

# Equality information and ethnicity pay gap report

31 March 2020 – 31 March 2021

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# 1. Introduction

- 1.1 The Regulator of Social Housing (RSH) as a public body with at least 150 employees, is required to publish relevant, proportionate equality information to demonstrate compliance with the Equality Duty and to promote transparency and accountability for our equality performance.
- 1.2 The information contained within this report has been compiled to comply with the specific duty to publish and demonstrates due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relationships between people who share a protected characteristic and those who do not.
- 1.3 It covers:
  - our staff, including equality and diversity data about our staff;
  - those affected by our policies and procedures; and
  - the annual review of progress against our equality objectives.
- 1.4 This information within this report covers the year ending 31 March 2021. In preparing this report we have been mindful of the published guidance from the Equalities and Human Rights Commission.
- 1.5 Whilst we believe it is important to be as transparent as we can on these matters, as a relatively small organisation with under 200 employees, there are a number of areas where we cannot publish our diversity information to ensure we preserve the anonymity of staff.
- 1.6 In this report, in addition to the information relevant to our specific duty to publish, we have also chosen to publish findings of a review of our ethnicity pay gap at 31 March 2021. These findings are published on a purely voluntary basis as we believe it is good practice and transparent to fully support the regulations regarding equal pay across the public sector.
- 1.7 This information is presented in a similar format to that for gender pay gap reporting.

## 2. Our staff

- 2.1 One of RSH's core values is that "We embrace diversity and seek to be an inclusive and supportive organisation".
- 2.2 In 2021/22 we developed our equality, diversity or inclusion (EDI) strategy and action plan focusing on recruitment, staff engagement, staff development and embedding good practice. Actions have progressed and we will be reviewing the plan in 2022/23, taking into account feedback from our 2021 staff survey and follow-up activities, to deliver against the strategy
- 2.3 Our focus in the coming year is to build on the strong foundations we have laid. We have been clear that one of the main areas we need to address is increased ethnic minority representation at senior levels in the organisation. We will continue to focus on recruitment and development of existing staff to seek to improve ethnic diversity at senior levels, where opportunities arise through expansion or staff turnover. We will also continue to develop our EDI capacity and capability, learning from other organisations, and providing different channels for feedback and engagement for our staff, and to help identify any further actions we can take.
- 2.4 The delivery of our EDI strategy and action plan is fully supported by both the Board and the Executive, who review progress on a regular basis, and who have appointed individuals to provide an equalities challenge function. We also have an EDI steering group which supports the delivery of the action plan, as well as a Women's Network and a Black and minority ethnic (BAME) network. There is also a small advisory group of staff with disabilities. These sit alongside the regulator's Positive Working Group which provides a forum to develop discussions on culture, values and staff wellbeing.

### **Diversity profile**

- 2.5 The data on the next page summarises our workforce diversity profile as at 31 March 2021 with comparative data for 2020.
- 2.6 In some cases, staff have either not completed the relevant sections or have declined to provide the data, referenced above as 'Declined to respond/ undeclared'. We take diversity monitoring seriously and continue to encourage staff to update their information to ensure that our analysis remains relevant.
- 2.7 Most of the changes are small and relate to natural variation from staff turnover in a small organisation. The one significant change is in the data on declared disability. Historically we have had a high number of 'Declined to respond/ undeclared' responses. In order to gain a better understanding of the needs of our workforce we have encouraged staff to respond who have not previously responded to demographic questions on disability, including actively choosing not to declare. This is the primary reason for the changes in the data in that section.

