

COUNTING THE COST: UNDERSTANDING YOUR ETHNICITY PAY GAP

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RACE
EQUALITY

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FOREWORD: A VIEW FROM DIANNE GREYSON

The [#EthnicityPayGap](#) Campaign was established in 2018. Its main aim and purpose is to raise awareness of the issues relating to the ethnicity pay gap and encourage the government to make ethnicity pay gap reporting mandatory. The campaign is also calling on the government to ensure that businesses fully demonstrate that they are taking every action to close the gap and ensure accountability. Correspondingly we call for clear guidelines on reporting to help support businesses to understand how to produce pay gap analysis that is meaningful and actionable.

The campaign has worked with organisations, providing them with education and support which has enabled them to fully understand the causes behind the ethnicity pay gap, exploring the impact and the challenges individuals face. We recognise that the ethnicity pay gap creates hardship for black, Asian and other minority ethnic groups and it is incumbent on organisations to ensure that they make all efforts to eradicate barriers that have the potential to cause pay inequalities.

As the founder of the [#EthnicityPayGap](#) Campaign, I am in a unique position to review this guidance from NHS Providers and Hemptons. It is extremely refreshing to see the focus on intersectionality, the need to review policies and procedures, and the need to disaggregate data to enable organisations to act on the ethnicity pay gap. This guidance also underlines the importance of centring black, Asian and other minority ethnic employees, addressing the full range of barriers that contribute to the ethnicity pay gap and the need for accountability at executive level.

Taking action against the ethnicity pay gap in your organisation is likely to be a key action in strategic plans on workforce, anti-racism and tackling inequalities. As the guide illustrates, improvement on any identified disparities will require you to apply a holistic view that puts your people at the centre of your future endeavours. That will mean looking at your talent pipeline, reviewing your recruitment policies and procedures, and ensuring your external providers are fully supporting your actions.

This guide gives practical guidance, case studies highlighting action taken by others, and provides a list of questions for board members to consider when examining their own data and interventions.

I hope you will utilise the information provided within this guide to help you understand your ethnicity pay gap; to ask the challenging questions in order to identify the true causes of the disparity and ensure you have interventions in place that will enable you to reduce the ethnicity pay gap in your organisation.

Signed

Dianne Greyson

Founder #EthnicityPayGap Campaign and non-executive director Spktral

KEY FINDINGS

Background

NHS England's first [Equality, Diversity and Inclusion \(EDI\) Improvement Plan](#) was published in June 2023. It contains six intersectional high impact actions (HIAs) for NHS organisations to enact and then sustain achievement against the plan's initial five-year lifecycle.

[HIA 3](#) calls for NHS organisations to develop and implement an improvement plan to eliminate total pay gaps across gender (by 2024), ethnicity (by 2024) and disability (by 2025), followed by other protected characteristics (by 2026). Implementation plans should be underpinned by robust data.

Since 2017, annual gender pay gap reporting has been mandatory for public, private and voluntary sector organisations ([CIPD, 2024](#)) with 250 or more employees in the UK. The King's Speech ([NHS Providers, 2024a](#)) announced the Equality (Race and Disability) Bill which, when implemented, will introduce mandatory ethnicity and disability pay gap reporting for organisations over 250 employees.

Pay gap reporting is different to equal pay, which looks at sex-based pay differences between individuals or groups carrying out similar or equal work. The ethnicity pay gap, as defined by the Equality and Human Rights Commission ([EHRC, August 2017a](#)), is the difference between the average (mean and median) hourly pay of ethnic minority and white British people.

As such, when ethnic minority staff are paid less, overall, than white British staff, this constitutes a 'pay gap' – the inverse is a 'pay advantage' which is instead the difference between the average (mean and median) hourly pay of ethnic minority and white British people.

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

What you will learn

This guide aims to support trust board members to understand their organisation's ethnicity pay gap and the steps that can be taken to narrow and eliminate it. It outlines:

- 1 The legal framework and risk.
- 2 How to understand your data, calculate your ethnicity pay gap and apply an intersectional lens.
- 3 Strategies for minimising and closing the ethnicity pay gap.
- 4 The role of the board in driving improvement.

Good practice

This guide is built on insights from organisations, both inside and outside the NHS, that demonstrate what good looks like. These organisations have begun the process of better understanding their data to calculate their ethnicity pay gap. Their boards have begun to implement strategies and interventions to address those pay gaps. These include:

- Creating a 'future Very Senior Manager (VSM) programme' for staff currently working at Agenda for Change (AfC) bands 8 and 9, for which 50% of the cohort must be from an ethnic minority.
- Developing a flagship 'unity against racism' and anti-racism taskforce.
- Designing a talent management framework to explore staff aspirations, ensure succession planning, deliver career development workshops and offer career mentoring.
- Creating a 'communities, social mobility and inclusion committee' to act as an external reference group to assess internal decisions.

In learning about what good looks like, we also highlight some of the challenges that organisations experience when seeking to address their ethnicity pay gap. This includes the quality of data and the lack of capacity and expertise to generate analysis

and insight to understand the causes of pay gap disparities. Secondly, working with limited resourcing for EDI initiatives, which makes it difficult to foster engagement and deliver consistent messaging across a large workforce. Thirdly, working as part of a large and complex group model, where hospitals have different workforce profiles, organisational cultures and opportunities.

1 Legal framework and risk

The legal framework for ethnicity pay gap reporting is evolving in the UK. At present, reporting is not mandated, but the King's Speech 2024 included a Bill that will bring in mandatory reporting for larger organisations. It's important to keep in mind the legal requirements set out in the [Equality Act 2010](#) and the [Public Sector Equality Duty \(PSED\)](#), introduced under this Act.

'Where diversity – across the whole workforce – is underpinned by inclusion, staff engagement, retention, innovation and productivity improve. Inclusive environments create psychological safety and release the benefits of diversity – for individuals and teams, and in turn efficient, productive and safe patient care.'

NHS EDI Improvement Plan, 2023

Alongside the benefits there are a number of risks associated with not identifying and addressing your organisation's ethnicity pay gap, in addition to the obvious moral duty to tackle inequality. These include:

- **Risks to employers:** workforce challenges related to recruitment and retention, reputational risk, reduced organisational performance due to lower morale and financial implications as a result of legal claims.
- **Risks to staff:** an impact on their health and wellbeing, an economic impact, a lack of career development and progression opportunities and a negative workplace experience.
- **Risks to patients:** a lack of culturally competent care, the risk of organisational culture negatively affecting patient care and an exacerbation of health inequalities.

2 Understanding your data

Key to understanding your data is plentiful, accurate and disaggregated data. Staff ethnicity is collected in the Electronic Staff Record (ESR) and high declaration rates, alongside the ability to disaggregate data outside of broad categories like 'ethnic minority' and 'white', will significantly help in your organisation's understanding of your workforce.

Organisations should:

- Drive improvements in the quality and disaggregation of data.
- Calculate their mean and median ethnicity pay gaps, the median is often more reliable as it is not adversely affected by outliers.
- Undertake pay quartile analysis, as this will identify how employees are distributed across pay levels.
- Apply an intersectional lens to their pay gap reporting, which is vital, as analysis in silos of certain protected characteristics can mask how the intersectional identities of staff can compound disadvantage – for example, among women from an ethnic minority.

