



# Gender Pay Gap Report **2022**

# Introduction

In the year through to April 2022 the UK gradually emerged from COVID-19. Employers and employees alike further developed their ways of working, building on initial experiences through various phases of lockdown as the government sought to control spread of the disease.

This meant that during the year, increased flexibility around work location and working patterns became the norm as many companies embraced hybrid working. Job seekers now have far greater choice and discretion when it comes to finding companies they want to work for.

Employers have faced an increasingly competitive market place and filling job vacancies has been difficult for many. PA Housing has not been immune to these challenges; we have found some key roles hard to recruit into due to rapidly escalating salary expectations and a shortage of high quality candidates.

The situation has started to alleviate through 2022, with the number of candidates per vacancy returning to an increasing trend after dipping considerably over the financial year through to March 2022. However, these challenging conditions did have a knock-on impact on our ambitions to address our gender and ethnicity pay gaps. Continued work is therefore needed to improve the position, building on the plan already in place and identifying further actions as required. During the 2021/22 financial year though we implemented a range of positive actions around our employment offer, albeit that not all of these had an overt influence on our reported pay gap position. Key highlights were:

- Participation in the government's Kickstart initiative to bring unemployed young people back into the workplace, taking on 11 young people of which nine progressed into longer-term roles with us
- Continuation of the Naumann Initiative, our scheme to give homeless people a combined offer of a job and a secure place to live
- Bringing in our first Equality, Diversity and Inclusion Recruitment Officer, with the post holder helping us to more fully understand our EDI recruitment challenges and responses to them
- Ongoing programmes to promote career progression for females and people from diverse ethnic backgrounds, being a combination of in-house support and funding of placements and training opportunities with specialist external providers
- Opening up a space for challenging conversations about inclusion at PA, the potential barriers to progression and the further work that we must do to support colleagues from diverse backgrounds with their career aspirations

## Equality, Diversity, and Inclusion

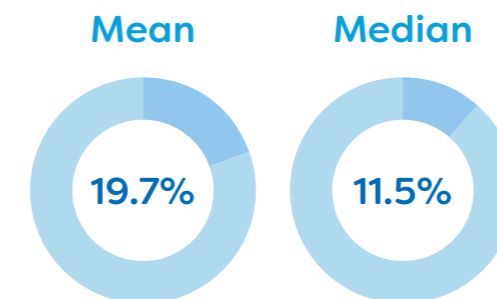
Our 'everybody is unique' campaign aligns with a blended working environment and employment offer. We value and celebrate what makes us different, and we try to create an environment where everyone has equal opportunity to succeed and can be themselves without fear or judgement, regardless of background, identity or circumstances. Achieving a sense of inclusion for everyone means making sure we know about and understand the experiences of all our colleagues. We recognise that this is a continuous journey and sometimes our colleagues identify issues and challenges which need to be addressed. Where necessary, this can lead to additional actions to support the effort around closing our pay gaps.

During the 2021/22 financial year, this philosophy was further augmented by the introduction of our first Equality, Diversity and Inclusion Strategy. The Strategy identifies four strategic pillars of activity, one of which is to "ensure that PA is a vibrant and inclusive place to work". A range of actions underpin this objective, and we have been working to develop and deliver these in support of our wider EDI ambitions. This work aligns with and further supports our work to address the pay gap position.

## Gender Pay Gap

The pay gap data was collected on the snapshot date of 5 April 2022. At this time there were 698 people employed: 413 females (59%) and 285 males (41%).

PA Housing reports a mean gender pay gap of 19.7% (2021: 18.9%) and a median gender pay gap of 11.5% (2021:11.7%), as at April 2022.



This shows a declining position versus 2020 on the mean result, and a marginally improved position on the median. For comparison, the Office for National Statistics reports a UK-wide median gender pay gap of 14.9% for 2022, based on its Annual Survey for Hours and Earnings. We have clear, externally benchmarked spot salaries in place for all job roles. This ensures that everyone is paid fairly for undertaking the same or a similar role. So, we do not have an equal pay issue. We do have an

unusually large number of females at median salary and this presents challenges around moving our metric in a positive direction.