### RSH diversity profile as at 31 March 2021

Characteristic	Percentage of staff		aff	Change from 2020 to 2021	
	March 2021	March 2020	March 2019		
	Eth	nicity			
Ethnic minority	16%	16%	16%	-	
White	82%	82%	82%	-	
Declined to respond/ undeclared	2%	2%	2%	-	
	Ge	nder			
Male	37%	37%	38%	-	
Female	63%	63%	62%	-	
	Sexual of	orientatio	n		
Lesbian/ Gay/ Bisexual	6%	7%	7%	-1%	
Heterosexual	82%	78%	76%	4%	
Declined to respond/ undeclared	13%	15%	18%	-2%	
	Workin	g patterr	n		
Full time	94%	95%	93%	-1%	
Part-time	6%	5%	7%	1%	
	F	Age	<u></u>	1	
55-64	23%	24%	20%	-1%	
45-54	34%	35%	39%	-1%	
35-44	27%	25%	27%	2%	
25-34	16%	14%	13%	2%	
Under 25	1%	1%	1%	-	
Disability					
Declared disabled	9%	8%	9%	1%	
Declared non-disabled	85%	43%	38%	42%	
Declined to respond/ undeclared	6%	48%	53%	-42%	

2.8 The table below provides a further breakdown for 2021 of these characteristics by staff grade. As shown in the table, and as demonstrated in the analysis of the ethnicity pay gap later in this report there is a lack of ethnic diversity in senior management. There is good level of diversity in relation to other characteristics. Increasing the ethnic diversity of senior management is a priority for the organisation.

Characteristic	March 2021 percentage of cohort					
	Senior management					
Ethnicity						
Ethnic minority	0%	26%				
White	97%	72%				
Declined to respond/ undeclared	3%	2%				
	Gender	-				
Male	48%	31%				
Female	52%	69%				
Sexu	al orientation					
Lesbian/ Gay/ Bisexual	11%	3%				
Heterosexual	73%	87%				
Declined to respond/ undeclared	16%	10%				
Wo	rking pattern					
Full time	95%	92%				
Part-time	5%	8%				
	Age	-				
55-64	23%	26%				
45-54	36%	30%				
35-44	36%	23%				
25-34	5%	20%				
Under 25	0%	1%				
Disability						
Declared disabled	16%	5%				
Declared non-disabled	78%	89%				
Declined to respond/ undeclared	6%	6%				

### Recruitment

- 2.9 We encourage applications from a diverse range of candidates and carry out anonymised shortlisting, as well as mandating equality and diversity training for interviewers.
- 2.10 We also encourage applicants to request reasonable adjustments where necessary.
- 2.11 Additional actions are being taken to support diversity in recruitment, particularly in senior levels of the organisation, which is a priority for the Executive team and Board.
- 2.12 Where possible we take positive action. In 2020/21 this included a review of where we advertise vacancies, expanding our reach to a number of specialist job sites. We have operated anonymised shortlisting in recruitment for some time but have taken further positive action. We have for some time offered a guaranteed interview for candidates with a disability that meet the benchmark requirements for the role.

### **People strategy**

- 2.13 Our People strategy programme implemented after we became a standalone body on 1 October 2018 was completed in December 2020 with ongoing activities moved to business as usual functions. The programme aimed to ensure that RSH is able to attract, develop and retain the best staff who will continue to do our valuable work in effectively regulating the social housing sector.
- 2.14 The strategy's goals, which we have transitioned into policies and ongoing initiatives were to:
  - ensure that we have the capacity, capability and flexibility to deliver our business strategy in a changing environment
  - embrace our core values as an effective regulator and reinforce the culture we want to work in
  - ensure we have a fair, transparent and appropriate recognition and reward framework
  - engage with staff in a collaborative and iterative way to improve the way we work together
  - demonstrate excellence in leadership and management in the ways which we work.

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### **Employee engagement**

- 2.15 In July 2021, we completed our second staff survey as a standalone organisation. Our results were strong with the majority of ratings at or above the relevant public sector and Civil Service benchmarks as well as improving on our previous set of results.
- 2.16 The survey has helped us to identify some areas where we would like to improve our performance and we commissioned follow-up work to help us better understand these. We will update on this work in next year's report.

# 3. Equality for those affected by our policies and practices

- 3.1 This section details how we meet our duty to those who are affected by our policies and practices, or who engage with us in relation to the exercise of our regulatory function.
- 3.2 The following sections provide a narrative summary of our approach to ensuring we have due regard to the aims of the duty in decision-making with regard to registration decisions; equality impact assessments on statutory consultations; the consumer regulation panel; and decisions made by the Regulation Executive Group and Board.

