

Hightown Housing Association Ethnicity Pay Gap Report 2023

Hightown is a charitable Housing Association which provides affordable housing for people who cannot afford to buy or rent at market rates and supported housing for vulnerable and disabled people.

We operate mainly in Hertfordshire, Buckinghamshire and Bedfordshire. Our Head office is in Hemel Hempstead.

At Hightown, we are committed to the principles of equal opportunities and strive to ensure equality, diversity and inclusion across our workforce and our operations. The following sections outline the results of our Ethnicity Pay Gap analysis as well as our commitment to ensuring equality and diversity.

We employ 961 staff (permanent and bank workers combined) and as part of our commitment to diversity and ahead of any government requirement, we are evaluating our Ethnicity Pay Gap for the fourth year.

Using the principles from the Gender Pay Gap regulations, the snapshot date is the 5th April 2023. This report covers the 2022/2023 reporting period.

Workforce data collated on the snapshot date shows that 441 (51%) of staff were from a White British background while 429 (49%) were from ethnic minority groups (see chart below). This excludes 91 (9%) employees who do not have their ethnicity recorded.



Mean and Median Ethnicity Pay Gap

The Ethnicity Pay Gap is calculated using the same calculation methodology required by the Gender Pay Gap guidelines. The calculation excludes employees whose ethnicity was not recorded.

Mean hourly pay is calculated by adding together the hourly rate for all workers and dividing by the total number of workers within the specified group (in this case, White British or Ethnic Minority groups). Median hourly pay is the middle rate when all hourly pay rates are listed in numerical order.

The mean pay gap is the difference between the average hourly rate for White British employees and ethnic minority employees. The median pay gap is the difference between the middle hourly rate for White British employees and Ethnic Minority employees when all numbers are listed in numerical order. A positive percentage figure reveals that typically, Ethnic Minority employees have lower pay than White British employees.



↑ **Mean Ethnicity Pay Gap** for Hightown **24%**

(up from 15% in 2021/22 and 13% in 2020/21)

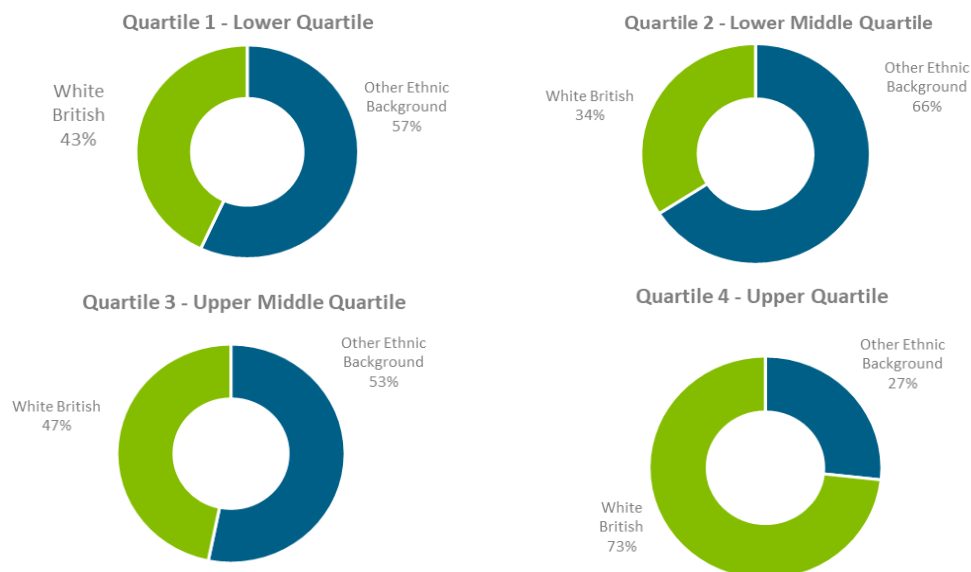
↑ **Median Ethnicity Pay Gap** for Hightown **9%**

(up from 6% in 2021/22 and up from 5% in 2021/22)

The results above tell us that when comparing the mean hourly rate, Ethnic Minority employees earn £7.60 for every £10 earned by White British employees. When comparing the median hourly rate, Ethnic Minority employees earn £9.10 for every £10 earned by White British employees.