In the context of the NHS, it is also important to understand variation across multi-disciplinary teams (MDTs), particularly as the majority of staff will be paid via AfC terms and conditions, while doctors and VSMS are paid under different terms and conditions.

3 Strategies for minimising and closing the ethnicity pay gap

Best practice highlights the following areas as critical to tackling ethnicity pay gap disparities:

- Transparent and regular reporting, with high quality data.
- Diverse leadership and improving leadership accountability to drive the ethnicity pay gap agenda.
- Inclusive recruitment practices and robust policies regarding pay and promotion.
- Supporting staff career development as part of a wider talent management approach.
- An inclusive workplace culture.
- Community and sector engagement which enables trust leaders both to understand the specific needs of those impacted by the disparities and learn from evidence-based practice of what works.

4 The role of the board

The success of reducing and ultimately eliminating the ethnicity pay gap relies heavily on the board's central role in ensuring long-term accountability and progress evaluation. Board members should:

- Maintain both short- and long-term strategic oversight of priorities.
- Oversee the creation, implementation, and review of equitable policies and procedures.
- Ensure accountability through robust governance systems and processes, and implement HIAs from the NHS EDI Improvement Plan with specific, measurable actions for all board members.

Later in this guide, you will find nine questions designed to help board members oversee and understand their organisation's efforts to narrow and eliminate the ethnicity pay gap.

ABOUT US

NHS Providers is the membership organisation for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS trusts and foundation trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate.

We have made a public commitment to become an actively anti-racist organisation and to create an organisational culture where all our people feel safe, valued and can achieve their potential. Our internal race action plan is led by our senior management team with actions for all directorates, including training our managers on inclusive leadership and recruitment and ongoing reviews of our learning and development plans to ensure equitable access to development opportunities across the organisation. We have recently embarked on creating a competency framework to ensure we provide a transparent framework to support talent management, career development and progression. We are committed to reporting on our ethnicity pay gap on an annual basis and using this as a key metric to drive further progress towards our commitment to provide a fair and equitable workplace for all staff.

Race Equality programme

In addition to our internal work on race equality, NHS Providers' *Race Equality programme* supports boards to effectively identify and challenge systemic race inequality as a core part of the board's business by:

- Creating **hearts and minds change** through building personal awareness and understanding of race inequality and anti-racism.
- Increasing leaders' **confidence and capability to act** through sharing evidenced-based practices, showing

what works/what good looks like, empowering leaders to proactively challenge the impact of systemic racism and seek opportunities to advance race equality.

- Encouraging leaders to **take accountability** through sharing accountability mechanisms, embedding work on race equality across existing work, enabling leaders to self-reflect, educate, and ensure sustained progress is made with a focus on improving outcomes.

The programme delivers a range of events for trust leaders and offers resources on topics including inclusive recruitment and talent management, data and accountability, and allyship.

Hempsons

Hempsons, a specialist health and social care law firm working across the public, private and third sectors, acts for over 200 NHS organisations nationwide on strategic and operational issues including integrated care, collaborations, service reconfigurations, patient safety, estates projects and workforce.

Delivering trusts the advice, support and guidance needed in today's uncertain and volatile healthcare employment arena, Hempsons' NHS, health and social care employment solicitors offer an exceptional depth of knowledge and experience derived from always having worked within the health and social care sectors.

Hempsons is a longstanding partner of NHS Providers and supports them on a range of activities where legal issues are an important consideration. With its extensive experience in employment law, Hempsons brings a unique legal perspective to understanding and closing the ethnicity pay gap. Hempsons' lawyers are passionate about using their experience to help trusts address this issue which is a crucial part of any organisation's

work on anti-racism as well as for promoting diversity, inclusion, and equality within the NHS workforce, and for ensuring that all staff are treated fairly and equitably.

As an employer, Hempsons is committed to creating a workplace which provides equal opportunities for development and progression for all of its staff. Hempsons has been voluntarily publishing its gender pay gap report since the legislation was first introduced in 2017.

Those involved in recruitment at Hempsons undergo mandatory equality and diversity training and unconscious bias training. The firm also actively seeks to recruit from non-traditional educational backgrounds through its (fully funded) solicitor apprenticeship programme, which allows apprentices to gain the skills they need to perform the job and work towards a recognised qualification as an alternative to the traditional training contract route. For those already in post, Hempsons publishes career progression structures and competencies which promote equality for all colleagues to pursue clear and transparent pathways to progression.

NHS Providers' language

NHS England when referring to ethnicity, use the term 'Black and minority ethnic (BME)' across both the NHS Equality, Diversity and Inclusion (EDI) Improvement Plan (the Plan) and the NHS Workforce Race Equality Standard for consistency. NHS Providers uses 'ethnic minority' as a preferred description to denote the same aggregation where disaggregation into more appropriate, distinct categorisations of ethnicity is not possible.

INTRODUCTION

The Equality and Human Rights Commission (EHRC) defines the ethnicity pay gap as the difference between the average (median and mean) hourly pay of ethnic minority and white British people. When ethnic minority people are paid less, overall, than white British people they experience a pay gap. When they are paid more, they experience a pay advantage. The pay gap is often expressed as a percentage of one group's earnings. For ethnicity pay calculations, this would involve employers calculating whether employees in a certain ethnic group earn X% less or X% more than employees of a different ethnicity per hour. A pay gap can be calculated across a whole workforce ([Equality Act 2010](#)).

An ethnicity pay gap audit is different to an equal pay audit, which looks at the pay differences between men and women (of all ethnicities) carrying out similar or equal work. Any potential equal pay issues should be addressed by adherence to Agenda for Change (AfC) terms and conditions and pay framework alongside a robust and objective job evaluation process. Ethnicity pay gap figures are affected by differences in the ethnic composition across job grades and roles.

The NHS England Equality, Diversity and Inclusion (EDI) Improvement Plan (the Plan), published in June 2023, asks board leaders to “develop and implement an improvement plan to eliminate pay gaps” as part of high impact action (HIA) 3 ([NHS England, 2023a](#)). This HIA is focused on eliminating total pay gaps, with a specific focus on race, disability and gender. More specifically, the action asks NHS organisations to:

- Implement the recommendations from [Mend the gap: The Independent Review into Gender Pay Gaps in Medicine in England](#), and further develop a plan for implementation for senior non-medical staff by March 2024.
- Implement an effective flexible working policy to be used in recruitment campaigns from 2024 to 2026.

- Analyse available data on pay gaps and implement an improvement plan by protected characteristic. Plans for race and sex should be in place by 2024, for disability by 2025 and for other protected characteristics by 2026.

The ethnicity pay gap in the NHS is a complex issue stemming from multiple, underlying causes and interconnected factors. Understanding these is important for developing effective strategies to address the disparity.

While not exhaustive, inequality within both recruitment and employment have been identified as significant contributors to the ethnicity pay gap ([Equality and Human Rights Commission, 2017a](#)). These elements often work in tandem, creating a cumulative effect that disadvantages ethnic minority staff throughout their careers.

Within the workplace, systemic racism, defined as policies and practices that exist throughout a whole society or organisation that result in, and support, a continued unfair advantage to some people and unfair or harmful treatment of others based on race or ethnic group, can manifest as barriers to entry, lack of representation in leadership, and unequal opportunities for career advancement for ethnic minority employees.

