

Combined Pay Gap Report 2023

City of Wolverhampton Council

Contents

Combined pay gap report 2022-2023 introduction and background	2
Ethnicity pay gap report 2022-2023.....	2
Ethnicity profile at City of Wolverhampton Council.....	2
Ethnicity pay gap at City of Wolverhampton Council.....	5
Factors influencing the ethnicity pay gap	19
Conclusion	22
Disability pay gap report 2022-2023.....	22
Disability at City of Wolverhampton Council.....	22
Disability pay gap at City of Wolverhampton Council	24
Factors influencing the disability pay gap	28
Conclusion	30
Sexual orientation pay gap report 2022-2023.....	30
Sexual orientation at City of Wolverhampton Council	30
Sexual orientation pay gap at City of Wolverhampton Council	32
Factors influencing the sexual orientation pay gap	35
Conclusion	37
Our actions to date	38
Our next steps	39

Combined pay gap report 2022-2023 introduction and background

City of Wolverhampton Council (CWC) has committed to producing a non-statutory annual review and publication of the ethnicity pay gap to accompany the statutory gender pay gap report each year, and has published this report since 2019-2020. In 2021-2022, additional reports detailing the disability and sexual orientation pay gaps were also produced, and published alongside the ethnicity pay gap details in a combined pay gap report.

The following pages detail the ethnicity, disability and sexual orientation pay gaps for the financial year of 2022-2023, the Council used a snapshot reporting date of 31 March 2023. The calculations included have been produced in line with the national guidance for gender pay gap and ethnicity pay gap reporting. For the ethnicity pay gap, the Council has utilised its 'inclusive language' guide in producing the report, which is based on the UK Government's preferred style of writing about ethnicity as published in 2021. Appendix 1 shows the ethnicity groupings used in this report.

Ethnicity pay gap report 2022-2023

Ethnicity profile at City of Wolverhampton Council

Of the 3647 full-pay relevant employees as of 31 March 2023, 3318 had reported their ethnicity and were therefore included in the ethnicity pay gap analysis.

The ethnicity profile of the workforce has changed in recent years, with an increase by 4.1 percentage points (224 employees) in the proportion of employees from ethnic minority groups (including white minority groups) since the 2019-2020 financial year (table 1). This translated to a 3.5 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		Workforce 2022-2023		Change (% point)
Ethnic minority groups	1128	24.8%	1110	25.6%	1220	27%	1303	27.9%	+3.1
White (other)	164	3.6%	187	4.3%	217	4.8%	213	4.6%	+1.0
White (British)	2742	60.4%	2581	59.3%	2616	57.9%	2674	57.2%	-3.2
Not recorded*	508	11.2%	469	10.8%	469	10.4%	483	10.3%	-0.9
Total	4542		4347		4522		4673		

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

**Please note that due to ethnicity grouping changes a more recent total for 2019-2020 has been used here than that published in 2019-2020*

Employees	Pay gap report 2020		Pay gap report 2021		Pay gap report 2022		Pay gap report 2023		Change (% point)
Ethnic minority groups	965	25.0%	954	25.9%	980	27.5%	1006	27.6%	+2.6
White (other)	138	3.6%	166	4.5%	170	4.8%	165	4.5%	+0.9
White (British)	2349	60.9%	2208	60.0%	2099	59%	2147	58.9%	-2.0
Not recorded*	405	10.5%	350	9.5%	310	8.7%	329	9.0%	-1.5
Total	3857		3678		3559		3647		

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 last two reporting years. 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 2020-2021 to 7.1% in 2022-2023. In all four of the financial years reported, employees from ethnic minority groups have made up a higher proportion of new starters than of the existing workforce (32.4% in 2022-2023).

Ethnic group	2019-2020		2020-2021		2021-2022		2022-2023	
White (British)	202	43.4%	140	45.3%	245	48.0%	301	51.5%
White (other)	28	6.0%	43	13.9%	44	8.6%	23	3.9%
Ethnic minority groups	139	29.9%	97	31.4%	178	34.9%	194	33.2%
Not recorded	96	20.6%	29	9.4%	43	8.4%	67	11.4%
Total	465		309		510		585	

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

While the overall ethnicity profile of the workforce has increased in diversity in recent years, there is some variation between ethnic groups. The proportion of the whole workforce who are white (British) has decreased.

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 profile of those included in the previous year.

Of those included in the ethnicity pay gap report, employees from 'other' ethnic groups made up the smallest proportion at 0.7%, with just 22 included employees in this group. For this reason, pay quartile analysis has not been included for this group.

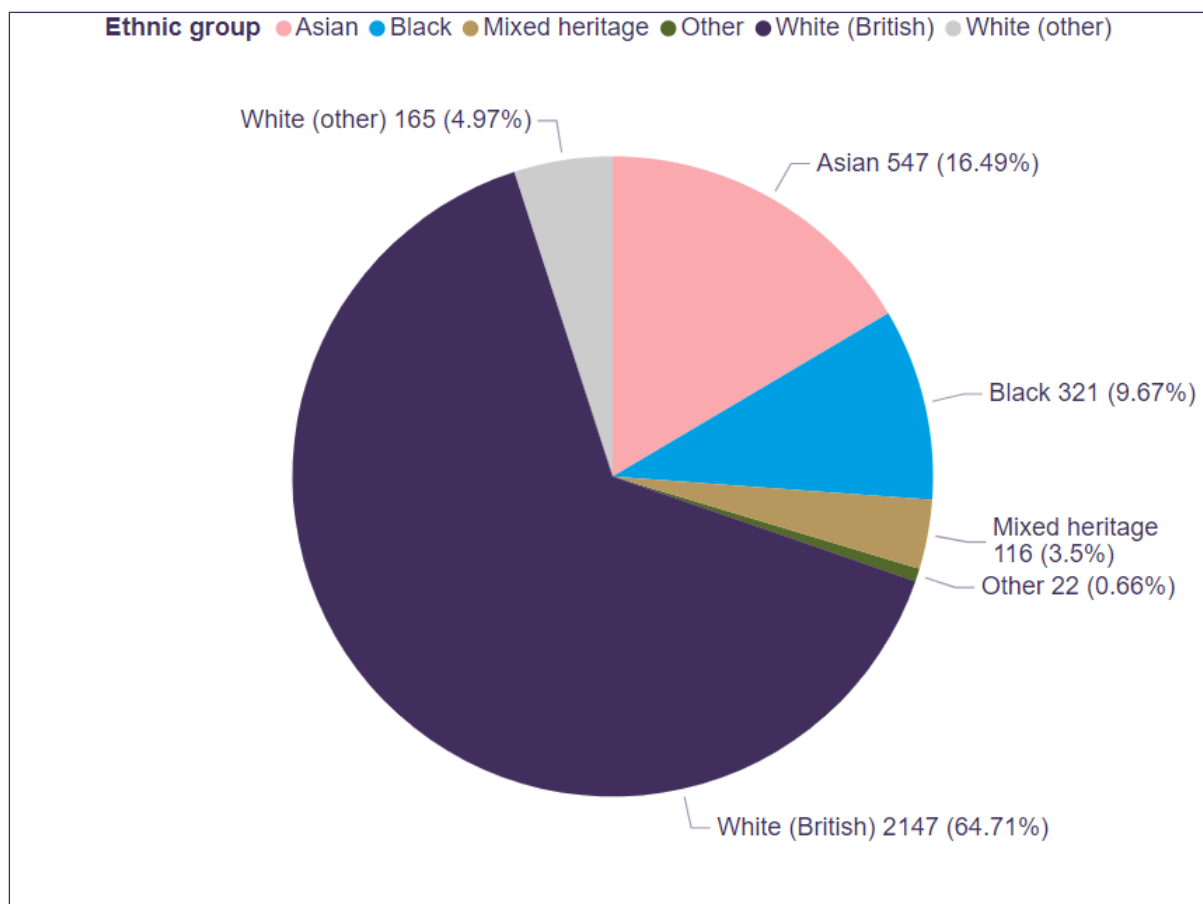


Fig.1 Number of employees included in the pay gap analysis by ethnic group

The number of employees included in the ethnicity pay gap analysis has fluctuated over the reporting years, partly due to three main reasons; a change in the number of people excluded due to not being full-pay relevant each year, an increase in employees reporting their ethnicity, overall workforce change and the increase in workforce size during this time.

Employees	Pay gap 2020		Pay gap 2021		Pay gap 2022		Pay gap 2023		Change (%.)
Asian groups	540	14.0%	542	↑ 16.3%	543	↑ 16.7%	547	↓ 16.5%	+2.5
Black groups	314	8.2%	290	↑ 8.7%	309	↑ 9.5%	321	↑ 9.7%	+1.5
Mixed heritage	98	2.5%	103	↑ 3.1%	108	↑ 3.3%	116	↑ 3.5%	+1.0
Other	13	0.3%	19	↑ 0.6%	20	↑ 0.6%	22	↑ 0.7%	+0.3
White (British)	2349	61.0%	2208	↑ 66.4%	2099	↓ 64.6%	2147	↑ 64.7%	+3.8
White (other)	138	3.3%	166	↑ 5.0%	170	↑ 5.2%	165	↓ 5.0%	+1.7
Not recorded*	402	Removed	350	Removed	310	Removed	329	Removed	Removed
Total	3854		3678		3559		3647		

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 average 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.

The 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 2023 was 5.2%, with a median hourly rate of £15.27 for employees from ethnic minority groups, and £16.11 for white (British) employees:

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023
Ethnic minority groups**	£13.64	£14.02	£14.26**	£15.27**
White*	£13.64*	£14.02*	£14.26	£16.11
All employees	£13.64	£14.02	£14.26	£16.03
Pay gap	0.0%	0.0%	0.0%	5.2%

**Includes white minority groups for 2020 and 2021 **Includes white minority groups for 2022 and 2023*

Table.5 Median hourly pay by ethnic group and median ethnicity pay gap at CWC from 2020-2023

The median ethnicity pay gap remained stable at 0.0% for the previous three reporting years, but has increased to 5.2% in 2023. This suggests that the distribution of employees by ethnic group had previously been equal between the highest and lowest paid half of the workforce, but in the most recent year this has changed to show that proportionately more white (British) employees earn above the overall median than below, and fewer employees from ethnic minority groups earn above the overall median than below.

This can be explained through further exploration of the overall median hourly rate, which has risen above the pay point at the top of an NJC grade 5 for the first time. The median pay for employees from ethnic minority groups has remained in line with the top of a grade 5 where it had been for all groups in previous years. This suggests that the reason for the increase in the median pay gap is due to a higher number of

white (British) employees now being paid at rates above the top of a grade 5 than below it, rather than a change in distribution of employees from ethnic minority groups. This increase in the percentage of the largest group (white - British) employees earning above a pay grade 5 has resulted in the overall median pay also increasing.

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 2023 was 6.58% and has decreased by 0.1 percentage points from the previous year:

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023
Ethnic minority groups**	£14.67	£15.38	£15.61**	£16.89
White*	£15.46*	£16.14*	£16.73	£18.08
All employees	£15.15	£15.87	£16.29	£17.66
Pay gap	5.1%	4.7%	6.7%	6.6%

*Includes white minority groups for 2020 and 2021 **Includes white minority groups for 2022 and 2023

Table.6 Mean hourly pay by ethnic group and mean ethnicity pay gap at CWC from 2020-2023

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 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. The median ethnicity pay gap shown in the most recent year but not in previous years implies that there is also a smaller number of employees from ethnic minority groups earning above the overall median of £16.03 than below it.

