

Committee(s): Equality, Diversity and Inclusion Sub-Committee	Dated: 7 July 2023
Subject: Race at Work Charter update 2023	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3,4,5, 8
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Emma Moore, Chief Operating Officer	For Decision
Report author: Ms. Saida Bello, Director of Equality, Diversity and Inclusion, EDI directorate	

Summary

[The McGregor-Smith Review \(2017\)](#) highlighted the business, legal and moral case for organisations to develop talent from diverse backgrounds to improve organisational performance. Page 32 of the above report sets out 26 recommendations that could be taken by organisations to drive forward the EDI agenda for the benefit of all underrepresented groups.

The City Corporation is a signatory of the Business in the Community's [Race at Work Charter](#). There are seven commitments in the Race at Work charter.

This report provides an update on our charter commitments and recommends a 12-month action plan aimed at continuously improving results in relation to Race Equality. This will include updates on the outstanding recommendations made by the Tackling Racism Taskforce (TRT).

Recommendation(s)

Members are asked to:

- Consider making a statement to reaffirm our commitments in the Race at Work charter (Appendix 1)
- Comment on the attached Race Action plan (Appendix 2)
- Note the Ethnicity Pay Gap headline figure in the Pay Gap Report in this agenda pack

Main Report

Background

1. The [Race in the workplace report \(2017\)](#) by Baroness Ruby McGregor-Smith highlighted the huge disparities in the experiences of underrepresented groups in the workplace. In the report, the potential benefit to the UK economic of ethnic diversity and full representation in the UK market was estimated at around £24 billion a year.
2. Furthermore, in their report, [Diversity Wins: Why Inclusion Matters \(2020\)](#), McKinsey & Co found that increased ethnic diversity in leadership teams could improve performance by up to 36%. This is because greater diversity of thought in organisations can reduce “group think” and lead to better decision making.

Race at Work Charter

3. The **7 commitments** we have signed up to in the charter are to:
 - i. Appoint an Executive Sponsor for race equality
 - ii. Capture ethnicity data and publicise progress
 - iii. Commit at board level to zero tolerance of harassment and bullying
 - iv. Make equity, diversity and inclusion the responsibility of all leaders and managers
 - v. Take action that supports Black, Asian, Mixed Race and other ethnically diverse employees career progression
 - vi. Support race inclusion allies in the workplace
 - vii. Include Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in supply chains

At present, the City Corporation has only fully met Race at Work charter commitment one. Others are partially progressed to a varying extent. For example, we have taken direct steps to improve the diversity of our supply chain including linking with specialist organisations. However, our data monitoring is not robust enough to capture our current position. Therefore the commitments will need to be discussed with relevant Chief Officers or departments to continue to make progress and to ensure alignment with the other commitments the Corporation has made in relation to indices and charters.

Data-led approach to tackling inequalities

4. The most recent Pay Gap report that went to the Corporate Services committee in May 2023, shows that the highest Pay Gap at the City Corporation is Ethnicity. The Median Pay Gap for **Ethnicity** is **14.7%** and the Mean Pay Gap is **17.4%**. In comparison, the Median Pay Gap for **Gender** is **2.7%** and the Mean Pay Gap for Gender is **4.5%**. With regards to **Disability**, the Median Pay Gap is **2.4%** while the Mean Pay Gap is **8.8%**. The comparison of Pay Gap data indicates that Ethnicity is one of the areas where data needs to be closely interrogated. This will lead to better understanding of the Ethnicity Pay Gap and will assist with developing an action plan to narrow it.

5. The Chartered Institute of Personnel and Development (CIPD) in association with Business in the Community has provided guidance for employers in the [Meeting the BITC Race at Work Charter Guide \(2022\)](#).
6. Some additional actions recommended by Business in the Community include:
 - i. Setting up a working group or an allies network open to all staff to discuss Race Equality
 - ii. Developing a Race Action Plan with timescales for completion of specific actions including the interrogation of Ethnicity Pay Gap data
 - iii. Completing the annual Race at Work charter survey to benchmark progress. This is a free service that comes with our charter accreditation
7. In light of the above, we have put together the Race Action Plan in **Appendix 2** to enable us to track progress in this area over the next 12 months.

Corporate & Strategic Implications

Strategic implications

The proposals align with outcomes 1, 2 3, 4, 5 and 8 of the Corporate Plan 2018 to 2023. It also aligns with the CoLC's Social Mobility Strategy 2018 to 2028 and other Strategic Plans.

Resource implications –The project led by the EDI directorate is cross-cutting and it will have resource implications for all CoLC departments, services and institutions. Consequently, each department and institution should consider the human and financial resources required to achieve the Equality Objectives of the CoLC and to comply with the CoLC obligations under the Equality Act 2010 and related regulations.

Legal implications – The Public Sector Equality Duty (Section 149 of the Equality Act 2010) is supported by the specific duties regulation which requires public bodies to set themselves, specific and measurable equality objectives every four years. This proposal will enable the CoLC to comply with its obligations and specific duties regulations mentioned in the Equality Act.

Risk implications – The risk of non-compliance with the Equality Act 2010 and related regulations includes reputational damage and the possibility of the proceedings being brought by the Equalities and Human Rights Commission.

Equalities implications – This proposal will enable the CoLC to comply with the Public Sector Equality Duty 2010, Section 149 which covers the Public Sector Equality Duty and the Specific Duties regulations mentioned above. This proposal involves setting objectives required to comply with the Equality Act 2010. This proposal, is therefore, likely to have a positive impact on citizens protected by existing equality legislation which are age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity.

The proposal allows for a 12-week consultation period to enable key stakeholders including staff, equality representatives, staff networks and other stakeholders to be consulted on the changes and to contribute to the Equality Objectives.

Furthermore, an Equality Impact assessment will be completed to ensure that both positive and negative impacts of this proposal have been considered.

Climate implications – N/A

Security implications – N/A

Conclusion

8. Members are asked to consider making a statement in the annual Business in the Community report and via our social media channels to reaffirm our commitments to the Race at Work charter. There is the opportunity to do this annually when we complete our annual benchmark survey. Members are also asked to note the Race Action Plan that has been put together in order to track progress on Race and Ethnicity over the next 12 months.

Appendices

- Appendix 1 – Draft statement by Members to reaffirm our commitment to the Race at Work charter
- Appendix 2 – Race Action Plan

Background Papers - None

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Appendix 1

Race at Work charter commitment by EDI Sub-Committee Members

The City of London Corporation is a signatory to the Race at Work charter. This accreditation provides an opportunity for EDI Sub-Committee Members to make a statement to reaffirm our commitment to the Race at Work Charter. This draft statement approved by the Chair and Deputy Chair of the EDI Sub-Committee could be publicised to help demonstrate our commitment to the Race at Work charter.

100-word statement

The City of London Corporation is proud to be a signatory of the Race at Work charter. In 2020, we set up the Tackling Racism Taskforce to promote economic, education and social inclusion across all our activities. In addition, our Social Mobility strategy sets out our commitment to working collaboratively with our stakeholders to enable opportunities for everyone to flourish and reach their full potential irrespective of their socio-economic background.

As Chair and Deputy Chair of the Equality, Diversity, and Inclusion Sub-Committee, we oversee the implementation of both our Social Mobility and Equality, Diversity and Inclusion strategies which includes our commitment to the Race at Work Charter.