Traditional recruitment practices can perpetuate biases, resulting in lower diversity, particularly for senior roles. Additionally, the absence of talent management processes that mitigate the impacts of systemic racism result in further exacerbation of disparities. The Plan mandates a focus on inclusive recruitment and talent management within HIA 2, requiring trust leaders to “overhaul recruitment processes and embed talent management processes”.

Feedback from trust leaders following the publication of the Plan highlighted a need for support to enable them to formulate actions in response to any identified pay disparities. The information, observations, and resources referenced within this guide are intended to equip trust leaders with the knowledge and understanding of how they can begin to address any disparities highlighted by their ethnicity pay gap reporting. The guide also provides examples of positive action practices and early insights which have supported organisations to successfully advance race equality.

LEGAL FRAMEWORK AND RISKS

The UK employment law framework on ethnicity pay gap reporting is an evolving area that reflects a growing recognition of the need to address pay disparities among different ethnic groups.

The Equality Act 2010 provides the primary legislative framework for addressing discrimination in the workplace, including discrimination based on race and ethnicity. It prohibits direct and indirect discrimination, harassment, and victimisation on the basis of protected characteristics, including race.

Under the Public Sector Equality Duty (PSED), which was introduced under the Equality Act, public bodies are required to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity, and foster good relations between people from different groups. This duty encourages transparency and the monitoring of diversity in the workforce, which can include voluntary ethnicity pay gap reporting.

However, and in contrast to gender pay gap reporting, there is currently no legal requirement for employers to report on their ethnicity pay gap. In April 2023, the UK government encouraged voluntary reporting and published a framework ([Badenoch, April 2023](#)) to help employers do this. Despite the absence of a legal requirement to do so, many organisations voluntarily report their ethnicity pay gaps in order to increase transparency and drive change.

The legislating of ethnicity pay gap reporting remains subject to ongoing discussion and debate. Various organisations and groups have called for legislation, including the Chartered Institute of Personnel and Development (CIPD), the #EthnicityPayGap Campaign and the House of Commons Women and Equalities Committee. The new Labour government tabled mandatory ethnicity and disability pay reporting for organisations of over 250 people as part of the King's Speech in July 2024.

Understanding the risk

The ethnicity pay gap in the NHS has far-reaching implications that extend beyond individual employees to affect the organisation as a whole and the quality of patient care. Addressing this issue is not just a matter of fairness, but also of organisational effectiveness and public health outcomes. NHS employers must consider these implications as they work towards creating a more equitable compensation structure. Research by the #EthnicityPayGap Campaign ([Baker & Greyson, 2022](#)), also noted that the mental health of some of their participants deteriorated due to the lack of redress on this issue.

As an employer

- 1 Workforce challenges.** Persistent disparity may result in ethnic minority staff seeking employment elsewhere, leading to higher turnover rates and associated costs. Loss or reduction in diversity within teams could potentially limit the range of perspectives and innovation in decision-making processes.
- 2 Reputation and trust.** As public sector organisations, NHS trusts with significant pay gaps may face reputational damage, affecting public trust. They may also lead to recruitment challenges as a known pay gap may deter qualified ethnic minority candidates from applying, exacerbating existing workforce challenges and limiting future talent pools. There are also risks to stakeholder relationships, especially those representing ethnic minority communities, if pay gaps persist.
- 3 Organisational performance.** Pay disparities can lead to reduced motivation and engagement among affected staff, potentially impacting overall organisational productivity.
- 4 Financial implications.** Failure to address pay disparities could lead to discrimination claims, resulting in legal fees and potential settlements.

For your NHS staff

- 1 Impact on employee health and wellbeing.** The psychological impact of being undervalued can lead to increased stress and potential mental ill health. In addition, lower pay may necessitate longer hours or multiple jobs, impacting the work-life balance of your employees.
- 2 Economic impact.** Lower pay can lead to increased financial stress, potentially affecting job performance and personal wellbeing. Additionally, as anchor institutions where employees are part of the population we serve, the compounding effect of lower pay can significantly reduce lifetime earnings and pension contributions for ethnic minority staff. There is significant research that has proven that 80% of health outcomes are determined by non-health related factors (The Health Foundation, 2024) such as education, employment, income, housing and access to green space (NHS England, 2024a).
- 3 Limiting access to career development and progression.** Pay disparities often correlate with fewer development and promotion opportunities, limiting career advancement for ethnic minority staff.
- 4 Negative workplace experience.** Ethnic minority staff may experience lower job satisfaction due to perceived unfairness in remuneration.

For patient care

- 1 Quality of care.** A diverse workforce is crucial for providing culturally competent care. Poor workplace experiences that lead to increased staff turnover can result in a loss of talented and experienced professionals, and a potential impact on patient experience and care. The National Guardian's office identified that psychological safety is created by prioritising the development of diverse and inclusive culture, where staff are treated fairly ([The National Guardian's Office, 2024](#)). The resulting impact means staff feel able to speak up without fear of retribution. Speaking up is a critical behaviour in achieving safe, high-quality care.
- 2 Exacerbation of existing health inequalities.** Visible pay disparities could erode trust in the NHS among ethnic minority communities, potentially affecting healthcare-seeking behaviours and exacerbation of existing inequalities. The NHS Race and Health Observatory found "that some ethnic minority people delayed or avoided seeking help for health problems due to past experiences of racist treatment by healthcare professionals or due to similar experiences of their friends and family. Improving ethnic minority people's trust in NHS services will, subsequently, improve health outcomes through increased access to these services". ([Bécares et al, 2022](#)).

UNDERSTANDING YOUR DATA

Reliable and accurate data is the cornerstone to identifying, quantifying, and addressing the ethnicity pay gap. Comprehensive and accurate data allows for a detailed understanding of the disparities in pay across different ethnic groups and provides a foundation for creating targeted policies and interventions to ensure fair and equitable pay.

Ethnicity is recorded on the Employee Staff Record (ESR) system. Approximately 96% of NHS staff ([NHS Workforce statistics, 2024](#)) have their ethnicity recorded on the ESR, meaning that 4% of staff have either declined to offer this data or otherwise do not have data recorded against this field in the ESR. The latest Workforce Race Equality Standard (WRES) data shows that 26.4% of NHS staff ([NHS England, 2024b](#)) are from an ethnic minority (up from 17.7% in 2016). A significant contributor to understanding your data is the level of data completeness within your organisation, and where there are gaps, understanding and addressing the barriers to declaration across your staff groups.

Only with consistent ethnicity declaration rates, and disaggregation beyond the broad-brush categories of 'white' and 'ethnic minority', will trust leaders be able to explore the cause behind the disparity and unmask the true lived experience of staff.

Any quantitative analysis can be supplemented with qualitative data from employee surveys, and feedback from employee networks and focus groups. Such qualitative data provides invaluable insights into the lived experiences of staff and the specific challenges faced by intersectional groups.

Calculating the pay gap

Mean and median calculations

To get a fuller picture of any disparity, both the mean and median ethnicity pay gaps should be calculated. The median is often more reliable as it is less affected by outliers, while the mean provides additional context.

- The mean pay gap is the percentage difference between the average hourly earnings of white staff and ethnic minority staff. It is calculated by dividing total hourly earnings for ethnic minority and white staff (separately) and dividing by the number of employees in each group. The difference between the two is the mean pay gap.
- The median pay gap is the percentage difference between the middle value of hourly earnings for white staff and ethnic minority staff. It is calculated by subtracting the median hourly pay of white staff from the median hourly pay of ethnic minority staff, dividing this by the median hourly pay of white staff and multiplying by 100 to give a percentage.

