



Ethnicity Pay Gap Report

First edition, published
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Background

We have voluntarily created our Ethnicity Pay Gap (EPG) Report. We value the purpose of identifying any EPG's. This report uses data from the financial year 2023/2024 and shows the difference between the average (median and mean) earnings of white and ethnically diverse employees in the organisation. This is expressed as a percentage. For example, -10 percent means, 'white employees earn 10 percent less than ethnically diverse employees per hour'. EPG isn't about whether we pay different ethnicities differently for similar work.



How we calculate the pay gap

Mean average

The mean pay gap is the difference between our total spend on wages per ethnically diverse person and our total spend per white person. The mean average is calculated by adding all individual employees' hourly rates of pay dividing by the total number of employees, and looking at the difference between the two.

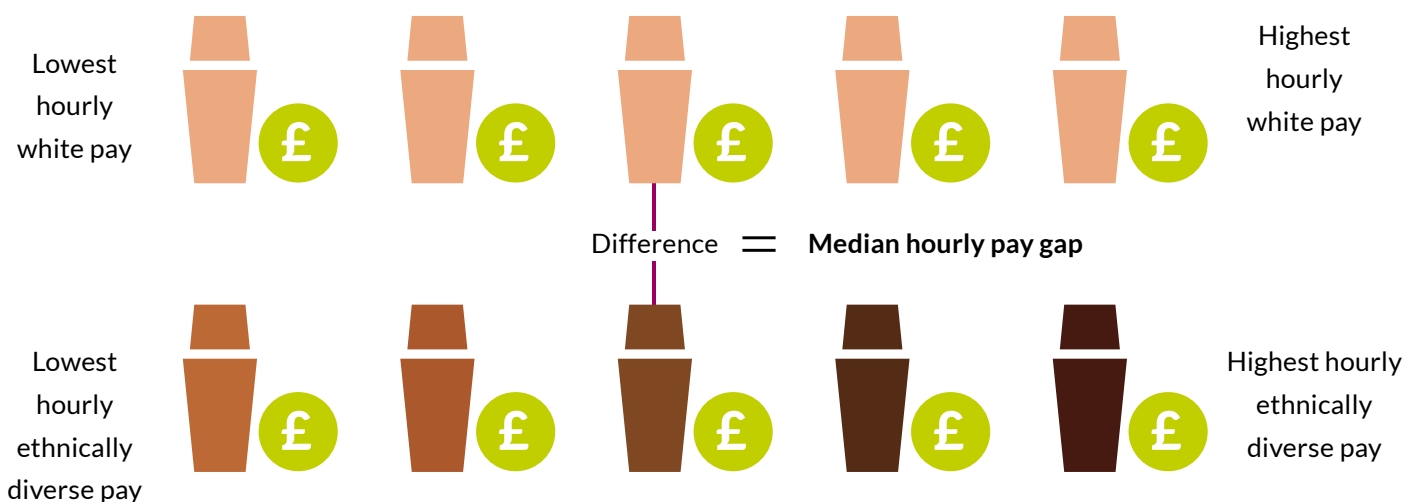
Hourly rate of pay



Median average

This is the difference between how much the middle-ranking white person and middle-ranking ethnically diverse person earn. It's calculated by listing all employees' hourly rate of pay and finding a midpoint.

Median hourly pay



Our position at 5 April 2024

Based on full-time pay and excluding colleagues on reduced pay due to sickness, maternity leave, or zero-hours contracts, our EPG is explained below.

Hourly rate

Our ethnically diverse employees' median hourly rate is 4 percent higher than our white employees' hourly rate. In this instance our EPG is -4 as it's in favour of ethnically diverse employees. Our mean EPG is 6. This shows that our ethnically diverse employees' hourly rate is 6 percent lower than our white employees.

Why is there a minus median pay gap and a plus mean pay gap?

The median calculation is the middle value of a data set. As shown in the pay quartiles, the range of values in the white employee data set will span across 341 employees and have a broad range of values to find the middle value. There are 42 employees who have shared they are ethnically diverse, and the range of values is smaller, and the middle value is likely to be higher, which in this case it is. This produces a minus median EPG. The minus shows that the gap is in favour of ethnically diverse employees.

The mean calculation adds up all the values in the data set and divides by the number of values. Our ethnically diverse employees have a higher representation in our lower earning quartiles. This reduces the total of the values, which is then divided into 42 to obtain the mean. For white employees, there is a higher representation in the upper earning quartiles, which impacts the total values for that group. This is a plus number and therefore shows there is an EPG not in favour of ethnically diverse employees.

Pay quartiles

The number of ethnically diverse and white employees in each quarter of the payroll for April 2024 is shown in this table.

Quartile	White		Ethnically diverse	
	%	No.	%	No.
Top	93	89	7	7
Upper middle	92	88	8	8
Lower middle	86	82	14	13
Lower	85	82	15	14

During the 2022/2023 reporting period and this years' reporting period, the median pay gap has reflected that the median hourly rates for ethnically diverse employees was higher than white employees' hourly rates. This year, the gap has reduced from 9.7 percent to 4 percent. Our EPG has decreased from -9.7 to -4.

The mean hourly rate has increased by 3 percent in 2022/2023 to 6 percent in 2023/2024. This is because the number of white employees in our upper pay quartile has increased by eight people, whereas the number of ethnically diverse employees in this quartile has stayed the same. In the lower quartile, the number of white employees has reduced, and the number of ethnically diverse employees has increased.