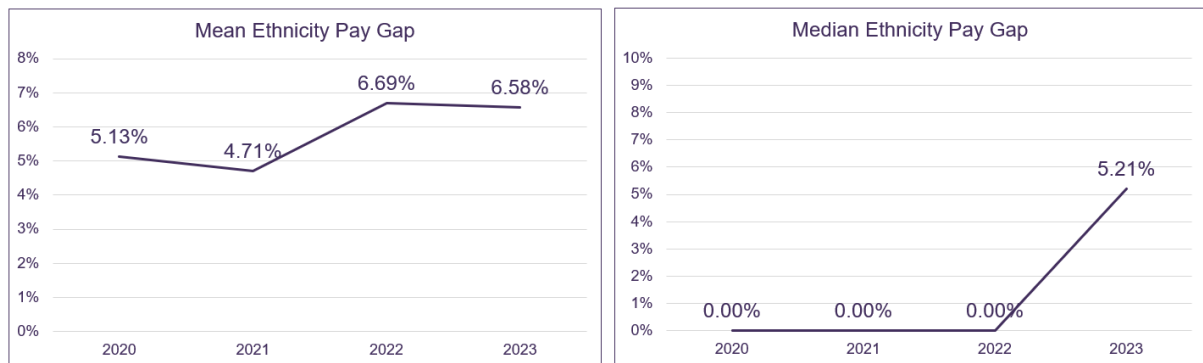


Fig.2 Mean and median ethnicity pay gap from 2020-2023

Median and Mean ethnicity pay gaps by aggregated ethnic groups

The group with the most change in the pay profile when compared to the rest of the workforce since last year is those from 'other' ethnic groups. This group had the highest mean and median pay in 2022, but the lowest median pay in 2023 and a lower mean hourly rate than white (British), mixed heritage and white (other) groups in 2023. This group is the one which is most vulnerable to variation between years due to it being the smallest group with only 22 people included for 2023. This means that the mean and median pay can change significantly due to just two employees leaving, or just two new starters.

Employees from Asian ethnic groups had the lowest mean hourly rate in 2023, which was also true in the previous year. The lower-than-average median hourly rate for this group indicates that Asian employees are also more likely to be in the lower paid half of the workforce. However, in 2023 those from Asian groups had a higher median hourly rate than those from 'other' ethnic groups, but lower than all remaining groups. White (British) employees had the highest mean hourly rate overall, at £18.08 per hour, confirming that the pay of this group is being skewed by a small number of employees in the highest pay grades. The median hourly rate was highest amongst those from white (other) ethnic groups at £16.60 per hour, indicating that employees from this group are more likely to be in the highest paid half of the workforce, but not necessarily amongst those at the very highest end of the pay scale.

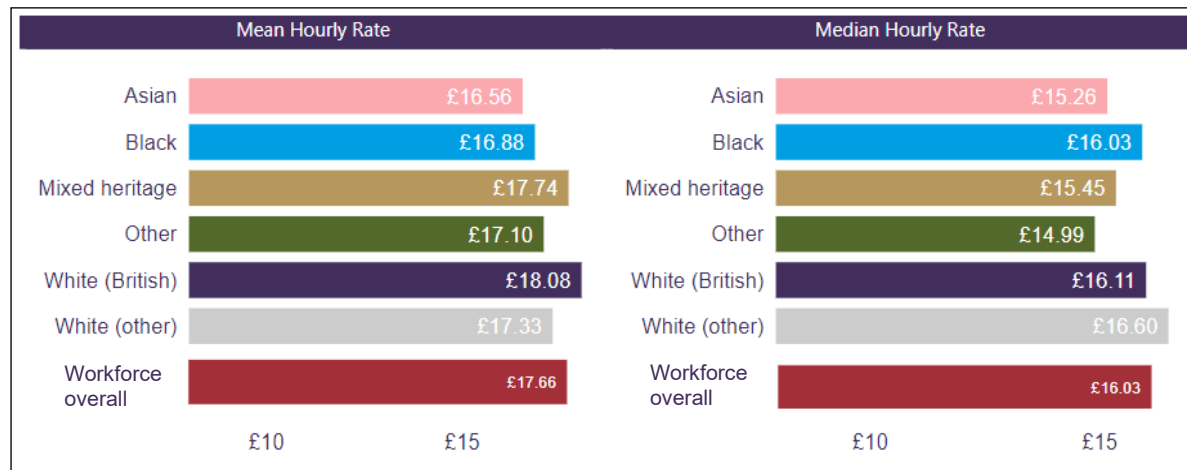


Fig.3 Median and Mean hourly rate by ethnic group (2023)

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, there were no groups with a median ethnicity pay gap of 0.0% in 2023, which was the pay gap for all groups other than black ethnic groups in the previous year. There is a negative median pay gap relating to employees from white (other) ethnic groups, indicating that this group

earned a higher median pay than white (British) employees. For all other groups there is a positive pay gap, indicating that these groups all earn a lower median hourly rate than white (British) employees.

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023	Median pay gap 2023	
Asian	£12.85	£14.02	£14.26	£15.26	£0.85	5.3%
Black	£13.64	£14.72	£14.34	£16.03	£0.08	0.5%
Mixed	£13.64	£14.02	£14.26	£15.45	£0.66	4.1%
Other groups	£11.88	£15.33	£14.93	£14.99	£1.12	7.0%
White (British)	£13.64	£14.02	£14.26	£16.11	Reference	
White (other)	£13.64	£14.02	£14.26	£16.60	-£0.49	-3.0%
All employees	£13.64	£14.02	£14.26	£16.03	N/A	

Table.7 Median hourly pay by ethnic group from 2020-2023 and median ethnicity pay gap against white (British) reference group at CWC in 2023

When compared to 2022, the median pay gap in 2023 increased for those from Asian, black, mixed heritage and 'other' ethnic groups, but decreased for those from white (other) ethnic groups.

Group	Median pay gap 2022		Median pay gap 2023		Change since previous
Asian	£0.00	0%	£0.85	5.28%	+ 5.3
Black	-£0.08	-0.56%	£0.08	0.5%	+ 1.6
Mixed	£0.00	0%	£0.66	4.1%	+ 4.1
Other groups	-£0.67	-4.70%	£1.12	6.95%	+ 11.7
White (British)	Reference		Reference		Reference
White (other)	£0.00	0%	-£0.49	-3.04%	- 3.0

Table.8 Change in median ethnicity pay gap against white (British) reference group at CWC from 2022-2023

In previous years, the median pay of the workforce overall has consistently been equivalent to the highest pay point in the NJC pay grade 5. In 2023, however this has changed and only employees from Asian ethnic groups have a median pay equal to the highest pay point of NJC grade 5 (£15.26). For employees from white (other) ethnic groups the median pay has increased to the bottom pay point of a grade 6, while for all other groups the median pay is between these two pay points.

Group	Pay gap report 2020	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023	Mean Pay gap 2023	
Asian	£14.30	£14.95	£15.39	£16.56	£1.52	8.4%
Black	£14.90	£15.65	£15.65	£16.88	£1.20	6.6%

Mixed heritage	£16.11	£16.61	£16.23	£17.74	£0.34	1.9%
Other	£13.31	£16.75	£17.03	£17.10	£0.98	5.4%
White (British)	£15.48	£16.19	£16.73	£18.08	Reference	
White (other)	£15.22	£15.40	£15.69	£17.33	£0.75	4.2%
All employees	£15.15	£15.87	£16.29	£17.66	N/A	

Table.9 Mean hourly pay by ethnic group from 2020-2023 and mean ethnicity pay gap against white (British) reference group at CWC in 2023

In 2023 there was a mean pay gap against the white (British) reference group for all other ethnic groups.

Group	Mean Pay gap 2022		Mean Pay gap 2023		Change since previous
Asian	£1.34	8.0%	£1.52	8.4%	+ 0.4
Black	£1.08	6.5%	£1.20	6.6%	+ 0.2
Mixed heritage	£0.50	3.0%	£0.34	1.9%	- 1.1
Other	£0.30	-1.8%	£0.98	5.4%	+ 7.2
White (British)	Reference		Reference		Reference
White (other)	£1.04	6.2%	£0.75	4.2%	- 2.1

Table.10 Change in mean ethnicity pay gap against white (British) reference group at CWC from 2022-2023

The mean pay gap for those from mixed heritage and white (other) ethnic groups has narrowed since 2022, with these groups now earning an average hourly rate closer to the rate for white (British) employees than it had been previously. The opposite is true for employees from Asian, black and 'other' ethnic groups for whom the pay gap has increased since 2022.

As in the previous year, the largest mean pay gap is for those from Asian ethnic groups when compared to the white (British) reference group.

Reference group	Asian	Black	Mixed heritage	Other	White (British)	White (other)
Asian	ref	-5%				
Black	4.8%	ref				
Mixed heritage	1.2%	-3.8%	ref			
Other	-1.8%	-6.9%	-3.1%	ref		
White (British)	5.3%	0.5%	4.1%	7.0%	ref	
White (other)	8.1%	3.4%	6.9%	9.7%	3.0%	ref

Table.11 Median 2023 pay gap by ethnic group

The median pay for white (other) ethnic groups is highest, and there is therefore 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 groups other than white (British) and white (other) ethnic groups for employees from black ethnic groups, who have the third highest median pay. The median pay for white (British), black ethnic groups and mixed heritage groups is all above the previous median pay point at the top of NJC grade 5. The median pay for employees from white (other) ethnic groups is equivalent to the pay point at the bottom of NJC grade 6. Employees from Asian ethnic groups have a median pay equivalent to the top of NJC grade 5, and those from ‘other’ ethnic groups have a median pay below this.

Reference group	Asian	Black	Mixed heritage	Other	White (British)	White (other)
Asian	ref					
Black	1.9%	ref				
Mixed heritage	6.7%	4.8%	ref			
Other	3.2%	1.3%	-3.7%	ref		
White (British)	8.4%	6.6%	1.9%	5.4%	ref	
White (other)	4.4%	2.6%	-2.4%	1.3%	-4.3%	ref

Table.12 Mean 2023 pay gap by ethnic group

Mean pay patterns compared to Asian ethnic groups

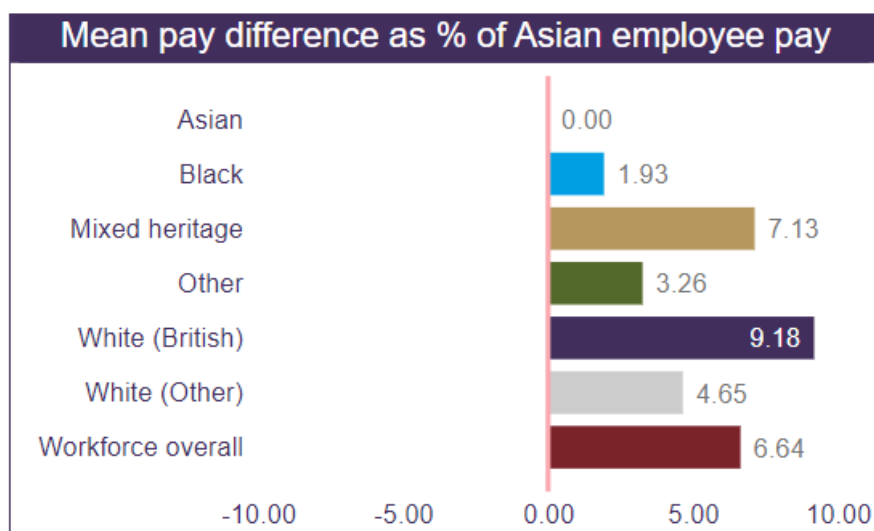


Fig.4 Mean pay difference as a percentage of Asian employee mean pay

The mean pay of Asian employees is lower than all other groups, with a pay difference ranging from 1.9% more for employees from black ethnic groups to 9.2% more for employees from the white (British) group. The difference between the mean pay of Asian employees and white (British) employees has increased since 2022, however the largest pay difference in 2022 was between Asian employees and those from ‘other’ ethnic groups and was higher at 10.7%.