Calculating and analysing both figures helps trusts in making informed decisions and developing targeted strategies to address pay gaps. For example, if the mean pay gap is significantly different from the median, it may indicate the presence of outliers that need further investigation.

Pay quartiles analysis

Pay quartiles analysis enables understanding of how employees are distributed across different pay levels and where pay gaps are most pronounced. This method segments employees into four equal groups based on their pay, allowing for a clear view of the representation and pay distribution of different ethnic groups at various pay levels.

Within each quartile, calculating the mean and median pay for white employees and ethnic minority employees allows for a more in-depth analysis. This analysis not only highlights where the most significant gaps exist but also guides targeted interventions.

The need to apply an intersectional lens

Looking at gender and ethnicity separately can mask the compounded disadvantages faced, in particular, by women from ethnic minority backgrounds. When

analysing pay gaps, it is important to consider not just one dimension of diversity, such as ethnicity, but multiple intersecting factors that can influence an individual's experience in the workplace. An intersectional lens allows for a more nuanced understanding of pay disparities, revealing hidden inequities that may be masked when looking at amalgamated ethnicity or gender in isolation. For example, while overall pay data might show a smaller pay gap for women or ethnic minority staff, ethnic minority women may experience a significantly larger pay gap compared to white men or even white women.

The Nuffield Trust in their analysis of ethnicity pay gaps within the English NHS identified that an intersection of gender and ethnicity showed variation, with pay gaps generally favouring men among all groups except for black/black British staff, where there was a 3% gap favouring black/black British women ([Appleby et al, 2021](#)).

Employees often have multiple identities that intersect in complex ways. For instance, an ethnic minority female nurse might face different challenges compared to an ethnic minority male doctor or a white female nurse. Aggregated data can obscure these unique experiences and challenges.

Understanding variation across multi-disciplinary teams

The majority of NHS staff, including registered nurses and midwives, paramedics, non-clinical staff working in IT and administration, cleaners and porters, are on Agenda for Change (AfC) pay scales, ([NHS Employers, 2024](#)), which has enabled fairness in terms and conditions "...regardless of age, disability, race, nationality, ethnic or national origin, gender, religion, beliefs, sexual orientation, domestic circumstances, social and employment status, HIV status, gender reassignment, political affiliation or trade union membership" ([Appleby et al, 2021](#)). However, data

reported annually in the WRES and Workforce Disability Equality Standard (WDES), ([NHS England, 2024c](#)) highlight that this does not address the lack of representation of minoritised groups within the higher pay bands, which will impact on median calculations. AfC band 5 has the highest percentage of ethnic minority staff (35.5%), compared to band 9 at the top of the pay framework where 11.2% of staff are from an ethnic minority. 23.0% of staff in band 2, the lowest band in the framework, are from an ethnic minority.

Doctors and dentists as well as very senior managers (VSMs) are on different terms and conditions compared to the majority of NHS staff on AfC. The latest WRES data shows that 46.8% of staff within medicine were from an ethnicity minority. 61.0% of non-consultant specialists are from an ethnic minority, falling to 40.5% of consultants, showing disparity within seniority among doctors. While levels of representation among senior doctors are higher than in other roles in the NHS, this should not mask the inequity of experience for ethnic minority doctors. The [Medical WRES \(MWRES\) report 2021](#) highlighted, amongst other indicators, that ethnic minority doctors have to apply for more posts than their white counterparts before they are appointed to a consultant post. They are also less likely to be shortlisted and offered a consultant post. Research by the General Medical Council (GMC) shows that the diversity of the medical register is increasing, with an increase in the number of internationally educated staff ([GMC, 2024](#)). This is also seen in data from the Nursing and Midwifery Council ([NMC, 2024](#)).

Representation at board

NHS Providers' benchmarking survey, which captures the remuneration details of executive directors (based upon voluntary participation by trusts and foundation trusts), shows that in 2022/23 there were notable disparities in the representation of ethnic minority executive directors compared to white executive

directors across various job roles. There was a higher representation of ethnic minority directors employed as medical directors (30%) in comparison to other executive roles. However, ethnic minority people are disproportionately underrepresented in executive communications and estates/ facilities roles as well as chief executive roles.

Our latest findings show ethnic minority executive directors to be earning 1.7% more than white executive directors. This is likely to be due to the higher percentage of ethnic minority medical directors compared to other executive director roles. Medical directors on average have a higher remuneration than other director roles, contributing to a deviation from the overall average remuneration for executive directors from an ethnic minority.

It is important to consider how ethnic minority representation at board level and at all levels of the organisation, may present in ethnicity pay gap data. Trends could include reduction of the mean ethnicity pay gap with no improvement on the median, possibly indicating lack of a talent pipeline to facilitate staff progression. The need for inclusive talent pipelines and support for career development can be seen in the increasing divergence between ethnic minority staff in the NHS overall, reported 26.4% in 2023 and representation at board level (15.6%) ([NHS England, 2024d](#)). Whilst board level ethnic minority representation has steadily increased, it has not kept pace with representation overall and has resulted in the gap between the overall workforce and board diversity widening, particularly among executives.

STRATEGIES FOR MINIMISING AND CLOSING THE GAP

Many organisations have issued guidance on reducing pay gaps, whether specifically in respect of ethnicity or more widely. The Equality and Human Rights Commission for example, published a strategy (primarily designed for the UK government) in which it set out six recommendations to close pay gaps ([EHRC, 2017b](#)).

There are consistent themes and considerations that emerge across the available good practice, which we summarise below:

Transparency and reporting. The starting point for any organisation will be to regularly publish its ethnicity pay gap to increase transparency and accountability. This will include a breakdown of the pay data by both ethnicity and other relevant factors (such as gender, role and department) to identify areas of disparity and trends. Encouraging the workforce to share their ethnicity information is key to enabling robustness of data and curiosity of the causes of disparity. Organisations should engage with staff to understand the reasons for non-declaration and implement interventions based on findings.

Diverse leadership and accountability. Striving to have diverse representation at all levels of leadership within an organisation is integral to making progress in closing the gap. However, diversity in leadership alone is not sufficient. The senior leadership team should have in place accountability metrics which set specific targets for reducing the ethnicity pay gap and hold leaders accountable for achieving those targets. Furthermore, organisations should consider having a dedicated committee or board member responsible for monitoring progress on both the pay gap and more generally on the organisation's equality, diversity and inclusion (EDI) agenda.

Inclusive recruitment practices. Inclusive recruitment is integral to creating a diverse workforce and encompasses an end-to-end review of existing processes, including for senior clinical and board-level

positions and those that utilise external recruitment agencies, to remove potential for bias. Actions include debiasing job adverts and descriptions, implementing 'blind' recruitment by removing identifying information, such as names, from applications during the initial screening stage; and ensuring shortlisting and recruitment panels are trained and diverse. NHS Providers' [Guide to evidence-based effective recruitment and talent management interventions for race equality](#) shares specific actions leaders can take to improve their processes.

Robust policies and processes on pay and promotion. Undertaking regular pay audits is a necessary step to ensure equitable pay practices across all ethnic groups. Alongside this, policies and processes for recruitment and talent management should be reviewed for systemic inequality to maximise opportunities to embed positive action and targeted interventions for groups facing compounded disadvantages. Proposed initiatives need to be appropriately resourced and sustainable.

