

GENDER & ETHNICITY PAY GAP REPORT

2021-2022



LANGLEY HOUSE TRUST

A Statement from our CEO



I am especially proud to share our first review of Langley's Ethnicity Pay Gap, which I believe is becoming increasingly important for good employers to understand and address where necessary.

I am delighted to share with you the Langley Group's Gender and Ethnicity Pay Gap Report for 2022 which presents information we are required to share regarding:

- The difference between the mean and median hourly pay rates and bonuses of male and female employees.
- The proportion of male and female employees receiving bonuses in each quartile

This year though I am especially proud to share our first review of Langley's Ethnicity Pay Gap, which I believe is becoming increasingly important for good employers to understand and address where necessary.

Langley is a values-driven organisation where treating one another with respect is key; the analysis of how we pay our people is part of our commitment to respect. I hope you find this a useful report and our conclusions clearly stated.

TRACY WILD

Chief Executive

OUR VALUES



CHRIST AT THE HEART OF ALL WE DO



WE SEE YOUR FUTURE, NOT YOUR PAST



WE WILL LOOK AFTER THOSE IN OUR CARE



STRONG, PRINCIPLED AND FOREVER HONEST



WE ARE FULL OF RESPECT FOR EVERY PERSON

INTRODUCTION

Our staff play a significant role in our mission to create sustainable transformation in the lives of people who have offended or are at risk of offending, so they reintegrate into the society, live crime free lives and thrive. Gender pay gap reporting shows the difference between the average pay of all males and all females within a workforce.

It is not currently mandatory to measure the ethnicity pay gap; however, for the first time in the Group, we have chosen to report on this measure to identify and address any issues that emerge.

For clarity this report will address the gender pay gap data and then the ethnicity pay gap separately, using similar reporting formats. The data provided is accurate as of April 2022. All actions relating to gender and ethnicity pay gaps are summarised at the end of the report.

On the relevant reporting date this year, the Group had 293 staff – 193 female and 100 male.



GENDER PAY GAP

Assumptions

Several assumptions were made to calculate the statistics, requiring an interpretation of the government guidelines. The main assumptions include:

- Holiday pay due to overtime is not included as it is not regarded as usual full pay as overtime is excluded from the definition.
- Usual pay included both medical and car allowances where applicable as well as location allowances such as London weighting.
- One-off payments for clothing allowance, which is based on the number of shifts worked in a week, have been included as a bonus alongside monetary gift vouchers, Recognition Award Scheme payments and staff bonus payment.
- If a bonus was received by a full-pay relevant employee and is not related to a period, the full amount is included in bonuses paid to full-pay relevant employees.
- For Relief Workers who have variable pay, their pay prior to the snapshot date was included in line with the guidelines, therefore the figures do not include the impact of the pay increase effective from 1st April 2022.

Our Results

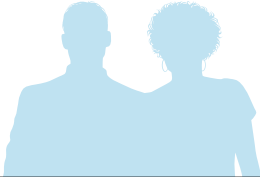
The following calculation make up the information required for statutory reporting:

9% **Mean gender pay gap in hourly pay is 9%:** The mean shows the difference in average hourly pay between men and women. The Group mean gender pay gap of 9% reflects a higher mean hourly pay rate for males. This was 5% higher for males last year, so has increased.

0% **Median gender pay gap in hourly pay is 0%:** The median shows the difference between the middle-paid woman and the middle-paid man. The Group median gender pay gap of 0% reflects no gap in the median pay for males and females compared to 8% higher for males last year.

10% **Mean bonus gender pay gap is 10%:** The Group mean bonus pay gap of 10% reflects a higher mean bonus for males compared to -14% higher for females last year. This statistic was impacted by 4 males benefitting from the Government grant for recruitment and retention at a service.

45% **Median bonus gender pay gap is 45%:** The Group median bonus pay gap reflects a higher median bonus pay for males at 45%. Last year, this was higher for females at -54%. This measure was impacted by all staff working in our care homes receiving a clothing bonus this year: 68% females and 32% males. In addition, Heads of Service, 54% males and 46% females, were given a non-consolidated bonus for their yearly pay award.



Proportion of males and females receiving a bonus payment: 57% of males and 58% of females received a bonus, compared to 98% of females and 98% of males that received a bonus last year.

Proportion of males and females in each pay quartile: Pay quartiles are based on the Group’s pay only. This is where all the salaries are sorted by size and divided into equal quarters. The table shows how males and females are spread throughout the organisation by hourly pay from the highest to the lowest.

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
Male	44%	25%	22%	46%
Female	56%	75%	78%	54%

The statistics show that Langley continues to have a gender pay gap and our analysis indicated that this is due to more females in the organisation, rather than from men and women being paid differently for the same or equivalent work.

ETHNICITY PAY GAP

Assumptions

We have used the same calculation principles as the gender pay reporting and excluded employees who have chosen not to share how they ethnically identify.