Quartiles

The pay quartiles measure how many white and ethnically diverse colleagues are represented in each quarter of the organisation when all hourly pay is stacked from lowest in Quartile 1 to highest in Quartile 4. Each quartile shown contains an equal number of colleagues.



↑ **Lower Quartile:** The lower quartile (57%) has also seen an increase in the proportion of Ethnic Minority employees since 2021/22 (46%).

↑ **Lower Middle Quartile:** has the highest proportion of Ethnic Minority employees in 2022/23 (66%), aligning with 2021/22 data (59%). The proportion of Ethnic Minority employees has increased by 7%.

↓ **Upper Middle Quartile:** previous years had seen an increase in the proportion of Ethnic Minority employees from 44% in 2020/21 to 58% in 2021/22; however, in 2022/23, the proportion of Ethnic Minority employees decreased to 53%.

↓**Upper Quartile:** The upper quartile continued to see a decrease in Ethnic Minority employees in 2022/23 from 32% in 2021/22 to 27% in 2022/23.

Overall, this shows a decrease of Ethnic Minority employees in higher-paid roles and an increase of Ethnic Minority employees in lower-paid roles, explaining the increase in the pay gap this year.

The following table outlines the ethnicity distribution by pay quartile across the last four years.

		2019/20		2020/21		2021/22		2022/23		+/-	
		White British	Ethnic minority group	White British	Ethnic minority group	White British	Ethnic minority group	White British	Ethnic minority group	White British	Ethnic minority group
Q1	Lower quartile	37%	63%	56%	44%	54%	46%	43%	57%	11%	-11%
Q2	Lower middle quartile	40%	60%	38%	62%	41%	59%	34%	66%	-7%	7%
Q3	Upper middle quartile	50%	50%	56%	44%	42%	58%	47%	53%	5%	-5%
Quartile 4	Upper quartile	68%	32%	53%	47%	68%	32%	73%	27%	5%	-5%

Mean and Median Bonus Ethnicity Pay Gap

The mean bonus pay gap is the difference between the mean bonus male and female staff receive while the median bonus pay gap is the difference between the median bonuses received.

The mean bonus pay gap is the difference between the mean bonus male and female staff receive while the median bonus pay gap is the difference between the median bonuses received.

Mean Bonus Ethnicity Pay Gap for Hightown **17%**

Median Bonus Ethnicity Pay Gap for Hightown **6%**

The proportion of men and women across all staff as well all those who received a bonus are highlighted below.

49% of staff were White British; 75% of these received a bonus

51% of staff were from an Ethnic Minority Group; 45% of these received a bonus

At Hightown, where contracts allow, a bonus of 1% is awarded to staff in December subject to meeting their Appraisal objectives. It is paid to staff at a flat percentage rate based on meeting appraisal criteria, length of service, and contract type, regardless of gender or grade. Bank workers and some staff on specific contracts, such as TUPE contracts, are not eligible for these bonus payments. 569 employees were eligible for the appraisal bonus due to length of service and holding a fixed term or

permanent Hightown contract. An additional £300 bonus was paid to all staff on permanent or fixed-term contracts who were in post on 1st October 2022 and still in post on 31 December 2022. The payment was paid pro rata for part-time staff based on their contractual hours.

60% of employees qualified for a bonus and 40% did not. 44% of employees from ethnic minority groups work as bank workers, compared to 20% of White British employees, explaining the lower proportion receiving bonuses. The table below shows that the proportion of ethnic minority employees not receiving the appraisal bonus due to length of service or not passing appraisal criteria is similar, however there is a larger variation between ethnic minority employees (42%) and White British employees (19%) not receiving a bonus due to being on a Bank contract.