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 the full workforce hourly rate, the mean pay gap is larger than the median pay gap, suggesting that the main reason for the pay gap relating to Asian employees is that there are fewer employees from Asian groups amongst the workforce highest earners, and so the mean pay of this group is less influenced by those at the extreme high end of the pay scale. The opposite is true when comparing the pay of Asian ethnic groups to black ethnic groups, where the median pay gap is larger than the mean pay gap. This suggests that the pay of the ‘typical’ employee from each of these groups is the main factor, and the pay gap here is caused by a higher number of employees from Asian ethnic groups in the lower paid half of the workforce (from the top pay point of NJC grade 5 and below) than above it.

However, as this year the median hourly rate overall and for all ethnic groups other than Asian ethnic groups has risen above the top of pay point NJC grade 5, this is likely to be due to a change in the number of employees from all other groups earning above this due to allowances rather than a change in the distribution of Asian employees across the pay scale specifically.

Mean pay patterns compared to black ethnic groups

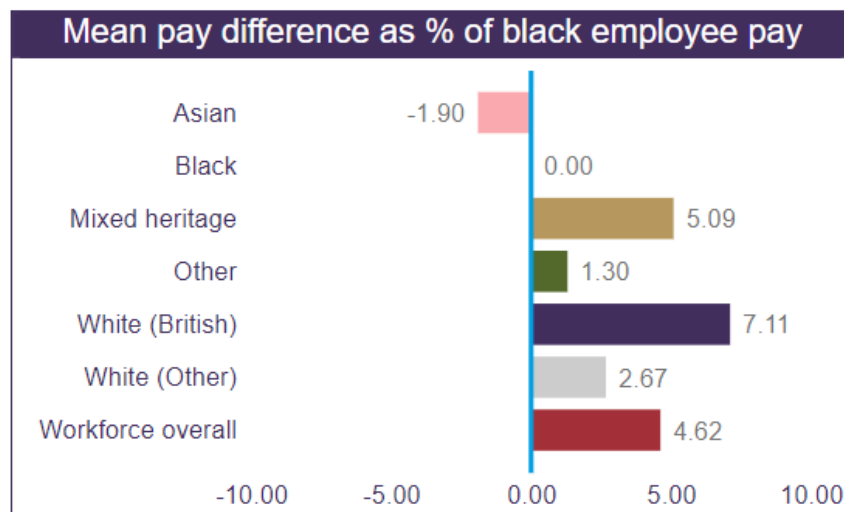


Fig.5 Mean pay difference as a percentage of black employee mean pay

Black employees have a lower mean hourly rate than employees from all other ethnic groups except for those from Asian ethnic groups. At £16.03 per hour, the median pay of employees from black ethnic groups is in line with the workforce overall median and higher than all ethnic groups other than white (British) employees and white (other) employees. The median hourly rate of pay for employees from black ethnic groups is amongst the highest by ethnicity, but as the mean hourly rate is lower than other groups 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. This suggests that it is proportionately high representation of employees from black ethnic groups in positions at pay grades around NJC grade 6 and the lower

pay points of NJC grade 7 keeping the median pay in line with the average for the workforce overall, while fewer black employees at the higher end of the upper pay quartile enables the mean pay to remain lower than the workforce average.

Mean pay patterns compared to mixed heritage ethnic groups

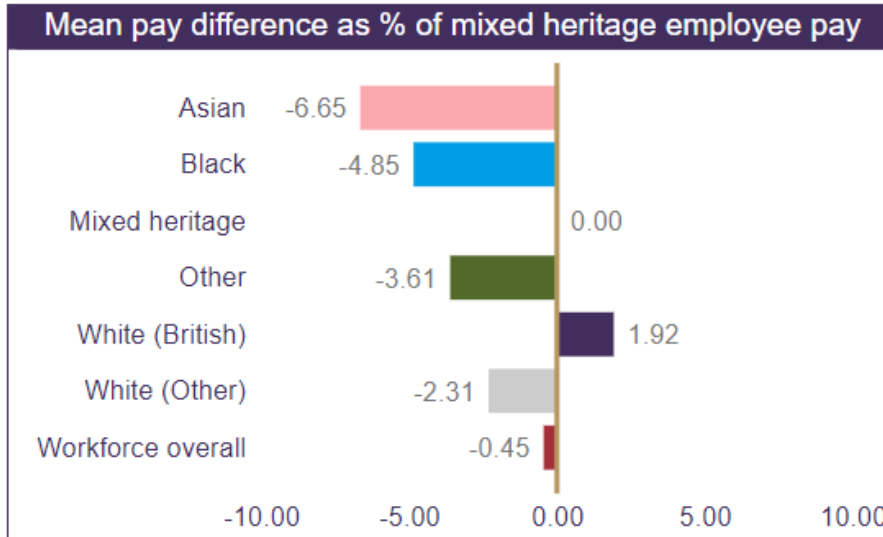


Fig.6 Mean pay difference as a percentage of mixed heritage employee mean pay

The mean pay of employees from mixed heritage groups is amongst the highest in the workforce by ethnic group, with only white (British) employees earning more on average. This occurs despite the median pay for this group also being lower than those from white (other) ethnic groups and black ethnic groups due to representation of employees from mixed heritage groups amongst the highest paid roles. However, fewer employees in total from this group earn above the overall median of just above the top of NJC pay grade 5 than below it. The median pay for this group, remains above the previous median of the highest pay point of NJC grade 5.

Mean pay patterns compared to other ethnic groups

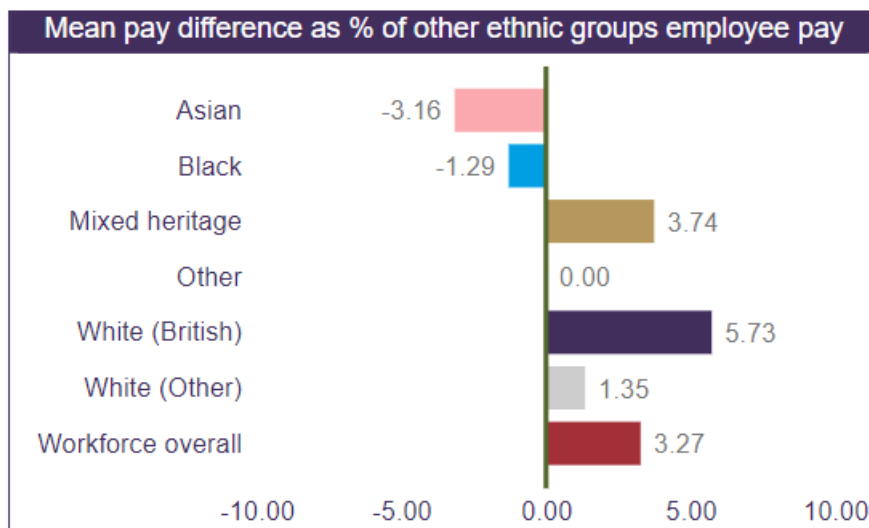


Fig.7 Mean pay difference as a percentage of employees from 'other' ethnic groups mean pay

The mean hourly rate of pay of employees from other ethnic groups remained above the mean hourly rate of pay of employees from black or Asian ethnic groups this year, however this has fallen below the mean hourly rate of employees from mixed heritage, white (British) and white (other) ethnic groups. In the previous year (2022) this group had the highest mean hourly rate of pay across the workforce, however due to the small number of employees included in this group (20 in 2022 and 22 in 2023), the mean is highly susceptible to fluctuation created by the movement of a small number of employees. It is likely that the mean pay for this group will continue to fluctuate year on year.

Mean pay patterns compared to white (British) ethnic groups

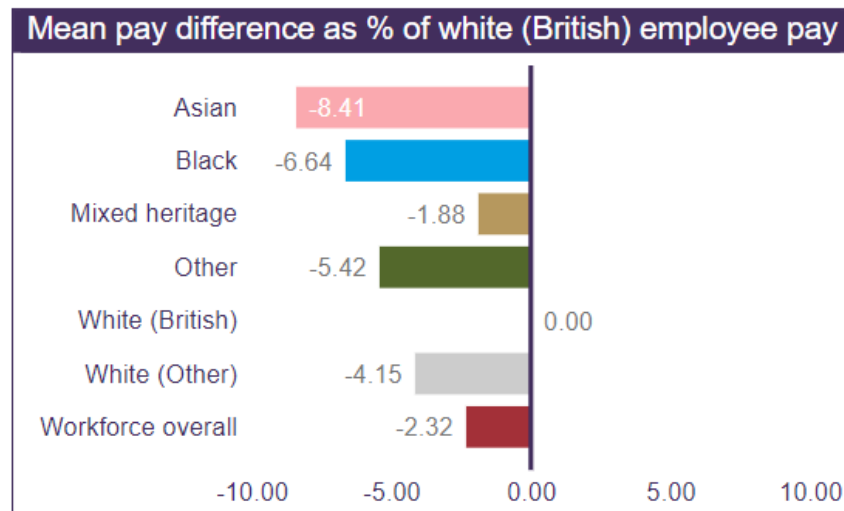


Fig.8 Mean pay difference as a percentage of white (British) employee mean pay

The white (British) group earns more on average than all other ethnic groups, and more than the workforce overall mean. 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

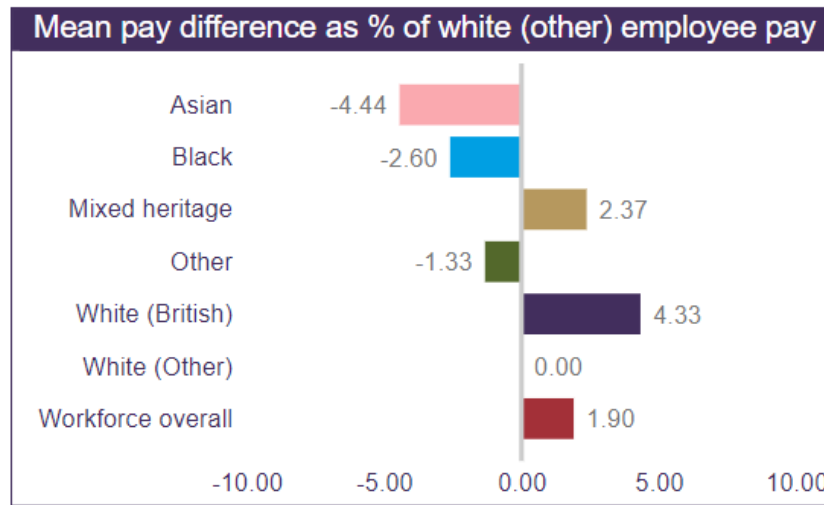


Fig.9 Mean pay difference as a percentage of white (other) employee mean pay

The mean pay of those from white (other) ethnic groups is lower than for white (British), and mixed heritage groups. The mean hourly rate is higher than the mean rate for Asian or black employees, or those from 'other' ethnic groups. Although the mean pay of white (other) employees is lower than the mean pay of white (British) and mixed heritage groups, the reverse is true of the median hourly rate whereby those from white (other) ethnic groups have the highest overall median hourly rate (£16.60 and equivalent to the highest pay point of NJC grade 6). This pattern is due to a proportionately higher number of employees from white (other) ethnic groups earning a salary in the upper middle pay quartile at NJC grade 6 and the lower pay points of NJC grade 7 than below this, however the low number of employees from white (other) ethnic groups amongst the highest paid and in the upper pay quartile allows for the mean pay for this group to remain below that of white (British) employees and mixed heritage employees.

