



April 2024

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 us what we are today – a diverse and inclusive organisation.

We aim to 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. This includes publishing our pay gap findings and acting, where necessary, to reduce 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.

Our latest gender and ethnicity pay gap report shows that while we still have work to do, there was an improvement in the pay gap findings compared to the previous year. For example, more women and ethnically diverse colleagues moved into the higher pay brackets and changes to bonuses made rewards fairer resulting in a reduction in the bonus gaps. Compared to the previous pay gap assessment the median pay gap for gender has continued to reduce with the median gender pay gap of 2.8 percent being significantly lower than the UK national average of 13.1 percent. The median ethnicity pay gap has also reduced from minus 1.1 percent to minus 0.6 percent.

We know that there are some factors that are continuing to impact our pay gap findings. These include the fact that while we employ more women than men, we have more men in the most senior positions (55 percent of men in the upper quartile, compared to 45 percent of women). In the upper pay quartile, there are also considerably more white colleagues than ethnically diverse colleagues (70 percent white compared to 30 percent ethnically diverse).

There are also more women and ethnically diverse colleagues in part-time, flexible or zero-hour contract roles. Although pay gaps are based on hourly rates, part time workers or those on zero-hour contracts tend to sit within the lower pay quartiles. To reduce our pay gaps further we're focused on improving the representation of women and ethnically diverse colleagues in senior management positions and ensuring women and ethnically diverse colleagues are included on shortlists for interviews for all senior level roles. We're also focussed on improving

career progression, hiring inclusively and breaking down the pay gap findings by directorate to give us better insight.

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 with those who are ethnically diverse.

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 the lowest to the 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. The median measure is seen as a more accurate representation of typical earnings, as it is not skewed by very low hourly pay or very high hourly pay.

We calculate the ethnicity pay gap in the same way, but we replace men and women with white and ethnically diverse colleagues.

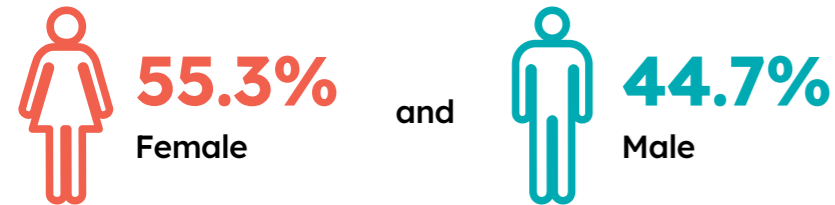
A positive pay gap means that men or white colleagues earn, on average, more per hour than women or ethnically diverse colleagues. A negative gap means that women or ethnically diverse colleagues earn on average more per hour than their male or white colleagues.

The tables in this report show how men and women are represented throughout the organisation in different pay brackets.

Gender and bonus pay gap: *the numbers*

Full-pay 'relevant' colleagues are all colleagues employed on the pay gap snapshot date of 5 April 2024 who were either: paid their usual full basic pay – including paid leave – or paid for piecework during the pay period in which the snapshot date fell.

Our colleagues:



Gender pay gap:



Colleagues receiving a bonus:



Gender bonus gap:



The story behind the *numbers*

During the year, we reduced our median gender pay gap to 2.8 percent from 5.6 percent. This is significantly lower than the UK average of 13.1 percent.

To calculate the median figure, we took all the salaries of our male colleagues and lined them up from lowest to highest. The middle hourly salary was £19.50. For female colleagues, it was £18.85. During the year, we reduced our mean gender pay gap to 11.9 percent from 13.1 percent. Across the organisation, men continued to be paid on average more (£21.79 an hour), than women (£21.26 an hour).

The gaps can be attributed to the fact that while we employ more women than men, we have more men in the most senior positions (55 percent of men in the upper quartile, compared to 45 percent of women).

