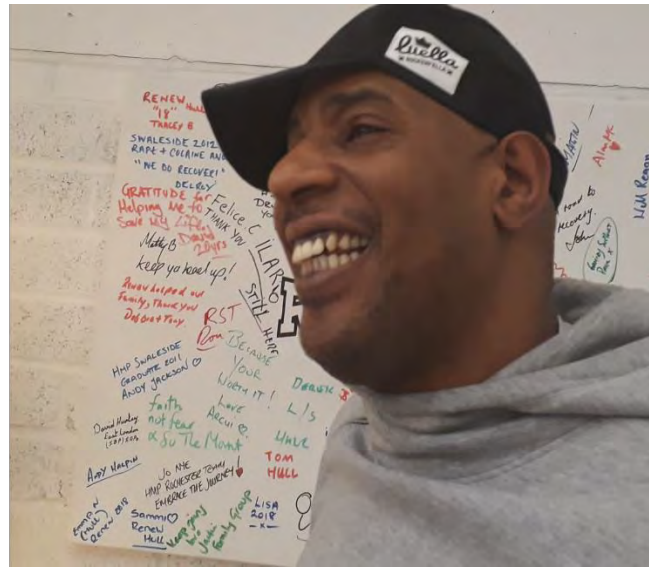




# forward



# The Forward Trust

Gender & Ethnicity Pay Gap Report  
2021

## EXECUTIVE SUMMARY

### Introduction

This year, alongside continuing to voluntarily publish our annual Gender Pay Gap report, and despite the UK Government deferring this requirement, we have chosen to also report on our ethnicity pay gap.

As leaders, we have a collective responsibility to recognise and condemn racism in all its forms and stamp it out where we can – in particular in our workplaces. We know progress to secure racial equality has been made down the years, but nowhere near enough.

Countless examples of prejudice still remain with colleagues from Black, Asian, and Minority Ethnic groups forced to deal with the painful impacts of institutional and systemic racism every single day.

As an organisation, we have seen the emotional trauma this has caused, in particular for our Black employees. And we know that more needs to be done to tackle inequality, learn about lived experiences, and use our privilege to deliver authentic change that creates a fair, just society for all.

We know that reducing our pay gaps and changing the make-up of our workforce takes time. While we are proud of our commitment to date, we recognise that we have more work to do.

We recognise the importance of transparency in encouraging accountability and inspiring impactful, action-led change. That is why we have, and will continue to, report this data.

It is our intention to analyse and publish this information on an annual basis in order to help us to hold ourselves accountable, to learn from it to build a more inclusive workplace, and to drive positive change.

### Gender

According to the Office for National Statistics, the gap between UK male and female workers pay, based on median hourly earnings for all workers – has decreased slightly to 15.5% in 2020, from 17.4% the year before.

Our mean pay gap, based on hourly rates of pay is 7.0% and our median is 2.7%. This is a slight increase on the 2018-2019 mean gap which was 5.1% and a slight reduction on the 2018-19 median of 2.86%.

### Ethnicity

As this is the first year that we will be reporting on our Ethnicity pay gaps, there is no internal comparison data and as there is no statutory requirement currently for reporting, there is no national data.

In future years we will be able to provide comparison analysis.

In reporting against this measure we are required, in addition to comparing white employees against all BAME employees, to report against each of the five survey categories as defined by UK Gov.

These categories, and their constituent groups are detailed in Annex 1 of this report.



The mean and median pay gaps in respect of Ethnicity are as follows:

	Mean Gap %	Median Gap %
All BME	+5.4%	+5.4%
All Asian, Asian British Ethnic Groups	+11.9%	+26.7%
All Black, African, Caribbean, Black British Ethnic Groups	+6.4%	+4.8%
All Mixed or Multiple Ethnic Groups	-5.0%	-2.3%
All Other Ethnic Groups	-8.5%	+5.4%

NB. A Positive variance denotes pay higher than the white group and a negative variance denotes pay less than the white group.

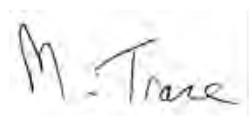
Whilst we are pleased with the fact that in general BAME groups are not disadvantaged within our pay system, there are clearly some groups that require further analysis and attention.