Mean pay patterns compared to overall workforce hourly pay

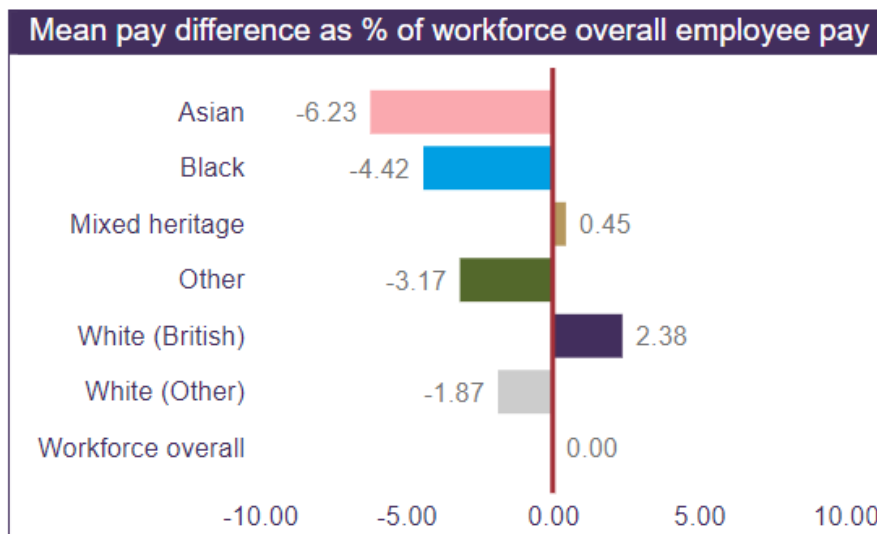


Fig.10 Mean pay difference as a percentage of workforce overall mean pay

The mean hourly rate for the included workforce as a whole is £17.66, rising from £16.29 in the previous year. 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. Employees from mixed heritage groups also earned above the overall mean hourly rate, however this group is less likely to have impacted the increase in the mean pay overall to the same extent due to this being a smaller group. The most noticeable distinction from the 2021 pay gap report is the change in mean pay of those from white (other) ethnic groups from being above the overall median in 2022 to below the overall median in 2023. This variation is due to a change in position of a small number of employees and the mean pay of this group is likely to continue to fluctuate in future years due to the small number of employees in this group overall, which included just 20 employees in 2022 and 22 employees in 2023.

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.

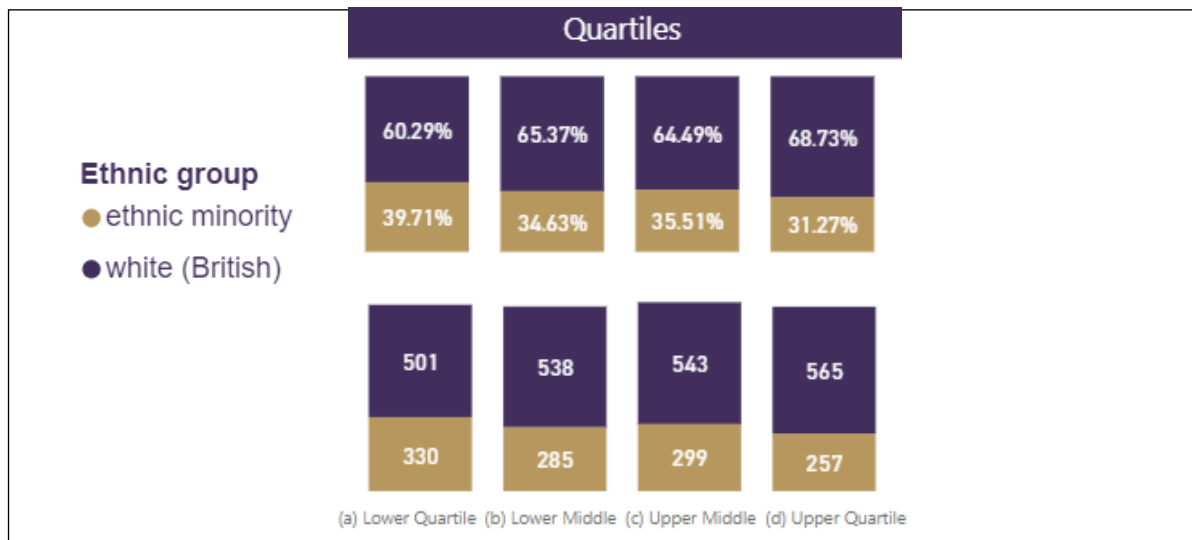


Fig.11 Distribution of employees across quartile pay bands

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.

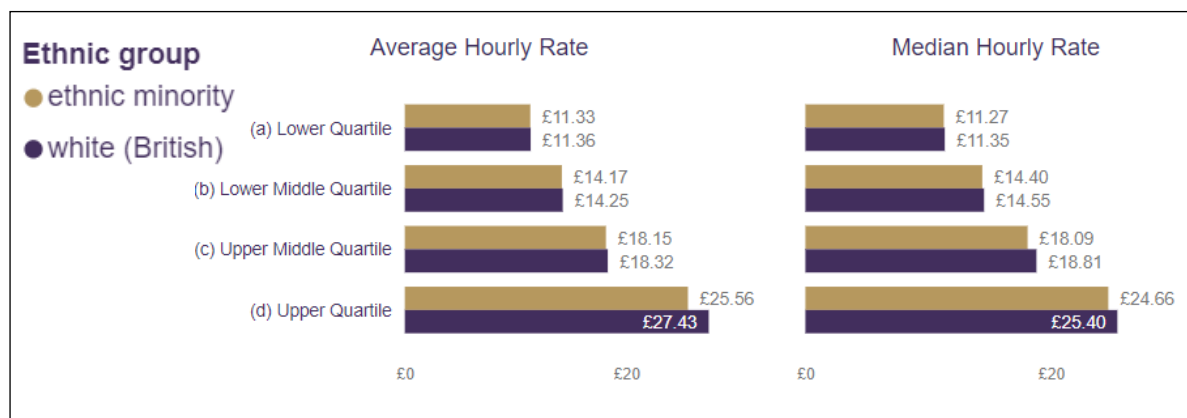


Fig.12 Average and median hourly rate by pay quartile and ethnic group

Fig.12 shows that white (British) employees earn a higher mean and median hourly rate than employees from ethnic minority groups within each of the four pay quartiles, but with the largest pay difference noticeable in the highest (upper) pay quartile, and the smallest pay gap in the lowest (lower) pay quartile.

Total included workforce 3,318	Approximate pay grades	Ethnic minority groups 1171 (35.3%)		White (British) 2147 (64.7%)		Mean Pay gap
Lower Quartile	App-GR04	39.7%	330	60.3%	501	0.3%
Lower Middle Quartile	GR04-GR05	34.6%	285	65.4%	538	0.6%
Upper Middle Quartile	GR05-GR07	35.5%	299	64.5%	543	0.9%
Upper Quartile	GR07+	31.3%	257	68.7%	565	6.8%

Table.13 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 four years of reporting. In the most recent year, the mean ethnicity pay gap has decreased in the highest (upper) pay quartile but remains higher than it was in 2019-2020 and 2020-2021. Changes in the higher paid half of the workforce (those earning above the overall median) are having the impact of gradually reducing then maintaining the pay gap in the upper middle quartile, but are not yet impacting the pay gap in the upper pay quartile.

Pay quartile	Mean pay gap 2019-2020	Mean pay gap 2020-2021	Mean pay gap 2021-2022	Mean Pay gap 2022-2023
Lower Quartile	0.4%	0.0%	0.0%	0.3%
Lower Middle Quartile	-0.3%	0.6%	0.5%	0.6%
Upper Middle Quartile	1.1%	0.7%	0.9%	0.9%
Upper Quartile	5.7%	6.3%	7.1%	6.8%

Table.14 mean pay gap by pay quartile and financial year

Pay quartile	Asian		Black		Mixed heritage		Other		White (British)		White (other)	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Lower Quartile	178	21.4%	82	9.9%	29	3.5%	4	0.5%	314	60.3%	37	4.5%
Lower Middle Quartile	128	15.6%	80	9.7%	30	3.7%	8	1.0%	170	65.4%	39	4.7%
Upper Middle Quartile	138	16.4%	84	10.0%	23	2.7%	3	0.4%	133	64.5%	51	6.1%
Upper Quartile	103	12.5%	75	9.1%	34	4.1%	7	0.9%	108	68.7%	38	4.6%

Table.15 Distribution of employees across quartile pay bands by ethnic group

The table 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 68.7% of this group), while employees from Asian ethnic groups are most likely to be represented in the lower pay quartile (at 21.4% of this group). Out of all the pay quartiles, black employees are represented by the highest amount in the upper middle quartile.