Another reason for the gaps is that more women (16.2 percent) than men (4.6 percent) worked less than 35 hours a week and more women (7.5 percent) than men (2.7 percent) had a flexi or zero hours contract. Although pay gaps are based on hourly rates, part time workers or those on zero-hour contracts typically tend to sit within the lower pay quartiles.

While we know we still have work to do to reduce our pay gaps further, we are making progress. For example, we increased the number of women in the higher salary bracket (0.9 percent more than in the prior year) and in the upper middle salary bracket (1.1 percent more than in the prior year).

Gender bonus gap

During the year, men were more likely to receive a bonus than women, with 83.7 percent of men receiving one, compared to 81.3 percent of women.

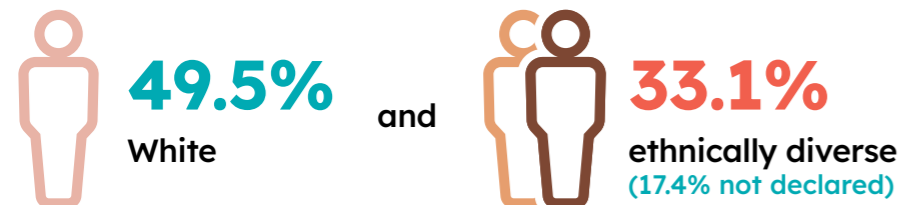
Our mean gender bonus gap reduced to 24.4 percent from 27.3 percent, while there was no median bonus gap, compared to 23.1 percent in the prior year.

The reduction in the gaps was primarily due to the restructuring of the bonus scheme, which included replacing spot bonuses with instant rewards that are more focussed on colleagues in the lower pay quartiles.

	Peabody Consolidated April 2023		Peabody Consolidated April 2024	
Mean	13.1%		11.9%	
Median	5.6%		2.8%	
Pay quartile	Male	Female	Male	Female
Upper	55.9%	44.1%	55.0%	45.0%
Upper middle	38.5%	61.5%	37.4%	62.6%
Lower middle	38.2%	61.8%	45.0%	55.0%
Lower	43.6%	56.4%	41.4%	58.6%
Bonus	Male	Female	Male	Female
% that received a bonus	53.6%	43.9%	83.7%	81.3%
Bonus gap (Mean) %	27.3%		24.4%	
Bonus gap (Median) %	23.1%		0.0%	

Ethnicity pay gap: the numbers

Our colleagues:



Ethnicity pay gap

Mean ethnicity pay gap has reduced from

12.1%
to
11.4%



Median ethnicity pay gap reduced from

-1.1%
to
-0.6%

Colleagues receiving a bonus:



Ethnicity bonus gap

Mean ethnicity bonus gap reduced from

44.4%
to
37%



Median ethnicity bonus gap reduced from

23.1%
to
0%

The story behind the numbers

During the year, we reduced our median ethnicity pay gap to minus 0.6 percent from minus 1.1 percent. To calculate the median figure, we took all the salaries of our white colleagues and lined them up from lowest to highest. The middle hourly salary was £19.75 for white colleagues compared to £19.86 for ethnically diverse colleagues. We also marginally reduced our ethnicity pay gap to 11.4 percent from 12.1 percent.

Across the organisation, white colleagues continued to be paid on average more (£24.50 an hour), than ethnically diverse colleagues (£21.71 an hour).

The gaps can be attributed to the fact that we have significantly more white colleagues in the most senior positions (70 percent of white colleagues in the upper quartile, compared to 30 percent of ethnically diverse colleagues).

Another reason is that more ethnically diverse colleagues (7.9 percent) than white colleagues (2.7 percent) had a flexi or zero hours contract. As with gender, although pay gaps are based on hourly rates, those on zero-hour contracts tend to sit within the lower pay quartiles.

It is positive to note however, that when compared to the previous assessment there was a 1.1 percent increase in the number of ethnically diverse colleagues in the upper pay bracket.

