



Gender and Ethnicity Pay Gap 2023



Foreword to Anchor's Gender and Ethnicity Pay Gap report

Our commitment to inclusivity and providing equality of opportunity for all is at the heart of Anchor's values – both for our residents and for our Anchor colleagues.

The diversity of our workforce of more than 9,000 colleagues is a key strength of our organisation, so that we both reflect the communities we operate in and can understand and meet the considerable range of needs of today's older people.

Since 2017, all UK organisations with more than 250 employees have been required to publish their gender pay gap data. While not a legal requirement, we continue to choose to also report on our ethnicity pay gap data.

This is the third year in which we've reported on both the gender and ethnicity pay gap, and since the publication of last year's report, we've made further progress in closing the gap.

As you'll read on the following pages, this work continues – and I'm delighted Anchor achieved the Inclusive Employers Standard Silver Accreditation in summer 2021 in recognition of our achievements to date.

For the year ahead, our focus on inclusivity remains very much at the core of our decision-making so that we attract and retain the very best people from all backgrounds to deliver for our residents.



Sarah Jones
Chief Executive



Gender pay gap

How the Gender Pay Gap is Measured

Organisations with more than 250 employees are required to report their Gender Pay Gap on a given 'snapshot date' – 5 April each year.

It should be noted that the Gender Pay Gap and Ethnicity Pay Gap differs from equal pay. Equal pay is about ensuring employees are paid the same for like or similar work, irrespective of someone's background.

A gender pay gap can exist even though pay is equal for same or similar roles. This is usually caused by the gender profile of the workforce (i.e., more males in leadership or specialist skill roles that attract higher pay or an imbalance in the number of males in the lower paid roles)

The mean pay gap. This is the percentage difference in the mean average pay between all male and female employees in the organisation. The mean average is calculated by summing up all the salaries and dividing by the number of employees.

The median pay gap. This is the percentage difference in the median average pay between all male and female employees in the organisation. The median average is calculated by ordering all employees by pay from highest to lowest and finding the employee in the middle.

Pay quartiles. This is the percentage of males and females in each pay quartile. A pay quartile is calculated by ordering all employees by pay from highest to lowest and splitting them into 4 equal sized groups – i.e., the top 25% of salaries, bottom 25% of salaries etc.

Anchor Gender Pay Gap

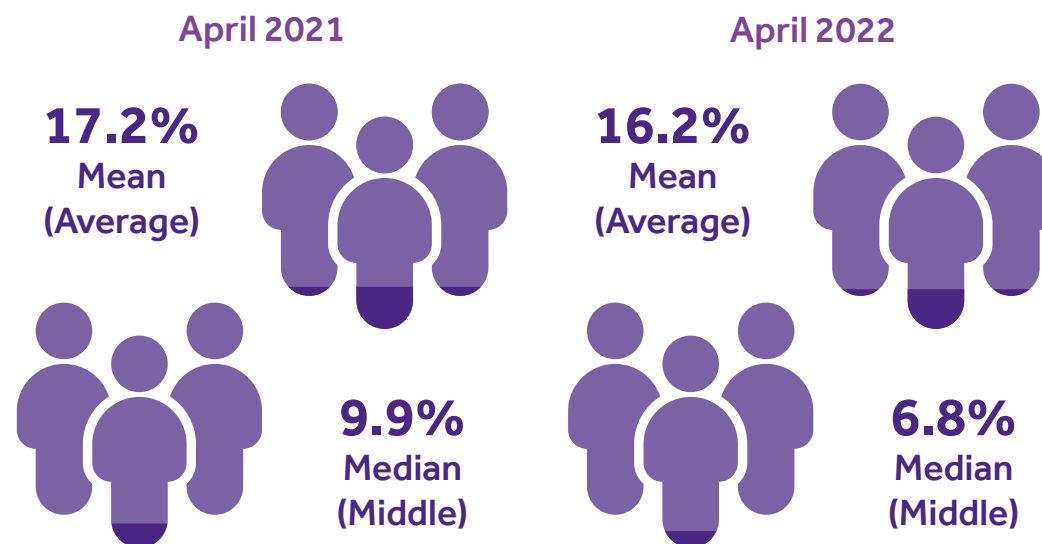
Implementing the Real Living Wage rate in December 2021 has had a positive impact on both the mean and median gender pay gap, contributing to a 3.1 percentage point drop in the median (31%) because of the gender imbalance at the lower grades within the workforce.