Hourly pay distribution

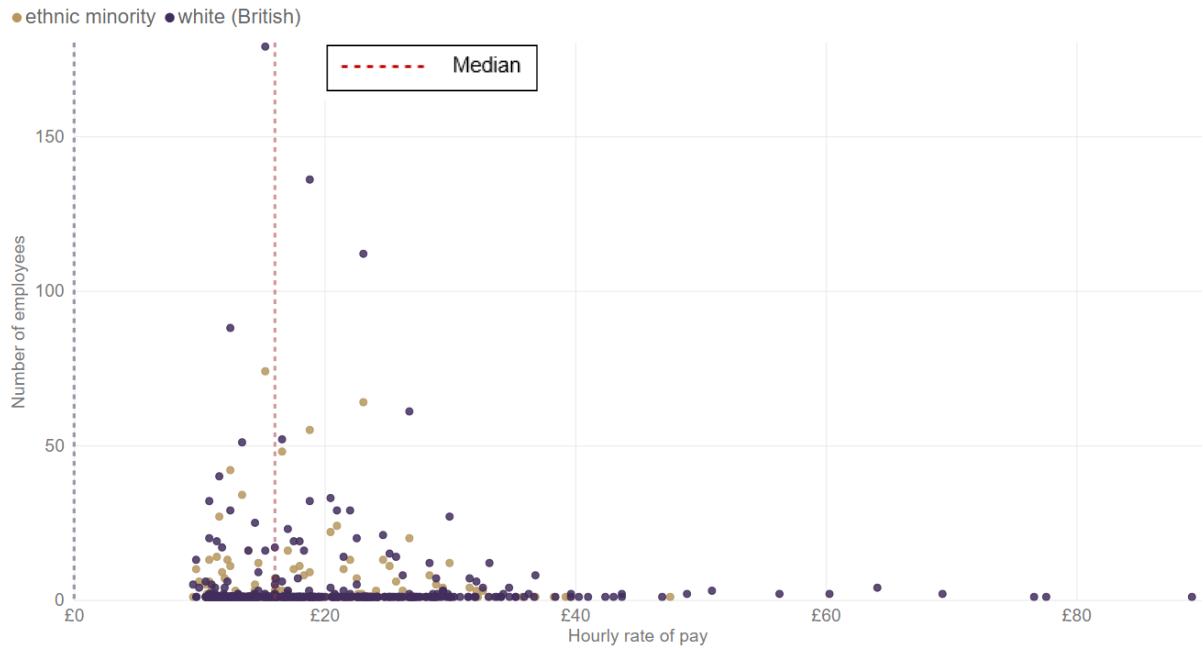


Fig.13 Average and median hourly rate by pay quartile and ethnicity

Figure.13 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.

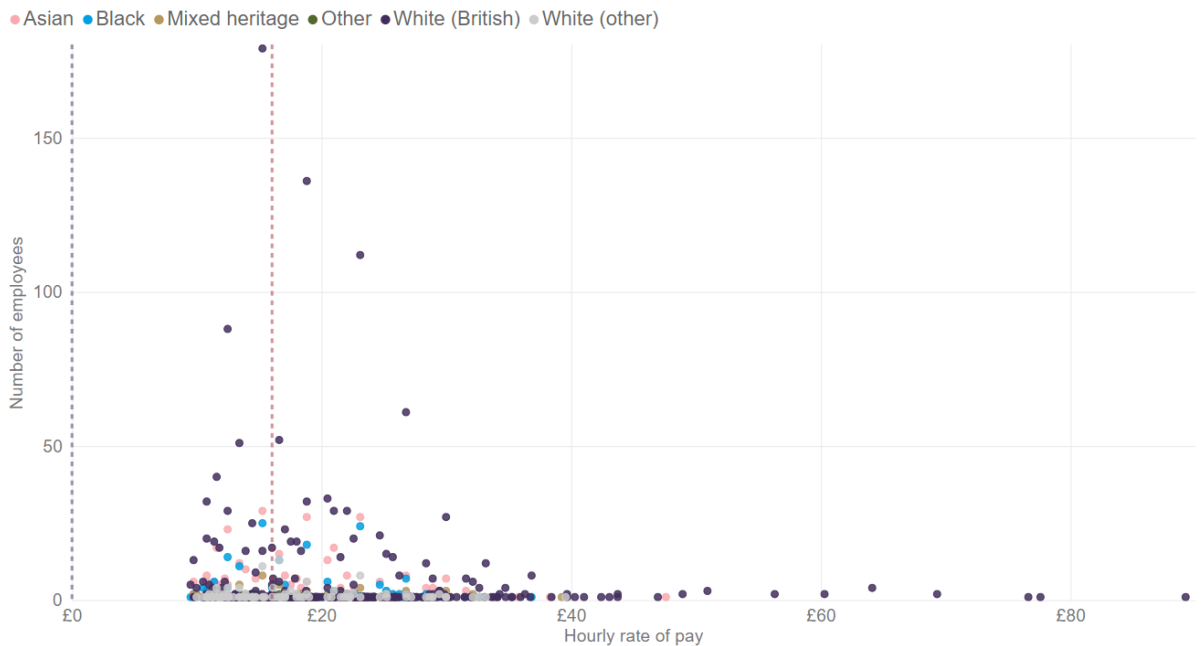


Fig.14 Average and median hourly rate by pay quartile and aggregated ethnic group

Figure.14 further breaks down the details shown in Figure.13 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

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 artificial barriers and increasing training requirements for recruitment panel members on unconscious bias. The WVJobs microsite 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 financial year of 2022-2023 was a successful year for recruitment at CWC, with the total number of new starters exceeding the numbers reported in previous years. This has enabled a bigger change in the diversity of the workforce profile with an increased proportion of employees from ethnic minority groups overall. In the long-term it is anticipated that the commitment to developing the workforce and increasing internal training and progression opportunities will benefit all groups and enable the diversity profile amongst the higher paid groups to follow. In the short-term however, the recent new starters are likely to earn less on average than existing employees partially due to commencing roles on the minimum point of advantage on the pay scale.

Ethnic group	Total	% of starters	Up to and including top of GR5		Above top of GR5	
			Count	Percentage	Count	Percentage
Ethnic minority groups	219	42.3%	143	65.3%	76	34.7%
White (British)	299	57.7%	172	57.5%	127	42.5%
Total	518	100.0%	315	60.8%	203	39.2%

Table.16 The total number and percentage of new starters in roles up to vs above GR05 by ethnicity (excluding those with no ethnicity recorded)

When considering the median pay of employees, any variation in this is due to change in the percentage of that group earning an amount either above or below the overall median. The overall median hourly rate is between the top of NJC pay grade 5 and the bottom of NJC pay grade 6. For the workforce as a whole, 50% will earn above the overall median and 50% will earn below this. Table 16 above shows how new starters over the year were distributed around the median. New starters from both groups were more likely to earn below the overall median, which is likely due to the higher turnover of employees in roles at these pay grades. However, the difference between the number of white (British) new starters earning above or below the median

was much smaller than the difference between the number of new starters from ethnic minority groups earning above or below the median. This provides some explanation for the median pay gap.

Apprentices

The 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. There was a further increase in the number of apprentices at CWC between 2022-2023, from 57 to 76 in total. This follows a previous increase from 28 in the 2019-2020 financial year.

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. In 2022-2023 ethnic minority groups made up 44.7% of apprentices, but only 32.5% of the workforce as a whole.

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. 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 four years, from 23.6% in 2019-2020 to 35.5% in the most recent financial year. While this percentage is lower than the percentage of all promotions in 2021-2022 (39%), the proportionate rate of promotions remained higher for ethnic minority groups (7.7%) than for white (British) employees (7.0%). This provides some explanation for the decrease in the mean ethnicity pay gap in the most recent year.

In order to determine impact on the median pay, the pay point relating to these promotions needs to be considered. The table below shows that promotions related to employees from ethnic minority groups were more likely to be in positions above the top of NJC pay grade 6 than for white (British) employees. This shows that promotions have not contributed to the increase in the median pay gap, and provides more confidence of the overall mean ethnicity pay gap continuing to decrease in future years.

Ethnicity	Total	% of promotions	Up to and including top of GR6		Above top of GR6	
Ethnic minority groups	116	38.3%	59	50.9%	57	49.1%
White (British)	187	61.7%	98	52.4%	89	47.6%
Total	303	100.0%	157	51.8%	146	48.2%

Table.17 The total number and percentage of promotions into roles up to vs above a GR5 by ethnicity, excluding those with no ethnicity details recorded

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 People Services 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.

Leavers and employee turnover

In 2022-2023, leavers contributed to the increase in the median hourly rate for all groups. This is because more than 60% of leavers overall were in positions at NJC pay grade 5 or below, causing there to be fewer employees in these pay grades overall.

The table below shows that leavers from ethnic minority groups were more likely to be employed in positions above the overall median (top of grade 5) than white (British) leavers. The impact of this was to reduce the proportion of employees remaining from ethnic minority groups earning above the overall median, and increasing the proportion remaining earning below the overall median. This will have reduced the impact of the overall median pay increase for ethnic minority groups and therefore contributed to the increase in the median pay gap reported this year.

Ethnicity	Total	% of leavers	Up to and including top of GR5		Above top of GR5	
Ethnic minority groups	167	38.6%	103	61.7%	64	38.3%
White (British)	266	61.4%	177	66.5%	89	33.5%
Total	433	100.0%	280	64.7%	153	35.3%

Table.18 The total number and percentage of leavers from roles up to vs above a GR5 by ethnicity, excluding those with no ethnicity details recorded

In addition to the higher overall pay of leavers from ethnic minority groups throughout the year, the overall turnover rate was also higher for this group than for white (British) employees. This has the impact of enhancing the influence that the pay of leavers from ethnic minority groups has when compared to white (British) employees, resulting

in an increase in the median pay gap.

Ethnic group	Leavers 2022-23	Year-end headcount	Turnover rate
Asian ethnic groups	72	637	11.3%
Black ethnic groups	47	368	12.8%
Mixed heritage groups	17	136	12.5%
Other ethnic groups	3	24	12.5%
White (British)	266	2415	11.0%
White (minority groups)	28	186	15.1%
Not recorded	54	421	12.8%
Total	487	4187	11.6%

Table.19 Leavers, employee headcount and employee turnover by ethnicity

The Council has introduced a leavers interview process to help understand the reasons for employees leaving, and to identify any patterns which may help to explain the higher turnover and the higher average pay of leavers from ethnic minority groups. Work is also in progress to improve the diversity records held for employees.

Conclusion

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.

Disability pay gap report 2022-2023

Disability at City of Wolverhampton Council

Of the 3647 full-pay relevant employees as of 31 March 2023, 3154 had reported their disability status and were therefore included in the disability pay gap analysis. The remaining 493 full-pay relevant employees were excluded from the analysis as they had not reported their disability status. This is an improvement in availability of information from the previous year when 522 employees were excluded as they had not reported their disability status.

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 number of employees in the workforce reporting a disability continues to increase, with a 126% increase in the total number since 2016-2017. This increase slowed in recent years but has now begun to increase again to 181 in 2022-2023. The overall number of employees in the workforce has also increased in this time, from 4368 to 4673 in 2022-2023, meaning that the increase in the number of employees with a disability has resulted in only small fluctuations in the proportionate disability profile of the workforce, which remains below 4%. The proportion of employees reporting no disability has also increased, which is partly accounted for by an increase in the proportion of employees who have recorded their disability status.

Employees	Workforce 2020-2021		Workforce 2021-2022		Workforce 2022-2023		Change (% point)
Disability	154	3.5%	155	3.4%	181	3.9%	+0.4
No disability	3437	79.1%	3632	80.3%	3782	80.9%	+1.8
Not recorded or unsure	756	17.4%	735	16.3%	710	15.2%	-2.2
Total	4347		4522		4673		

Table.20 Full City of Wolverhampton Council workforce by disability status and full financial year

For those employees included in the pay gap report for 2022-2023, there has been an increase from the previous two years in the proportion reporting a disability to 3.7%. This remains lower than the percentage of the full workforce with a disability. 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 a further 1.3 percentage points to 13.4% in the most recent year.