The detailed report below provides further detail on representative pay gaps at different quartiles of pay and therefore more context.

## Future Commitment

Forward remains committed to ensuring that we treat all staff fairly and in support of this we will, over the next 12 months be taking the following actions:

- We are embedding our Equality, Diversity, and Inclusion (ED&I) framework within the business to ensure we have a framework that supports equal opportunities across the organisation.
- We are committed to continual monitoring of our data to inform our approach to equal pay and equal opportunities.
- We will continue to monitor our salaries against market rates and pay salaries in line with the skillset and specialism of the role regardless of gender or ethnicity.
- We will use our ED&I framework to internally monitor and report quarterly to our Trustee Board on gaps and plans to assist in closing any gaps, which arise.
- We will continue to monitor our equality pay gaps to identify roles which present inequalities and understand how we can bridge any gaps identified.



**Mike Trace**

Chief Executive

## METHODOLOGY

For both pay gap comparisons the legislation requires average pay to be calculated in two different ways, using the mean and also the median:

### Mean

The mean is the arithmetical average of the group and is calculated by adding all of the numbers in a list together and then dividing by the number of numbers.

To calculate the mean pay gap, the average hourly rate of pay of the target and comparison group is calculated and then the value of each comparison group is subtracted from the value for the target group.

This value is then expressed as a percentage of the average of the target group.

#### Benefits

- Influenced by ALL Data;
- Good for Interval and Ratio data.

#### Limitations

- Best when there are no Outliers or Extremes.

### Median

If all members of a group were lined up in order of their pay, the median pay would be the pay of the individual in the middle of each line.

To calculate the median pay gap, the median hourly rate of pay of the target and comparison group is calculated and then the value of each comparison group is subtracted from the value for the target group.

This value is then expressed as a percentage of the average of the target group.

#### Benefits

- Simple to understand and easy to calculate;
- Less affected by any outliers at the top or bottom.

#### Limitations

- Is less representative as it does not rely on all data;
- Is affected more by sampling fluctuations.

## GENDER REPORT

### Statutory Reporting Requirement

The Government under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 introduced gender pay gap reporting. The College now has a legal duty to report and publish data on gender pay on both the College website and via the Government Equalities Office.

The purpose of gender pay reporting is for organisations in the public sector with over 250 employees to report on and illustrate the difference between the average earnings of men and women in their organisation.

According to the ONS, the gap between what UK male and female workers based on median hourly earnings for all workers – has decreased slightly to 15.5% in 2020, from 17.4% the year before. (Source: Office for National Statistics)

Forward remunerates its employees via a pay banding system, ensuring fairness in our levels of pay with the flexibility to recognise relevant skills and experience within a pay band. We review our bands regularly against market competitors to ensure that we remain a competitive employer. We believe that this system allows us to address gender pay equality across the organisation.

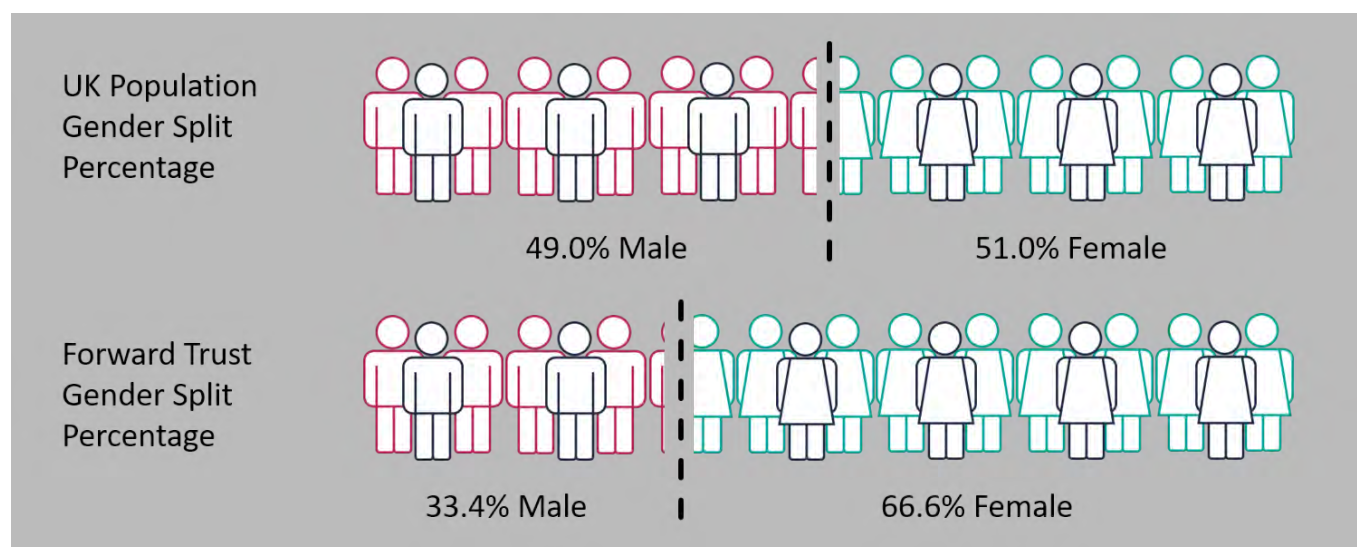
The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate that there may be a number of issues to deal with and the individual calculations may help to identify what those issues are.

