

## Old Oak and Park Royal Development Corporation Ethnicity Pay Gap report: 31 March 2020

### Background

The Old Oak and Park Royal Development Corporation (OPDC) is committed to being an anti-racist organisation and we will tackle any form of structural and persistent inequality. We are equally committed to creating a diverse and inclusive organisation that reflects the diversity profile of London. We are serious about addressing all forms of inequality, and the publishing of the report supports this commitment. We are clear that to address areas of inequality, we will need to closely monitor and review our action plans. We are pleased to report that we have significantly increased the number of BAME staff at a senior level within the organisation which is reflected by 50% of BAME staff that are members of the Senior Management Team.

The report is the third overall mean and median ethnicity pay gap audit.

As a public sector body, the snapshot date for the data collection was 31 March 2020. The data does not include OPDC Board Member and Committee Member appointments.

The purpose of the ethnicity pay gap audit is to explore the extent of disparities of pay and ethnicity and look at ways to mitigate these. It is important to note that, due to the size of the organisation (headcount less than 250), very small changes can have a significant impact on percentages and overall findings of the audit.

For the purposes of this audit the calculations used for ethnicity pay gap reporting are the same as the gender pay gap calculations, and we are publishing the overall mean and median pay gaps.

The OPDC has followed the gender pay gap reporting methodology to calculate the ethnicity pay gap as a percentage. The formula is below:

$$\frac{A - B}{A} \times 100$$

where A is the mean/median hourly rate of pay for relevant White staff; and,  
where B is the mean/median hourly rate of pay for relevant BAME staff.

The Equality and Human Rights Commission express the ethnicity pay gap as follows: *“the pay gap is defined as the difference between the average hourly pay of ethnic minorities and White British people. When ethnic minorities are paid less, overall, than White British people they experience a pay gap. When they are paid more they experience a pay advantage. The pay gap is often expressed as a percentage difference between the pay of people from ethnic minorities and the pay of White British people, with the latter representing 100%.”*

The aim of the ethnicity pay gap audit is to:

- Review the data and identify where the ethnicity pay gaps exist
- Mitigate against ethnicity pay gaps by way of an action plan

Salaries at the OPDC are determined through a job evaluation scheme (Hay). This scheme evaluates the job and not the post holder. It makes no reference to gender, ethnicity or personal characteristics of existing or potential job holders. Therefore, we are satisfied that the job evaluation scheme is a fair and transparent process that does not have any bias towards gender and ethnicity.

### **Headline Ethnicity Pay Gap Summary**

The headline ethnicity pay gap data for OPDC in table 1 is broken down into ethnicity groups;

- BAME (Black, Asian, Dual, Other)
- White.

As at 31 March 2020, the total number of permanent members of staff including staff on a Fixed Term Contracts is 42, 38% are from a BAME background, and 60% from a White Background.

We are reliant on accurate reporting to be able to provide a credible narrative and make the correct assumptions. However, we did not have ethnicity information for 2% of the organisation. We make every effort to ensure all employees update their sensitive information on the HR system, but this is reliant on staff willingness to provide the information.

Overall the calculations show there is a mean pay gap of **-0.99%** (2019: 9.13%) and a median pay gap of **5.24%** (2019:11.38%). This is a consistent improvement since the first ethnicity pay gap report on 31 March 2017 where the mean pay gap figure was 31.51% and the median figure was 37.52%. This is as a result of the recruitment of staff from a BAME background at a senior level.

Whilst there is a significant improvement since the first ethnicity pay gap report in March 2017, we cannot be complacent, and we will continue to make every effort to close the pay gap as part of our recruitment processes. We are mindful that small changes can have a big impact on the figures.

