



Ethnicity Pay Gap report 2024





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Foreword



We are now entering our fourth year of voluntarily reporting our ethnicity pay gap.

First and foremost, I remain assured that our overall demographics are representative of our tenants and geography.

However, we have seen an increase in our ethnicity pay gap, albeit a small rise. For this year, our headline mean ethnicity pay gap is 11.69%, up slightly by 0.34% from 2023. Meanwhile, our median is now 11.32%, an increase of 1.51%.

Given the number of statistical groupings, it is very important to measure comparisons at each level for ethnicity pay. Positively, we have seen a reduction in the pay gap for our mixed ethnicity colleagues when we compare those to Asian, Black and White colleagues. This reduction is due to a higher number of mixed ethnicity colleagues starting in, or being promoted to, higher quartiles than last year.

Our highest pay gaps remain between both White and Asian colleagues when compared to Black colleagues, which is associated with us having less Black colleagues in our upper quartiles compared with other ethnic groups. We are, however, aware that we must continue to focus on increasing the representation of Black and ethnically diverse colleagues at manager and leadership levels.

Like many other organisations, our progress has been gradual, with one example from this year being the representation of Black colleagues in the upper quartile which has increased from 5.88% to 6.06%. More broadly, we have also seen an increase in representation of ethnically diverse colleagues in the Upper Middle Quartile from 29.17% to 34.01%.

Turning to people and programmes, we continue to invest in our high-performing ethnically diverse colleagues and are currently working with the second cohort of our Black Colleague Development Programme. Our Aspiring Managers Programme, where 51% of delegates are ethnically diverse, has also been relaunched.

Following our first cohort of degree apprentices, we aimed to increase the diversity of our second cohort to help create a pipeline of ethnically diverse future talent. As a result, 29% of our current degree apprentices are Black, and 57% are from ethnically diverse groups.

Whilst progress in closing the ethnicity pay gap remains gradual, I'm pleased that we continue to lead our sector in voluntarily reporting the gap but more importantly our actions to reduce it over time. Throughout this report, you will see from our ongoing actions and commitment, that we remain firmly focused on closing the ethnicity pay gap here at Midland Heart.

Baljinder Kang
Executive Director of Corporate Resources



Our 2024 Ethnicity Pay Gap

The Ethnicity Pay Gap for our colleague groups is shown in the table below:

Ethnicity	Mean Pay Gap	Median Pay Gap
Asian groups	2.19%	2.71%
Black / African / Caribbean / Black British groups	21.96%	21.88%
Mixed / Multiple ethnic groups	11.78%	3.01%
All ethnic minority colleagues compared to White colleagues	11.69%	11.32%

Colleagues in each ethnic group by pay quartile are follows:

	Asian	Black	Mixed	White	PNTS/ Unknown
Lower	9.46%	20.95%	3.72%	62.50%	3.38%
Lower Middle	22.22%	21.21%	5.39%	46.13%	5.05%
Upper Middle	18.18%	10.44%	5.39%	62.29%	3.70%
Upper	15.82%	6.06%	3.37%	72.05%	2.69%
Overall Profile	16.43%	14.66%	4.47%	60.74%	3.71%

Our 2024 Ethnicity Bonus Gap

All of our bonus payments by ethnic group are as follows:

	Asian	Black	Mixed	White	PNTS/ Unknown	Other
% of colleagues receiving a bonus	45.36%	52.87%	58.49%	63.66%	56.82%	100.00%
Mean Bonus	£242.00	£345	£834	£700	£1,013	£100
Median Bonus	0%	0%	0%	0%	0%	-50%

As we have noted previously in our pay gap reporting, the mean bonus pay gap in our organisation solely exists as we have a productivity bonus scheme for our In-House Maintenance team, 75% of whom are White. Whilst the overall bonus gap represents all of our bonus elements, such as long service and recognition awards, which all of our colleagues can enjoy, the trades bonus scheme levels are higher, hence the significant impact on our mean compared to our median bonus position of 0%.

Accordingly, as part of our analysis, we separated the trades bonus scheme element in detail and are assured that the average trades bonus payment, regardless of ethnic group, is either the same or higher than the average for White colleagues.



Actions to improve our pay gaps

We continue to focus on two key improvement areas around our ethnicity pay gap:

Increasing representation of Black and ethnically diverse managers and leaders

We have two clear aims to improve representation; develop our high performing ethnically diverse colleagues and attract a diverse pool of talent at all levels.

We have continued to invest in development of our ethnically diverse colleagues, with 30% of funding allocated to this group. We have also delivered the second cohort of our Black Colleague Development Programme. This programme aims to support colleagues in removing barriers to progression, improving confidence and supporting delegates with a bespoke plan to help them achieve their career goals. Four colleagues have progressed to higher paid roles as part of this tailored development. In addition, 51% of colleagues on our Development Scheme are ethnically diverse.

To continue to attract a diverse range of talent, we regularly scrutinise our attraction and selection methods to ensure they are inclusive and attract a broad and diverse audience. We also continue to proactively identify and approach candidates from a range of backgrounds and geographies outside the Midlands region to increase our available talent pool.

Meanwhile, we continue to focus on our early careers offer as a way of increasing our pipeline of talent. Of our second cohort of degree apprentices, 29% of are Black, and 57% are from ethnically diverse groups.

This has all contributed to:

- An increased ethnically diverse leadership from 18% in 2020, to 21% in 2024.
- 40% of all promotions being to ethnically diverse colleagues, and;
- An increase in representation in the Upper Middle Quartile; from 29.17% ethnically diverse colleagues in 2023, to 34.01% in 2024.

Understand any challenges and potential barriers to progression across our all our ethnic minority groups

Working in collaboration with Unity, our race network, we have delivered five career development sessions which are open to all ethnically diverse colleagues.

We have also continued to build a culture of inclusion and support by raising awareness of, and providing support for, conditions through the lens of ethnically diverse colleagues i.e. the mental health of Black male colleagues.

Looking to the future

Looking to the next 12 months our focus remains on building on the work we've already started and ensuring it has a real impact for our ethnically diverse colleagues.

Aside from our two improvement areas, over the next year we are also focusing on:

- Increasing the number of ethnically diverse colleagues in managerial roles through a revised career development programme which will retain a particular focus on developing Black colleagues and females into senior roles.
- Investing in a sector-leading early careers offer providing opportunities for talented young people across our geography.
- Reviewing our business-critical roles, to strengthen and improve diversity in our succession plans, and;
- Working with our race network Unity to shape and deliver further career development sessions for ethnically diverse colleagues.



#MHMINDSET


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We are one team working together for our tenants.

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