

AMENDMENT TO MOTION 12.2 – ASPIRE

Proposer: Cllr Kabir Ahmed

Secunder: tbc

12.2 Public Pay Gap

Research from across civil society, including the GMB union shows that there is an Ethnicity Pay Gap, between Black, Asian and Minority Ethnic worker and non-Black Asian and Minority Ethnic workers who are otherwise equal in educational attainment. This is not only reflected in the pay of Black, Asian and Minority Ethnic workers, but this disparity is also apparent in the promotion of Black, Asian and Minority Ethnic workers in the workplace.

This council notes that:

- GMB Race, the union's self-organised groups in London, sent out a survey to Black, Asian and Minority Ethnic London workers to collect information about their Pay, Terms and Conditions. GMB Race's survey results, while disappointing, unsurprisingly show the fact that only half of respondents thought they received equal treatment and access to bonuses, overtime, pension, and other plus payments compared to non-BAME staff.
- The TUC's own research shows that the Ethnicity Pay Gap for minority workers has shown that students who entered the workplace after GCSE are paid 11% less than their white counterparts. Whilst those who attained degrees, the pay gap more than doubled to 23%. The race pay gap impacts the standard of living of those affected and also worsens for people who have aspired and succeeded in further education.
- The Resolution Foundation has shown that Black, Asian and Minority Ethnic workers lose out on £3.2bn a year in wages compared to white workers. It found Pakistani and Bangladeshi male graduates earned an average £2.67 an hour (12%) less, while among female graduates, black women faced the biggest pay penalty, of £1.62 an hour (9%).
- The general reporting of the pay gap is poor and recent figures show so far only 3% of employers with over 250 employees are voluntarily reporting their ethnicity pay gap.
- The Government has acknowledged this weakness and that Ethnicity Pay Gap reporting should be mandatory. However, this has not happened.
- The Women's and Equalities Committee's (WESC) report Ethnicity Pay Gap in February 2022 recommended that the Government should introduce mandatory ethnicity pay gap reporting by April 2023. This should be for all organisations that currently report for gender and that legislation should include the requirement for employers to publish a supporting narrative and action plan.
- This call has been echoed by the TUC.

This council believes that:

- All members of society should be equally able to flourish in work. Therefore there should be no glass ceiling because of the colour of someone's skin. Pay, promotions, career development and progression and bonuses in all sectors should be underpinned by ability and fairness. This is vital in eradicating systemic racism and division in wider society and a cause acutely relevant to the diverse community in this borough.
- With a cost-of-living crisis hitting households hard, the diminishing earnings of Black, Asian and Minority Ethnic workers will disproportionately push many of such workers further into work poverty.
- All public bodies should be committed to being open and transparent about publishing its data on employees, whilst running fair, open and inclusive promotion strategies within its public sector duties. Such public data is the first step in creating awareness of the ethnicity pay gap with a view to drive change.
- Other employers across all sectors should do the same and that there should be mandatory reporting of the Ethnicity Pay Gap for all employers with 250 or more staff members.

This council resolves to:

- Adopt GMB Race's campaign for an Ethnicity Pay Gap, including:
- Agree to annually report on the Ethnicity Pay Gap within its own organisation;
- Endeavour to regularly analyse strengths and weakness based on its own reporting, devising and implementing annual plans to proactively put in place **measures** to ensure there are no bars to recruitment, training, salary levels or promotion, **including local schemes to give opportunities for ethnic staff to achieve promotion and occupy more senior positions within the Council**;
- Work with **the three recognised Councils unions** locally and adopt GMB Race campaigns Ethnicity Pay Gap Charter;
- Work with council suppliers, contractors and partners to seek to do the same encouraging best practice through procurement rules as relevant, **including in the contracting of any new services**; and
- Call upon the Government to introduce mandatory pay gap reporting

Resources Briefing

Tower Hamlets Council has reported its ethnicity pay gap every year since 2018, as part of its Gender Pay Gap Report. The reports can be found here - [Gender pay gap \(towerhamlets.gov.uk\)](https://towerhamlets.gov.uk).

The council's ethnicity pay gap has been reducing year on year but closing it is a priority for the council. In 2023 the gap is 8.20%, a reduction from 15.66% in 2018.

The 2023 report not only shows the ethnicity pay gap but also provides information on the average hourly rates of the different race strands. The council's Workforce to Reflect the Community Strategy and Action Plan includes a section on pay gaps and specifically on work to close the ethnicity pay gap.

Actions related to addressing the ethnicity pay gap include:

- Analysing disaggregated data so we understand the specific gaps faced by each ethnic group
- Engaging a Data Analyst to undertake more detailed analysis of the data, including the intersectionality between protected characteristics
- Model targeted actions to address the ethnicity pay gap and analyse their potential impact
- Deliver targeted actions to close the ethnicity pay gap
- Engage stakeholders, including the Trade Unions and staff networks in this work

In addition, equality data across areas such as recruitment, promotion, training etc is gathered and analysed on an annual basis and any actions determined to address any bars.

Another key part of the Workforce to Reflect the Community Strategy and Action Plan covers representation in the workforce as a whole and at a senior level, in terms of protected characteristics so we have a workforce that reflects, at all levels, the diversity of the borough population. As well as a corporate action plan, there are separate directorate actions plans and targets being developed to help achieve this aim.

As reporting on the ethnicity pay gap is not a mandatory requirement, we would struggle to enforce/govern its implementation within the supply chain. Should Tower Hamlets enforce such measures through the tender process i.e. suppliers must sign up to reporting or their bid is not considered, it may limit the number of bids it receives. However, this initiative is one which is ethical and certainly one which Tower Hamlets supports. Therefore, what we can do, is encourage suppliers to do the same by promoting the initiative within our Invitation to Tender documents, although we would stop short of governing whether suppliers are reporting on the ethnicity pay gap.