Anchor's workforce is 83% female, and we have good female representation across all bands. Nevertheless, a gender pay gap exists because our male workforce is skewed heavily towards the higher paying professional central support roles, particularly in Property & Assets, IT and Development.

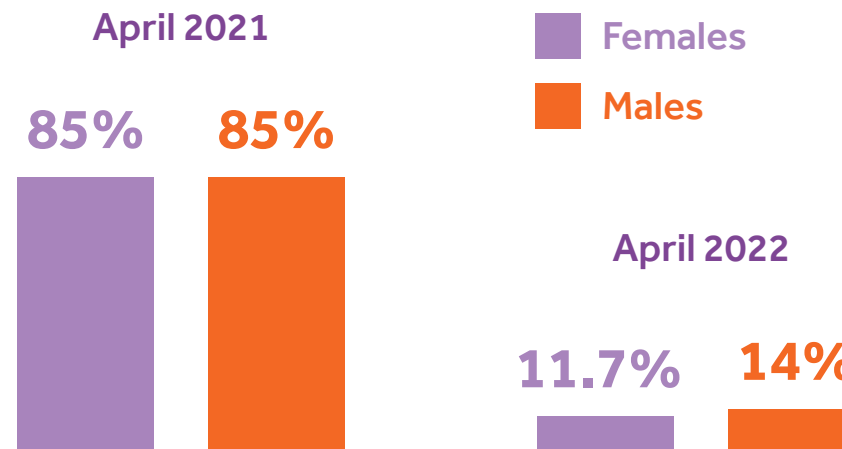
Therefore, as we would expect, males are overrepresented in the top pay quartile and females are underrepresented. However, small positive pay gaps in favour of females can be seen in Business Services and leadership roles (band 7+) and there is no pay gap at band C and D (majority of workforce, who are paid hourly).

To address the gender pay gap we need to address the imbalance of males in key operational care roles and women in top quartile roles, as well as increase pay in our lowest paid roles. This is not an issue unique to Anchor and can be seen across the care sector with us and many other providers participating in 'Men in Care' recruitment campaigns.

