

# Gender and Ethnicity Pay Gaps Report 2022



## Introduction

This report sets out both our gender and ethnicity pay gaps based on data that represents a snapshot taken on 5 April 2022.

## What are the gender and ethnicity pay gaps?

The gender and ethnicity pay gaps are a way of measuring the difference in average pay for men and women, and for people of different ethnicities, within an organisation. Generally speaking, pay gaps reflect the distribution of people from different groups employed in more and less senior roles. The gender and ethnicity pay gaps are different to equal pay,

which is where men and women doing the same job must be paid the same. There are four elements to the gender and ethnicity pay gap: the mean, median, and bonus pay gaps, and the distribution of staff across pay quartiles. These four measures, and Notting Hill Genesis's results for each, are explained in this report.

## How are the gender and ethnicity pay gaps calculated?

Our gender pay gap was calculated using the methods set out in gender pay gap reporting legislation. Further detail on the individual elements is included later in this report.

Unlike the gender pay gap, there is no legal requirement for companies to publish their ethnicity pay gap, but voluntary reporting is increasing. According to the Women and Equalities Committee report in 2022, 19% of UK employers voluntarily reported on ethnicity pay in 2021, up from 11% in 2018. In 2022, the government accepted the recommendation from the Commission on Race and Ethnic Disparities that ethnicity pay gaps should continue to be reported on a voluntary basis.

The commitment to completing and publishing our ethnicity pay gap is set out in our corporate strategy, our equality, diversity and inclusion (ED&I) action plan, the G15 diversity pledge and in the Confederation of British Industry's Change the Race Ratio pledge. For consistency,

comparison and ease of understanding we have followed the same methodology as that of gender pay reporting. A key amendment to this year's ethnicity pay gap report is the update in terminology from Black, Asian and minority ethnic (BAME) to ethnically diverse.

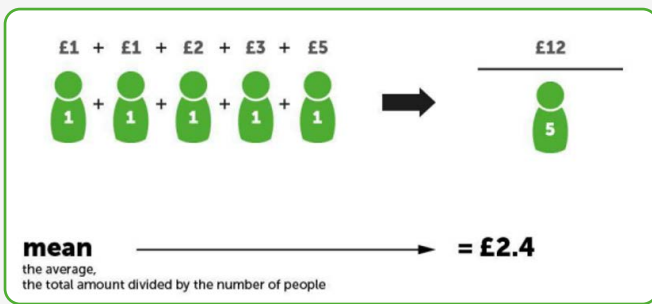
We have chosen to compare two groups of staff: white British and Irish, and all other single and mixed ethnic groups, which we refer to here as ethnically diverse. This recognises that people from white ethnic minority groups, such as eastern Europeans, do not, on average, have the same advantages and access to opportunities as white British and Irish people. This again means that our approach to measuring our ethnicity pay gap may need to change if government guidance is introduced.

Our ethnicity pay gap calculation does not include data from 5% of our staff as they have selected "prefer not to say" when asked about their ethnicity.



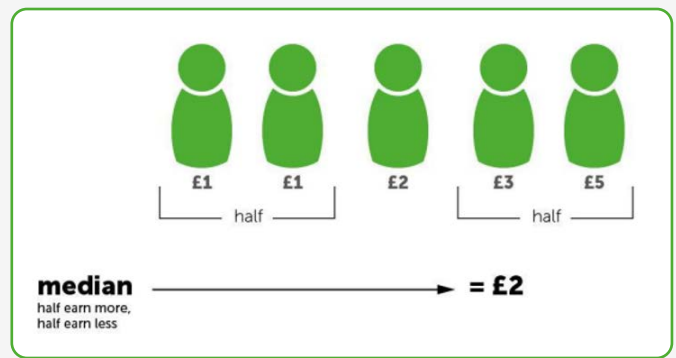
## Mean

The mean gender pay gap is calculated by adding together all the men's salaries and dividing by the number of men in the organisation, then adding together all the women's salaries and dividing by the number of women. The mean gender pay gap is the difference between these two numbers. The mean ethnicity pay gap is calculated by adding together all the white British and Irish staff's salaries and dividing by the number of white British and Irish people in the organisation, then adding together all the ethnically diverse staff's salaries and dividing by the number of ethnically diverse colleagues. The mean ethnicity pay gap is the difference between these two numbers.