Our Results

The statistics show:

2%

Mean Ethnicity Pay Gap is 2% (lower for Ethnically diverse employees). Our results show that our ethnically diverse employees make up 23% of our employee base, and we have almost proportionally similar % of these employees in Heads of Service and Directors at 20% but a significantly lower proportion for managers at only 11%. This accounts for the low mean pay gap at 2% lower for ethnically diverse staff.

4%

Median Ethnicity Pay Gap is 4% (lower for White employees). The median ethnicity pay gap is at 4% lower for white staff, due to the higher number of white staff in the employee population.

5%

Mean Ethnicity Bonus Gap is 5% (lower for Ethnically diverse employees). The proportion of employees who receive a bonus is: White 58%, Ethnically diverse 51%. The mean ethnicity bonus gap is being driven by the higher proportion of white employees at the senior level (80%) who participated in the one-off bonus for senior staff.

94%

Median Ethnicity Bonus Gap is 94% (lower for Ethnically diverse employees). This gap is being driven by the higher proportion of white employees (79%) employed in Care Services who were offered the clothing allowance.

Proportion of white and ethnically diverse staff in each pay quartile: This is where all the salaries are sorted by size and divided into equal quarters. The table shows how White and Ethnically Diverse staff are spread throughout the organisation by hourly pay from the highest to the lowest.

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
White	82%	63%	76%	86%
Ethnically Diverse	18%	37%	24%	14%

HOW WE COMPARE

The gender pay gap reported by Office for National Statistics (ONS) is a long time-series, calculated from the Annual Survey of Hours and Earnings (ASHE) which samples from all employee jobs in all sizes of company. The ASHE gender pay gap analysis is different from the gender pay gap based on compulsory reporting; since 2017, organisations employing 250 or more employees have been required by the UK government to publish and report specific figures about their gender pay gap. This is done across all their employees, not differentiated by full-time and part-time status.

According to the ONS, 'over the coronavirus (COVID-19) pandemic period, earnings estimates were affected by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult; also data collection disruption and lower response rates mean that, for 2020 and 2021, data were subject to more uncertainty and should be treated with caution; users to focus on long-term trends rather than year-on-year changes.'

The ONS key findings include:

- The gender pay gap has been declining slowly over time; over the last decade it has fallen by approximately a quarter among full time employees and all employees.
- **Among full-time employees the gender pay gap in April 2022 was 8.3%; this was 7.7% in April 2021 and 9.0% in April 2019 (pre-coronavirus (COVID-19) pandemic).**
- There remains a large difference in the gender pay gap between employees aged over 40 years and those aged below 40 years. For age groups aged 40 to 49 years and older, the gender pay gap for full-time employees is much higher, at over 10.9%. For groups aged under 40 years, the gender pay gap for full-time employees is low, at 3.2% or below. This has been the case since 2017.
- **Compared with lower-paid employees, higher earners experience a much larger difference in hourly pay between the sexes.**
- The managers, directors and senior officials' occupation group has experienced the largest fall in gender pay gap since the pre-coronavirus pandemic April 2019 figure, especially for those aged 50 and over; this group has previously been identified as having a notable impact on the pay gap. This is indicative of more women holding higher-paid managerial roles



ACTIONS

We are undertaking a number of activities that focus on closing both the Gender and Ethnicity Pay Gaps, including:

- I. Review and launch of our approach to recognition including recognition awards both financial and in-kind.
- II. Adding our Diversity statement to all People policies and adverts.
- III. Maintaining the same spot salaries for all roles doing similar work.
- IV. Formally adopting Rooney rule in recruitment, expanding approach from Senior roles to all roles to encourage shortlists to have a mix of male and female candidates, ensuring that they are diverse as much as possible.
- V. Signing up to diversity job boards and a diversity network.
- VI. Annual mandatory training for all staff on ED&I.
- VII. Introduction of new Key Performance Indicators (KPIs) on diversity, part of the Group's overall KPIs: % of ethnically diverse managers.
- VIII. Review of key people practices including pay and grading for unconscious bias.
- IX. ED&I as a key theme in our 2022 – 2025 People Strategy, with clear objectives on how to build a diverse workforce to reflect the working population.
- X. Developing an ED&I reporting framework which helps us to monitor and review key data for our people.



SUMMARY

In comparison to last year's report, the initial analysis of our gender pay gap shows a widening in the mean pay gap and a closing of the median pay gap. The mean bonus gap is higher for males compared to last year, when it was higher for females and the median bonus gap is higher for males, compared to last year's which was higher for females. This is largely due to the higher number of females than males in the organisation.

Our ethnicity pay gap data provides a benchmark from which to compare and enables us to consider

potential actions going forward. Our mean ethnicity pay gap is minimally lower for ethnically diverse employees and our median ethnicity pay gap is lower for white employees.

A number of the proposed actions have already been implemented this year and we anticipate a healthy impact on our pay gap reporting for both gender and ethnicity as we move through 2023; well equipped to understand both the issues we must address and the factors contributing to them.

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