### Overall Gender and Pay Quartile Reporting

#### Overall Gender - UK/Forward Trust Comparison

The figure below shows a comparison of relative numbers of Male and Female populations in UK Gov figures compared to self-disclosed Forward Trust statistics.

According to the 2011 Census.



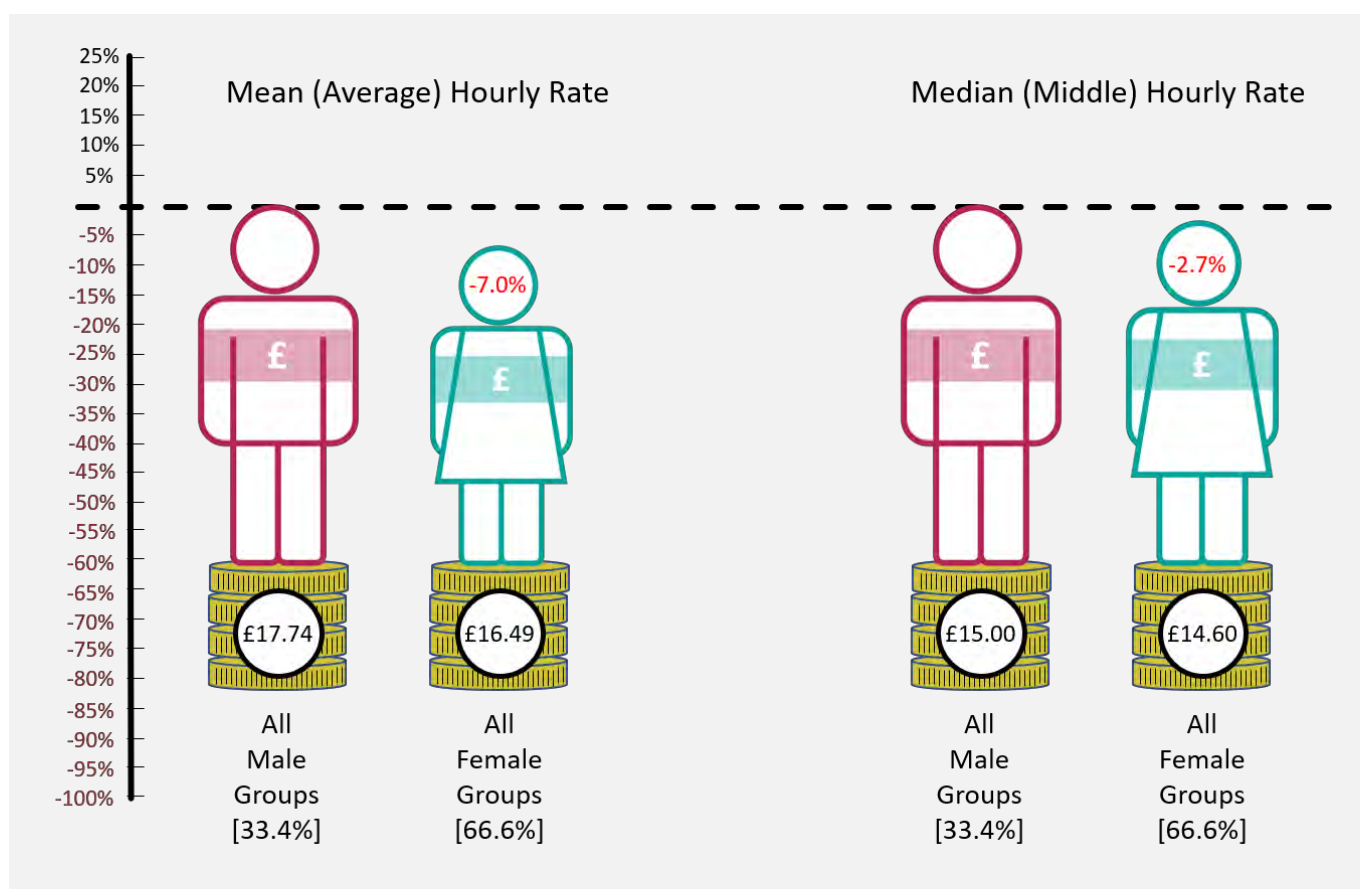
## Gender – Overall Mean & Median Pay Gap

