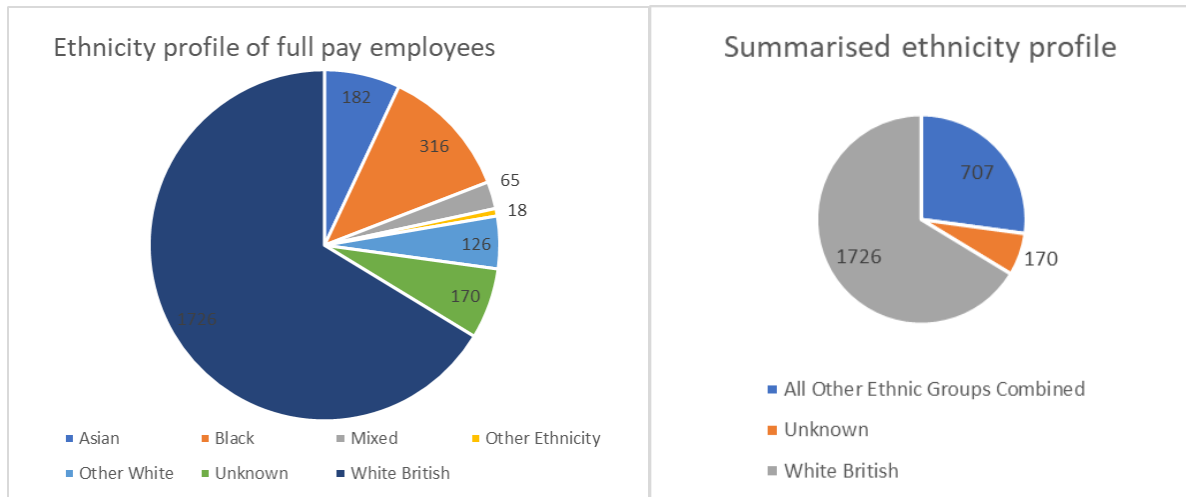
Using a snapshot of pay from 31 March 2024, we use six calculations to show the difference between the average earnings of White British employees and people of different ethnicity. These are:

1. Our mean ethnicity pay gap
2. Our median ethnicity pay gap
3. Our mean bonus ethnicity pay gap
4. Our median bonus ethnicity pay gap
5. The proportion of each ethnic group receiving a bonus payment
6. The proportion of each ethnic group divided into four quartile pay bands

¹ Chartered Management Institute response to government consultation on ethnicity pay reporting Jan 2019

Workforce Profile

On 31 March 2024 we employed 2616 people. Pay gap figures are calculated on all full pay employees, a reduced pay employee being someone who is receiving less than their standard salary for example on career break, maternity leave etc. At the reference date we had 2603 employees on full pay.



All Other Ethnic Groups Combined account for 27% of the workforce. However, 7% of our workforce have not disclosed their ethnicity, if ratios held steady across all employees it suggests that this workforce is 29% of all staff.

Mean EPG

White British colleagues mean hourly rate is £20.33

	Asian	Black	Mixed	Other	Other White	Unknown	All Other Ethnic Groups Combined	All Staff
Mean hourly rate	£18.06	£17.72	£19.16	£19.23	£20.57	£17.65	£18.49	£19.65
Mean pay gap to White British	11%	13%	6%	5%	-1%	13%	9%	3%

The data shows the real importance of looking at ethnicity in more detail than at the overarching all other ethnic group level. The 9% pay gap felt for this group masks the granular experience where colleagues of Other White Ethnicity are paid more than White

British colleagues and those of Black and Unknown Ethnicity are experiencing the widest pay gap of all at 13%.

Median EPG

White British colleagues median hourly rate is £18.06

	Asian	Black	Mixed	Other	Other White	Unknown	All Other Ethnic Groups Combined	All Staff
Median Hourly Pay	£17.59	£16.49	£17.59	£16.03	£18.06	£15.43	£17.59	£17.59
Median pay gap to White British	3%	9%	3%	11%	0%	15%	3%	3%

The Median EPG to All Other Ethnic Groups Combined is 3% but this masks the granular story where colleagues of Other Ethnicity and Unknown Ethnicity have a considerably wider Median EPG.

Bonus EPG

Milton Keynes City Council (MKCC) does not operate any performance related pay or bonus schemes and therefore has no bonus EPG.

MKCC rewards employees who achieve 25 years' service to the Milton Keynes community, with a long service award. The award is a gift in vouchers, administered annually in December.