Gender Pay Gap

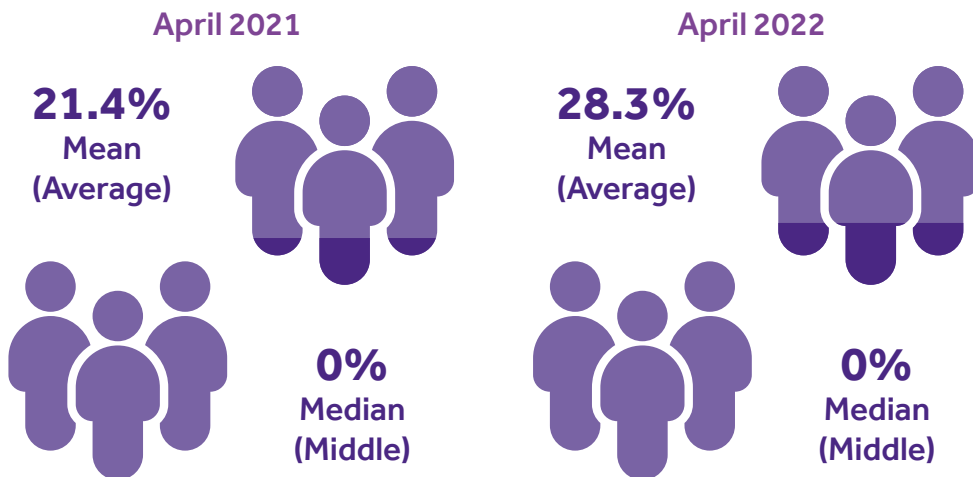


Colleagues receiving a bonus



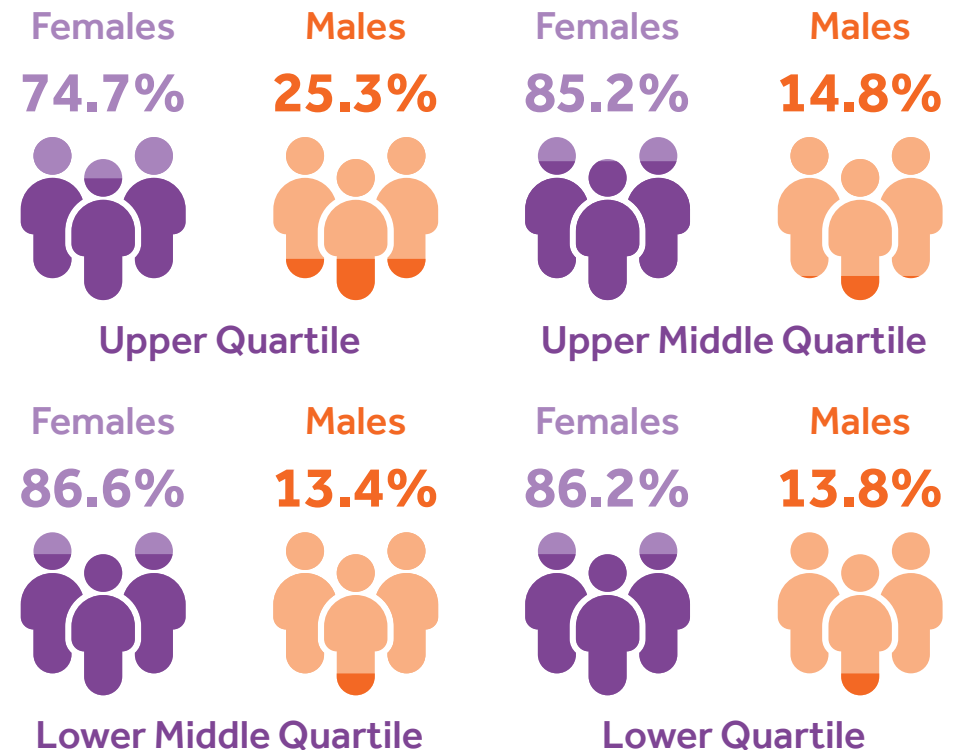
- As the majority of colleagues are not part of a bonus scheme, the median bonus pay gap of 0% is as expected. The mean bonus pay gap has increased on last year because we paid the £500 Covid thank you payment in December 2020, which was classified as a bonus by definition of the statistical methodology and so temporarily brought the mean bonus pay gap down in the report published in 2022. We expect the mean bonus pay gap to reduce again in next year's report as it will account for the cost-of-living payments made in November and December 2022.
- Additionally, the one area where performance related bonuses are more common is in the male dominated development sales environment and this also influences the mean bonus pay gap to a lesser extent. The introduction of the Commissioning Homes bonus scheme in Q3 2022 may positively impact the bonus pay gap going forward as Care management roles tend to be more likely filled by females.

Bonus Gap



Anchor's Gender Pay Profile

The diagram below shows the proportion of females and males in each pay quartile. Despite the workforce being predominantly female (83%), females remain underrepresented in the top pay quartile and males overrepresented in the top pay quartile.



Our approach to pay

The vast majority of employees in Anchor are employed on a fixed hours contract and most are paid an hourly rate for the role. 71% of female employees are hourly paid on our lowest band, compared to 54% of male employees. This means that male employees are more likely to be in a salaried role with higher earning potential. Salaried roles are often management and professional roles, whereas hourly paid roles tend to be more operational roles in Care and Housing.

Where employees are paid an hourly rate for the role, all employees doing that role are paid the same rate at that location - some differences in pay rates occur depending on geographical location.