## Median

The median gender pay gap is calculated by listing all the men's salaries by size and selecting the middle salary, then listing all the women's salaries by size and selecting the middle salary. The median gender pay gap is the difference between these two figures. The median ethnicity pay gap is calculated by listing all the white British and Irish staff's salaries by size and selecting the middle salary, then listing all the ethnically diverse staff's salaries by size and selecting the middle salary. The median ethnicity pay gap is the difference between these two figures.



## Notting Hill Genesis's gender pay gap

The median gender pay gap at Notting Hill Genesis is 16%, an improvement on the 2021 figure of 19.4%.

When we exclude the care and support sector, the median gender pay gap is 10%, an increase from 6% in 2021. However, within care and support, the gender pay gap also remains high at 16%, a significant increase from 3.5% in 2021.

The mean gender pay gap at Notting Hill Genesis is 22.7%, a slight improvement on our 2021 gender pay gap of 23%.

Excluding care and support, our mean gender pay gap is significantly lower, at 11%, albeit higher than the 2021 figure of 9.7%. The gap within care and support of 14% is a slight increase on the 2021 figure of 13.4%.

This can be attributed to a higher representation of female staff in the lower

quartile of full pay relevant employees. Additionally, the majority of the bank cohort falls within the lower quartile, which is also situated within care and support area and has a gender composition of 95.9% female. Although there is a gender imbalance within our care and support business, it is important to note that our organisation prioritises the preferences of our residents above all else. Our residents have expressed a strong preference for female carers so we have continued to employ predominantly female staff in these roles. While we recognise the importance of gender diversity and would welcome more male carers, we are committed to respecting the preferences and needs of our residents and ensuring they receive the highest quality of care possible. In the future, we will continue to explore ways to promote gender diversity while balancing the preferences of our residents.

The results of our mean and median gender pay gap does show we are improving the number of women in senior leadership roles, but we continue to strive to be truly proportionate to the female population at senior leadership level. We will monitor initiatives introduced in 2021/22 such as our women's development programme and Stepping Stones programme in care and support to see if the value has been realised and colleagues progressing.

## Notting Hill Genesis's ethnicity pay gap

The median ethnicity pay gap at Notting Hill Genesis is 18.5%, a steady improvement on our 2021 median of 20.8%. Excluding care and support, our median ethnicity pay gap is 16%, and within care and support there is a gap of 19.6%, which, conversely, has increased.

The mean ethnicity pay gap at Notting Hill Genesis is 26.2%, which is a smaller improvement on our 2021 mean of 26.8%. Excluding care and support, our mean ethnicity pay gap is 16.9% and the gap within care and support only is 17.4%.

The results of our ethnicity pay gap analysis were interesting. We observed over-representation of certain ethnic groups in the lower quartiles, but we are pleased that we have made significant progress in the upper quartiles, with the largest increase from all quartiles being at the top, with an increase

of 7.34%, leading to an overall improvement in the ethnicity pay gap. Despite this improvement, we recognise that we still have much more work to do to achieve true equity across all quartiles.

To continue this progress, we have implemented several initiatives aimed at promoting diversity and inclusion in the workplace. These include the development programme for ethnically diverse males, G15 Accelerate, and Leadership 2025. By supporting the professional development and advancement of employees from diverse backgrounds, we hope to see continued improvements in the upper quartiles and an even greater reduction in the overall ethnicity pay gap. We remain committed to promoting diversity and equity in our workplace and will continue to monitor and address any areas in need of improvement.