Bias awareness and inclusive recruitment training should also be provided to all employees, and particularly those involved in recruitment, promotion and salary decisions so there is greater awareness of how this may present within each stage of the recruitment process.

Career development and talent management. There are many interventions which are aimed at supporting those from underrepresented groups to progress, ranging from mentoring and sponsorship, to training and development opportunities tailored to the needs of diverse employees. Processes should also be developed and embedded to encourage open discussions about pay and career progression with active signposting to live vacancies for those who are ready to progress, and particularly around clinical excellence awards and consultant pay.

Inclusive workplace culture. Trust leaders should facilitate and support network groups that focus on the interests and needs of those from underrepresented groups, including those from an ethnic minority. Activities, which may include training, should be considered to enhance understanding and appreciation of different cultures and backgrounds, including of cultural and religious events, amongst all staff. Workplace policies, for example annual leave and flexible working, should be reviewed to ensure that they are inclusive and consider the needs of diverse employees.

Community and sector engagement. Trusts should regularly engage with system and sector partners and initiatives that promote best practices in diversity and pay equity. Collaborating with voluntary, community and charitable organisations, alongside subject matter experts, can also support broader efforts to address systemic inequalities.

Minimising and closing the ethnicity pay gap in the NHS requires a comprehensive, sustained, and data-driven approach that addresses both the systemic and individual factors contributing to the gap. By implementing targeted talent management programmes, inclusive recruitment practices, policy changes, and intersectional analysis, NHS employers can create a more equitable and inclusive workplace.

Drawing on successful strategies from gender pay gap initiatives and continuously monitoring progress, will ensure that efforts to reduce the pay gap are effective and sustainable. It's crucial to recognise that this is an ongoing process that requires long-term commitment, resources, and cultural change at all levels of the organisation.

THE ROLE OF THE BOARD

NHS boards play a crucial role in addressing the ethnicity pay gap. This section outlines how NHS leaders can drive meaningful change, considering the unique context of the health service and its regulatory environment.

NHS boards must operate within the following legal and regulatory context:

- Equality Act 2010
- Public Sector Equality Duty (PSED)
- NHS Standard Contract requirements
- Care Quality Commission (CQC) Well-Led framework

Boards need to understand their obligations in relation to the above and how they relate to addressing the ethnicity pay gap. Key areas for consideration include:

1 Maintain strategic oversight

- Set a clear vision for diversity and inclusion, integrating it into the organisation's overall strategy.
- Establish Specific, Measurable, Achievable, Relevant and Timely (SMART) measurable goals for reducing the ethnicity pay gap, aligned with the NHS People Plan and the NHS Equality, Diversity and Inclusion (EDI) Improvement Plan (the Plan). The Plan mandates NHS organisations need to "eliminate total pay gaps with respect to race, disability and gender".
- Ensure adequate resources are allocated, considering budget constraints and competing priorities.

2 Policy development

- Oversee the creation and implementation of inclusive policies ensuring they address NHS-specific challenges (for example clinical vs. non-clinical roles and Agenda for Change pay banding).
- Implement the actions outlined under high impact action (HIA) 2, "overhaul recruitment processes and embed talent management processes" from the Plan.
- Regularly review existing policies to eliminate potential biases, for example salary differences on appointment, promotion etc).

3 Ensuring accountability

- Implement robust processes and systems to monitor progress, leveraging existing NHS data collection methods (for example the Workforce Race Equality Standard and NHS Staff Survey).
- Hold senior leaders accountable through performance reviews and the implementation of HIA 1 of the Plan, "measurable objectives on EDI for chairs, chief executives and board members".

CASE STUDY: BARTS HEALTH NHS TRUST

Barts Health NHS Trust (BHT) is a group model acute and community trust covering five different hospitals across East London. The trust has developed an organisational approach to equity, for both their staff and patients, underpinned by their 'WeBelong' strategy. Data from their ethnicity pay gap is considered as part of action planning and evaluation of interventions.

Introduction

BHT has a diverse workforce with 60% of their staff from an ethnic minority background. The trust's *gender and ethnicity pay gap report* published in May 2023 revealed they have a median ethnicity pay gap (EPG) of 18.2% and a mean ethnicity pay gap of 18.3%. These figures have remained static since the previous year's published report. Whilst exact workforce make up may differ across each of their hospitals, collectively their EPG is in line with findings from their Workforce Race Equality Standard (WRES) report, which shows that ethnic minority colleagues are underrepresented in upper pay quartiles and amongst the very senior managers (VSM).

BHT is able to disaggregate their data due to a combination of high ethnic diversity among their workforce and high levels of ethnicity self-declaration within the Electronic Staff Record (ESR) system and within the NHS Staff Survey. This has enabled them to consider the experiences of individual groups, pinpoint where inequality exists, and take targeted action based on variation between different ethnic groups. For example, the data shows that Bangladeshi colleagues consistently have the lowest median pay. As a result BHT have developed a range of programmes to support local residents who are heavily represented in the lower pay quartiles into employment within BHT and worked with the Mayor of London's 'Design Labs' programme to make this work as effective as possible.

Interventions

- The 'WeBelong' strategy, which was enabled by insights from their ethnicity pay gap reporting and provides a strategic approach to tackling identified disparities.
- Having a dedicated equality, diversity and inclusion (EDI) forum at each hospital.
- Future VSM programme for staff in Agenda for Change (AfC) bands 8c to 9, to help people enter senior and executive roles. The programme includes a commitment to ensure 50% of the cohort is from an ethnic minority background.
- Talent management framework which focuses on:
- Encouraging colleagues from underrepresented groups in leadership roles to have conversations about their career aspirations at their appraisals, using the 'Scope for Growth' model. These colleagues are then supported with guidance, examples of available opportunities and how to match these to their career goals. They are also directed to development opportunities and advice such as stretch assignments, apprenticeships and can undertake experiential learning initiatives.
- Succession planning involves examining senior roles that are predominantly held by white men, recognising underrepresentation of both women and ethnic minority staff within senior leadership, and having transparent conversations with these postholders about their future plans, whether that be retirement or relocation. This provides visibility within the organisation about when certain roles will be available, allowing people who may want to take on those roles adequate time to prepare.
- Creating a talent pool through the establishment of a talent pipeline, and a clear matching process for vacancies. The trust will invest in these individuals

to realise greater potential through a process where each hospital executive board reviews upcoming opportunities and matches them to staff within the talent pool. This programme is set to launch in autumn 2024.

- Career development workshops for colleagues in AfC bands 5 to 7, where the majority of the ethnic minority workforce is currently concentrated. These workshops cover essential skills such as CV writing, interview techniques, and guidance on advancing to band 8 roles. They have provided the trust with insights into colleagues' motivations and future aspirations. Every senior leader at VSM level is a mentor or coach for people in AfC bands 5 to 7 and have career conversations with their mentees.
- Compassionate leadership training to upskill managers and leaders at all levels to embrace diversity as a step to eradicate bias around recruitment.
- Delivery of cultural intelligence, allyship and active bystander training through a 'train the trainer' model. The model upskills both existing experienced trainers with the trust to deliver new content, and staff seeking to widen and develop their training skills, whilst also providing a more financially sustainable delivery model which supports wider organisational rollout of the content.
- Application of a data led approach to enable prioritisation of interventions to individual business areas. BHT uses employee relations data triangulated with other sources of insight, such as Freedom to Speak Up reporting, staff survey data or organisational development interventions, to target areas where there are reports of bullying and harassment to enable timely and more focused centralised support.