Employees	Pay gap report 2021		Pay gap report 2022		Pay gap report 2023		Change (% point)
Disability	128	3.5%	116	3.3%	136	3.7%	+0.2
No disability	2947	80.1%	2921	82.1%	3018	82.1%	+2.0
Not recorded or unsure	603	16.4%	522	14.7%	493	13.4%	-3.0
Total	3678		3559		3647		

Table.21 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 9.7% in

2022-2023. 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 microsite. 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		2022-2023	
Disability	20	4.3%	18	5.8%	14	2.7%	38	6.5%
No disability	337	72.5%	266	86.1%	458	89.8%	490	83.8%
Not recorded or unsure	108	23.2%	25	8.1%	38	7.5%	57	9.7%
Total	465		309		510		585	

Table.22 Full workforce new starters by financial year and disability status

Although the number of new starters with a disability in 2022-2023 increased from 14 in the previous year to 38, the impact of this on the workforce profile is counteracted by the higher proportionate number of leavers with a disability. In 2022-2023 the employee turnover rate remained higher for those with a disability than for those without, as it had in the previous 3 years.

Disability status	2019-2020	2020-2021	2021-2022	2022-2023
Disability	16.1%	11%	12.6%	13.5%
No disability	11.8%	8.2%	9.8%	11.1%
Not recorded or unsure	14.7%	8.6%	12.8%	14.4%
Total	12.5%	8.4%	10.4%	11.6%

Table.23 Employee turnover by financial year and disability status

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 and analysed.

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 2023 remained negative at -7.9%, showing that the typical employee with a disability earns £1.21 per hour more than the typical employee with no disability. This difference is smaller than in the previous year when the amount per hour was £3.10 higher for those with a disability than for those without a disability, with a median pay gap of -21.7%.

Group	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023
Disability	£15.33	£17.36	£16.60
No disability	£14.02	£14.26	£15.39
All employees	£14.02	£14.26	£16.03
Pay gap	-9.3%	-21.7%	-7.9%

Table.24 Median hourly pay by disability status and median disability pay gap at CWC from 2021-2023

The median disability pay gap has been negative in all three of the Council's reporting years so far, with the difference between pay of employees with a disability and those without fluctuating by year. This large fluctuation in the median disability pay gap can be explained by the small number of employees with a disability in the workforce overall, as in 2022; 20 more employees with a disability earned above the overall median than below it, compared to a difference of just 12 between the upper and lower paid halves in 2023.

Whilst the median pay gap identifies the typical situation for the 'middle-earner' in each group at CWC, the mean calculation includes all rates of pay and can therefore provide further information by identifying specific issues and where pay differences may occur between employees at the highest and lowest paid ends of the pay scale.

The **mean** disability pay gap at CWC for 2023 was -3.9% with the negative mean pay gap also decreasing since the previous year:

Group	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023
Disability	£16.34	£17.37	£18.2
No disability	£15.77	£16.13	£17.5
All employees	£15.87	£16.29	£17.7
Pay gap	-3.6%	-7.7%	-3.9%

Table.25 Mean hourly pay by disability status and mean disability pay gap at CWC from 2021-2023

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 hourly rate for employees with a disability is higher than the median hourly rate for the same group, showing that the mean pay is being influenced by a small number of employees at the highest end of the pay scale. However, as the pay gap itself is larger for the median than the mean, this suggests that the same is true for employees with no disability, and that the overall negative pay gap is driven by the higher number of employees with a disability proportionately earning above the overall median.

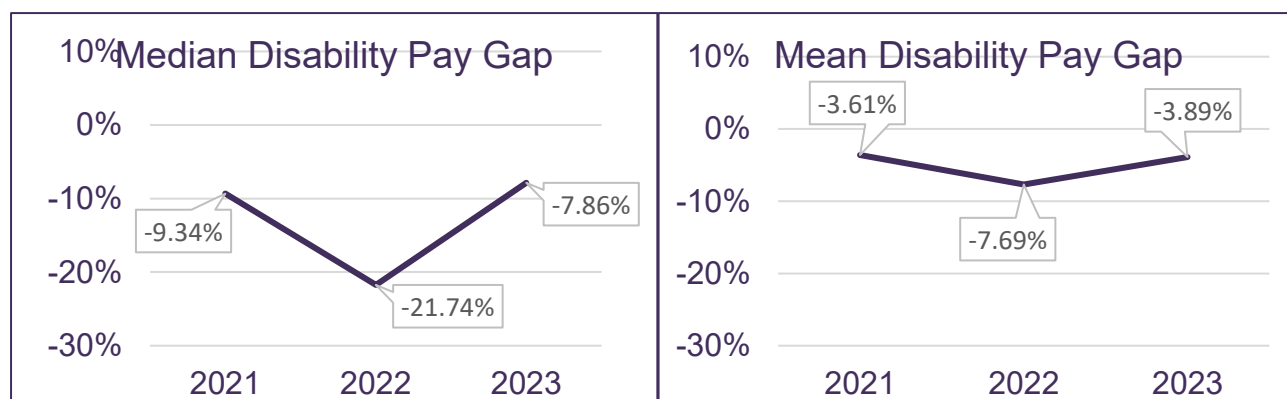


Fig.15 Mean and median disability pay gap from 2021-2023

Pay quartiles

Full pay relevant Workforce	Disability		No disability	
	Percentage	Count	Percentage	Count
3,647	136 (3.7%)		3018 (82.8%)	
Lower Quartile	3.3%	27	96.8%	803
Lower Middle Quartile	4.5%	35	95.5%	744
Upper Middle Quartile	4.2%	33	95.8%	755
Upper Quartile	5.4%	41	94.6%	716

Table.26 Distribution of employees across quartile pay bands

The table 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.

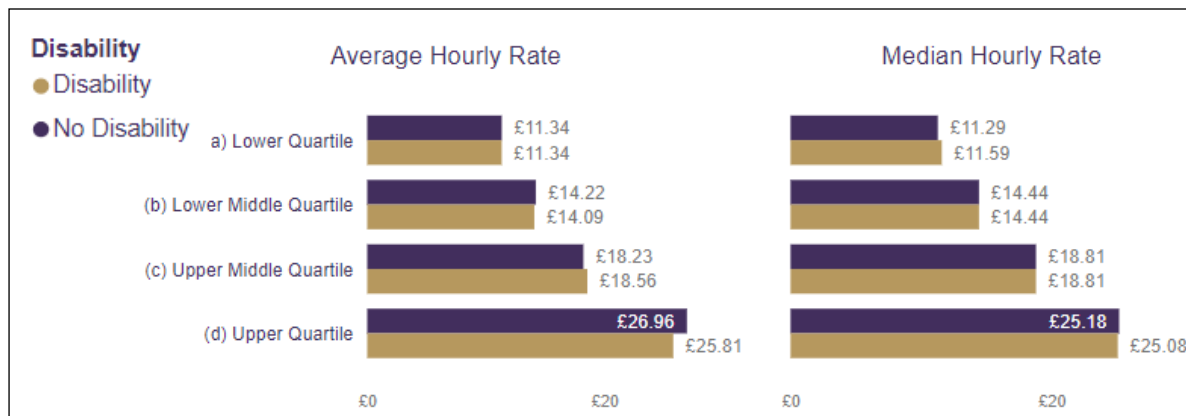


Fig.16 Average and median hourly rate by pay quartile and disability status

In addition to the variation in representation of employees by disability status across pay quartiles, the mean and median pay of employees within each of these quartiles also varies. Fig.16 shows that whilst employees with a disability earn the same on average (mean) by the hour as those without a disability in the lower pay quartile, those with a disability earn less on average in the lower middle quartile and the upper quartile, and more than those without a disability in the upper middle quartile.

The median hourly rate chart shows a different picture. In the quartile with the lowest number of employees with a disability (lower quartile), the mean hourly rate is the same for both groups, while the median hourly rate is above the mean hourly rate in this quartile for those with a disability. This shows that while there are fewer employees with a disability in this pay quartile overall, they are more likely to be earning an hourly rate near the highest end of the quartile pay range (up to NJC grade 4).

The quartile with the highest number of employees with a disability (upper pay quartile) shows both the mean and median pay within this group is lower for those with a disability than without. This difference is more pronounced when considering the mean hourly rate, suggesting that those with a disability are less likely to be amongst the top earners within this quartile (GR13-GR17).

Hourly pay distribution

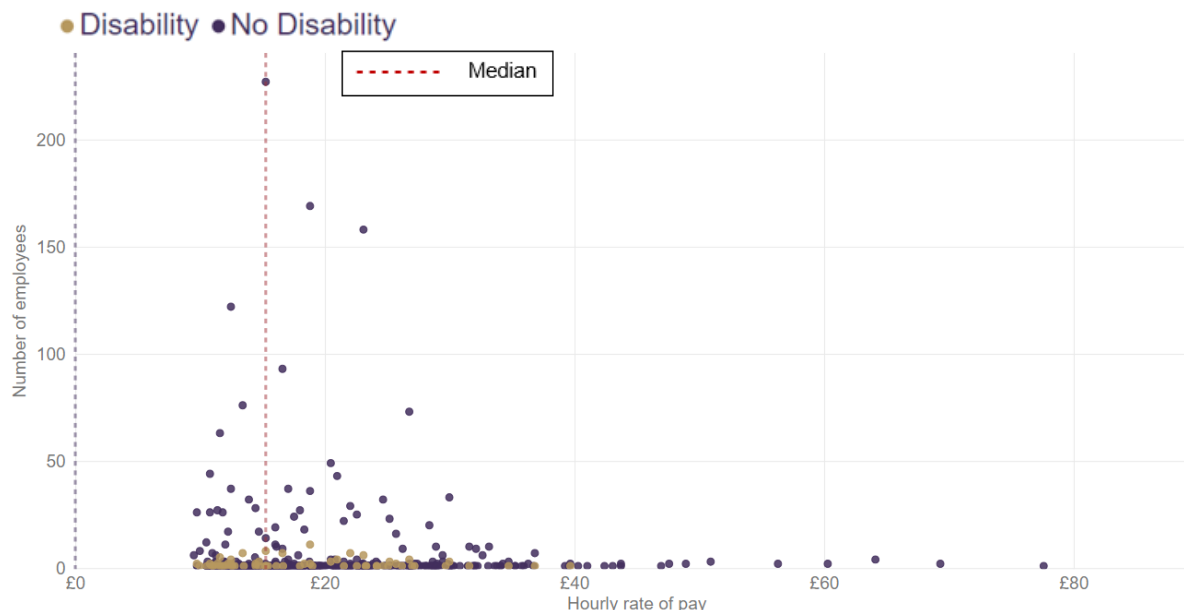


Fig.17 Average and median hourly rate by pay quartile and disability status

Figure.17 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 181 employees in the workforce over the full year, only 136 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 12 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 -7.86%.

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 84.8% and continues to increase from 83.7% last year and from 81.6% in 2019-2020. However, this is still below the reporting rate for ethnicity (89.7%), sex (100%) and age (100%).

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, regular communications to office based employees are being shared with details of how equality monitoring information is kept secure and confidential, and how it has been utilised in recent years to develop programmes and policies to enhance equality throughout the employee journey.