## Bonus gender and ethnicity pay gaps

Notting Hill Genesis pays a flat rate bonus to all qualifying staff on a pro-rata basis linked to their hours and length of time in post over the previous year.

Our mean and median gender and ethnicity bonus pay gaps therefore reflect the nature of the small number of additional bonuses paid. Certain staff within our care and support business are entitled to a bonus of £125, linked to attendance. A small number of staff in other roles across the organisation, for example in sales, also received a performance-related bonus in the reporting period.

Our mean gender bonus pay gap is 17.6%, which is higher than the 3.1% recorded 2021. Our mean ethnicity bonus pay gap has also widened, at 10.6% compared to -20% in 2021.

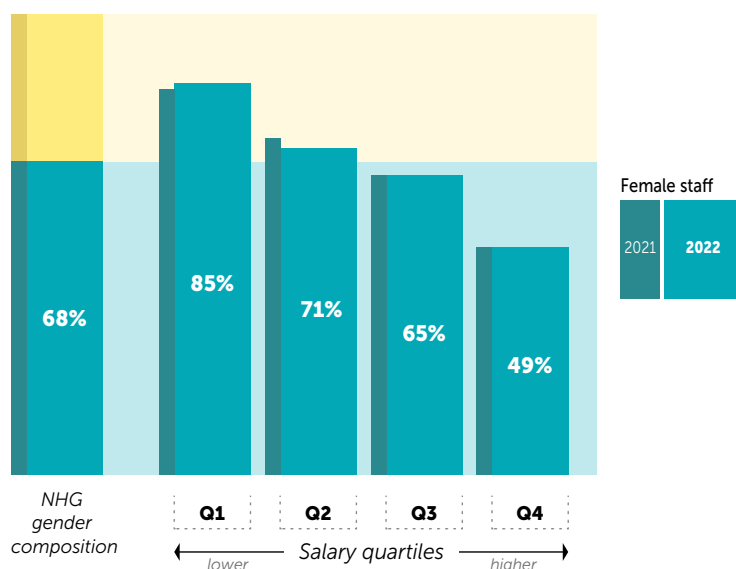
Our median gender and ethnicity bonus pay gaps are both 0%. It is important to remember that our bonus pay gaps relate to the very small number of staff who received an additional bonus in the reporting period.

The zero median and elevated mean highlights several "outliers" that are impacting the bonus pay gap, and are mainly due to the sales and lettings cohort.

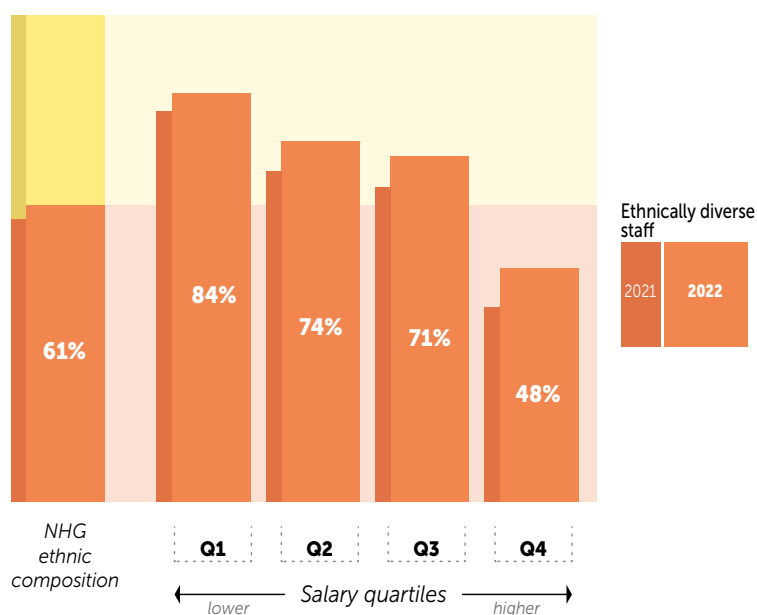
Of the 204 employees who received bonuses of £500 or less, 80% were female and 59.3% of were from care and support. Hourly rates were also relevant here, with males seeing a higher average for “total hours worked”, in contrast to females. Looking across all those with a bonus of less than £1,000, female staff had a significantly lower average “total hours worked”. These two elements and the high proportion of female staff working either reduced hours or as bank staff, typically meant they saw a lower bonus.