The Forward Trust remunerates its employees via a pay banding system, ensuring fairness in our levels of pay with the flexibility to recognise relevant skills and experience within a pay band. We review our bands regularly against market competitors to ensure that we remain a competitive employer.

We believe that this system allows us to address gender pay equality across the organisation.

Bands vary by levels of responsibility and each grade has a set pay range. Colleagues move through the pay range as they develop their careers in the organisation; generally those who have spent longer in the same grade would be expected to earn more, regardless of gender.

The figure below shows the organisation's overall gender pay gap.



## Gender - Quartile pay bands

If the total workforce was put in order of hourly rate of pay and then split into four groups of equal size, or quartiles, this is the proportions of men and women in each of the four groups.



The figure below shows the proportion for each gender group in each of the four Quartiles:

### Gender Profile by Quartile

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
Male	38.1%	32.1%	30.5%	33.0%
Female	61.9%	67.9%	69.5%	67.0%

The figures below shows the Mean and Median Gender Pay Gap by Quartile:

### Mean Gender Pay Gap by Quartile

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
Male Mean Hourly Rate	£28.05	£15.97	£13.98	£11.10
Female Mean Hourly Rate	£24.27	£16.26	£13.82	£12.35
Mean Pay Gap %	-15.6%	+1.8%	-1.2%	+10.1%

### Median Gender Pay Gap by Quartile

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
Male Median Hourly Rate	£24.85	£15.69	£13.77	£10.93
Female Median Hourly Rate	£22.46	£16.05	£13.74	£12.86
Median Pay Gap %	-10.6%	2.2%	-0.2%	15.0%





## ETHNICITY REPORT

### Definition of Ethnicity

While the UK Government is in consultation regarding the ethnicity pay gap, one area of consideration is the definition of ethnicity, for collating and reporting on the data.

Ethnicity can mean different things to different people and, while we need to respect the many layers of ethnicity, culture and race, for ethnicity pay gap reporting the recommendation is to apply one consistent approach and use the government's existing categories.

In England and Wales, there are 18 ethnic groups recommended for use by the government when asking for someone's ethnicity.

These are grouped into 5 survey areas, each with an 'Any other' option where people can write in their ethnicity using their own words.

These groups were used in the most recent 2011 Census of England and Wales.

The Office for National Statistics runs the Census of England and Wales every 10 years. They decide which ethnic groups to include in consultation with:

- Users of Census data (like government departments, local authorities, and the National Health Service);
- People completing the Census, and the interest groups that represent them;
- The organisations that run the Censuses in Northern Ireland and Scotland.

The five survey areas are:

1. White
2. Mixed or Multiple Ethnic Groups
3. Asian, Asian British
4. Black, African, Caribbean, or Black British
5. Other Ethnic Groups.

