

COUNTING THE COST

A bitesize guide to understanding your ethnicity pay gap

The ethnicity pay gap is the difference between the average (mean and median) hourly pay of ethnic minority and white British people. When ethnic minority staff are paid less, overall, than white British staff, this constitutes a 'pay gap'.

Mandatory reporting for the NHS on the ethnicity pay gap was introduced under high impact action 3 of the NHS Equality, Diversity and Inclusion (EDI) Improvement Plan (the Plan), with April 2024 as the first year for reporting. The Plan also asks NHS organisations to 'develop and implement an improvement plan to eliminate pay gaps'.

Pay gaps are complex and are rooted in multiple, interconnected factors including structural racism and inequalities in recruitment, entry and progression – these are important to understand with the help of robust data.



Actions for boards

Our guide helps trust board members understand and address their organisation's ethnicity pay gap. In addition to the moral duty to tackle this inequality. It covers...

The legal framework and risks to

- **Employers:** recruitment and retention challenges, lower morale, reputational risk and financial implications from legal claims.
- **Staff:** health and wellbeing impacts, economic effects, limited career development, and negative workplace experiences.
- **Patients:** lack of culturally competent care, negative organisational culture impacts, and increased health inequalities.

Understanding data and intersectionality

- The importance of using Electronic Staff Record data to understand workforce diversity beyond broad categories, encouraging disaggregation of data where possible.
- Applying an intersectional lens to pay gap reporting, to avoid masking compounded disadvantages, such as those faced by ethnic minority women.

Strategies for minimising and closing the ethnicity pay gap

- Transparent and regular reporting, with high quality data.
- Diverse leadership and accountability.
- Inclusive recruitment and robust pay and promotion policies.
- Support for staff career development.
- Developing a more inclusive workplace culture.
- Community and sector engagement to understand and address disparities (using evidence-based best practice).

The board's role in driving improvement

- Ensuring robust governance systems are in place to evaluate progress and provide long-term accountability, maintaining strategic oversight and setting clear priorities
- Overseeing equitable policies and procedures.
- Implementing high-impact actions from the Plan with measurable goals for all board members.

Case studies

The guide draws on insights from organisations both within and outside the NHS to showcase good practice. These organisations have started analysing their data to calculate their ethnicity pay gaps and their boards are implementing strategies to address these disparities.



Barts Health NHS Trust

Barts Health NHS Trust has developed an equity-focused approach for both staff and patients, guided by their 'WeBelong' strategy. They incorporate ethnicity pay gap data into their action planning and intervention evaluations. Their initiatives include a talent management focus and positive actions, such as the 'future Very Senior Manager programme' for staff at Agenda for Change bands 8 and 9, ensuring 50% of participants are from ethnic minorities.



Berkshire Healthcare NHS Foundation Trust

Berkshire Healthcare NHS Foundation Trust's ethnicity pay gap reporting is part of their broader commitment to becoming an anti-racist organisation. Their flagship 'Unity Against Racism programme' emphasises actively identifying and addressing all forms of racism. They have also established an anti-racism taskforce, holding trust executives accountable for leading this work.



Cambridgeshire County Council

Cambridgeshire County Council has been reporting on the ethnicity pay gap since 2020. They have observed slight improvements in their median pay data and increased engagement from ethnic minority staff. Their focus is on attracting, supporting, appreciating, and developing staff through their EDI initiatives.

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Questions for boards

These questions are designed to support board members to ask challenging questions of themselves and each other, to encourage self-reflection, board leadership and accountability:

- 1 Has our organisation analysed pay gap data (including an intersectional analysis), and developed and published an action plan to eliminate gender and ethnicity pay gaps as required by the Plan?
- 2 Are we cross-referencing data and analysis from the ethnicity pay gap report, the Workforce Race Equality Standard, NHS Staff Survey, and our workforce data (for example exit interviews, pulse surveys, local dashboards and qualitative insights) to inform our actions?
- 3 Do we have clear accountability and oversight of progress on EDI workstreams?
- 4 How do our policies consider NHS-specific aspects like clinical excellence awards and consultant pay in talent planning and career development, and their impact on the pay gap?
- 5 What steps are we taking to ensure fair access to training, development and career progression for clinical, medical and non-clinical roles?
- 6 How are we engaging with staff networks to drive change?
- 7 How do we engage with diverse local communities to understand their needs and experiences and what mechanisms support diverse voices in areas with lower ethnic diversity?
- 8 How do we measure the impact of our EDI efforts on ethnic minority staff and the wider workforce, and change our approach if interventions are not having the desired result?
- 9 Have our initiatives to address the ethnicity pay gap led to improved representation of ethnic minority staff at senior levels?

For further information

For our comprehensive report, *Counting the cost: Understanding your ethnicity pay gap*, please scan the QR code.

To access our full suite of programme resources and upcoming events, visit our website: nhsproviders.org/programmes/race-equality

Contact the team at race.equality@nhsproviders.org to learn about how our programme can help your organisation or enquiries@hempsons.co.uk for legal support.