Promotions

Through 2022-2023 the promotion rate relating to employees without a disability and for employees who have not recorded their disability increased to above the promotions rate of those with a disability. This is a reverse of the patterns seen in the previous three financial years where employees with a disability consistently had the highest promotion rate. The increased promotion rate for those with no disability recorded has contributed to an increase in the mean and median pay for these groups, and therefore narrowed the negative pay gap reported last year.

Disability status	2019-2020		2020-2021		2021-2022		2022-2023	
Disability	9	6.6%	11	7.1%	11	7.1%	11	6.1%
No disability	94	2.8%	170	4.9%	208	5.7%	270	7.1%
Not recorded or unsure	44	5.7%	42	5.6%	40	5.6%	46	6.5%
Total	147		223		259		327	

Table.27 Total promotions across the full workforce and financial years 2019-2020 to 2022-2023 by disability status

Leavers and employee turnover

The employee turnover rate for those with a disability has increased from 11% in 2020-2021 to 13.5% in 2022-2023 and remains above the employee turnover for those with no disability. As employees receive incremental pay increases relating to years in post the average pay of those leaving the organisation is higher than the average pay of new starters, who often commence employment at the lowest pay point within a grade. For this reason, an increase in employee turnover can contribute to a reduction, or slowed rate of increase in the average pay for those with a disability. This is likely to have contributed to the narrowed negative pay gap between those with a disability and those with no disability.

Disability status	Leavers	End of year headcount	Turnover
Disability	22	163	13.5%
No disability	377	3411	11.1%
Not recorded or unsure	88	613	14.4%
Total	487	4187	11.6%

Table.28 Leavers, employee headcount and employee turnover by disability status

Conclusion

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.

Sexual orientation pay gap report 2022-2023

Sexual orientation at City of Wolverhampton Council

Of the 3647 full-pay relevant employees as of 31 March 2023, 2395 (an increase from 2207 in 2021-2022) had disclosed their sexual orientation and were therefore included in the sexual orientation pay gap analysis. The remaining 1252 full-pay relevant employees were excluded from the analysis as they had not reported their sexual orientation.

The profile of the workforce in relation to sexual orientation has increased in diversity in recent years, with a 0.5 percentage point increase in the proportion of employees

disclosing that they are LGB+ since 2020-2021, and an increase of 7.0 percentage points in the proportion overall who disclosed their sexual orientation:

Employees	Workforce 2020-2021		Workforce 2021-2022		Workforce 2022-2023		Change (% point)
Heterosexual	2426	55.8%	2673	59.1%	2909	62.3%	+6.5
LGB+	61	1.4%	80	1.8%	87	1.9%	+0.5
Not recorded or unsure	1860	42.8%	1769	39.1%	1677	35.9%	-6.9
Total	4347		4522		4673		

Table.29 Full City of Wolverhampton Council workforce by sexual orientation and full financial year

The pay gap report for 2022-2023 also shows a small increase in the proportion of included employees who were LGB+ when compared to the previous year (0.2 percentage points). 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 6.5 percentage points from 40.8% in 2021 to 34.3% in the most recent year.

Employees	Pay gap report 2021		Pay gap report 2022		Pay gap report 2023		Change (% point)
Heterosexual	2121	57.7%	2148	60.4%	2330	63.9%	+6.2
LGB+	56	1.5%	59	1.6%	65	1.8%	+0.3
Not recorded or unsure	1501	40.8%	1352	38%	1252	34.3%	-6.5
Total	3678		3559		3647		

Table.30 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 starters over recent years. The proportion of new starters who were LGB+ has remained higher than the proportion in the existing workforce for the last 4 years and has increased to 3.9% of new starters in 2021-2022 and 3.6% of new starters in 2022-2023.

Sexual orientation	2019-2020		2020-2021		2021-2022		2022-2023	
Heterosexual	341	73.3%	255	82.5%	425	83.3%	479	81.9%
LGB+	10	2.2%	6	1.9%	20	3.9%	21	3.6%
Not recorded or unsure	114	24.5%	48	15.5%	65	12.7%	85	14.5%
Total	465		309		510		585	

Table.31 Full workforce new starters by financial year and sexual orientation

The higher proportions of new starters who are LGB+ is offset in the full workforce profile by leavers amongst this group. Employee turnover for LGB+ employees has been higher than for heterosexual employees, and for employees who have not disclosed their sexual orientation in 3 of the last 4 reporting years.

Sexual orientation	2019-2020	2020-2021	2021-2022	2022-2023
Heterosexual	12.6%	7.9%	10.2%	11.4%
LGB+	13%	6.4%	16.7%	21.3%
Not recorded or unsure	12.3%	9.2%	10.4%	11.5%
Total	12.5%	8.4%	10.4%	11.6%

Table.32 Employee turnover by financial year and sexual orientation

Sexual orientation pay gap at City of Wolverhampton Council

Median and Mean sexual orientation pay gaps

When considering the sexual orientation pay gap at City of Wolverhampton Council it is important to consider the variation in the group sizes of the two groups. In the following report, a comparison in average and median pay between a large group of heterosexual employees and a smaller group of employees who are LGB+ is being made, and is susceptible to significant fluctuation year on year.

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. 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 and analysed.

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 reached 0.0% in 2023, having been reported as a negative pay gap in previous years. This means that the median pay of LGB+ employee is equivalent to the median pay of heterosexual employees. The negative pay gap reported in previous years showed that prior to 2023 the median hourly rate of LGB+ employees was higher than the median hourly rate for heterosexual employees.

Group	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023
Heterosexual	£14.02	£14.26	£16.60
LGB+	£15.56	£15.60	£16.60
All employees	£14.02	£14.26	£16.03
Pay gap	-11%	-9.4%	=0.0%

Table.33 Median hourly pay by sexual orientation and median pay gap at CWC from 2021-2023

There has also been a change in the **mean** sexual orientation pay gap at CWC in the most recent year, which is now a negative gap. This implies that while in previous years the pay of a small number of high earners at the top of the pay scale was increasing the mean pay for heterosexual employees but not for LGB+ employees, this is no longer true. However, as described earlier in this report the sexual orientation pay gap is likely to be influenced significantly by a small number of LGB+ employees and can therefore vary considerably over time with only small changes in the workforce profile. This is apparent in the sexual orientation reports over the last 3 years where the pay gap has reversed from a negative pay gap in 2021, to an above 0% pay gap in 2022 and back to a negative pay gap in 2023.

Group	Pay gap report 2021	Pay gap report 2022	Pay gap report 2023
Heterosexual	£16.13	£16.53	£17.82
LGB+	£16.32	£16.21	£18.13
All employees	£15.87	£16.29	£17.69
Pay gap	-1.18%	1.94%	-1.74%

Table.34 Mean hourly pay by sexual orientation and mean pay gap at CWC from 2021-2023

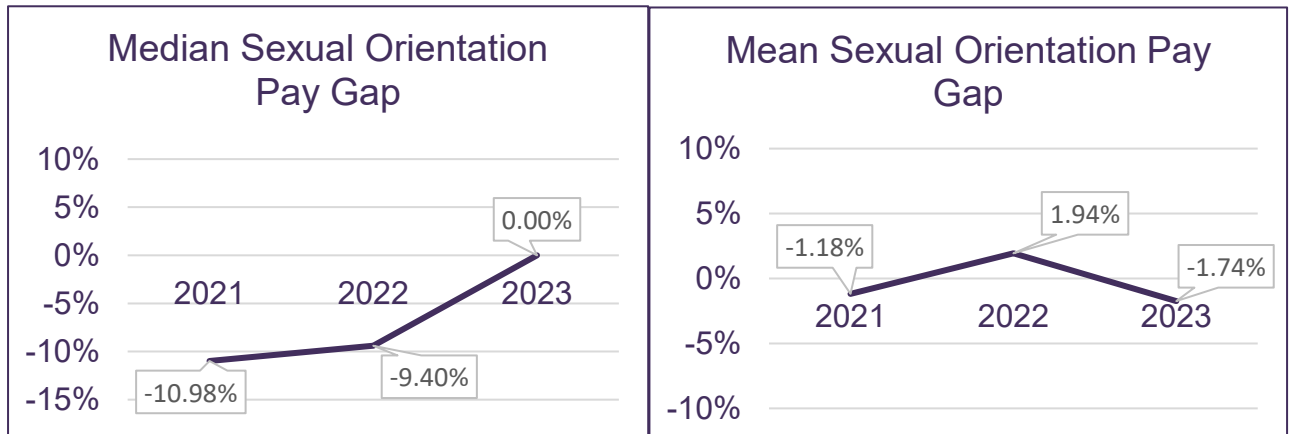


Fig.18 Mean and median sexual orientation pay gap from 2021-2023

Pay quartiles

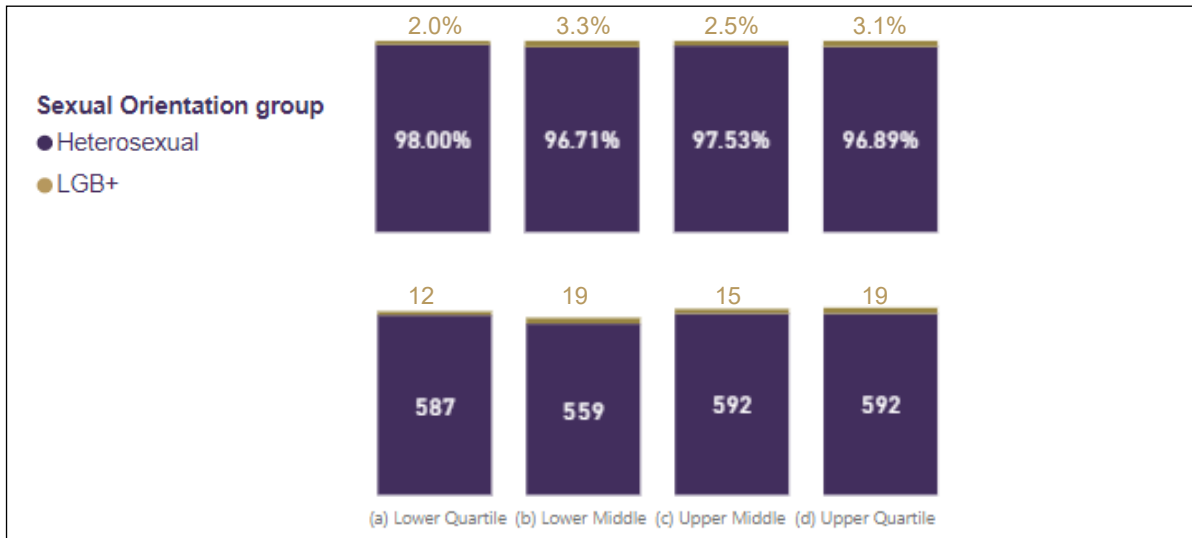


Fig.19 Distribution of employees across quartile pay bands

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 lower middle and upper quartiles. This has changed from the previous reporting year when the highest number of LGB+ employees were in the upper middle pay quartile. This can explain some of the change in the pay gaps described above, an increase in the proportion in the upper pay quartile is responsible for the reduction in the mean pay gap to a negative gap, and the decrease in the proportion in the upper middle quartile contributes to the increase in the median pay gap to 0.5% from a negative pay gap in the previous year. The lower pay quartile remains the quartile with the lowest representation of LGB+ employees, as it had in previous years.

