

## GROUP COMMON BOARD

### GOVERNANCE AND REMUNERATION COMMITTEE

#### Ethnicity Pay Gap 2023

#### 1.1 Recommendations

- 1.2 To note Ongo's Ethnicity Pay gap and to confirm they are satisfied with Ongo's approach to addressing issues around the Ethnicity Pay Gap.

#### 2.0 IMPACT ASSESSMENT ON CROSS CUTTING THEMES

THEME	IMPACT – Positive and / or Negative	Relevant to report?
Risk	<p>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that we report on ethnicity pay figures at this moment in time therefore we're not at risk of being unlawful if we do not publish this data at the present time.</p> <p>Retention and recruitment could be negatively impacted if the ethnicity pay gap highlights difference in pay between white British and ethnically diverse individuals.</p>	Yes
Governance		No
RSH economic regulatory standards		No
RSH consumer regulatory standards		No
Other statutory/regulatory compliance, e.g. legal, charity commission, FCA		No
Financial	There may be a financial implication to close the gap in some areas if the ethnicity pay gap is significant.	Yes
Value for money		No
Equality, diversity & inclusion	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,	Yes

THEME	IMPACT – Positive and / or Negative	Relevant to report?
	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.	
Human resources	Retention and recruitment could be negatively impacted if the ethnicity pay gap highlights difference in pay between white British and ethnically diverse individuals.	Yes
Customer voice/impact		No

### 3.0 BACKGROUND

- 3.1 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.
- 3.2 After five years of consultation the government confirmed last year that there are no plans to make ethnicity pay gap reporting mandatory for employers unlike gender pay gap reporting that is mandatory for organisations that have 250 or more employees.
- 3.3 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. We have taken the approach to mirror the legislated pay measures used for gender pay gap reporting as we have done previously in line with other organisations.
- 3.4 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.
- 3.5 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.
- 3.6 The calculations include all employees employed on the snapshot date as of end of 2023 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).

3.7 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.

3.8 The data used for this reporting is based only on those that opt to share their ethnicity so it is important to note that those employees who have chosen not to disclose could positively or negatively impact the pay gap position.

#### 4.0 ISSUES FOR CONSIDERATION

##### 4.1 What is Ongo's current position?

4.1.1 When looking at the mean, the percentage difference in the hourly rate of pay is 6.96%. Those who are ethnically diverse mean average pay being £15.37 per hour and the overall being £16.52 per hour.

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

The median shows a pay gap of 5.6% with the median for individuals who are ethnically diverse being £15.36 per hour and the median for all individuals being £14.54 per hour.

4.1.2 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. The figures below show us the proportion of White British individuals and Ethnically Diverse individuals in each quartile:

Quartiles	White British %	Ethnically Diverse %	Not Disclosed%
Upper	95.69%	3.86%	1.72%
Upper Middle	82%	1.72%	8%
Lower Middle	81%	7%	12%
Lower	77%	4%	16%

4.1.3 Please see Appendix A for a further breakdown of findings.

##### 4.1 Ongo's approach to closing the Ethnicity Pay Gap

4.2.1 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.

4.1.2 Ongo have recently undertaken a review of the companies' pay and benefits again, to ensure that roles are paid fairly, which highlighted the need to bring up some of the lower pay levels up to or above the national minimum wage rates and market value, which was actioned.

- 4.1.3 Ongo has just completed pay deal negotiations with our three recognized unions and agreed to make a cost of living pay award to all colleagues of 5.1% which was processed in April 2024.
- 4.1.4 A regular reminder is sent to employees to update their profile information on our People Portal in order for us to capture maximum data for reporting.
- 4.1.5 Ongo's EDI steering group has representatives from different areas of the organisation who champion diversity and creating an inclusive workplace for all.
- 4.1.6 Ongo have recently recruited a new Property Director, amongst the applicants and interviewees for the role, there were a number of individuals from an ethnically diverse background. There will be upcoming recruitment for a Head of Service that we hope will bring further applicants from ethnically diverse backgrounds.
- 4.1.7 Ongo will continue to ensure a fair and transparent recruitment process is undertaken by:
- Continue to have a good balance on our 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.
  - Continue working with social media platforms that encourages ethnically diverse individuals to look at and apply for our vacancies.
  - Continue to look at targeted recruitment for senior level positions in the organisation that encourage individuals from ethnic minority backgrounds to apply.
  - Continue 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.
  - Working closely with Ongo's recruitment agency to actively look at ways in which we can continue to reach a wider audience reaching out to those from an ethnically diverse background.

**Associated background papers:**

*Appendix A – Ethnicity pay gap publication.*

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