



Gender and Ethnicity Pay Gap 2024



Foreword to Anchor's Gender and Ethnicity Pay Gap report

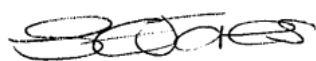
Our commitment to inclusion and providing equality of opportunity for all is at the heart of Anchor's values – both for our residents and Anchor colleagues.

The diversity of our workforce of more than 10,000 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. For every organisation, it is calculated in the same way. While not a legal requirement, we continue to choose to also report on our ethnicity pay gap data.

This is the fourth 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 continued to maintain a reduction in the pay gap.

For the year ahead, our focus on inclusion 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







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. Due to gender imbalance at the lower grades within the workforce, moving to the Real Living Wage has contributed a 3.5 percentage point drop in the median (35% reduction) since 2021, as our lowest paid colleagues have seen significant uplifts in salary (from a minimum of £9.01 to £10.90).

Anchor's workforce is 83% female, and we have good female representation across all grades (including senior leadership). 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 underrepresented in the bottom pay quartile. However, the pay gap is virtually non-existent in the Business Services (IT, Marketing & Comms, People Team) and Finance Directorates and a pay gap in favour of females exists within Executive roles (band 9+). There is no pay gap at band C (majority of workforce, who are paid hourly).

To address the gender pay gap we need to increase pay in our lowest paid roles, which are predominantly females. 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' and 'flexible work' recruitment campaigns.

To a lesser extent the gender pay gap is influenced by the gender mix in our Property & Assets Directorate. Male representation in Property & Assets is more than double what would be expected if all things were equal (65% males v 17% in Anchor). Combined with the fact that the majority of roles in this Directorate are professional skilled roles that attract above average salaries, a larger than average pay gap exists within this Directorate compared to Anchor overall. However, work to close the gap is having a positive impact and the pay gap in this directorate has dropped 4.9 percentage points compared to the 2022 snapshot date.



Gender Pay Gap

April 2022

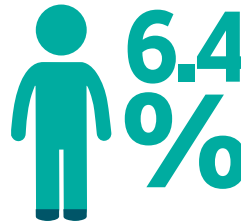


Median (Middle)



Mean (Average)

April 2023



Median (Middle)

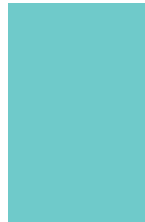


Mean (Average)

Colleagues receiving a bonus

April 2022

11.7% 14%



Females
Males

April 2023

85.6% 86.3%



The mean bonus pay gap has decreased on last year because we paid a £500 cost of living payment in November and December 2022 (two payments of £250), which was classified as a bonus so has temporarily brought the mean bonus pay gap down and the number of colleagues receiving a bonus up. We expect the mean bonus pay gap to increase in next year's report to a level seen in the 2022 snapshot report.

As the majority of colleagues are not part of a bonus scheme but did receive the one-off cost of living payment, the median bonus pay gap of 0% is as expected.

Bonus Gap

April 2022



Median (Middle)



Mean (Average)

April 2023



Median (Middle)