Where employees are paid an annual salary, the role is individually benchmarked against the market to create a pay range for the role. This range allows managers to recognise skills, experience and market factors when determining the appropriate salary for an individual employee.

Ethnicity Pay Gap



The Ethnicity Pay Gap in Anchor

While we are not required by the government to report on the ethnicity pay gap, we have reported on it since 2021 and continue to do so to demonstrate our commitment to furthering our progress on equality, diversity and inclusion.

From the dataset used, 18% of employees have identified as ethnically diverse and 82% as white (employees who have not identified have been excluded from the analysis). We continue to encourage our employees to provide information about their ethnicity, so we have a full picture of the diverse make-up of our organisation.

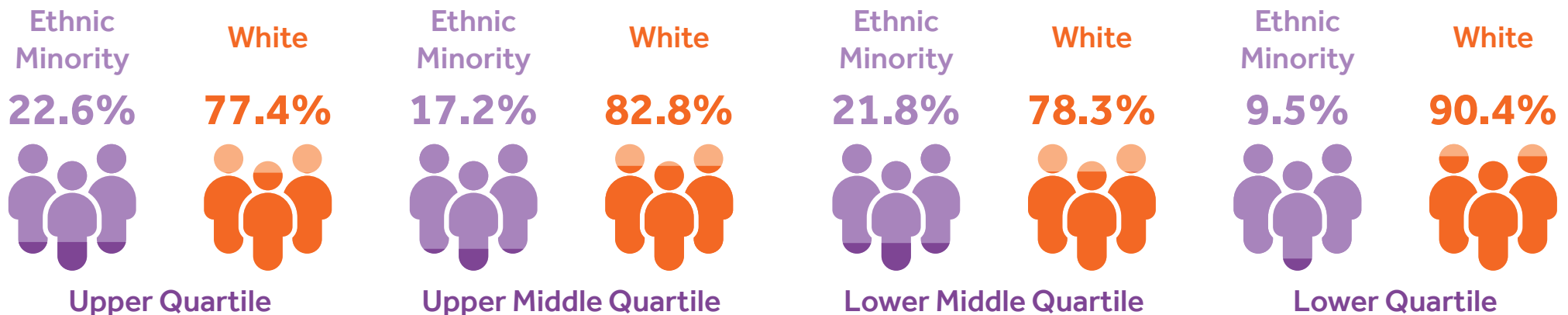
While we have many diverse employees in our hourly-paid roles, including care assistants and housekeepers, employees identifying as ethnically diverse are well represented in the higher pay quartiles.

The mean ethnicity pay gap is relatively low, reducing from last year and the median ethnicity pay gap data shows a favourable comparison for ethnically diverse employees compared to white employees. This means the median salary for this group is higher than the median salary for white employees.

There are still some high salary outliers for white employees, which is why a mean ethnicity pay gap still exists. However, the lack of a median ethnicity pay gap is very encouraging and demonstrates our commitment to welcoming colleagues from a diverse range of backgrounds.

Reporting early on a voluntary basis shows transparency and our willingness to support greater diversity in the workplace. We recognise that diversity needs to improve across all levels of the organisation, including our Board, our Executive and our Senior Leadership Team. We are working hard to achieve improvements in this area and the impact of recent appointments will filter through in next year's figures.

April 2022



Influencing the Gender Pay Gap and Ethnicity Pay Gap

This report is an important measurement for us as an organisation. We are committed to improving diverse representation across the organisation and closing the pay gap. Our values and strategic priorities will keep us accountable for our progress.

Our Equality, Diversity and Inclusion (EDI) activity not only promotes belonging at Anchor but aims to address the gender and ethnicity pay gap. The five strategic areas are data, learning, process, representation, and engagement.

