



# Women and Equalities Committee

House of Commons London SW1A 0AA

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From the Chair

Paul Scully MP

Minister for London and Parliamentary Under Secretary of State (Minister for Small Business, Consumers and Labour Markets)

By email

25 November 2021

Dear Minister Scully

## **Ethnicity pay gap reporting**

I am writing to ask for an update on the Government's progress towards introducing ethnicity pay gap reporting.

As you know, the sometimes stark pay disparity between and within certain ethnic groups - set out in the Race Disparity Audit and elsewhere - continues to be a matter of concern. The Government-commissioned Race in the Workplace review (the McGregor-Smith review), published in February 2017, recommended the introduction of ethnicity pay gap reporting.

The Government launched a consultation on ethnicity pay gap reporting, which ran from October 2018 to January 2019. There has never been a Government response to that consultation.

In our report 'Unequal impact? Coronavirus and the gendered economic impact', published in February 2021, the Committee noted the considerable support for introducing ethnicity pay gap reporting. We called on the Government to publish proposals for introducing ethnicity pay gap reporting within the next six months. The Government response stated:

In 2018/2019 the Government consulted on options for employer level ethnicity pay reporting. Following this, the Government met with businesses and representative organisations to understand the barriers to reporting and to explore what information could be published to allow for meaningful action to be taken. Following the consultation, we ran a methodology testing exercise with a broad range of businesses to better understand the complexities outlined in the consultation. This highlighted the genuine difficulties in designing a methodology that will produce accurate figures that facilitate analysis, interpretation and meaningful action. The Government is continuing to analyse this data.



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More recently, there has been a debate in the House of Commons (20 September 2021) and in the House of Lords (25 October 2021). In your response to the Commons debate on behalf of the Government, you said that there continued to be challenges but that the Government was assessing next steps and would respond to the ethnicity pay gap consultation 'in due course'. In response to the Lords' debate, the Government spokesperson Lord Callanan gave a similar response.

As you may be aware, there has been further support expressed by various business leaders recently for introducing ethnicity pay gap reporting, as reported in the Financial Times on 17 November 2021.

I would be grateful if you could let us know:

1. Whether the results of, or data from, the methodology testing exercise will be made public, or can be shared with the Committee?
2. What is the timeline for the Government's response to the consultation and publishing proposals for ethnicity pay gap reporting?

I look forward to hearing from you.

Yours sincerely

**Rt Hon Caroline Nokes MP**

**Chair, Women and Equalities Committee**