

St Mungo's Ethnicity Pay Gap Report 2021

As part of St Mungo's commitment to equality, diversity and inclusion and as specifically outlined in our Race Action Plan we are pleased to be publishing our ethnicity pay gap data. Unlike gender pay gap reporting, publication of ethnicity pay data is not a legal requirement.

Our report for the snapshot date of 5 April 2021 is set out below. As with gender pay gap reporting, this includes pay data for our locum workforce. We did not publish data in 2020. However, we have conducted this analysis retrospectively and included it below.

We have followed government guidance in relation to which ethnicities to include in the Black, Asian and Minority Ethnic category (hereafter referred to as BAME).

	2020	2021
Mean ethnicity pay gap	10%	9%
Median ethnicity pay gap	2%	6%
Mean bonus ethnicity pay gap	Not applicable	Not applicable
Median bonus ethnicity pay gap	Not applicable	Not applicable
Proportion of white employees who receive a bonus	Not applicable	Not applicable
Proportion of BAME employees who receive a bonus	Not applicable	Not applicable

	2020	2021
Median hourly rate of pay of white employees	£15.56	£16.35
Median hourly rate of pay of BAME employees	£15.18	£15.45

Pay quartiles:

Band	White		BAME	
	2020	2021	2020	2021
Lower quartile	49%	50%	34%	42%
Lower middle quartile	55%	55%	39%	38%
Upper middle quartile	51%	57%	42%	37%
Upper quartile	66%	68%	28%	25%

Our Statement

St Mungo's is committed to reducing any ethnicity pay gap and strives to be an organisation where there is no such gap. We recognise that racism is entrenched in our society, that our staff and clients are deeply affected by racism and we strive to actively embed anti-racism in to all areas of our work. Our 2021 analysis indicates that the mean pay gap has reduced from 10% to 9%, which is a favourable movement in terms of decreasing the pay gap. However, our median pay gap has increased from 2% to 6%.

The breakdown of the quartile pay helps understand the pay gap further:

- a lower than proportionate number of BAME staff paid at the Upper Quartile (25% compared to 36%)
- a marginally higher than proportionate number of BAME staff at Upper Middle Quartile (37% compared to 36%)
- a slightly higher than proportionate number of BAME staff at the Lower Middle Quartile (38% compared to 36%)
- a higher than proportionate number of BAME staff at the Lower Quartile (42% compared to 36%)

This indicates that the areas of most disparity which are impacting on the pay gap are in the upper and lower quartiles, where the negative disparity is amplified. The two middle quartiles show little disparity.

As ethnicity pay gap reporting is not a legal requirement, there is less data available in relation to other organisations than there is for gender pay gap reporting. This means it is difficult to compare our results more broadly, and particularly within our own sector. According to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings, in 2019 the national median ethnicity pay gap was 2.3%. However, it is more relevant to compare St Mungo's based on our main geographical locations, with regional median ethnicity pay gaps identified by the ONS in the same research as being 23.8% in London and 6.1% in the South West of England. With the majority of our staff in London, and a large number also in the South West we can conclude that our results compare as notably more favourable than this data overall.

Whilst our ethnicity pay gap may compare favourably to the ONS analysis, we are committed to reducing and ultimately eliminating any gap and have a number of actions in place to assist towards this aim, some of which are:

- Adoption of Leadership 2025 Principles, including aspirational targets for representation in senior roles.
- Implementing Positive Action Shortlisting in the recruitment to senior roles.
- Running our in house "Steps into Management" programme with a positive action element to support the development of BAME staff into junior management roles.
- Development of positive action leadership development programmes to support progression of BAME staff into more senior management roles.
- Reviewing our Equality, Diversity and Inclusion (EDI) governance structure with the implementation of an EDI Steering Group of senior staff with specific representation of BAME staff, and an EDI Engagement Group, to include representatives from each of the networks, senior management and recognised trade unions.
- Drafted and implemented a Race Action Plan and Steering Group. We report on progress at every Board meeting.
- Initiated a 'Safe Spaces' project to ensure staff feel safe at work to discuss and tackle racism.
- Well developed and very active Diversity Networks for different groups, including a BAME Network.
- A performance management and development scheme which supports all individuals to achieve their potential and aspirations.
- Comprehensive learning and development provision, including workshops to develop confidence in seeking promotion and an internal mentoring scheme.
- A simple, fair and transparent pay system. Pay is determined with reference to a job evaluation system based on non-discriminatory factors; the more senior roles paid outside this structure are remunerated on salaries determined by independent market testing.

- A wide range of flexible working options to enable our employees to effectively manage their work/life balance.
- Mandatory diversity training for all managers and staff, which includes elements on anti-racism
- Careful monitoring of diversity data – both quantitative and qualitative - to identify areas of potential concern and identification of actions to address these.
- A dedicated Involvement and Inclusion team to give focused resource to the steering of our diversity agenda.
- A well-embedded 'Diversity Allies' scheme and appointment of diversity champions at senior and Board levels.
- The Board receive regular reports on diversity data and progress against our diversity strategy and annual plans.

We continue to keep our performance in this area under review and seek to continuously improve the experience of all of our staff in respect of equality, diversity and inclusion.

I confirm that the information in this statement is accurate.

Steve Douglas
Chief Executive
November 2021