



April 2023

# Gender and Ethnicity *Pay Gap Report*



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# Introduction

People are at the heart of everything we do. Whether they're colleagues, residents, partners, or members of our communities, they all make Peabody what it is today – a diverse and inclusive organisation where everyone can flourish.

We prioritise equality, diversity, and inclusion in everything we do and believe that every colleague should be valued, respected, and given equal access to opportunity. To live these values, we need to treat our colleagues fairly.

Our latest gender and ethnicity pay gap report shows that we still have work to do. By publishing these figures, we can see the gaps clearly and work out how to address them. Reducing them is not only fundamental to who we are as an organisation, but it will also help us attract and retain a skilled and diverse workforce.

## What is the gender pay gap?

It's the percentage difference between the average hourly earnings of all men and all women in a workforce. It doesn't compare what men and women are paid for doing the same job.

The ethnicity pay gap works in the same way but compares the pay of white colleagues to the pay of ethnic minority colleagues.

## How is it measured?

**Mean:** this compares the average amount women and men are paid per hour. We calculate this by adding all the men's hourly rates together and dividing them by the number of men in the organisation. We then do the same for the women. The mean gender pay gap is the difference between these two numbers expressed as a percentage.

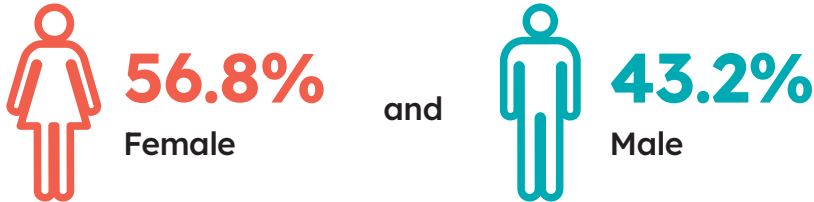
**Median:** this compares the amount the middle male and middle female role is paid per hour. We calculate this by sorting the hourly rates of all men from lowest to highest and selecting the middle point. We then do the same for the women. The median gender pay gap is the difference between these two middle points expressed as a percentage.

We calculate the ethnicity pay gap in the same way, but we replace males and females with white and ethnic minority colleagues.

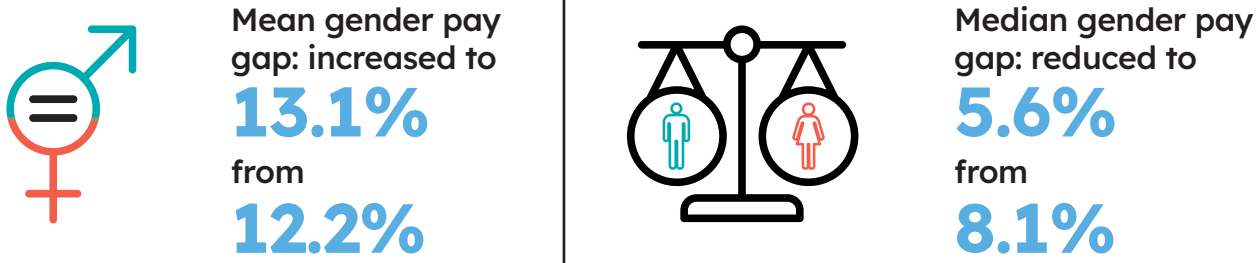
A positive gap means that men or white colleagues earn, on average, more per hour than their female or ethnic minority counterparts. We also show how men and women are spread throughout the organisation in different pay brackets.

# Gender and bonus pay gap: *the numbers*

## Our colleagues:



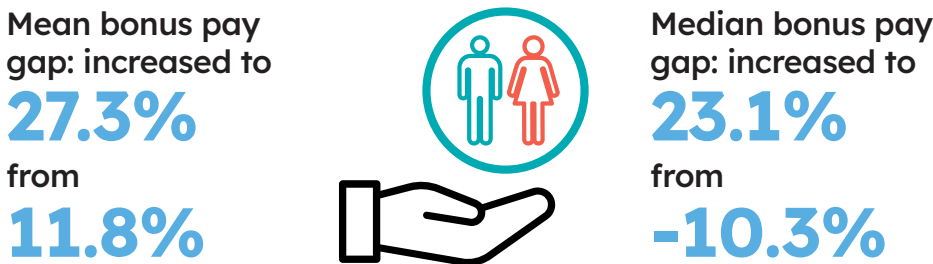
## Gender pay gap:



## Colleagues receiving a bonus:



## Gender bonus gap:



# The story behind the *numbers*

We have a mean gender pay gap of 13.1 percent. This means that on average, across the organisation, men are paid more than women. The mean male hourly salary is £21.79. This compares with £18.93 for a woman. The difference between these two numbers is the mean gender pay gap. This is up from 12.2 percent a year earlier.