**Table 1: Headline Ethnicity Pay Gap – White/BAME, March 2020**

Headline Ethnicity Pay Gap - White/BAME					
Ethnicity	No of staff	Mean	Median	Mean Pay Gap	Median Pay Gap
BAME (Black, Asian, Dual, Other)	16	£ 29.65	£27.50	-0.99%	5.24%
White	25	£29.36	£ 29.02		

**Table 2: Headline Ethnicity Pay Gap – White/BAME, March 2019**

Headline Ethnicity Pay Gap - White/BAME					
Ethnicity	No of staff.	Mean	Median	Mean Pay Gap	Median Pay Gap
BAME (Black, Asian, Dual, Other)	11	£ 27.63	24.97	9.13%	11.38%
White	26	£30.40	£ 28.18		

**Quartile Summary**

The next section looks at the ethnicity pay gap by quartile. This quartile data has been calculated by *dividing the workforce into four equal sized groups and separating them according to the hourly pay rate, starting from lowest paid to the highest paid*. This mirrors the approach taken for gender pay gap reporting. The analysis by quartile shows that there is a pay advantage for BAME staff at the lower quartile, lower middle quartile and upper quartile. There is a small pay gap at the upper middle quartile. This suggests that BAME staff are earning more across all levels with the exception of the upper middle quartile.

**Table 3: Quartile Mean hourly pay March 2020**

<b>Mean Hourly Pay</b>				
	<b>White</b>	<b>BAME</b>	<b>Pay Gap</b>	<b>% BAME</b>
	<b>Hourly rate</b>	<b>Hourly rate</b>		
lower quartile	£18.21	£18.94	-4.01%	46%
lower middle quartile	£25.51	£25.67	-0.63%	40%
upper middle quartile	£30.2	£29.67	1.75%	30%
upper quartile	£43.36	£47.01	-8.42%	40%

**Table 4: Quartile Hourly pay March 2020**

<b>Median Hourly Pay</b>				
	<b>White</b>	<b>BAME</b>	<b>Pay Gap</b>	<b>% BAME</b>
	<b>Hourly rate</b>	<b>Hourly rate</b>		
lower quartile	£18.51	£18.49	-0.11%	46%
lower middle quartile	£24.78	£25.32	-2.18%	40%
upper middle quartile	£30.20	£29.60	1.99%	30%
upper quartile	£40.26	£46.74	-16.10%	40%

## Grade Summary

The OPDC has chosen not to analyse and include pay in relation to its grading structure for the 2020 audit. This is because it is not possible to draw any meaningful conclusions from the statistical analysis of such small data sets.

## £10,000 Salary bands Summary

In addition, the OPDC is also publishing the distribution of salaries across female and male staff in £10k increments up to £100k with those earning more than £100k in one group. This broadly mirrors information published in the Mayor's Annual Report.

These tables contain information as at 31 March 2020 and **do not** include any of the OPDC Board and Committee Member appointments.

**Table 5: Distribution by ethnicity in £10k increments, March 2020**

No of staff by salary				
Pay Band	BAME	White	Not Known	Total
<£20,000	0	1	0	1
£20,000 to £29,999	0	0	0	0
£30,000 to £39,999	4	3	1	8
£40,000 to £49,999	3	6	0	9
£50,000 to £59,999	5	8	0	13
£60,000 to £69,999	0	1	0	1
£70,000 to £79,999	1	4	0	5
£80,000 to £89,999	1	0	0	1
£90,000 to £99,999	1	1	0	2
>£100,000	1	1	0	2
<b>Total</b>	<b>16</b>	<b>25</b>	<b>1</b>	<b>42</b>

**Table 6: Distribution by ethnicity in £10k increments, March 2019**

<b>No of staff by salary</b>				
<b>Pay Band</b>	<b>BAME</b>	<b>White</b>	<b>Not Known</b>	<b>Total</b>
<£20,000	0	0	0	<b>0</b>
£20,000 to £29,999	0	1	0	<b>1</b>
£30,000 to £39,999	3	4	1	<b>8</b>
£40,000 to £49,999	4	5	0	<b>9</b>
£50,000 to £59,999	1	8	1	<b>10</b>
£60,000 to £69,999	0	2	0	<b>2</b>
£70,000 to £79,999	2	3	0	<b>5</b>
£80,000 to £89,999	0	1	0	<b>1</b>
£90,000 to £99,999	1	1	0	<b>2</b>
>£100,000	0	1	0	<b>1</b>
<b>Total</b>	<b>11</b>	<b>26</b>	<b>2</b>	<b>39</b>

**Table 7** highlights the inherent risk in reporting data at a micro level for an organisation as small as OPDC – of the six grades where gaps can be measured Grades 6 and 12, a pay gap becomes a pay advantage, dependent on the measure used. At Grade 7 the two measures are comparable.