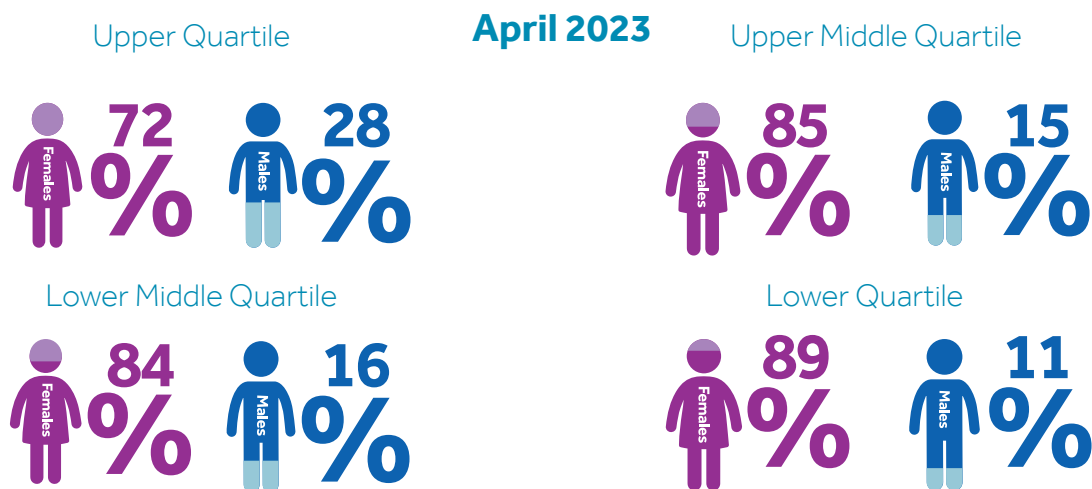


Mean (Average)



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 a flat hourly rate for the role. 70% of female employees are hourly paid on our lowest band, compared to 52% 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.



The Ethnicity Pay Gap in Anchor

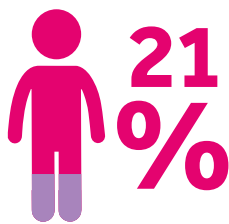
While we are not required by the government to report on the ethnicity pay gap, we have reported on it since 2021 and continue to do so to demonstrate our commitment to furthering our progress on equality, diversity and inclusion.

From the dataset used, 19% of employees have identified as ethnically diverse and 81% 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.