Ethnicity representation by pay band

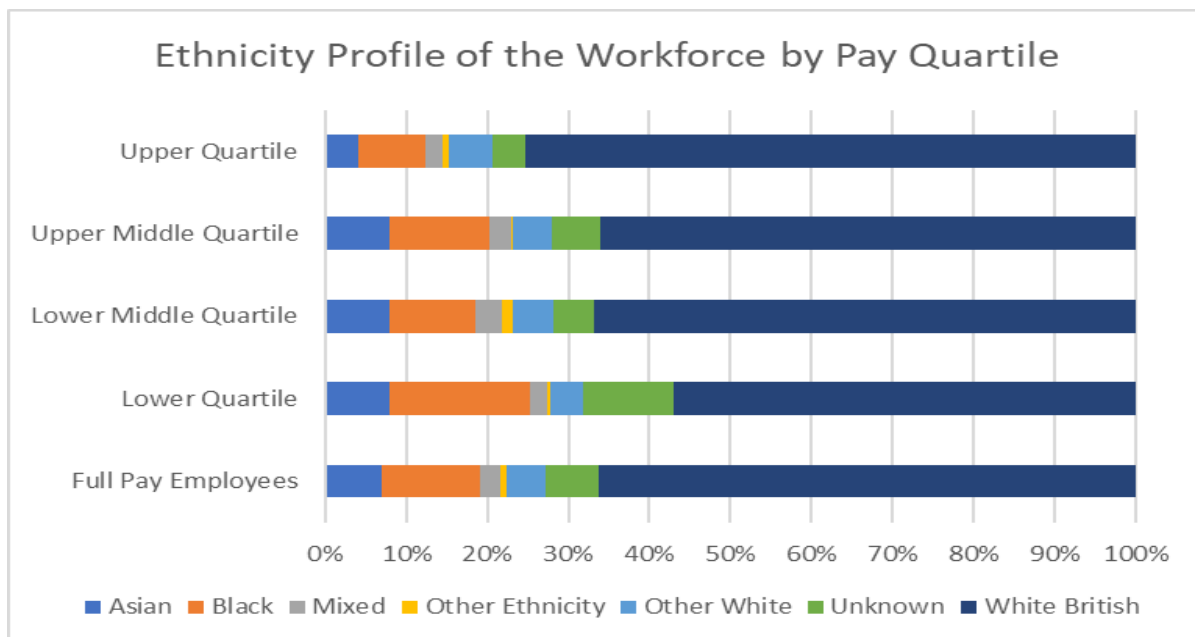
The full pay workforce is split into quartiles to show the proportion of each ethnicity in each broad pay band. There are 650 people in the Upper Middle Quartile and 651 in each of the other quartiles.

Lower Quartile- Hourly rates to £14.41

Lower Middle Quartile- Hourly rates £14.41 - £17.59

Upper Middle Quartile- Hourly rates £17.59 - £23.03

Upper Quartile- Hourly rates £23.03 and above



Looking at the ethnic profile of the workforce in this granular way, as the numbers are small the trends may be over exaggerated or masked. However, by looking at each quartile in comparison to the overall picture you can see that White British colleagues are underrepresented in the lower quartile. This means that Asian, Black and Unknown Ethnicity colleagues show a greater than proportional representation. Interestingly those of Unknown Ethnicity are highly overrepresented in the lower quartile, which may be the result of two main reasons. It could be that the Unknown Ethnicity group include junior staff who may not have been with us for long and have not yet built-up sufficient trust to share equalities information or more likely this cohort will include most roles that are non-computer based. We were concerned to see the Unknown Ethnicity increase from 6% last year to 7% this year that since the data was produced, we have run an extensive exercise to contact all people whose ethnicity was unknown to offer them the opportunity to share this with us. It is important that everyone is offered a “prefer not to say” option as no one should feel compelled to disclose. We do though want to encourage as many colleagues as possible to disclose, to allow us to better understand our workforce. The exercise has seen that Unknown cohort fall to 5% of the workforce by the end of 2024.

As you move up the quartiles the proportion of the workforce that is White British steadily increases. This is mirrored by the inverse trend for colleagues of broadly All Other Ethnicity except for Other White colleagues. For All Other Ethnic groups, they experience their lowest representation in the upper quartile. The reality of there being a less ethnically diverse population in the highest paid quartiles is caused by many factors but is influenced by tenure. At MKCC we have a relatively stable workforce the average length of MKCC service is seven years and for many colleagues it is considerably longer. This means that change takes a while to move through an organisation, recruitment is condensed at the lower end of the pay scale as you would expect with the majority of roles being here. This means that as we recruit a changing workforce attracting greater numbers of colleagues from diverse ethnic backgrounds it condenses those figures in the lower quartiles. In 2024

47.4% of new starters were from ethnic backgrounds other than White British (up from 35% in 2023). This was the same as the % of White British recruits with the rest being of Unknown Ethnicity.

We need to ensure people from all backgrounds can develop and succeed within the council, to enable greater diversity across the pay scales. With the Workplace for Everyone Action plan at the heart of our equality, diversity and inclusion journey with all actions being sponsored by members of our Corporate Leadership Team we have never been in a better place to do this. Some upcoming items that will resonate with addressing the EPG will be the event in the Chambers at Civic promoting MKCC as an employer with an emphasis on inclusion of under represented groups as well as a top down review of our recruitment practices that has inclusion at its core.