Ongo Homes

Group Equality & Diversity

July 2022

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| **Race (Ethnicity) Pay Gap** |

* 1. **PURPOSE OF REPORT**
  2. To provide an overview of our Ethnicity Pay gap and to further agree Ongo’s approach to addressing issues around the Ethnicity Pay Gap. This report covers the period of 2021 to 2022 Ethnicity Pay data.

1. **BACKGROUND**

Unlike gender pay gap reporting, ethnicity pay gap reporting is completed on a voluntary basis. The ethnicity pay gap shows the difference in the average pay between colleagues from those that are Ethnically Diverse (from ethnic minority backgrounds) in a workforce, compared to ‘White - British’ colleagues. If there is a particular high ethnicity pay gap this can indicate issues which the data can help identify.

There is no guidance on the pay measures that need to be reported as part of Ethnicity Pay Gap reporting nor any guidance on the methodology for calculation. In April 2021, the Commission on Race and Ethnic Disparities made a set of recommendations on ethnicity pay gap reporting published in the report of the Commission on Race and Ethnic Disparities. It is expected that these recommendations will inform ethnicity pay gap reporting guidelines for employers moving forward, however these guidelines have not yet been published as of July 2022.

We have taken the approach to mirror the legislated pay measures used for gender pay gap reporting as all other organisations have done. Of those organisations that have published ethnicity pay gap data, there is a trend towards a concentration of staff from ethnic minority backgrounds in junior roles and an absence or under-representation of these staff at senior levels however as reporting is currently voluntary, there is limited data available to allow us to compare ourselves to other organisations.

The ethnicity pay gap is different to equal pay. Ethnic pay disparities are not primarily about those from a White background and other ethnic groups being paid differently for the same job. The Equality Act 2010 makes it unlawful to discriminate (both directly and indirectly) against employees because of their race. Therefore, unless there is a failure to comply with existing law, pay disparities between ethnic groups are likely to be due to other factors that impose a disadvantage on people from ethnic minority backgrounds without being explicitly discriminatory.

When calculating the difference in average earnings, the Ethnicity pay gap takes into account all jobs, at all levels and all salaries within the company.

The calculations include all employees employed on the snapshot date as of end of March 2022 and who were paid their usual full basic pay. If employees were paid less than their usual basic pay as result of being on leave then they are not a full pay relevant employee. (Leave is defined as maternity, paternity, adoption, parental leave, sickness, unpaid special leave).

The Chartered Institute of Personnel Development recommends that the reporting be separated by White – British and Ethnically Diverse (Ethnic Minority Background) which is what this report captures.

1. **ISSUES FOR CONSIDERATION**
   1. **What is Ongo’s current position?**
2. When looking at the mean, the percentage difference in the hourly rate of pay is 11% with those who are White British receiving an average of £16.49 per hour and those who are ethnically Diverse receiving £14.77 per hour.

The median shows a pay gap of 2% with the middle point for individuals who are ethnically diverse being £13.72 and the middle point for White British being £13.89 per hour.

This is influenced by the top hourly rates being for senior roles in the organisation where there is under-representation of ethnically diverse individuals which seems to be a theme across the data that is available to us regarding other organisations.

1. The under-representation of those ethnically diverse compared with white British colleagues in UK organisations’ senior management, and over-representation in low-paid jobs, is even more evident than the gender representation gap in these roles. The Chartered Institute of Personnel Development recommend that employers report on their ethnicity group representation breakdowns in each quartile.
   * 1. The figure below shows us the proportion of White British individuals and Ethnically Diverse individuals in each quartile:

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| **Quartiles** | **White British %** | **Ethnically Diverse %** |
| Upper | 94% | 6% |
| Upper Middle | 90% | 10% |
| Lower Middle | 85% | 15% |
| Lower | 93% | 7% |

* + 1. The gender pay reporting does look at bonus payments over a 12 month period but we did not have the data available in time for this report therefore I propose that we include the bonus data in the next Ethnicity Pay report to align the findings with our Gender pay reporting.
  1. **Ongo’s approach to closing the Ethnicity pay gap**
     1. Ongo is committed to recruiting the best people with the right skills, ambition and motivation for the job and the business to deliver quality services to all our customers, including a balanced workforce.
     2. Agile working allows colleagues much better flexibility to achieve a work/life balance. This has been more of an issue in the past for those who tend to be more likely to require a reduced working pattern to accommodate childcare responsibilities. Agile working provides the flexibility required to enable females to achieve their ambitions and be in control of their work/life balance.
     3. Ongo have recently undertaken a review of the companies pay and benefits to ensure that roles are paid fairly, which highlighted the need to bring up some of the lower pay levels to the market rate which was actioned.
     4. Ongo have abolished the grade 3 salary level, which is the equivalent of NMW and those employees moved to a grade 4 salary level from in April. As a larger proportion of grade 3 employees were from ethnic minority backgrounds in junior roles this had a positive impact on the median pay gap at the time.
     5. Ongo will continue to ensure a fair and transparent recruitment process is undertaken by:
* Having a good balance on interview panels in order to counteract any unconscious bias
* Continuing to have open and encouraging worded recruitment advertisements for all of our roles at Ongo.
* Working with social media platforms that encourages ethnically diverse individuals to look at and apply for our vacancies
* Targeted recruitment for senior level positions in the organisation that encourage individuals from ethnic minority backgrounds to apply
* Working closely with colleges and schools to encourage individuals from all different ethnicities to gain work experience with us and apply for our vacancies and apprenticeships.

**IMPACT ASSESSMENT ON CROSS CUTTING THEMES**

* **Risk**

It is not a legal requirement that we report on ethnicity pay figures at this moment in time therefore we’re not at risk of being unlawful if we do not publish this data at the present time.

Retention and recruitment could be negatively impacted if the ethnicity pay gap highlights difference in pay between white British and ethnically diverse individuals.

**Value For Money (VFM) and cost/benefits**

There may be a financial implication to close the gap in some areas if the ethnicity pay gap is significant.

* **Resident involvements and outcomes for customers**

Residents and customers are at the heart of Ongo and we should be able to clearly demonstrate that White British individuals have the same opportunities as those who are Ethnically Diverse.

* **Equality and diversity**

We are committed to achieving equality of opportunity in employment. All our employees are recruited on their ability to do the work required, regardless of age, gender, gender identity, race, colour, national or ethnic origin, disability, sexual orientation, religion or belief, marital or family status, socio economic status, or any other reason which might cause a person to be treated unfairly.

**7.0 RECOMMENDATIONS**

Covered in the body of the report

Report to be discussed at the next EDI Steering group and open to further suggestions of how we can approach closing the ethnicity pay gap.

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