As at April 2022 female colleagues represented 27% of our Senior Management Team, comprising of Executive Directors and Assistant Directors, and 42% of our next tier Leadership Team, comprising of Heads of Service. 60% of line managers at levels below Heads of Service were female, an increase of 9% from our 2021 position.

2022	Male	Female
Senior Management Team	73%	27%
Leadership Team	58%	42%
Line Managers	40%	60%
All PA colleagues	41%	59%

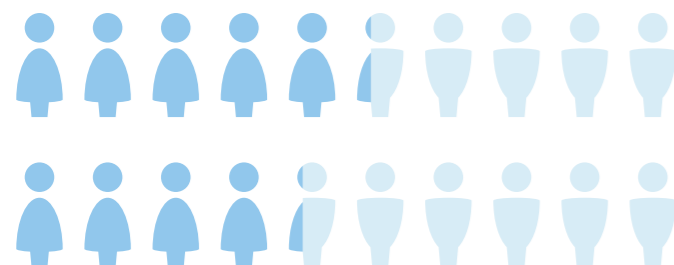
Our gender balance shifts across salary bandings, moving from a majority male demographic in the most senior levels to a more balanced demographic at the junior and middle levels. We continue to support the progression of females into a greater proportion of higher-paying roles, but we don't expect to significantly shift the overall proportion of females to males across the organisation.

We work to create career progression opportunities for females across the organisation. This includes our flexible working culture which promotes inclusion and fairness, alongside a range of learning and development opportunities where we have taken positive action to encourage female participation.

When comparing average hourly wages at the median level, females receive 88p for every £1 that males receive. Our gender breakdown by salary banding as at April 2022 was as follows:

Gross salary	Male	Female
£50,000+	67%	33%
£40,000 - £49,999	58%	42%
£30,000 - £39,999	40%	60%
£20,000 - £29,999	29%	71%
Under £20,000	67%	33%

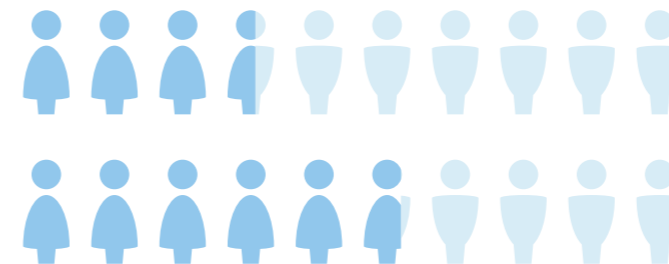
Our gender pay gap reflects the fact that we have a larger proportion of males in senior roles, and in some technical specialist roles where remuneration is higher. During 2021/22:



**53%** of colleagues (18 of 34) who secured an internal promotion were female



**43%** of people shortlisted for roles paying over £30,000 were female, but only 37% of those appointed were female



**36%** of people recruited into technical specialist roles were female



**58%** of people recruited into roles paying less than £30,000 were female

## 2022 Pay Quartiles

2022	Male	Female
Top quartile	59%	41%
Second quartile	45%	55%
Third quartile	24%	76%
Bottom quartile	35%	65%

The above figures represent incremental improvement against the prior year, with a higher proportion of females in each of the top two quartiles and a lower proportion in the bottom two quartiles.

## Ethnicity Pay Gap

We report on our ethnicity pay in the same way that organisations are required to report on gender pay. The data was collected on the same snapshot date of 5 April 2022. Of our 698 total employees, 412 colleagues were white (including white British, White Irish, and any other white people) (60%), and 279 colleagues were from other ethnic backgrounds (40%). Eight colleagues had not disclosed their ethnicity and have been excluded from this analysis.

Our 2022 ethnicity pay gap is as follows.

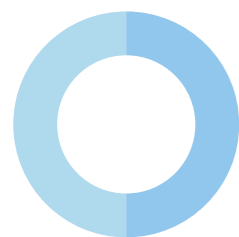
Ethnicity Pay Gap	2022	2021
Median ethnicity pay gap	8.5%	8.7%
Mean ethnicity pay gap	9.8%	9.6%

The position is therefore materially static year-on-year. Our data shows that people from ethnic minorities are more likely to occupy lower paid roles than white people. However, 36% of colleagues paid above £30,000 are from non-white ethnic backgrounds, an increase from 32% in the prior year.