April 2023

Upper Quartile

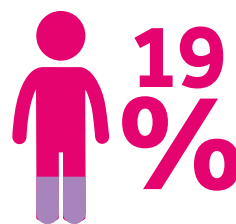


Ethnically Diverse

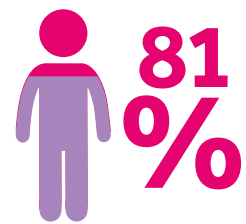


White

Upper Middle Quartile

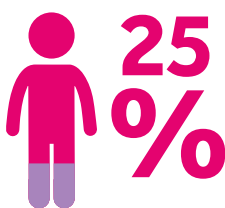


Ethnically Diverse



White

Lower Middle Quartile

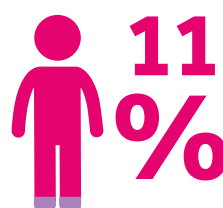


Ethnically Diverse



White

Lower Quartile



Ethnically Diverse



White

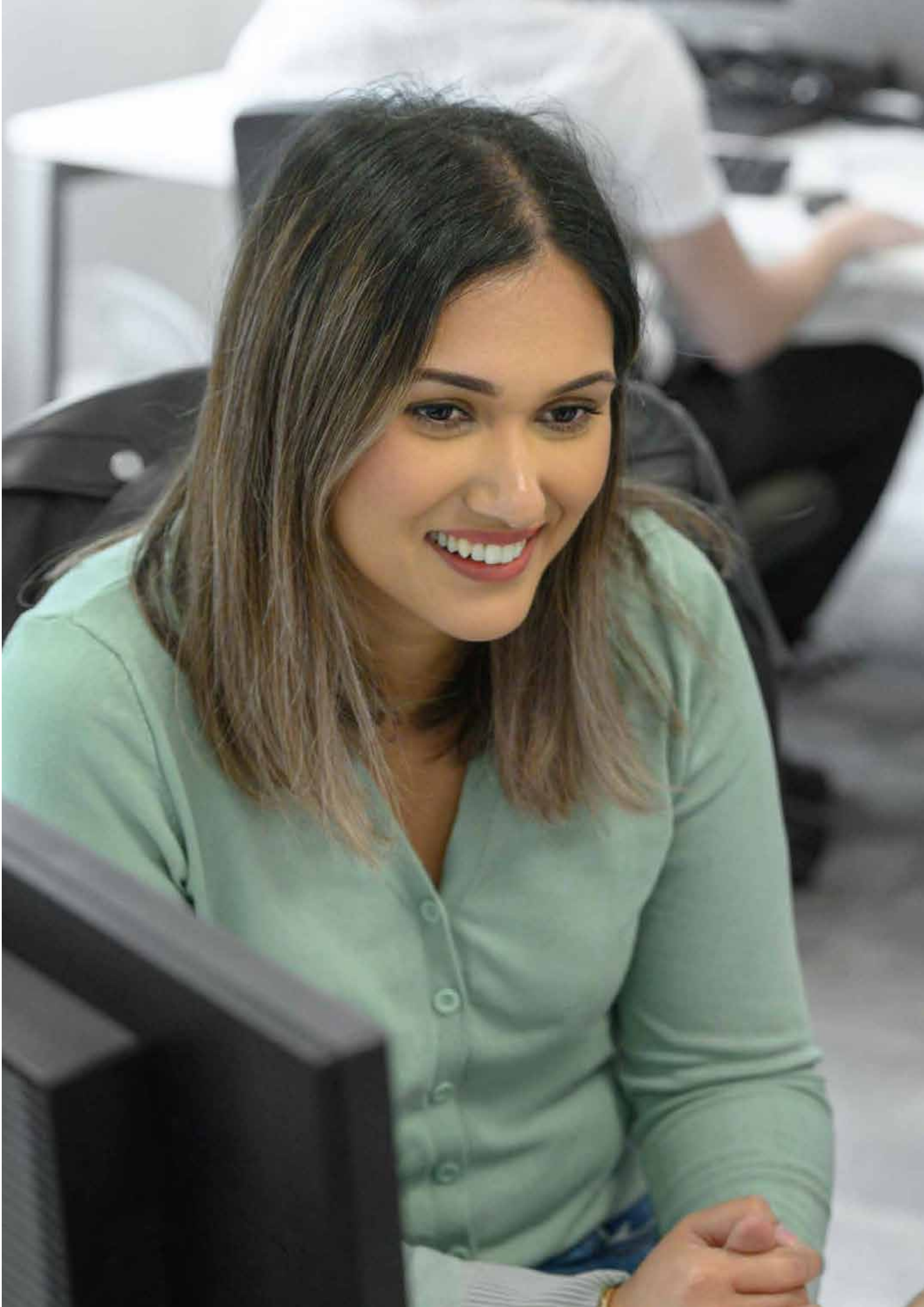
The median ethnicity pay gap data shows a favourable comparison for ethnically diverse employees compared to white employees and has not changed from last year. This means the median salary for this group is higher than the median salary for white employees. However, the mean ethnicity pay gap has increased slightly from last year due to some high paid outliers but remains relatively low.

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.

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Influencing the Gender 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.

- We currently have D&I data for 85% of employees and we use this data to address underrepresentation of certain groups through various D&I activities, such as positive action recruitment campaigns.
- We annually run our #CountMeIn campaign which aims to increase the disclosure rates.
- Our ethnicity data tells us that 20% of employees identify as an ethnicity other than White British. Gov.uk states that 18% 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 82% 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.



Opportunities for colleagues

- We have two D&I 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 D&I at Anchor.
- 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.
- We support colleagues through external programmes such as the Moving Up programme by SkillsForCare to address underrepresentation at senior levels.
- We advertise our roles across a variety of job boards and carry out positive actions 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 appointment 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.
- 66% of our senior leadership is female and 2.9% identify as having an ethnically diverse background.







Supporting and celebrating differences and all backgrounds

- In September 2023 we undertook our annual engagement survey, where we asked if "Anchor respects individual differences". It revealed that 88% responded positively to the statement, compared to 85% in 2022, which is 8% higher than the external benchmark of organisations that use People Insight for their employee survey.
- 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. Our other networks are enABLE – for colleagues living with disabilities or who are neurodiverse, or those caring for someone with a disability, Rainbow – for any colleague who identifies as LGBTQ+ and Inclusive Ambassadors – our 'allies' network is open to all colleagues with a passion for D&I and who want to celebrate and promote this in Anchor.
- 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 campaigns 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 are 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 2024

We continue to develop our career enhancing opportunities and will introduce more face-to-face training on what best practice looks like with regards to D&I

- We will continue to improve data quality and address gaps through our processes such as recruitment and onboarding.
- Our commitment to the Real Living Wage means our lowest paid predominately female workforce will receive the largest increases in our 2024 pay award.