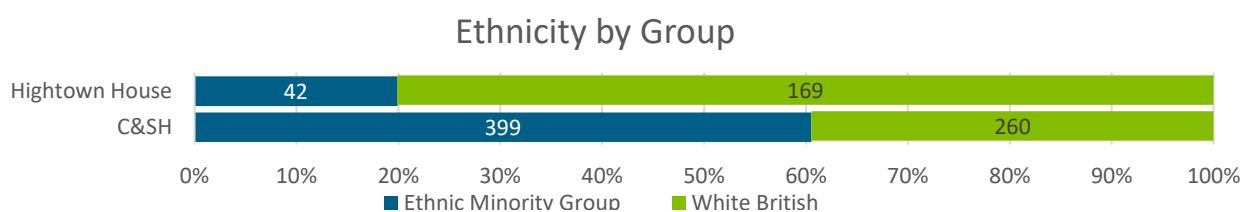
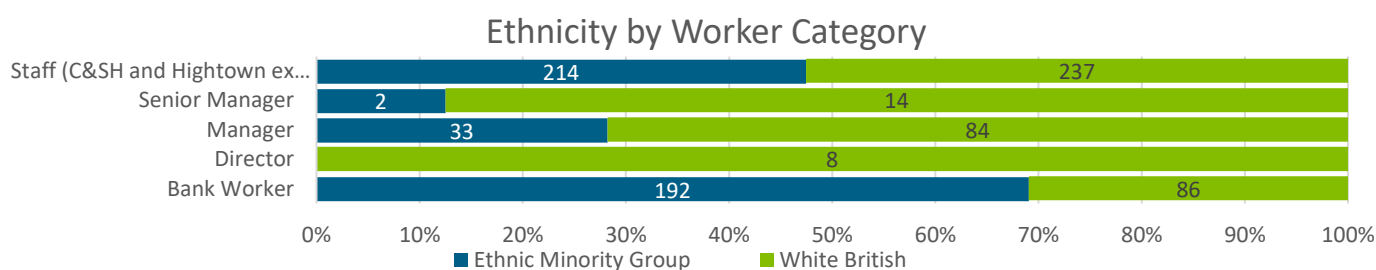
Appraisal Bonus by Ethnicity	Ethnic Minority Employees and Bank Workers		White British Employees and Bank Workers		Not recorded		All Employees and Bank Workers	
	#	%	#	%	#	%	#	%
Received appraisal bonus	219	39%	317	65%	51	49%	577	52%
Did not receive bonus	295	61%	165	35%	54	51%	508	48%
Reason for not receiving bonus								
Bank Worker	204	42%	93	19%	33	31%	312	31%
Didn't pass appraisal criteria	6	1%	6	2%	2	2%	12	1%
On Sabbatical Leave	0	0%	1	0%	0	0%	1	0%
Started contract after 1st April 2022	78	16%	67	14%	12	11%	157	15%
TUPE contract	7	1%	4	1%	7	7%	17	2%
Grand Total	484	100%	488	100%	105	100%	1077	100%
Included in calculation(excludes anyone who left before the 5 th April 2023 and those who didn't record ethnicity)	471		470				941	

*To meet government pay gap reporting requirements, all employees who received a bonus within 12 months of the snapshot date, regardless of whether or not they are still employed at the snapshot date. However technical guidance requires only employees employed at the snapshot date to be included in the total employee list for the calculation.

Factors contributing to the findings

The large majority (77%) of Hightown staff are employed in our Care and Supported Housing Schemes, with many of these employees engaged in direct support to our service users as Care Workers. These roles are generally remunerated at a lower rate compared to staff in mainstream housing and housing development roles across the Association. The lower salary rates are due to external market factors and, in particular, the contract price set by commissioners of our services. Despite these restrictions, Hightown Board has a target to pay the Real Living Wage, and this has been achieved in 2021, 2022 and 2023. According to SkillsforCare¹, 74% of Care Workers are of White British ethnicity. Therefore, our workforce is more ethnically diverse than the average for the sector.

The following chart highlights the ethnicity of employees across worker categories (staff, bank workers, managers, senior managers and directors) and staff groups (C&SH and Hightown House). The proportion of staff from ethnic minority groups at the snapshot date was highest (64%) among bank workers, who are all care and supported housing staff. These roles are remunerated at a lower rate (average £13.25) and make up almost a third of all employees (31%).



For non bank worker categories, pay rates are higher and the proportion of staff from ethnic minority groups is lower, but still above national averages for the sector according to NHF²:

Worker category	% ethnic minority groups	Average hourly rate
Bank worker	64%	£13.25
Staff	42%	£13.92
Manager	26%	£20.38
Senior Manager	11%	£43.08

How do we compare

The latest release of Ethnicity Pay Gap (2022)³ by the Office for National Statistics (ONS) does not show a combined pay gap figure for ethnic minority groups (binary categories), and due to lower response rates and increased uncertainty, we have been advised to use it with caution. Therefore, the latest comparative data is from the Ethnicity Pay Gap (2019), which shows the median pay gap for employees

