

RIBA Response to the Department for Business, Energy & Industrial Strategy and Race Disparity Unit consultation on Ethnicity Pay Reporting

Ethnicity Pay Reporting

1. What are the main benefits for employers in reporting their ethnicity pay information?

- The RIBA is supporting efforts to introduce ethnicity pay reporting as a further step to improving diversity and inclusion in the architecture sector. It is an important step towards ensuring that organisations and businesses have diversity and inclusion truly embedded into the people that represent them, the employees.
- If carried out in similar ways to gender reporting requirements, organisations will be able to consider the two reports together to gain a better overall viewpoint and take action more efficiently, if issues are highlighted.
- We believe that reporting on both gender and ethnicity pay simultaneously will encourage employers to take action on pay gaps and therefore allow for those of all backgrounds to be rewarded as per their potential, regardless of ethnicity or gender. Employees treated equally will result in a better work environment and therefore outcomes for employers will benefit due to a happier workforce.

2. What type of ethnicity pay information should be reported that would not place undue burdens on business but allow for meaningful action to be taken?

- The RIBA believes a similar approach to that of the gender pay gap reporting should be taken to simplify the process for organisations and provide a better, complete overview of the issue.
- We would welcome greater clarity is needed on which payments are included in assessment/reporting. The RIBA view is that it should include total remuneration, with the inclusion of dividends and payments to directors.

3. What supporting or contextual data (if any) should be disclosed to help ensure ethnicity reporting provides a true and fair picture?

- Data or statistics comparing salaries of those within the quartile, with similar experience of different ethnicities.
- The RIBA strongly believes that organisations and businesses should publish details of employee pay, broken down by ethnicity and pay quartile.

4. Should an employer that identifies disparities in their ethnicity pay in their workforce be required to publish an action plan for addressing these disparities?

- The RIBA believes that an employer that identifies disparities in their ethnicity pay in their workforce should be required to publish an action plan for addressing these disparities to ensure that intervention takes place where it is needed.

Ethnicity data and classifications

5. Do you currently collect data on ethnicity at your workplace? If yes, do you use standard ethnicity classifications for reporting? If so, which ones?

- The RIBA does collect data on ethnicity. We currently use the 2011 census: 18 standardised ONS ethnic classifications for this.

6. What do you think are the most effective approaches for employers to improve employee self-reporting or declaration rates?

- An effective approach would be to make the forms part of the new starter process & ensuring they understand the reasons for ethnicity reporting and what it is designed to achieve.

7. How should self-reporting or non-disclosure rates be reflected in the information reported by employers?

- Both should be reported alongside the ethnic group classifications.

8. For a consistent approach to ethnicity pay reporting across companies, should a standardised approach to classifications of ethnicity be used? What would be the costs to your organisation?

- A standard approach must be used to be able to make meaningful comparisons. Adapting systems in line with a change in legislation should mean only minor updates to existing systems be required. This would be a time cost on re-gathering and submitting new data in line with the new rules.

9. Please outline steps that should be taken to preserve confidentiality of individuals.

- Ensure reporting is not done down to department level where it may be possible to identify individuals i.e at the RIBA only report either companywide or by one of the 5 salary bands.

Next steps and government support for employers

10. What size of employer (or employee threshold) should be within scope for mandatory ethnicity pay reporting?

- The architectural profession is dominated by very small businesses; more than half of the RIBA Chartered Practice membership is made up from practices with fewer than five employees . Only 10% of practices employ more than 20 people. All RIBA Chartered Practices are already required to submit data on pay as a condition of their membership regardless of their size.
- The RIBA recommended that a low threshold of 30+ employees be required for mandatory gender pay reporting for both private and voluntary sectors, as this should not require complex reporting systems. Once a system is in place for collecting information on gender pay, subsequent reports should be straightforward to compile. As the RIBA recommended the above for gender pay reporting, we recommend the same for ethnicity pay reporting.

11. What support measures do you think would be useful for employers?

- Similar guidance to what is available for reporting methods for gender pay. However, given the sensitivity of ethnicity related questions, specific guidance on how to assemble the data would also be necessary for staff dealing with it and putting reports together.