Data

- We currently have EDI data for 81% of employees. This is a 2% increase from April 2022 and a significant improvement post-merger. We make a request to all new starters to complete their sensitive information as part of their induction and we annually run our #CountMeIn campaign which aims to increase the disclosure rates. In May 2023, we will run the #CountMeIn campaign to drive data completion on our question regarding gender different from birth.
- Our ethnicity data tells us that 16.1% of employees identify as an ethnicity other than White British. Gov.uk states that 14.4% of the UK working population identify as an ethnicity other than White British. This data informs us that Anchor have an ethnically diverse workforce and we need to ensure this level of diversity across all levels and roles in order to influence the ethnicity pay gap.
- Our gender data tells us that 83% of employees identify as female. Gov.uk states that 52% of the UK working population are female. This data informs us that Anchor have a heavily female dominated workforce and we need to ensure a gender balance across all levels and roles in order to influence the gender pay gap. Work to improve understanding of the menopause and support those undergoing fertility treatment has proved very popular.

Learning

- We have two modules, one for line managers and one for employees. The training helps to close the gender and ethnicity pay gap by providing line managers with information around tackling bias at recruitment, understanding how microaggressions can affect employees at work and understanding their role in supporting EDI at Anchor.
- Completion rates for the EDI module for employees stands at 75%, whilst completion of the managers' module stands at 81%.
- Senior leaders continue to take part in our reverse mentoring scheme to gain an understanding from employees who are from underrepresented backgrounds. The relationship can help to address inequalities in the workplace as well as gain a deeper understanding of what it is like to work at Anchor and be from an underrepresented group.

Process

- In late 2022, the Equality Impact Assessment process was introduced at Anchor and now outlines that all policies, training, strategies, processes and projects should complete an Equality Impact Assessment to ensure fairness.
- This process seeks to eliminate potential adverse effect on those from all nine protected characteristics, which includes ethnicity.
- Our adverts have an inclusivity statement which encourages those from underrepresented groups to apply for our roles. This includes those from ethnically diverse backgrounds.

- We advertise our roles across a variety of job boards and plan positive action campaigns to combat underrepresentation of certain groups. For example, we have campaigns for disability confidence, men in care and ethnically diverse colleagues in senior roles.
- We use a variety of diverse imagery on our job adverts where graphics are used to display the ethnic and gender diversity of the organisation.
- Our Board and Executive Equality and Diversity policy states that 50% of Board and Executive appointments will be from groups with protected characteristics. The Executive Committee and Non-executive Board continue their commitment to diverse representation and have welcomed new diverse members.
- 57% of our senior leadership team is female and 6.4% identify as having an ethnically diverse background.

Engagement

- In September 2022 we undertook our annual engagement survey, where we asked if "Anchor respects individual differences". It revealed that 85% responded positively to the statement, compared to 87% in 2021. Despite the 2% drop, we scored 7% higher than the overall benchmark of organisations that use People Insight for their employee survey.
- The engagement survey also revealed that those who identify with ethnicities other than White British were just as likely to respond positively to the statement "Anchor respects individual differences" as those who identify as White British.
- We have four employee networks. One of which is dedicated to addressing barriers in the workplace from colleagues with ethnically diverse backgrounds, called the embRACE Network.
- The networks promote EDI and career enhancing opportunities such as Leadership Pathways, our apprenticeships and professional qualifications.

- We recognise a wide range of awareness events to promote the inclusion of ethnically diverse employees, including Black History Month and South Asian Heritage Month which have had high levels of engagement across the organisation.
- We use the awareness days/months to share stories from employees and promote our career enhancing opportunities.
- With a large majority of our workforce identifying as female and over 40, we pledged to become a Menopause Friendly Employer and created a Workplace Group called 'Let's Talk Menopause'. This work is supported by our Menopause guide and wellbeing support material.

Plans for 2023

- We continue to develop our career enhancing opportunities and will introduce a 'Moving Up' programme for ethnically diverse employees provided by an external trainer.
- Our recruitment process will seek to introduce different career paths such as internships and graduate schemes.
- Our organisation will become a Race at Work Charter signatory this year and work towards supporting this charter with Business In The Community
- We plan to simplify and clarify our approach so employees at all levels understand their pay.
- Our 2023 pay award targets our lowest paid workers with the largest increases, who are predominantly female. We have also made a cost-of-living payment to all our core workforce.