¹ [The state of the adult social care sector and workforce in England \(skillsforcare.org.uk\)](https://www.skillsforcare.org.uk)

² <https://prod.housing.org.uk/globalassets/files/edi/edi-national-data-report-a4-2023-v8-accessible---final-oct-2023.pdf>

³ [Ethnicity pay gaps, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk)

in England and Wales was 2.3%⁴. In comparison, Hightown's median pay gap is 9%. The 2019 ONS report showed varied pay gap figures across geographical areas with the largest in pay gap in London (23.8%) and smallest in Wales (1.4%). Binary categories used in the ONS 2019 Ethnicity Pay Gap report consists of: "White" - which includes "White British", "White Irish" and "Other White", and then - "All other ethnicities".

Making comparisons with our peers is not straightforward because ethnicity pay gap reporting is not mandatory, however, according to Skills for Care⁵ there is differences in diversity between job roles across the social care sector, especially more White British employees in senior management than frontline roles, which aligns with Hightown's findings.

What we are doing

Hightown are committed to the principles of equal opportunities. Equality is essentially about fairness and ensuring that our staff and customers have the best possible chance to succeed in life, whatever their background or identity. Achieving equality of outcomes means we may have to do specific things for different groups to ensure that everyone has the opportunity for the same outcome.

EDI Statement: We want our staff to feel that they truly belong and can be themselves at Hightown, to create a diverse workforce reflective of the local communities we operate in. We are drafting an EDI statement to communicate this to our residents and stakeholders.

Salaries: We have a clear policy of paying employees equally for the same or equivalent work, regardless of their ethnicity (or any other characteristics).

All job roles have a spot salary based on the median market salary for the role. A salary benchmarking exercise takes place every two years involving an external consultant, job descriptions are shared without details of the job holders characteristics. The last survey was undertaken in 2022 and four roles received a salary level increase as a result.

Recruitment: Hightown are committed to promoting diversity through our recruitment practices. We ensure our adverts are neutral; we advertise in a wide range of places and use values based assessments in our recruitment practices.

Between the 6th April 2022 and the 5th April 2023, we recruited 290 staff (Permanent and Bank Workers combined). This included 156 new staff from ethnic minority groups (53%) with an average hourly rate of £11.09 per hour and 102 new staff from a White British background (36%) with an average hourly rate of £13.48 per hour. There were 32 members of staff (11%) who did not report their ethnicity.

Leadership: A Board Member has been appointed as Equality & Diversity Champion. When recruiting new members to the Hightown Board, we actively sought more applicants from diverse backgrounds and welcomed a new Board member from a diverse background in March 2023.

EDI forum: The Equality and Diversity Forum drives further change in relation to equality and diversity within the organisation. EDI forum members completed EDI champion training and as a result of this training the recommendation was made for policy writers to attend Equality Impact Assessment training which they then attended.

Staff surveys: Staff are asked to complete a Leavers survey if they decide to leave Hightown and an annual staff survey was sent to all staff in Spring 2022. Open comment questions in these surveys allow staff to feed back about suggested areas of improvement, including areas around EDI and CPD.

⁴<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicityaygapsingreatbritain/2019>

⁵ [The state of the adult social care sector and workforce in England \(skillsforcare.org.uk\)](https://www.skillsforcare.org.uk)

Learning and Development: We continued to provide our Learning and Development offer to all staff, which by the snapshot date had involved creating around 2,000 spaces for staff in training in the previous 12 months. We have also supported:

15 White British & 3 Ethnic minority groups undertaking an Apprenticeship or Graduate Training program.

Next Steps

- Encourage more colleagues and applicants to provide diversity monitoring information via a new EDI App.
- Support the continued professional development of employees and increase the number of ethnic minority employees in management positions by launching a management training program for existing, new and aspiring managers.
- Improve tracking of applications to monitor the recruitment journey and highlight areas that may create barriers for ethnic minority applicants.
- Annual staff survey to include a focus on better understanding barriers and facilitators to career progression from our employee's perspective, including specific questions about gender and ethnicity.
- Share pay gap findings with the EDI forum to gain employees' perspectives on findings and involve them in future actions.
- Carry out Equality Impact assessments on key policies affecting staff, residents, and service users.
- Continue to diversify the Board by actively seeking more applicants from diverse backgrounds when recruiting and providing remuneration to board members for their activities.
- Carry out EDI self-assessment to inform future EDI work.