

## Ethnicity Pay Gap Reporting—UK Timeline

| Date                        | Commentary  |
|-----------------------------|---|
| 2016                        | Sajid Javid, then Business Secretary, launches a review of black and ethnic minority people in the workplace.   |
| 20 February 2017            | Race in the Workplace: McGregor Smith Review published. This identifies that 14% of the UK working age population comes from a black or minority background yet only 10% are in the workforce. It also identifies that promotion is an issue due to lack of connections and bias and discrimination. It recommends that all employers with 50 or more employees publish ethnicity pay gap data. |
| April 2017                  | Gender Pay Gap reporting is introduced in the UK.   |
| 2018                        | The government adopts a voluntary approach to ethnicity pay gap reporting. However, only 11% of employers voluntarily report ethnicity pay gap data.  |
| October 2018 – January 2019 | Government consultation on ethnicity pay gap reporting. 300 responses are received to questions regarding what information should be reported by employers. It is identified that many employers do not collect ethnicity data, making it difficult to report on it.  |
| February 2020               | CBI Calls on companies with more than 250 employees to voluntarily report on ethnicity pay gap data.  |
| June 2020                   | George Floyd murder in the US creates a social and cultural shift in thinking. There are also reports of the pandemic having unequal  |
| July 2020                   | Prime Minister Boris Johnson's government establishes a Commission on Race and Ethnicity Disparities. The government also states  |

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| October 2020      | 30 business leaders sign an open letter to the Prime Minister asking for mandatory ethnicity pay gap reporting.   |
| February 2021     | The Women and Equality Select Committee calls on the government to publish proposals for ethnicity pay gap reporting in their report pursuant to its inquiry and report: "Unequal impact? Coronavirus and the gendered economic impact".  |
| 31 March 2021     | The Commission on Race and Ethnicity Disparity publishes "The report of the Commission on Race and Ethnic Disparities". It recommends that ethnicity pay gap reporting should be voluntary, not mandatory. The report's authors state this is because there is a lack of diversity in certain parts of the country. They say that out of 650 constituencies, 437 are 90% white. There is therefore not enough ethnic minority people to collect data from throughout the country. This report is strongly criticised for not calling for ethnicity pay gap reporting to be mandatory. |
| April 2021        | Hogan Lovells and Business in the Community publish a report called "Guide for General Counsel: Insights into Ethnicity Pay Gap Reporting".   |
| 25 June 2021      | The Trades Union Congress (TUC), Confederation of British Industry (CBI) and Equality and Human Rights Commission (EHRC) send a joint letter calling for mandatory ethnicity pay gap reporting to Prime Minister Boris Johnson.   |
| September 2021    | The Chartered Institute of Personnel and Development (CIPD) issues a guide to employers on ethnicity pay gap reporting.   |
| 16 September 2021 | The Financial Conduct Authority (FCA) opens a call for evidence on diversity targets for listed companies. They focus on women and ethnic groups on boards.   |
| 20 September 2021 | A petition signed by 130,000 people forces a parliamentary debate on ethnicity pay gap reporting. A petitions debate is a general debate that allows MPs to discuss the issue.  |

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| 25 October 2021  | The House of Lords debates the benefits of ethnicity pay gap reporting and calls for the introduction of mandatory ethnicity pay gap reporting.  |
| 23 November 2021 | The House of Lords poses oral questions to Baroness Stedman-Scott, proposed by Lord Sikka, on the persistence of the gender pay gap and steps required to close it, with calls for measures that also tackle ethnicity and disability pay gaps.  |
| 2 February 2022  | The House of Commons Women and Equalities Committee has recommended that the government make ethnicity pay gap reporting mandatory by April 2023.  |
| 17 March 2022    | Government issue their response to the Sewell report called Inclusive Britain. No proposal to make ethnicity pay gap reporting mandatory. Instead, the government commits to publishing guidance for employers who voluntarily wish to report on ethnicity pay gaps in their organisations. Guidance is expected in summer 2022.   |
| 13 May 2022      | Government publishes <b><u>ethnicity pay gap reporting: Government's response to the Committee's fourth report of session (2021-2022)</u></b> . The government accepts the recommendation of the Commission on Race and Ethnic Disparities that ethnicity pay gap reporting should be voluntary only. The government will provide guidance on reporting.                                       |
| 17 April 2023    | Government publishes <b><u>guidance for employers</u></b> on ethnicity pay reporting. The government confirms that this is voluntary only. This includes guidance on collection of ethnicity pay data, making calculations, reporting of findings and analysis to understand the underlying causes of any pay gaps.  |
| 17 April 2023    | Government publishes <b><u>Standards for ethnicity data</u></b> . The standards apply for those in government departments or public bodies who are (i) collecting data about people's ethnicity; (ii) analysing differences between ethnic groups; and (iii) publishing ethnicity data. Those commissioned by government departments/public bodies are also encouraged to use these standards. |

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Government publishes [update](#) on progress made following the Inclusive Britain strategy. The update confirms that the government has issued guidance to help employers collect ethnicity data, make calculations, understand the results and consider actions to address unfair disparities.

10 October 2024

Government publishes the [Employment Rights Bill](#) (the "ERB"). Clause 26 of the ERB introduces an amendment to the Equality Act 2010 to insert a new section 78A relating to equality action plans to address gender pay gap issues and support employees going through menopause. This section will apply to employers with 250 or more employees or who are a public authority (subject to exceptions).

Employers will need to:

- (a) develop and publish an equality action plan showing the steps they are taking in relation to their employees with regard to prescribed matters related to gender equality (i.e. advancing equality of opportunity between male and female employees); and
- (b) publish prescribed information relating to the plan.

Further consultation is expected in respect of the regulations. The regulations may make provision about—

- (a) the content of a plan;
- (b) the form and manner in which a plan or information is to be published;
- (c) when and how frequently a plan or information is to be published or revised;
- (d) requirements for senior approval before a plan or information is published;
- (e) descriptions of employers;
- (f) descriptions of employee;
- (g) descriptions of information.

The regulations cannot require employers to publish information more frequently than every 12 months following first publication of information.

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| Autumn 2024        | Labour Government publishes their <a href="#">Next Steps to Make Work Pay policy paper</a> outlining intended reforms outside of the Employment Rights Bill. This includes extending mandatory pay gap reporting to ethnicity for employers with more than 250 employees and measures on equal pay. The Government intends to deliver these measures through the Equality (Race and Disability) Bill, which they will begin consultation on in due course. |
| March to June 2025 | Government consultation on extending pay gap reporting to include ethnicity and disability.  |
| April to June 2025 | Government Call for Evidence several matters including equal pay claims for the disabled and different ethnic groups.  |