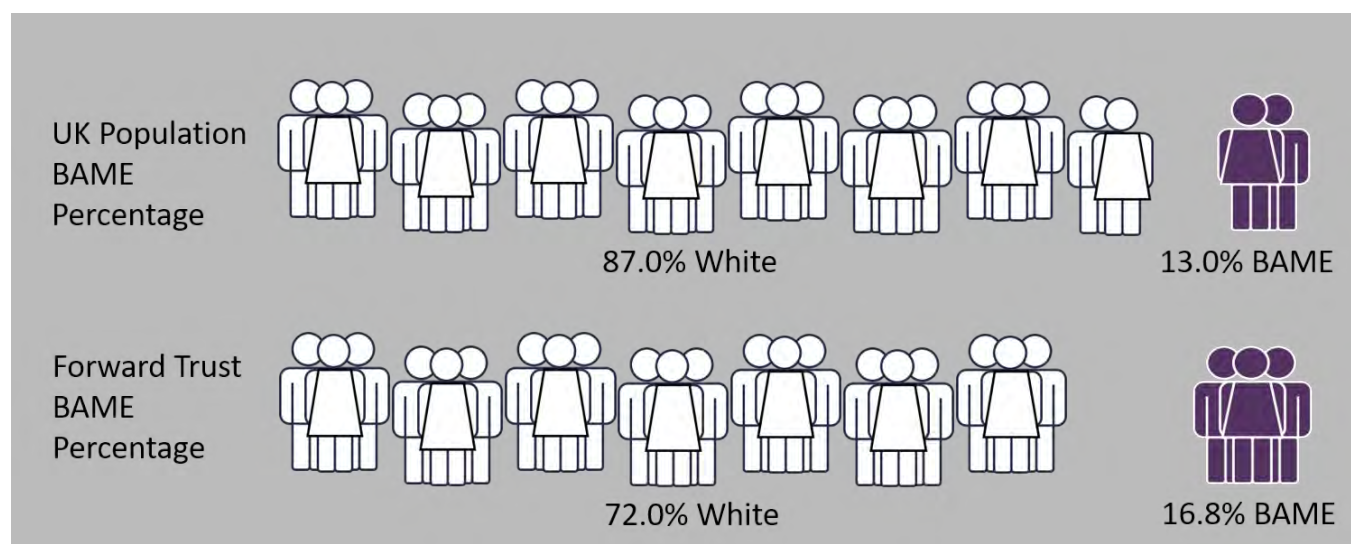
Note that the data is based on information reported at 6<sup>th</sup> April 2020, and is wholly reliant on colleagues self-identifying themselves according to the categories as defined in Appendix 1.

## Overall Ethnicity and Pay Quartile Reporting

### BAME - UK/Forward Trust Comparison

The figure below shows a representation of relative numbers of White and BAME populations in UK Gov figures, compared to self-disclosed Forward Trust statistics.

Note – these do not include the 9.5% of Forward Trust staff whose ethnicity is recorded as undisclosed.