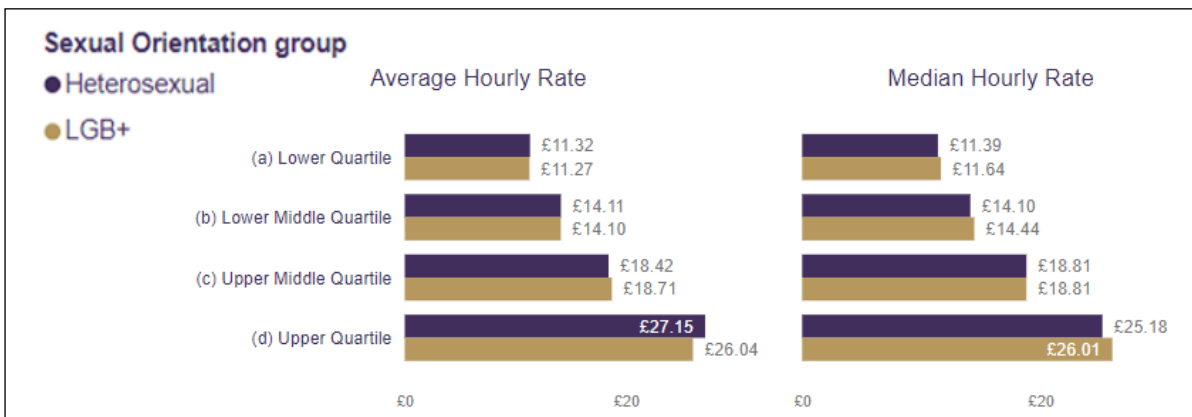


Fig.20 Mean and median hourly rate across quartile pay bands

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.20 shows that whilst heterosexual employees earn more on average by the hour

in the lower, lower middle and upper quartiles, LGB+ employees earn more on average per hour in the upper middle quartile.

Full pay relevant Workforce 3,647	Approximate pay grades	Heterosexual 2330 (63.9%)		LGB+ 65 (1.8%)		Mean Pay gap
Lower Quartile	App-GR04	64.4%	587	1.3%	12	0.4%
Lower Middle Quartile	GR04-GR05	61.3%	559	2.1%	19	0.1%
Upper Middle Quartile	GR05-GR07	64.9%	592	1.6%	15	-1.6%
Upper Quartile	GR07+	64.9%	592	2.1%	19	4.1%

Table.35 Distribution of employees across quartile pay bands including mean pay gap by pay quartile

The only quartile with a negative pay gap is the upper middle pay quartile, in contrast in 2022 when the negative pay gap was shown in the lower middle pay quartile.

Hourly pay distribution

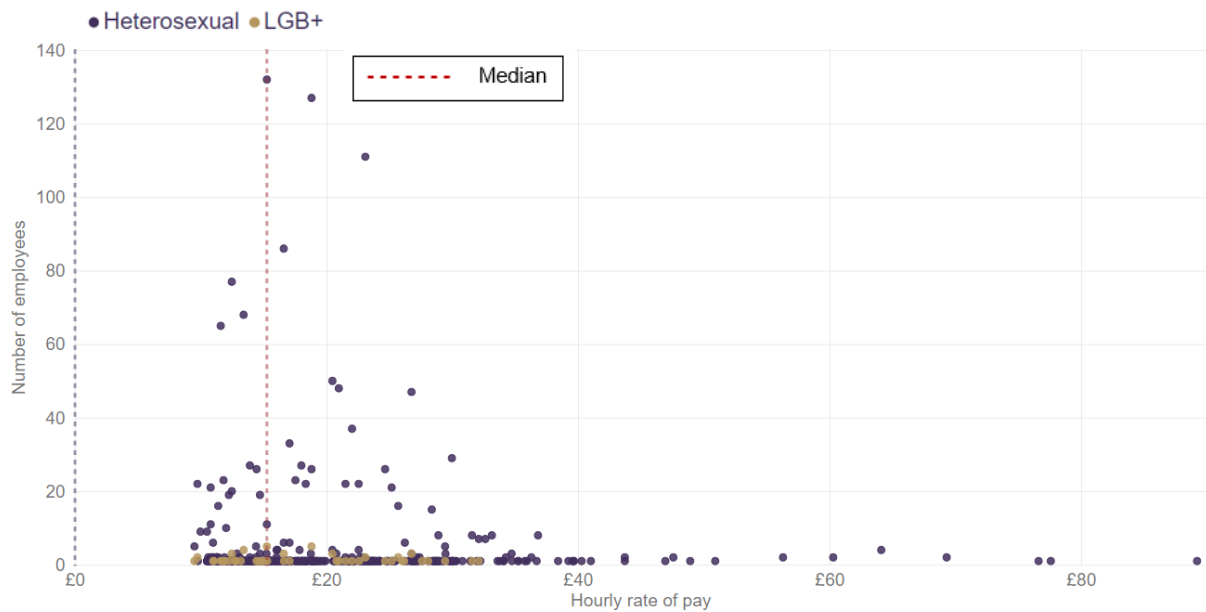


Fig.21 Hourly pay distribution by sexual orientation

Figure.21 shows the proportionate distribution of employees above and below the median hourly rate.

Factors influencing the sexual orientation pay gap

Workforce numbers

As with the disability pay gap, it is important to consider the impact that the overall workforce profile and group sizes can have on pay gap reporting. The low number of LGB+ employees in the workforce as a whole contributes to the varying pay gaps reported and is likely to continue to fluctuate. For this reason it is important to monitor the sexual orientation pay gap over time to ensure the patterns over a longer term do not highlight any areas for concern. Recent communications to employees at CWC aim to encourage disclosure amongst all employees for all protected characteristics and if successful may lead to an increase in the number of employees reporting their sexual orientation, and therefore enable higher confidence in the results of the pay gap methodology in the future.

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 utilisation 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.

Some progress has been made in the reporting of sexual orientation since the last reporting year, with the overall reporting rate increasing from 60.9% to 64.2% from 2022 to 2023. However, this remains one of the least reported characteristics across the workforce. 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 it is due to lower confidence in disclosure in these services.

Promotions

The promotions rate for LGB+ employees increased in 2022-2023 to 6.9% from 6.3% in the previous year. While this is a small increase in overall number of promotions (1) the small group size allows this to have a small impact on the increase in the mean hourly rate for the group.

Sexual orientation	2019-2020		2020-2021		2021-2022		2022-2023	
Heterosexual	104	4.7%	144	5.9%	191	7.1%	221	7.6%
LGB+	3	6.1%	9	14.8%	5	6.3%	6	6.9%
Not recorded or unsure	40	2.0%	70	3.8%	63	3.6%	100	5.9%
Total	147		223		259		327	

Table.36 Total promotions across the full workforce and financial years 2019-2020 to 2022-2023 by sexual orientation

Leavers and employee turnover

Employee turnover remains higher for LGB+ employees than for heterosexual employees, as reported in previous years. However, the turnover rate of 21.3% for LGB+ employees reported in 2022-2023 is driven by a smaller number of leavers overall (16) than new starters from this group (21). As new starters are likely to earn a lower rate than leavers, this could contribute to the median pay gap rising to 0.0%, by increasing the proportion of this group earning below the overall median closer to the number earning above the median.

Sexual orientation	Starters 2022-2023	Leavers 2022-2023	End of year headcount	Turnover
Heterosexual	479	299	2622	11.4%
LGB+	21	16	75	21.3%
Not recorded or unsure	85	172	1490	11.5%
Total	585	487	4187	11.6%

Table.37 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 the recent EDI survey was distributed in hard copy format to sites outside of the council office base.

Conclusion

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.

Our actions to date

The continued focus on data-driven action, transparency of findings and workforce inclusion has enabled CWC to identify and deliver targeted action on issues of equality and diversity in recent years. Some of the actions taken in response to data trends in recent years include:

- Requirement for People Services panels to be gender and ethnically diverse as a minimum council policy
- Updated training for panel members on recruitment and selection, in addition to continuing mandatory unconscious bias training for all panel members
- Launch of annual employee equality, diversity and inclusion experience survey to enhance the understanding of the issues faced by employees and any patterns in the overall experience by protected characteristics. The regular analysis of this survey should allow not only for the identification of patterns but also for the regular monitoring of the impact of any measures taken in response.
- Development of four new equality-related training courses which are mandatory for all employees. These are “No Offence: Race”, “No Offence: Gender and maternity”, “No offence: Age and Menopause”, “No Offence: Disability”
- Implementation of new progression programmes for employees including mentoring schemes, wrap-around-support, aspire into management, interview skills, additional internal apprenticeships and ‘Breaking Through’ programme
- Implementation of new wellbeing related programmes including Mental Health awareness, Mental Health First aid training, Handling stress at work – a manager’s guide, Workplace stress and stress risk assessments, Suicide prevention safety planning workshops, and the supporting yourself and others programme
- A new leavers exit interview process has also been implemented in response to employee turnover trends acknowledged in recent years. This process should allow for identification of varying experiences of the workforce journey and allow for appropriate measures to be identified, implemented and regularly evaluated to ensure employees all receive equal opportunities, support and outcomes across the workforce
- Launched the new WVJobs career microsite
- Utilisation of targeted advertising channels for recruitment purposes
- Launch of the Autism Awareness guide
- Digital Inclusion project to ensure community-facing employees have the opportunity to access online workplace benefits, communications, training opportunities and also to record their protected characteristics
- Updated forms for diversity details with more inclusive options for gender identity, and the addition of a ‘prefer not to say’ option

- Commence internal self - assessment for Disability Confident Level 3 accreditation
- Implement People Services actions in relation to the Race Code Action plan
- EDI Survey has been launched

Our next steps

CWC is committed to continuously improving our workforce profile and to ensuring inclusivity and diversity is driven by our collaborative working across the Council. There is still work to be done to help us continue on our journey to ensure we support our people;

- People Transformation Programme including the Our People Strategy refresh – engagement to continue with key stakeholders
- Continue to develop People Services engagement initiatives to ensure all employees have an opportunity to engage and feedback on policies/projects
- Continue to review recruitment strategies and roll out of new applicant tracking system Tribepad (April 2024)
- Build on partnerships with community groups to promote job advertisements where representation can be increased
- Engage the organisation on the Our People transformation programme
- Continue development of People Services dashboards - diversity data fields
- Launch of 'wellbeing passports' – supportive document designed to enable specific discussions to support employees in the workplace with reasonable adjustments they may need
- Collaborative work towards supporting the council's drive towards becoming a Disability Confident Leader accreditation
- Continue collaborative working as part of the pilot of West Midlands employers programme looking at recruitment from an inclusion lens. Will support CWC to ensure our recruitment practices are inclusive
- Continue to work on improving reporting of protected characteristics in conjunction with EDI initiatives such as 'Coming out' Day
- Ranked in Stonewall's top 100 LGBTQ+ employers 2024
- Achieved Stonewall's Gold Employers award 2024
- Submitted CWC application to become a menopause accredited employer
- Positive feedback received from recently completed LGA peer review