Ethnicity bonus gap

During the year, white colleagues were more likely to receive a bonus than ethnically diverse colleagues, with 87.0 percent of white colleagues receiving one, compared to 82.3 percent of ethnically diverse colleagues.

Our mean ethnicity bonus gap reduced from 44.4 percent to 37.0 percent, while there was no median bonus gap, compared to 23.1 percent in the prior year.

As with gender, the reduction in the gaps was primarily due to the restructuring of the bonus scheme.

	Peabody Consolidated 5th April 2023		Peabody Consolidated 5th April 2024	
Mean	12.1%		11.4%	
Median	-1.1%		-0.6%	
Pay quartile	White	Ethnically diverse	White	Ethnically diverse
Upper	71.1%	28.9%	70.0%	30.0%
Upper middle	52.4%	47.6%	52.3%	47.7%
Lower middle	60.1%	39.9%	59.7%	40.3%
Lower	65.6%	34.4%	65.0%	35.0%
Bonus	White	Ethnically diverse	White	Ethnically diverse
% that received a bonus	48.1%	46.7%	87.0%	82.3%
Bonus gap (Mean) %	44.9%		37.0%	
Bonus gap (Median) %	23.1%		0.0%	

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 for 2023-2026 and are continuing to address the gaps that have been identified. Some of the actions we're taking to reduce our pay gaps are shown below.

Inclusive recruitment

Inclusive recruitment involves creating an open and accessible hiring process that removes barriers and biases that may prevent those from underrepresented groups from applying for our roles. To ensure that our recruitment processes are fair and inclusive for everyone, we'll:

- Continually review our recruitment practices.
- Use inclusive job descriptions, anonymised recruitment, and diverse shortlists to address any potential bias.
- Use inclusive imagery and language in our recruitment campaigns.
- Make sure women and ethnically diverse candidates are included on shortlists for interview for all senior level roles (the Rooney Rule).
- Continually monitor and review the effectiveness of initiatives such as name-blind recruitment and the application of the Rooney Rule.
- Promote flexible and agile working and job-share opportunities when advertising our roles.
- Explicitly state in our recruitment campaigns the groups we want to attract. This may include stating that we want to recruit more men into roles that are predominantly undertaken by women in the organisation and vice versa.
- Make sure all hiring managers are provided with inclusive recruitment and selection training.

Improving the representation of women and ethnically diverse colleagues in our senior management team

Recruiting and promoting more women and ethnically diverse colleagues to senior roles will impact our pay gaps

For ethnicity, we've set a target that by the end of 2025, 30 percent of our senior management team (Heads of Service and above) will be ethnically

diverse. At the time this report was written, 19 percent of our senior management team were from this group. While there has been a small increase in the percentage of ethnically diverse colleagues in the highest pay bracket, we recognise that we will need to continue to take action to meet our 30 percent target.

An assessment of Heads of Service and above appointments that took place in 2024 has also highlighted the need to continue to focus on recruiting more ethnically diverse senior managers. For example, of the 16 senior level positions we were recruiting for, three appointees (18.75 percent) were ethnically diverse.

As shown in this report, there's also been a small increase in the percentage of women in the upper and upper middle pay brackets. At the time this report was written, 45 percent of our senior management roles were being undertaken by women. In addition, over the past 12 months, eleven of the 16 people (68.7 percent) recruited to Heads of Service and above roles were women.

Improving the workforce ethnicity declaration rates

Improving our workforce ethnicity declaration rates will help us better identify areas of underrepresentation throughout our colleague lifecycle. We'll keep encouraging colleagues to share their ethnicity information. We're also giving senior leaders dashboards that show ethnicity data trends in recruitment, retention, and promotion, as well as the ethnic makeup of their teams which will enable directorates to create local action plans.

Directorate-level pay gap findings

For the second year, we assessed the pay gaps within each directorate. Due to the level of detail, these findings are not included in this report, but they've been provided to the senior leadership teams in each directorate to help them take their own actions to reduce the gaps in their own team.



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