The median pay gap of 5.6 percent is calculated using the median hourly salaries of £17.61 for men and £16.63 for women. This is down from 8.1 percent a year earlier.

There are a range of factors that contributes to the gaps:

- We employ more women than men. But we have more men in the most senior positions and more women in lower-paid roles. To reduce the gap, we need to promote and recruit more women to senior roles.

- The gap is also impacted by the fact that more women work reduced hours in part-time roles and are on flexi- or zero-hours contracts.



**Colleagues contracted to work under 35 hours:**  
6.2% of men vs 22.9% of women

**Colleagues on flexi/zero-hour contracts:**  
1.4% of men vs 5.6% of women



**Colleagues in the upper pay quartile:**  
55.9% men vs 44.1% women

**Colleagues in the lower pay quartile:**  
43.6% men vs 56.45% women

- The bonus figures have been impacted by the fact that Care and Support colleagues (a significant majority of whom are women) got their main bonus early, in March 2022. That's a month before the survey data for the year to April 2023 was gathered and helps to explain the 10 percent difference in colleagues receiving a bonus and the increased bonus gaps.

	Peabody consolidated April 2021- April 2022		Peabody consolidated April 2022 - April 2023	
Mean	12.2%		13.1%	
Median	8.1%		5.6%	
Pay quartile	Male	Female	Male	Female
Upper	57.2%	42.8%	55.9%	44.1%
Upper middle	38.9%	61.1%	38.5%	61.5%
Lower middle	40.4%	59.6%	38.2%	61.8%
Lower	41.7%	58.3%	43.6%	56.4%
Bonus	Male	Female	Male	Female
% that received a bonus	86.6%	87.1%	53.6%	43.9%
Bonus gap (Mean) %	11.8%		27.3%	
Bonus gap (Median) %	-10.3 %		23.1%	

This is the first report for the combined Peabody organisation following the merger with Catalyst. In our last report for 2021/22, we showed figures for the two organisations separately. To enable us to make a like for like comparison, we've combined the figures and included TCH. The quartile pay bands represent the proportions of male and female colleagues in the lower, lower middle, upper middle and upper pay brackets.

# Ethnicity pay gap: *the numbers*

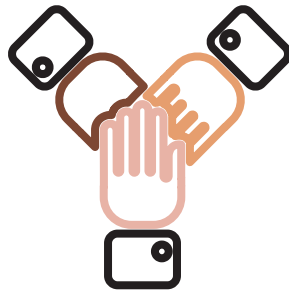
## Our colleagues:



## Ethnicity pay gap

Mean ethnicity pay gap: increased to

**12.1%**  
from  
**11.2%**



Median ethnicity pay gap: reduced to

**-1.1%**  
from  
**-1.6%**

## Colleagues receiving a bonus:



## Ethnicity bonus gap

Mean ethnicity bonus gap: increased to

**44.9%**  
from  
**31.4%**



Median ethnicity bonus gap: decreased to

**23.1%**  
from  
**30.8%**

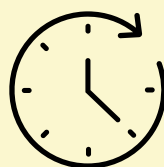
# The story behind the *numbers*

We have a mean ethnicity pay gap of 12.1 percent. This means that on average, across the organisation, white colleagues are paid more than their ethnic minority counterparts. The mean hourly salary of a white colleague is £21.72. This compares with £19.01 for an ethnic minority colleague. The difference between these two numbers is the mean ethnicity pay gap. This is up from 11.2 percent a year earlier.

However, the median ethnicity pay gap of -1.1 percent shows that ethnic minority colleagues are paid slightly more than their white counterparts. This figure is calculated using the median hourly salaries of £17.46 for ethnic minority colleagues and £17.28 for their white counterparts.