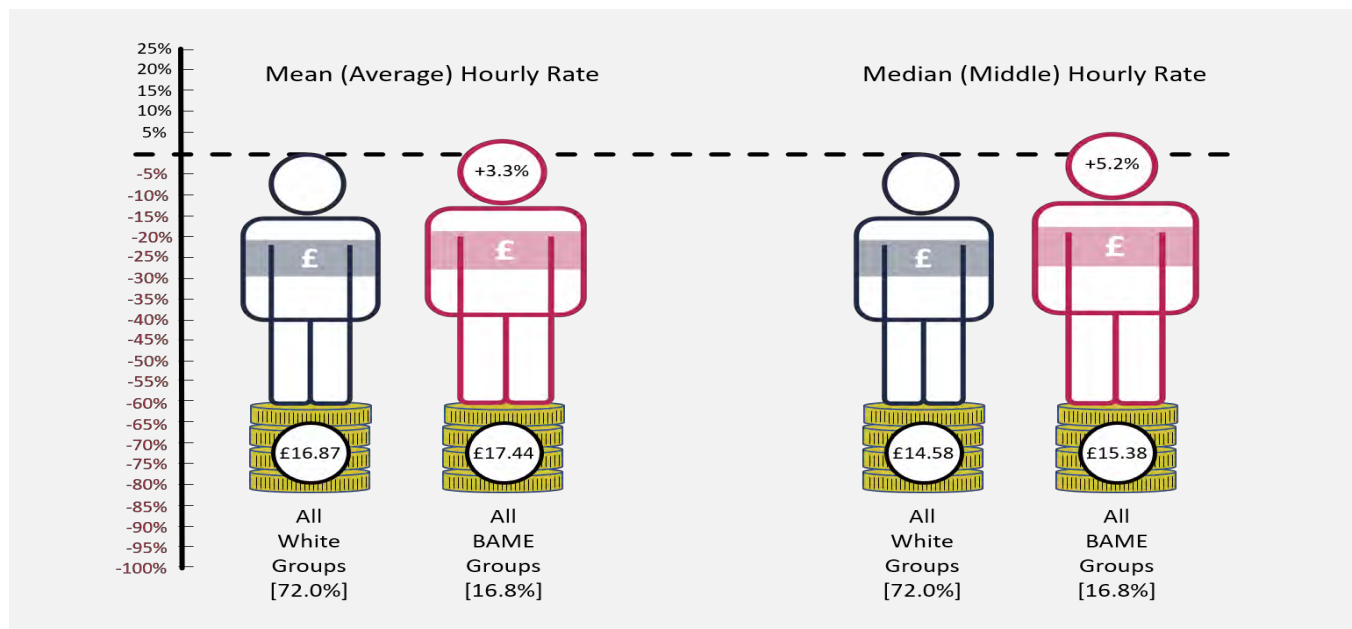
### Quartile pay bands by Ethnicity

The figure below shows the proportion for each survey group in each of the four Pay Quartiles.

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
All White Groups	72.1%	66.9%	70.8%	75.1%
Asian and Asian British	7.0%	3.0%	3.1%	2.2%
Black African, Black Caribbean, Black British	12.9%	9.9%	11.9%	7.1%
Mixed or Multiple Ethnic Groups	1.0%	4.6%	3.1%	3.2%
Other Ethnic Groups	0.0%	1.0%	1.0%	0.0%
Not Disclosed	7.0%	14.6%	10.1%	12.4%

## Reporting by All BAME Groups - Mean & Median Hourly Rates

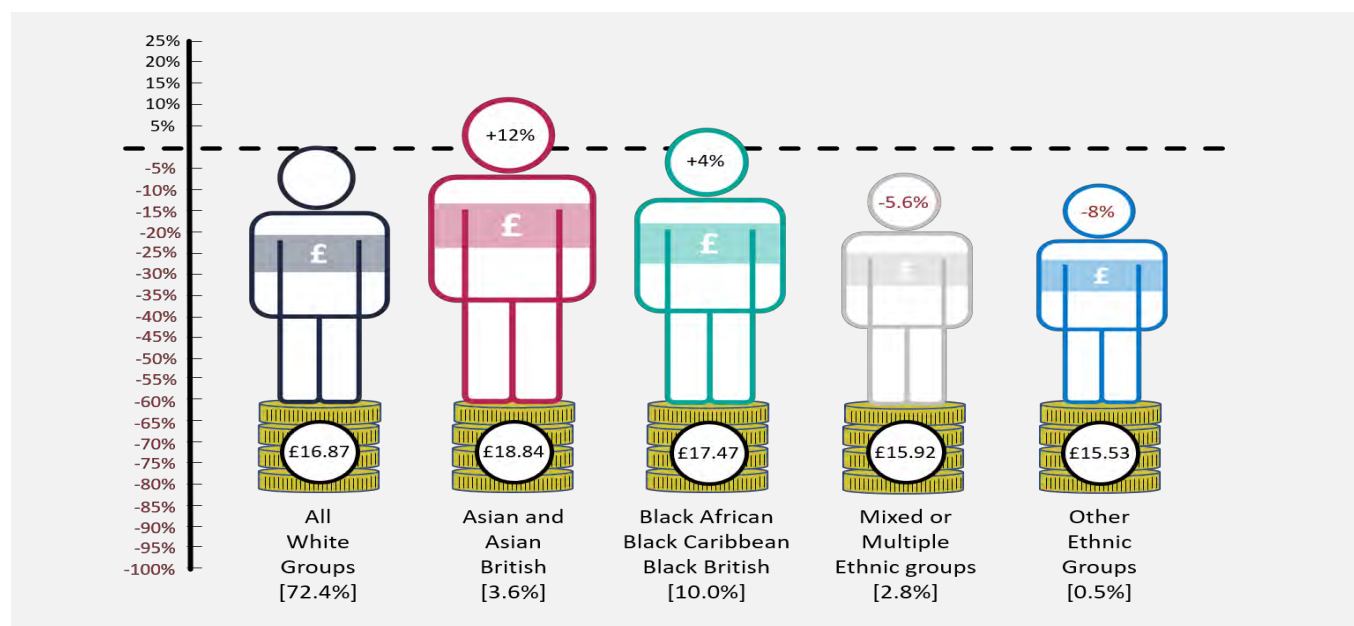
The Mean and Median Ethnicity Pay Gap for the All BAME Group is represented by the diagram below:



## Reporting by Statutory Groups - Mean & Median Hourly Rates

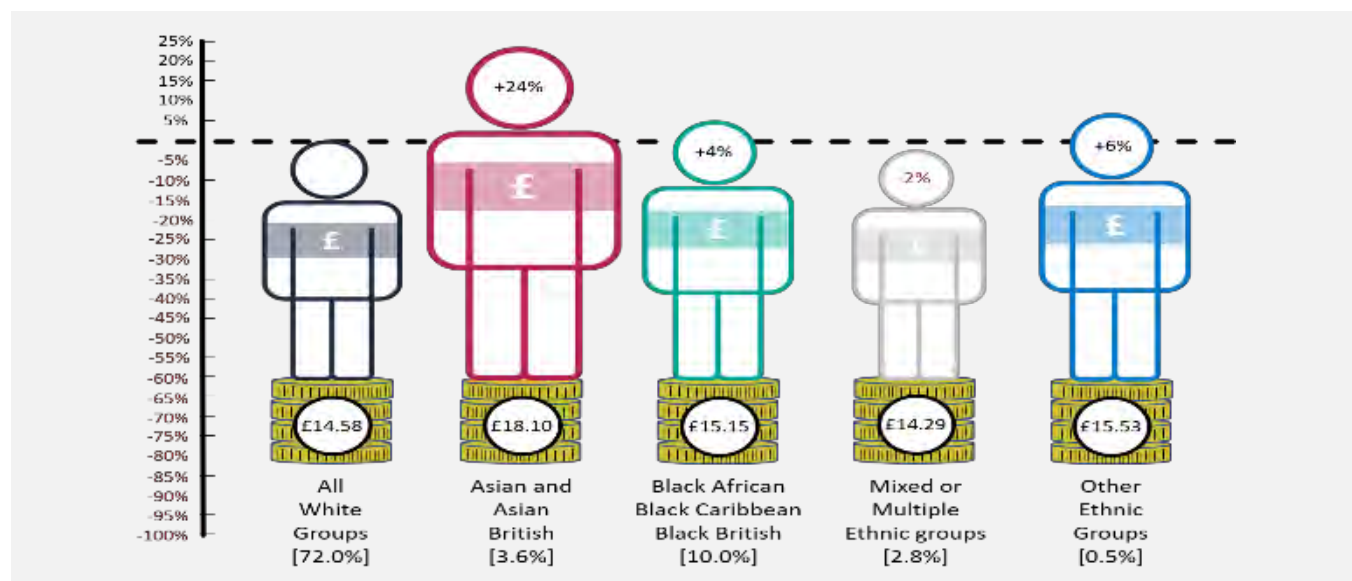
The legislation requires the Mean and Median Ethnicity Pay Gaps to be reported for each of the 5 Statutory Survey Groups.