**Table 7: Comparison between Mean and Median Pay Gaps by Grade 31 March 2020**

<b>Measure</b>	<b>Grade 6</b>	<b>Grade 7</b>	<b>Grade 8</b>	<b>Grade 10</b>	<b>Grade 12</b>	<b>Grade 14</b>
Mean Pay Gap	1.04%	-9.85%	-14.56%	2.84%	3.34%	12.09%
Median Pay Gap	0.11%	-9.85%	-18.57%	1.93%	-0.00%	13.77%

**Table 8: Comparison between Mean and Median Pay Gaps by Grade 31 March 2019**

<b>Measure</b>	<b>Grade 6</b>	<b>Grade 7</b>	<b>Grade 8</b>	<b>Grade 10</b>	<b>Grade 12</b>	<b>Grade 14</b>
Mean Pay Gap	5.42%	-7.41%	-7.90%	3.59%	0.45%	-0.73%
Median Pay Gap	8.65%	-7.41%	-6.66%	1.01%	-1.20%	-0.73%

## OPDC Ethnicity Pay Gap - Action Plan

The OPDC are aligned to the GLA's terms and conditions of employment and where appropriate the OPDC will adopt the GLA's action plan to address ethnicity and pay.

The Diversity and Inclusion Action Standard is a tool developed by the GLA Group which is a new approach to addressing organisational diversity and inclusion. The OPDC are committed to meeting the exemplary level against the standard by 2022.

In addition, to address the Ethnicity Pay Gap, the OPDC will take the following course of action outlined below:

<b>Data Transparency</b>	
<b>Action</b>	<b>Owner</b>
OPDC will continue to analyse and publish transparent, clear and detailed workforce information including information on the gender pay gap and the ethnicity pay gap.	HR & OD
<b>Inclusive Leadership</b>	
<b>Action</b>	<b>Owner</b>
<b>Unconscious Bias Training</b> OPDC aims to build an inclusive culture with a workforce that reflects London's diversity. Unconscious bias training will continue to form a part of mandatory training for all staff.	SMT/HR & OD
<b>Diversity and Inclusion Management Board</b> To support the work of our internal staff networks and their programmes and initiatives.	SMT/HR & OD/Staff Network Leads



<p><b>OPDC Anti-racist action plan</b></p> <p>The OPDC BAME Network Leads will engage the organisation to scope and develop an anti-racist action plan. The aims of the plan are to promote anti-racist and race equity values in all that we do internally and externally.</p>	<p>OPDC BAME Network Leads/ HR &amp; OD/SMT</p>
<p><b>Confidence in talking about race sessions</b></p> <p>The OPDC are members of Inclusive Employers. They will be facilitating virtual sessions which will explore some of the challenges faced when talking about race and help us to build confidence and skills in starting the dialogue and identifying solutions. Inclusive Employers hope to support us to overcome any barriers that prevent us from talking about race so that we can continue to move forward in addressing racism together.</p>	<p>HR &amp; OD</p>
<p><b>Mentoring scheme</b></p> <p>OPDC staff will have access to the GLA mentoring scheme. We will also engage with the wider GLA Group to establish whether there are opportunities for collaboration/joint mentoring/shared learning.</p>	<p>HR &amp; OD</p>
<p><b>Recruitment</b></p>	
<p><b>Action</b></p>	<p><b>Owner</b></p>
<p><b>Name Blind application</b></p> <p>OPDC will continue to use the name blind recruitment process for all internal and external recruitment campaigns. The name blind application process is a positive effort to reduce any potential impact of unconscious bias at the shortlisting stage.</p>	<p>HR &amp; OD</p>

<p><b>Unconscious Bias Script</b></p> <p>Continue to include an unconscious bias script/reminder in the interview pack for recruiting managers, to ensure unconscious bias (and how to minimise it) is front of mind.</p>	<p>HR &amp; OD</p>
<p><b>Diverse interview panels</b></p> <p>We will continue to ensure that that all interview panels are gender and ethnically diverse, trained in best practice recruitment, including countering discrimination and unconscious bias.</p>	<p>HR &amp; OD</p>
<p><b>Specialist recruitment agencies</b></p> <p>We will engage with specialist BAME recruitment agencies where appropriate to achieve diverse shortlists of high calibre candidates from a BAME background.</p>	<p>HR &amp; OD</p>