Impact

As a result of these interventions, the representation of ethnic minority staff in AfC band 8A and above has increased by 8% since WeBelong was originally published, with 40% of ethnic minority staff in band 8a and above. This progress can be attributed to the development efforts focused on band 5 to 7 progression.

An ethnically diverse recruitment panel is now appointed to every AfC band 8a and above interview, including an inclusion ambassador (IA). The IA doesn't necessarily have to be from an ethnic minority, but they will have undergone specialised training which includes unconscious bias training and how to have challenging but constructive conversations if they recognise unfairness in the process. Monitoring of outcomes has shown an increased likelihood of an ethnic minority candidate being appointed when an IA is present on the panel compared to when one is not.

Although it may be difficult to draw a line directly from these interventions to impact on staff and patients, tracking WRES metrics and producing detailed WRES reports over the last five years has shown that the programme of work is having a positive impact on WRES metrics. Impact on the EPG is also being monitored but it is anticipated that positive impact will take longer to filter through to the data.

Challenges

The trust operates as a group model across five distinct hospitals which creates complexities when implementing standardised interventions. Strategies and initiatives are developed at the group level and then implemented by the management structures of each hospital. However, the pace of implementation and priorities vary across hospitals, which can affect the equity of the schemes across the group. Additionally,

each hospital has variation in both workforce demographics and, as individual specialist sites, the opportunities available for promotion. These factors, along with different organisational cultures within each hospital can influence the ethnicity pay gap.

The 'train the trainer' method for commissioning EDI training within the trust has proven to be a successful and cost-effective alternative to hiring external trainers. However, challenges arise in maintaining the trained cohorts due to poor retention, and attractive employment opportunities outside the organisation. For those who remain, it has been important to find incentives beyond monetary rewards to encourage continued participation in training.

'We are being curious about what the data is telling us, trying to do the triangulation with other indicators and coming up with plans and interventions that are more sustainable and practical.'

Delvir Mehet, group deputy director of people

The trust has found that colleagues face challenges progressing beyond AfC pay band 8a once they have progressed from AfC pay bands 5 to 7 and struggle to reach to AfC pay band 9 and VSM levels. This issue is reflected in the 3% reduction in ethnic minority representation in their upper pay quartile, decreasing from 44% in March 2022 to 41% in March 2023 ([Barts Health NHS Trust, 2023a](#)). Their VSM development programme is one initiative created to address this.

Learnings for the board

- EPG data should be used in triangulation with other indicators to inform the 'whole picture'. Board members must retain a sense of curiosity when examining the data and seek to understand the underlying causes of any disparity and use these insights to identify and develop sustainable interventions.
- Disaggregation of data is key to building engagement and taking targeted actions. For group models, having group level data alone will not create either the desired impacts or provide the required buy in for the [different hospitals within the group](#). Both the data and actions must be more tailored to a more localised level.
- Progressing racial equity should be a standing item on the agenda to maintain a focus on delivery against any related actions.
- Having actively engaged executive sponsors of staff networks can assist the board to stay focused and develop their understanding of lived experience.
- Language is important but should not delay action. Begin the work and you will be able to evolve the language and definitions over time.
- Having a board level director for EDI helps to link all work together.
- Results against this agenda take time and require the board to remain resilient and focused, especially if you don't get the results you want initially.

CASE STUDY: BERKSHIRE HEALTHCARE NHS FOUNDATION TRUST

Berkshire Healthcare NHS Foundation Trust (Berkshire Healthcare) is a community, learning disability, and mental health trust providing a wide range of services to people from across 60 sites and in their homes. The trust employs approximately 5,000 staff, of which 30% are from an ethnic minority.

As a relatively new area of reporting, with a minimal ability to benchmark across trusts, Berkshire Healthcare's initial experiences with Ethnicity Pay Gap (EPG) reporting are likely to resonate with many NHS organisations. However, Berkshire Healthcare took a proactive approach to the EPG, and now in its second year of reporting, is able to benchmark internally against data from the previous year and also introduced intersectional reporting in 2024.

The trust reported a moderate rise in its median EPG from 3.59% to 3.92% between 2023 and 2024 ([Berkshire Healthcare NHS Foundation Trust, 2024a](#)), meaning their white staff earn £0.71 more than those from an ethnic minority. The mean pay gap for white staff was -£0.70 (-3.36%) less than those from an ethnic minority when reported collectively. However, disaggregation of the data highlights that white staff's mean hourly pay is £0.41 more than that of black staff. Like many trusts across the country, ethnic minority representation at Berkshire Healthcare decreases as you proceed to higher pay quartiles. The trust still finds itself well placed to redress this challenge, and its anti-racism action plan aims to address this imbalance.

Interventions

The trust has implemented several interventions that will contribute to the reduction of the ethnicity pay gap by tackling systemic inequalities within processes:

- Disaggregation of the data to enable granularity in analysis and identification of wider intersectional patterns.
- A flagship [Unity Against Racism programme](#) that prioritises the need to take an 'active role in identifying and addressing all types and impacts of racism', including the career journey and outcomes for ethnic minority staff.
- An anti-racism taskforce and workstream created to drive racial equity, with a responsibility on executive leads and taskforce members for reporting on the progress of associated initiatives, for example a recruitment reflective checklist, and creating pathways to raise concerns.
- Developing talent management systems, that incorporate both formal and informal mechanisms to support the development and progression of staff. This includes in depth reviews of recruitment, and development and training practices to support competency-based progression, with pathways visible for ethnic minority staff.
- Maximising the use of the [Workforce Race Equality Standard \(WRES\) data findings to inform interventions taken](#). This has resulted in anti-racism workshops co-created by trust leaders and the trust's staff Race Equality Network.
- Increased messaging on anti-racism and tackling inequalities via a range of internal communication channels, including newsletters, executive videos, virtual notice boards, intranet, spotlight articles, emails from senior leadership or briefing packs for managers. This has been part of an 'underpinning

education and engagement' workstream, and both the content and engagement method have been refined based on impact.

- Encouraging self-declaration of ethnicity by the workforce within the electronic staff record (ESR), the national staff survey and internal data sets to better inform interventions.

Impact

A distinctive thread that runs through Berkshire Healthcare's approach is how they have incorporated EPG data and analysis into its wider approach to creating an enabling culture; one that encourages staff to feel empowered to contribute to the organisation's success. This has allowed leaders and managers to see the EPG for their business area as a part of local workforce dashboards, and support equality impact assessments for any change activity.

Based on Berkshire Healthcare's approach there are five areas that trusts can focus on to improve their EPG reporting, and make a greater impact:

1 Start somewhere and own where you are:

The unmistakable enthusiasm in wanting to address the EPG has been evident in the fact that Berkshire Healthcare is in its second year of reporting. The trust emphasised the need to start somewhere and recognised that initial data and findings will not be where you would like to be. However, they recognise a need to be honest about this position and stress that it does at least provide a starting point for action. This culture of transparency has provided a springboard for concrete actions, with respective workstreams that are led by executives. For example, a guaranteed interview scheme for roles at agenda for change pay band 8b and over for ethnic minority candidates who meet the essential criteria.

'Make [the data] relevant at the ground level...and [show] what this means for workforce colleagues.'