### Mean Ethnicity Pay Gap by Group



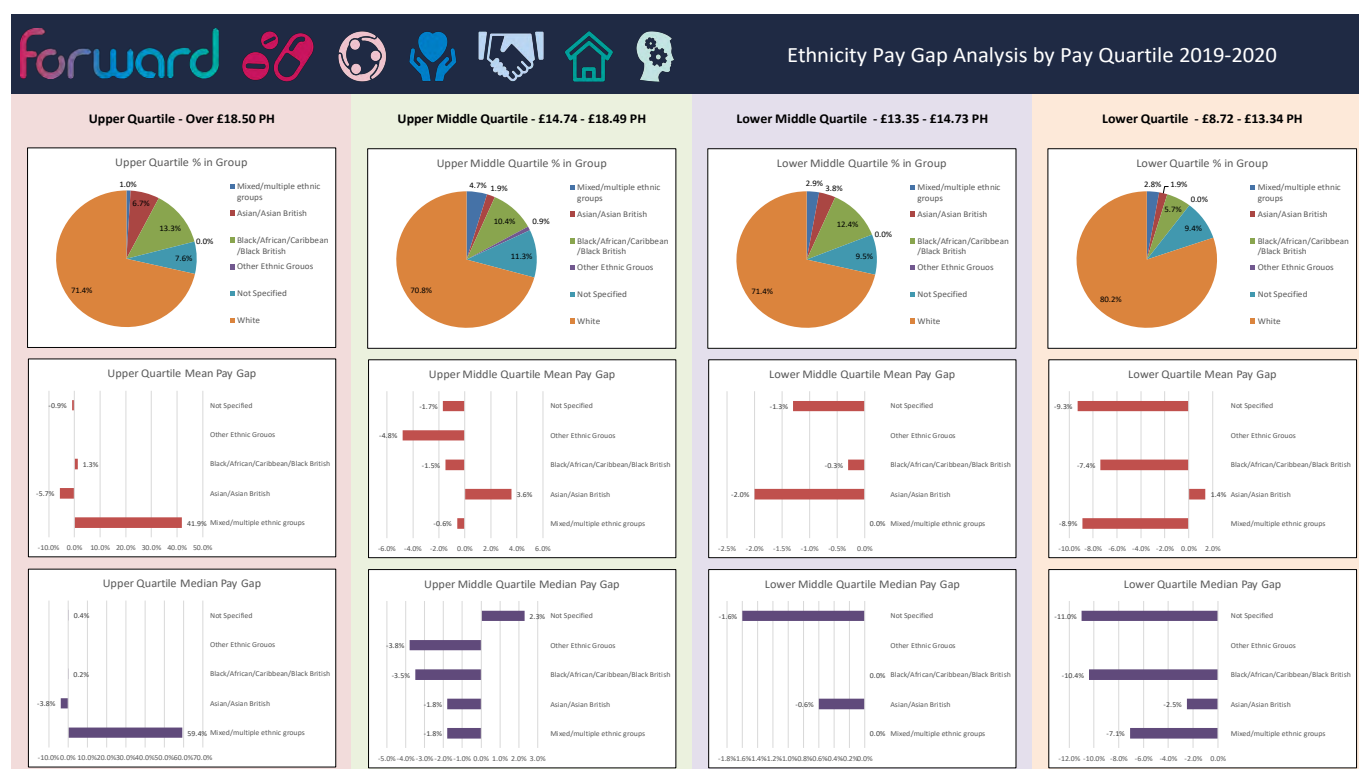


## Median Ethnicity Pay Gap by Group



## Mean & Median Ethnicity Pay Gap – Quartile Analysis

The legislation requires the Mean and Median Ethnicity Pay Gaps to be reported for each of the 4 Pay Quartiles.



## APPENDIX 1. GOV.UK ETHNIC GROUP CATEGORIES

White	Mixed/Multiple Ethnic Groups	Asian/Asian British	Black/African/ Caribbean/Black British	Other Ethnic Groups
1. English / Welsh / Scottish / Northern Irish/British 2. Irish 3. Gypsy or Irish Travelers 4. Any other white background, please describe...	5. White and black Caribbean 6. White and black African 7. White and Asian 8. Any other mixed/multiple ethnic background, please describe...	9. Indian 10. Pakistani 11. Bangladeshi 12. Chinese 13. Any other Asian background.	14. African 15. Caribbean 16. Any other black / African / Caribbean background.	17. Arab 18. Any other ethnic group.