## Representation across quartiles

To calculate representation of gender across quartiles, we list all the men’s and women’s salaries by size and then divide them into four equal groups, from the lowest paid quartile to the highest paid quartile. We then look at the proportion of men and women in each quartile. Notting Hill Genesis’s workforce is 68% female and 32% male, and is split into the following quartiles:



To calculate representation of ethnicity across quartiles, we list all the ethnically diverse salaries, and all the white British and Irish salaries by size and then divide them into four equal groups, from the lowest paid quartile to the highest paid quartile. We then look at the proportion of ethnically diverse staff, and white British and Irish staff, in each quartile. Our workforce is 61% ethnically diverse and 28% white British and Irish, and is split into the following quartiles:



## Addressing our gender and ethnicity pay gaps

We are happy to see a gradual improvement for both our gender and ethnicity pay gaps in 2022.

When we exclude care and support, including extra care services, our median/mean is much lower, and the gap is narrower, but we think it is important to capture them in our overall figures to provide oversight of the entire organisation. It is worth noting that we are contracted by local authorities to deliver care and support services and that those contracts set out what we can pay to staff – generally at London Living Wage/Living Wage rates.

After reviewing last year's gender and ethnicity pay gap, we are taking action to improve our recruitment practices. As part of our 2022/23 ED&I action plan, we have committed to ensuring that all our interview panels are gender and ethnically diverse, and we will strive to include representation from the LGBTQ+ community, those with disabilities, and people with long-term health conditions. Our inclusion steering group provides governance to our plan to ensure measures are being embedded throughout the business. To expand our reach to other underrepresented groups and to further our efforts to make our organisation more inclusive, we are currently reviewing our diversity job boards. Our aim is to address our pay gaps at the same time as continuing our journey towards greater inclusivity.

We recognise that the recruitment process is crucial in tackling pay gaps, and are exploring additional ways to take positive action. We will be looking at our shortlisting process and constantly auditing our job advertisements to ensure they promote diversity and inclusion.

Along with those initiatives, we recognise the negative impact of cost-of-living pressures on our staff. To address that and to improve our bonus pay gaps, we have introduced a 5% pay increase for all staff as well as a £1,200 one-off payment to our lowest paid members of staff spread equally over 12 months. The

payment means a significant number of colleagues, including many of our customer-facing staff who are predominantly female and ethnically diverse, will be paid between 8 and 11% more in 2023/24 than they are now, helping to further narrow the pay gaps.

As mentioned earlier, we introduced several new initiatives in 2022 to support improvement of both our gender and ethnicity pay gap. Moving forward, we will work with our HR team to track the career progression of candidates on our various development programmes and identify other ways to determine their impact, and ensure it they are having the positive impact we hope for.

Although we have a high-level understanding of the drivers of our pay gaps, designing appropriate actions to address them requires us to have more detailed, accurate and up-to-date data. To achieve that, we have begun running deep dives into our directorates and hierarchy to understand where we need to focus our attention. We have started that work in our operations directorate, which makes up our largest staff group and includes our care and support service. We will share the results with the wider staff group once we have completed our analysis.

The above outcomes and discussions will also inform our ED&I action plan for 2023/24 to address identified gaps within our gender and ethnicity pay gap. Our pay gaps data will also be included in our third annual equality, diversity and inclusion report due to be published in June 2023. In addition, we will include further planned actions to address reducing gaps. We look forward to reporting on further progress.



Vipul Thacker  
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31 March 2023