Karla Inniss, head of inclusion and organisation experience

The ability to disaggregate data, and dive deeper, has helped Berkshire Healthcare group action and identify synergies with its wider work on equality, diversity and inclusion (EDI). This is the first year the trust has applied an intersectional lens to pay gap reporting, helping to identify where there is a double disadvantage. For example, where gender intersects with race, the trust identified that white males have a £4.25 pay gap advantage compared to black female staff.

Berkshire Healthcare have used dashboards that can filter by demographics across existing staff, leavers, teams and departments.

The granular detail within the trust's EDI dashboard has permitted localised 'people action planning' at team and directorate level. All teams are required to set team objectives on anti-racism and use the dashboards to evidence and discuss priorities, such as a talent pipeline for allied health professionals. It can also support broader interventions such as using disaggregated leavers data to support retention efforts, and understanding of employee relations incidents, including those of discrimination, bullying and harassment in the workplace.

2 Accountability and robust follow through:

Berkshire Healthcare's Unity Against Racism programme (a programme of activity centred upon addressing inequalities in access, experience and outcomes in health services) is intentionally led by white allies on

the board, the chair, the chief executive and the deputy chief executive - in recognition of the double burden that this would place on ethnic minority staff and leaders (who are often expected to/ left with leading on EDI and race equality work). Anecdotal feedback from the trust's ethnic minority staff is that this proactive leadership and commitment to anti-racism has supported staff to better engage with the Unity Against Racism workstreams. The trust also identified through their engagement that they had previously omitted to close the feedback loop on occasion. How the trust shares and communicates the actions being taken and progress made to their staff and communities is now more actively considered and planned for.

All executives at Berkshire Healthcare lead on one of five workstreams as part of the organisation's wider anti-racism strategy, helping ensure robust and clear leadership and accountability structures are in place. One of these workstreams has a focus on recruitment, retention, employment conditions and progression. The group has used the WRES, ethnicity, disability and gender pay gap, Workforce Disability Equality Standard (WDES) and NHS staff survey metrics to inform policies targeted at improving the outcomes and experience of ethnic minority staff.

3 Take full advantage of a receptive board:

A result of the board's commitment to developing both their personal and professional understanding of race equality and anti-racism has been the development of a more inclusive and compassionate culture at Berkshire Healthcare. However, as part of this they had to lead with humility and challenge themselves to have the sometimes 'uncomfortable' conversations. This has facilitated both stronger interest in and calls for richer, more intersectional data; as well as increased curiosity to explore the causes of pay gaps and other areas of disparity. As a result, action planning is better informed and with a commitment to delivery invested in by the board.

The trust was awarded the Race Equality Matters (REM) Silver Trailblazer Status in July 2024. This provided the board with a sense of validation that their interventions and ongoing commitment to anti-racism was judged by an external panel to be having a tangible impact for their staff.

4 Use EPGs as a catalyst to bolster recruitment, retention and talent management pipelines:

Identifying EPGs can serve as a catalyst for supporting ethnic minority staff. Berkshire Healthcare has used its engagement with workforce staff and specifically the voice of ethnic minority staff, to inform the support offer to improve employee experience and career development opportunities. For example, they have implemented initiatives that embed talent or 'ready to progress' coaching conversations as part of mid-term appraisals to support retention and progression for all staff. The trust has seen an improvement in ethnic minority staff reporting that "the trust provides equal opportunities for career progression or promotion" in the NHS staff survey. This has improved from 45.7% of ethnically diverse staff believing this to 53.3% in 2023/24.

5 Placing EPG in its wider context including the WRES:

Berkshire Healthcare's early insights into addressing their EPG highlight the advantages of taking a holistic approach, as part of the wider race equality agenda. As a systemic issue that is inherently multifaceted, addressing the EPG requires long-term approaches and support for ethnic minority staff.

Consequently, an immediate return on investment (if seen through the lens of EPG alone) is unlikely across a year of reporting, but rather will be demonstrated through multiple years in improved employee experience and retention of ethnic minority staff. Berkshire Healthcare has made use of its performance against the WRES metrics (in which the trust has shown

improvements in seven out of the nine indicators) to build a more complete picture for concerted action. However, the trust emphasised the importance broader qualitative work has played in improving lived experience of staff. For the trust, a focus on metrics alone would not have achieved this.

'To truly be a 'great place to work', we have to be outstanding for everyone'

Alex Gild, deputy chief executive

Learnings for the board

- The role of the board in leading this work cannot be underestimated as this is a key enabler for the wider leadership team and staff to lean into work on race equality, with a sense of urgency. However, it requires work from the board leaders themselves, both collective and individual, to build their confidence and competence on the topic of race.
- Treat this as a change programme. Start with the data, both quantitative and qualitative, to understand what lies behind the disparity rather than the outcomes. Be prepared to ask why, have uncomfortable conversations, and explore the systemic barriers that may be present.
- Consistently ask how your data speaks to staff and then follow through with engagement that can provide a fuller picture. In other words, bring your quantitative and qualitative findings to life.
- Don't forget the positive role external accreditation can have on building momentum, credibility and reassurance, internally and externally for a trust, as demonstrated by Berkshire Healthcare's accreditation by Race Equality Matters.

'[It is] not just a case of being a safe space but being a central space to discuss race equality issues.'

Alex Gild, deputy chief executive

CASE STUDY: CAMBRIDGESHIRE COUNTY COUNCIL

Cambridgeshire County Council (the Council) has been reporting on the ethnicity pay gap (EPG) since 2020. They have begun to see marginal changes in their median pay data and rates of engagement from ethnic minority staff with their focus on attracting, supporting, appreciating and developing staff through their equality, diversity and inclusion (EDI) initiatives.

The Council employs around 4,700 people, including relief staff with contracts similar to NHS bank workers. Around 79% of the workforce is female. As a county council the staff provide services in areas across the whole of Cambridgeshire, these services include social care, public health, education, finance and IT. The Council is also a part of Cambridge and Peterborough Integrated Care System (ICS).

In March 2024, the Council released their annual Gender and Ethnicity Pay Gap Report for 2023 which found their mean EPG was 5.6% while their median EPG was 5.8% ([Cambridgeshire County Council, 2024](#)). These compared to 3.1% (mean) and 6.2% (median) in 2022. The report also revealed that in 2023 ethnic minority staff were earning £0.95 less on average an hour than white employees and highlighted underrepresentation of women and ethnic minority staff in senior roles.

While staff at the Council are under no obligation to disclose their ethnicity, 69% did so voluntarily and of these 88.84% identified as white. The Council decided to group their data into 'white' and 'non-white' when reporting, to ensure the anonymity of respondents.

Interventions

The Council has implemented multiple interventions as part of wider EDI work that will contribute to the reduction of the ethnicity pay gap and other disparities.