There are a range of factors that contributes to the gaps:

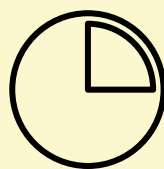
- We have more white people in senior level roles, so their combined salaries are higher. To reduce the gap, we need to promote and recruit more ethnic minority colleagues to senior roles.
- A higher proportion of ethnic minority colleagues work reduced hours and are therefore paid less. Unlike with male and female colleagues, the ethnicity split is more equal amongst colleagues on flexi/zero-hour contracts.



## Colleagues working reduced hours:

14.3% of ethnic minority colleagues vs 6.3% of white colleagues

- In the upper and lower quartiles, there are considerably more white colleagues than colleagues from ethnic minorities.
- When looking at bonuses, we have more white than ethnic minority colleagues in senior positions (in the upper quartile). This is a key factor in the ethnicity bonus gaps. This highlights the need to promote and recruit more ethnic minority colleagues to senior roles.



**Colleagues in the upper quartile:**  
71.1% white vs 28.9% ethnic minority

**Colleagues in the lower quartile:**  
65.6% white vs 34.4% ethnic minority

	Peabody consolidated April 2021 - April 2022		Peabody consolidated April 2022 - April 2023	
Mean	11.2%		12.1%	
Median	-1.6%		-1.1%	
Pay quartile	White	Ethnic minority	White	Ethnic minority
Upper	69.6%	30.4%	71.1%	28.9%
Upper middle	54.5%	45.5%	52.4%	47.6%
Lower middle	62.2%	37.8%	60.1%	39.9%
Lower	65.4%	34.6%	65.6%	34.4%
Bonus	White	Ethnic minority	White	Ethnic minority
% that received a bonus	90.8%	83.9%	48.1%	46.7%
Bonus gap (Mean) %	31.4%		44.9%	
Bonus gap (Median) %	30.8%		23.1%	



# How we plan to address *the gaps*

We strongly believe that our workforce should represent our communities. We've already laid out our plans in our Group Equality Diversity and Inclusion Strategy 2023-2026 and are continuing to address the gaps that have been identified.

## 1) Improving the ethnic diversity of our senior management team.

We're committed to increasing the number of ethnic minority colleagues on the Senior Management Team to 30 percent from 17 percent by 2025.

To do this we'll:

- Make sure ethnic minority colleagues are clear about the professional development and progression opportunities available to them through the Peabody Academy.
- Provide development and support for ethnic minority colleagues seeking to progress into senior management roles. We'll also extend this approach to ethnic minority colleagues on the G15 Accelerate programme and our Black on Board graduates.
- Make sure line managers know how to support the career development of ethnic minority colleagues that report to them.
- Use our people data dashboards to help each directorate understand their talent profile and take targeted action to improve the ethnic diversity of their senior management teams.
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## 2) Recruiting people from diverse backgrounds.

To do this we're:

- Continually reviewing our recruitment practices. We're using inclusive job descriptions, anonymised recruitment, and diverse shortlists to address any potential bias in the recruitment process.
- Making sure women and candidates from ethnic minorities are included on shortlists for interview for senior level roles (the Rooney Rule).
- Promoting flexible and agile working and job-share opportunities when advertising our roles.
- Making sure all hiring managers take part in inclusive recruitment and selection training.
- Monitoring and reviewing the impact of initiatives such as name-blind recruitment and the application of the Rooney Rule.

## 3) Improving the workforce ethnicity declaration rates.

We're working hard to encourage colleagues to share details about their ethnicity so we can fully assess our pay and bonus gaps. At the time of this assessment, we were missing details from 16.9 percent of the workforce. This number has since fallen to 14.2 percent.

To help address the issue, we're providing our senior leadership teams with people dashboards, which as well as showing ethnicity information, show data trends for recruitment, retention and promotion.

## 4) Reviewing our bonus scheme.

We're reviewing our bonus scheme to include a more structured and consistent approach to spot bonuses with more oversight and analysis during the year.

(The findings shown in this report are based on April 5, 2023, known as the snapshot date, and are for the consolidated organisation following the merger. We recognise that not all colleagues identify as male or female, but for the purposes of this report we've used the 'legal sex' data recorded on payroll in compliance with current legislation.)







45 Westminster Bridge Road  
London SE1 7JB  
Tel: 0300 123 3456  
[peabody.org.uk](http://peabody.org.uk)