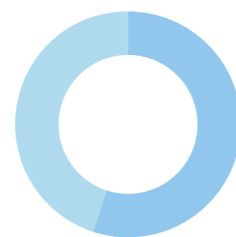
Gross salary	White	Other	Black	Asian	Mixed Ethnic Origin
£50,000+	73%	5%	5%	13%	4%
£40,000 - £49,999	64%	-	11%	24%	1%
£30,000 - £39,999	60%	1%	12%	24%	3%
£20,000 - £29,999	54%	1%	7%	33%	5%
Under £20,000	67%	11%	11%	-	11%

2022	BAME	White
Senior Management Team	13%	87%
Leadership Team	27%	73%
Line Managers	28%	72%

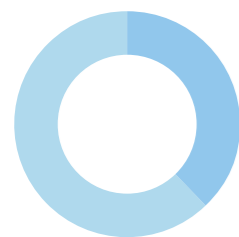
We continue to work on opportunities to develop BAME talent within the business:



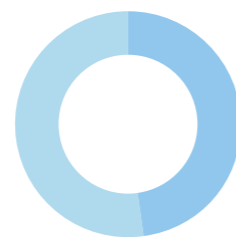
**50%** of colleagues (17 of 34) who secured an internal promotion were from a minority ethnic background



**55%** of people shortlisted for roles paying over £30,000 were from a minority ethnic background, and 42% of those appointed were minority ethnic



**38%** of people recruited into technical specialist roles were minority ethnic



**48%** of people recruited into roles paying less than £30,000 were minority ethnic

During 2022 we have further embedded our commitment in this area by agreeing to link the cost of some of our loan facilities to our performance levels in respect of the number of management positions held by people from ethnic minority backgrounds. If the agreed progressive performance targets are achieved then the cost will be reduced. This demonstrates our strong desire to invoke positive change in this important area.

## Future work to improve gender and ethnicity pay gap performance

We have a range of workstreams in train to improve our position, and we continue to review our data and outcomes in order to challenge and develop our understanding of what drives the gap across team functions.

Key actions are as follows:

1. When recruiting, focus on recalibration of gender and ethnicity balance across all tiers of the business, supported by granular analysis of the current mix across all teams.
2. Monthly recruitment meetings on hard to fill vacancies in order to review the diversity of applicants and identify positive actions to improve performance.
3. Programmes to address under-representation of female and minority ethnic colleagues at identified levels within PA, and a wider programme to support succession planning across the organisation.

4. Ongoing delivery of the well-established PA Leadership Academy for aspiring managers and first line managers, to support career ambitions and enhance capability, with positive action to include female and / or BAME colleagues on the programme.
5. Strictly monitored bias free recruitment and promotion processes, with action taken if results suggest a training need on the part of recruiting managers.
6. Ensuring that recruitment shortlists for more senior roles include strong female and minority ethnic representation, based on assessment against essential role criteria and supported by bespoke candidate searches by our in-house recruitment team.
7. Additional development support and advice for female colleagues from independent experts, including recommendations for further action.
8. Continued working with the BME colleague network to understand first-hand what it feels like to be from a minority background in PA, what challenges people face and what additional measures can be introduced to further improve equality.
9. An annual calendar of events to celebrate and reflect on various aspects of diversity, supporting an inclusive culture where all can thrive.
10. Continued delivery of Equality, Diversity and Inclusion Bitesize sessions for all colleagues, creating safe spaces to share stories and have courageous conversations.
11. Embedding of Equality, Diversity, and Inclusion objectives within our business-wide performance appraisal and performance related pay frameworks.
12. Bespoke support to colleagues from minority backgrounds who aspire to progress their careers with PA and move into more senior roles.

In 2020 the PA Housing People Committee, a sub-committee of the Board, reviewed the gender pay gap position and agreed a set of annual performance improvement targets through to 2023. These targets have not been met despite concerted efforts to increase the numbers of females in more senior roles. During 2022 the People Committee again reviewed the situation and sought assurance that workstreams remained robust and appropriate. The Committee will continue to monitor our performance in this crucial area, and will drive further actions if it sees that expectations are not being met.

