

Old Oak and Park Royal Development Corporation Ethnicity Pay Gap report: 31 March 2019

Background

The Old Oak and Park Royal Development Corporation (OPDC) is 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.

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 2019. 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 2019, the total number of permanent members of staff including staff on a Fixed Term Contracts is 39. Of the 39 members of staff, 28% are from a BAME background, and 67% 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 5% of the organisation.

Overall the calculations show there is a mean pay gap of **9.13%** (2018: 10.41%) and a median pay gap **of 11.38%** (2018: 17.14). We are pleased to say that 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 and the promotion of staff from a BAME background.

However, we are clear that there is still more work to do to close the pay gap and we will make every effort to do so by a concentrated effort to attract talented candidates from a BAME background as part of our recruitment processes.

Table 1: Headline Ethnicity Pay Gap – White/BAME

Headline Ethnicity Pay Gap - White/BAME					
Ethnicity	No of staff %	Mean	Median	Mean Pay Gap	Median Pay Gap
BAME (Black, Asian, Dual, Other)	28%	£ 27.63	£24.97	9.13%	11.38%
White	67%	£30.40	£28.18		

Mean Ethnicity Pay Gap/Median Ethnicity Pay Gap

Tables 2 and 3 provide the mean and median ethnicity pay gap information respectively, by grade, and comparable data. In order to make this more meaningful we have included Grades 6, 7, 8, 10, 12, and 14 where comparisons can be made.

In order to interpret this data correctly, it is important to understand how the grades operate. Each grade has up to 5 incremental pay points and employees will normally start at the bottom of the scale and receive an annual increase until they reach the top of the scale. This means that the differences reflected within a grade will generally be a reflection of length of service. It also means that, while efforts should be made to address any imbalance in staff numbers within a grade, recruiting more employees from a BAME background is likely, dependent upon how vacancies have arisen, to increase any reported pay gap because new employees will be starting at the bottom of the scale.

Three Grade 6 post holders, three Grade 8 post holders, two Grade 10 post holders, and one Grade 14 post holder have received payments in respect of additional duties/responsibilities taken on during that period.

There are minor imbalances, based on head count of staff, at Grades 6, 8, and 14, and a moderate imbalance at Grade 12. There is a more significant imbalance at Grade 10. Grade 7 is balanced. To note the pay advantage at grades 8 and 14 is due to the way in which the incremental pay scale operates as outlined above.

The OPDC will continue to look at ways to address the Ethnicity Pay Gap through our recruitment processes as and when vacancies arise. A particular drive will be made at Grade 10 and senior roles.

Table 4 highlights the inherent risk in reporting data at a micro level for an organisation as small as OPDC – one of the six grades where gaps can be measured (Grade 12), a pay gap becomes a pay advantage, dependent on the measure used and, and grades 7, and 14, are the two measures that are comparable.

Table 2: Mean Gap White/BAME

Mean Pay Gap White/BAME			
Mean Pay	White	BAME	Pay Gap
Grade 6	£ 21.40	£ 20.24	5.42%
Grade 7	£ 21.04	£ 22.60	-7.41%
Grade 8	£ 23.42	£ 25.27	-7.90%
Grade 10	£ 29.51	£ 28.45	3.59%
Grade 12	£ 38.05	£ 37.88	0.45%
Grade 14	£ 46.36	£ 46.70	-0.73%

Table 3: Median Pay Gap White/BAME

Median Pay Gap White/BAME			
Median Pay	White	BAME	Pay Gap
Grade 6	£ 20.24	£ 18.49	8.65%
Grade 7	£ 21.04	£ 22.60	-7.41%
Grade 8	£ 23.41	£ 24.97	-6.66%
Grade 10	£ 28.74	£ 28.45	1.01%
Grade 12	£ 37.43	£ 37.88	-1.20%
Grade 14	£ 46.36	£ 46.70	-0.73%

Table 4: Comparison between Mean and Median Pay Gaps by Grade

Measure	Grade 6	Grade 7	Grade 8	Grade 10	Grade 12	Grade 14
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

Where appropriate OPDC will adopt the GLA's action plan to address ethnicity and pay. In addition, to address the Ethnicity Pay Gap, OPDC will take the following course of action outlined below:

Data Transparency	
Action	Owner
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
Inclusive Leadership	
Action	Owner
<p>Unconscious Bias Training</p> <p>OPDC aims to build an inclusive culture with a workforce that reflects London's diversity.</p> <p>Unconscious bias training will form a part of mandatory training for all staff.</p>	SMT/HR & OD
<p>Governance</p> <p>To set up a Diversity and Inclusion Board where there will be a focus on how we can address areas of inequality within the organisation. This Board will be fully operative by January 2020.</p>	SMT/HR & OD

Recruitment	
Action	Owner
<p>Name Blind applications</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>	HR & OD
<p>Unconscious Bias Script</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>	HR & OD
<p>Diverse interview panels</p> <p>We will continue to ensure that that all interview panels are diverse with BAME representation.</p>	HR & OD
<p>We will engage with specialist BAME recruitment agencies where appropriate to achieve diverse shortlists of high calibre candidates from a BAME background.</p>	HR & OD
<p>We will examine the new approach to recruitment that GLA Housing and Land has recently undertaken to improve diversity of applications and appointments to see what lessons may be learned for OPDC.</p>	HR & OD
<p>A specific focus will be made for Grade 10, and senior roles where recruitment campaigns will aim for diverse shortlists.</p>	HR & OD

<p>For senior roles if recruitment agencies are procured, they will be required to provide a high quality diverse shortlist. Appointments are still to be based on merit.</p>	
<p>We will continue to build on the success achieved with the OPDC Board Member recruitment process carried out in 2018, by engaging with specialist recruitment agencies. We achieved a shortlist of high quality diverse candidates and appointments made from a BAME background.</p>	<p>HR & OD</p>