These changes in employee representation across the quartiles has impacted the median and mean pay gaps.

National comparison



Among UK-born workers, black employees had the biggest pay gap, earning 5.6 percent less than white employees. Non-UK-born black employees registered the highest pay gap in 2022, earning 12 percent less than UK-born white workers, according to the [Office for National Statistics*](#). Our data shows ethnically diverse employees earn a higher hourly rate than our white employees. However, we still have a mean pay gap because we have more white employees and a broader span of hourly rates.

Bonus pay

As a not-for-profit housing provider, we don't pay bonuses, but we do make one-off payments. For this report, we'll continue to refer to these payments in terms of a "bonus pay gap".

During the 12 months to 5 April 2024, 4.39 percent of employees received these payments. Out of these, 17 were white employees and none were ethnically diverse. This means that, for this year, the overall bonus gap is 100 percent. This is

an increase from 25 percent the previous year and is an area for reflection and improvement. Overall, the low numbers of exceptional performance bonus payments across the organisation are impacting this. It's something we need to review with regard to accessibility.

What does this data tell us?

At CHP, the median hourly rate is 4 percent higher for ethnically diverse employees than white employees. This can be explained by the pay ranges for white employees being much broader than the pay ranges for ethnically diverse employees due to the number of employees in each category.

However, there is a 6 percent mean pay gap. We have a higher number of ethnically diverse employees in the lower earning quartiles than the upper earning quartiles. In addition to this, we have a higher number of white employees than ethnically diverse employees overall. This creates our mean pay gap.

There are several possible causes an EPG arises in the UK:

- education and qualification levels tend to be lower among the Black African and Black Caribbean population;
- the diversity of the geographical location;
- a historical, systemic, and societal problem causing diverse families to have lower socioeconomic backgrounds than white families.



What are we doing about the ethnicity pay gap?

Learning and development

We support individuals to achieve their potential by providing comprehensive learning opportunities for everybody across the organisation. We complete equality impact assessments on our different approaches to training and have a multi-channel delivery approach.

In total, 67 percent of successful candidates to our 2023 graduate programme were from ethnically diverse backgrounds. We're supporting 36 employees through qualifications and 5.6 percent are from ethnically diverse backgrounds.

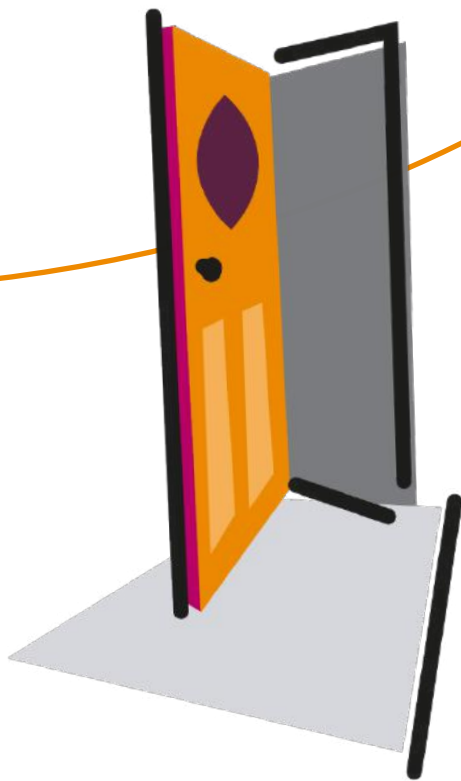
We use and advance our online training service to improve access to learning for everyone in our team, whatever their working hours or location. This can contribute to their progression at work and benefit those who work flexible hours.

Recruitment and selection

We continue to use our recruitment and selection procedures to ensure that all appointments and internal promotions are made solely based on merit. All appointments are against objective criteria, regardless of age, disability, sex (gender), gender reassignment, sexual orientation, marriage or civil partnership, pregnancy and maternity, race, religion, or belief. We run mandatory training for all hiring managers on inclusive recruitment practices.

Vacancies are advertised through a variety of channels. We ensure that recruiting managers are trained in fair, non-discriminatory, and consistent practices. We've also trained members of our Equity, Diversity, and Inclusion Working Group so they can be present during interviews. They're supported by recruitment specialists within the HR Team. We also continue to use skill-based assessment tasks





Pay and benefits

We have a simple, fair, and transparent pay system. Pay is determined by independent market testing and peer benchmarking. We continue to pay the Living Wage Foundation's Real Living Wage as a minimum. We regularly monitor our approach to pay, to ensure we provide a competitive reward package for our people.

We have an array of benefits as well as comprehensive health and wellbeing support for all colleagues. We've implemented a new process to nominate and approve exceptional performance bonus payments. This pays a set amount rather than a percentage of pay and can be nominated by all managers, not just our Executive Management Team.

and competency-based interviews, which have been shown to reduce unconscious bias.

We take appropriate positive action permitted under the Equality Act 2010, such as using a 'tie-breaker' to select an ethnically diverse candidate for a role where diversity is disproportionately under-represented. We also run equality impact assessments on our policies to ensure they're inclusive.

We continuously monitor diversity and are a Disability Confident employer. We're part of the Housing Diversity Network and have an internal employee group focusing on equity, diversity, and inclusion.

We regularly attend early careers events in schools to attract a broad and diverse range of interest in careers in the sector.

Paul Edwards,
Chief Executive,
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