- Introduced mandatory EDI eLearning for all staff.
- Introduced inclusive and compassionate leadership training, promoted by their chief executive, which includes educating colleagues on the impact of bias in recruitment.
- Reviewed their 2023 employee engagement survey and used the thematic results to support efforts to reduce their ethnicity and gender pay gap. One example of this was the establishment of an internal anti-racism steering group with oversight of the organisation's approach to addressing racial inequity and increasing accountability for a strategic and targeted approach to advancing race equity.
- Creating organisational '[Spotlight Awards](#)' to show recognition and appreciation to staff members, with the aim of improving how staff are valued and improving retention.
- Reviewing the results and measurable impacts of their pilot, 'women of colour in leadership' programme and exploring approaches to embedding this as part of the Council's future development offer.
- Monitoring the diversity of their apprenticeship programme and using targeted communications, including publicising case studies of current apprentices, so the programme is reflective of the diversity of the council's workforce.
- Having a linked 'People Strategy' (workforce strategy) and EDI strategy, which has a significant workforce element to it. This enables specific oversight of the EDI strategy and ensures there is always an inclusive approach within the workforce strategy as well as enabling them to bridge any gaps.
- Reporting on the progress of the EDI strategy action plan to the Communities, Social Mobility

and Inclusion Committee for elected members. The committee has acted as an external sense check on internal approaches to tackling disparity.

- Strengthening their internal EDI governance structure with the formation of an EDI leadership forum and working group, EDI staff forum and staff networks, all of whom contribute towards EDI actions the Council takes including the development and improvement of employment policies and practices.
- Having virtual monthly EDI conversations within the Council that focus on a new topic at each meeting. This gives colleagues a chance to share their lived experience with others through a learning lens and has helped build connections across the organisation.

Impact

The Council has seen a culture change related to EDI, resulting in more engagement, giving staff better insight into what is happening within the workforce.

The Council saw some positive marginal changes in their ethnicity pay gap in 2024. Although the mean had increased from 3.1% in 2022 to 5.6% in 2023, the median has decreased from 6.2% in 2022 to 5.8% in 2023 ([Cambridgeshire County Council, 2024](#)).

The increase in the mean pay gap could be attributed to the make-up of their senior leadership team - more action is required to improve diversity at these levels, and there are actions in their workforce strategies focused on supporting career development and inclusive recruitment practices. The median decrease could be due to higher disclosure rates. The Council's staff ethnicity disclosure rate has increased to 75.47% in March 2024, compared to 66% in August 2023. Similarly, 54% of staff responded to the staff survey, compared to the national benchmark of 40%. This has provided a higher degree of confidence in the results, which will be used as a baseline by which to measure impact.

A rising disclosure rate is a sign that staff feel more confident to disclose their ethnicity. This could be as a result of efforts to raise awareness of the importance of EDI, through interventions such as monthly EDI conversations and through the increased leadership focus on EDI. Regardless of people's motivation to self-disclose, the Council now has a better understanding of its workforce. Similarly, a higher response rate to the staff survey indicates that staff want to and feel comfortable enough to engage with the organisation in this way.

The Council has worked closely with their staff networks in developing the staff survey, particularly in relation to the demographic categories used. It also utilised these networks to promote the staff survey to members.

Challenges

One of the challenges for the Council is resource and funding for EDI initiatives and staff networks. The EDI team are a relatively small team but one that has been seen to have a significant impact. The organisation has sought to prioritise and protect the work in the face of increasing financial challenges for local government.

It has also been challenging to get staff to engage with the range of EDI initiatives. Although there is great buy-in at a senior level, often it is the same senior people engaging each time. Staff working in frontline services are often extremely busy with heavy workloads and do not have the time to engage, consequently the Council are not hearing about their experiences as much.

Engaging with staff and delivering consistent messaging across all teams throughout a large geographical area is difficult. It is often the case that there is a very clear message from the senior team, however, due to differences in communication styles and the engagement of individual managers, delivering unified messaging across the entire organisation can

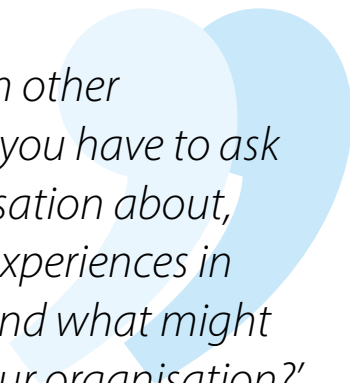
weaken the message. There is currently work underway to create consistency through improved training for managers.

It has been difficult for the Council to track tangible outcomes directly back to the EPG. Instead, they have used EPG data alongside other workforce data sets to identify and prioritise actions to support ethnic minority staff more widely. The EDI team are exploring ways to track outcomes against EDI initiatives going forward.

Learnings for the board

- Measuring pay gaps is challenging and failure to understand the underlying causes of disparity can lead to putting incorrect measures in place just to achieve the desired figures. While they are important, pay gaps only represent a single way of looking at things. It is important to take a human centred approach and listen to the experience of people that are directly affected, using this insight to create actions that will have long-term impacts.
- Having specialist resources allocated to analysing employee data can help massively. The Council has recently allocated a few members of staff from the policy and insights team to support HR with data analysis and insight. They are able to bring their skills and expertise to help examine the data in a different way, for example embedding and creating HR dashboards and embedding diversity data into reports.
- Every board member should be proactive in seeking out and listening to the experiences of their workforce. This builds awareness of lived experience and creates a greater sense of board engagement and accountability across the organisation.
- Strong internal communication between leadership and ground teams is crucial in making sure everyone is aware of any work that is underway around EDI improvement. Lastly, it is important to remember that every organisation is different, and what works for

one may not work for another. The better you know and understand everyone in your own workforce, the better you will know what actions to take to ensure impactful change.



'You can learn from other organisations, but you have to ask what is our organisation about, what are peoples experiences in our organisation and what might change things in our organisation?'

Anna Syson, head of workforce policy and wellbeing

NINE QUESTIONS FOR BOARDS

A key element of our NHS Providers Race Equality programme is focussed on equipping board members to ask challenging questions of themselves and each other, to encourage self-reflection, board leadership and accountability.

Monitoring and accountability

- 1** Has our organisation analysed pay gap data (intersectional analysis), developed and published an action plan to eliminate gender and ethnicity pay gaps as required by the NHS Equality, Diversity and Inclusion (EDI) Improvement Plan?
- 2** Are we cross-referencing data and analysis from the ethnicity pay gap report, the Workforce Race Equality Standard (WRES), 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 our EDI workstreams?

Policy and practice

- 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?

Engagement and culture

- 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?

Measuring impact

- 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?

RESOURCES

Various organisations, including the [CIPD](#), have published guidance and best practices for employers considering ethnicity pay gap reporting. This guidance often includes advice on how to collect, analyse, and report data while ensuring confidentiality and compliance with legal obligations.

NHS Providers resources

- ***Inclusive recruitment and talent management***
Developed in partnership with Anton Emmanuel, then head of the Workforce Race Equality Standard, NHS England.
- ***A guide to supporting your internationally educated workforce***
Our guide to supporting your internationally educated workforce, which includes case studies from NHS trusts on recruitment and onboarding, creating a sense of belonging, tools to address bullying and harassment, high quality training and inclusive talent management.
- ***Closing the gap: A guide to addressing racial discrimination in disciplinaries***
Developed in partnership with legal experts Hempsons, this guide looks at the implementation of actions by trusts to tackle the ongoing disparity in disciplinaries and the role of board leaders within this.

Access additional resources from our Race Equality programme on our website.

Wider resources

- ***Ethnicity pay reporting: A guide for UK employers***
A guide to voluntary ethnicity pay gap reporting by the CIPD
- ***Mend the Gap: The Independent Review into Gender Pay Gaps in Medicine in England December 2020***
A report by Professor Dame Jane Dacre Lead Researcher and Professor Carol Woodhams

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Use the QR code above to access the full e-publication which includes links to the wide range of resources italicised throughout this publication.



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