### **Registration decisions**

- 3.3 There are two stages to RSH's application process for registering an organisation as a registered provider; during the second (detailed) application stage, applicants are asked to provide assurance on their compliance with the Equality Act 2010.
- 3.4 In particular, RSH asks whether applicants have any, or intend to have any, restrictions of services in place regarding persons sharing a relevant protected characteristic. Where RSH establishes that such restrictions are in place, or will be put in place, it asks the applicant for specific assurance on how it has satisfied itself that it is acting lawfully under the current equality legislation.

### Consultations

- 3.5 As a public body, we are required to consult on any proposed changes to our regulatory approach. As part of the consultation process, we ensure that we consider our duties under the Equality Act 2010.
- 3.6 Equalities requirements are considered at relevant stages of the drafting process when we are developing new regulatory standards and approaches. Where issues are identified, these are specifically set out in reports to both the Regulation Executive group and the Board, to enable appropriate consideration at relevant stages of the decision-making process.
- 3.7 As part of the consultation we normally include a specific question to respondents on their agreement with and understanding of the equalities analysis we have undertaken, and we invite comment and recommendations for further consideration should it be felt we have missed anything relevant of note.

- 3.9 Following the end of the formal consultation period we analyse the feedback on our equality analysis and where appropriate to do so, propose revisions in light of the feedback. We then report the results of the consultation to our Executive group and Board and specifically highlight any feedback we receive with equalities implications.
- 3.10 Following approval, we formally report the results of the consultation publicly via a Decision Statement which both explores the feedback we received on the equality analysis but also includes the updated analysis. Where appropriate, and based on feedback, we may make reasonable adjustments in relation to the issue under consultation.

### **Consumer regulation**

- 3.11 RSH has due regard to its equality duties in carrying out its consumer regulation work and will seek to make reasonable adjustments for individuals contacting RSH where appropriate. For example: providing correspondence in large print, taking details of complaints over the telephone (where an individual has difficulty with written forms of communication), and arranging translations of key documents and our correspondence (e.g. into Braille).
- 3.12 Where we receive individual referrals that suggest a registered provider may not have taken tenants' needs into account (in respect of a protected characteristic), we have due regard to our equality duties through our consumer regulation processes.
- 3.13 Where appropriate, we signpost the individual to services who may be able to assist, including the Equalities and Human Rights Commission and the Housing Ombudsman Service.

### **Regulation Executive Group and Board decisions**

- 3.14 The Regulation Executive Group and Board consider operational and strategic matters brought before them through the submission of formal papers. The Executive group and Board each have members specifically charged to challenge the equality and diversity impact of organisational decisions.
- 3.15 Both Executive and Board papers include a section on equality and diversity implications, within which the author should demonstrate how RSH has given due regard to the Equality Duty in the consideration of proposals.
- 3.16 This enables appropriate consideration at the relevant stages of the decision-making process. We have developed guidance and training for staff to help them integrate thinking on equality and diversity into the development of policies and operational delivery.

# 4. Annual review of equality objectives

- 4.1 The Equality Act 2010 requires all public bodies to publish equality objectives it thinks it should achieve to meet the general Equality Duty (sometimes called the Public Service Equality Duty). The general Equality Duty says that public bodies must, in the exercise of their functions, have due regard to the need to:
  - i. eliminate discrimination, harassment, and victimisation
  - ii. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - iii. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 4.2 We published our first set of equality objectives in July 2020 following a statutory consultation between January and March 2020.
- 4.3 In preparing the objectives we were mindful of:
  - i. our statutory obligation to be proportionate and not to inappropriately increase the regulatory burden, and our co-regulatory approach to regulation
  - ii. the applicability of our general Equality Duty in our day to day work.
- 4.4 We considered it most appropriate for our first equalities objectives to focus on areas where we can have the most immediate impact, namely:
  - i. points where we interact with tenants (objectives 1 and 2)
  - ii. the organisational culture we create (objective 3).
- 4.5 When we published our objectives, we said that we will review them within the mandatory four-year period, and we will also keep these under review if our role changes or if we identify further areas which would benefit from setting equality objectives. We want to push ourselves further on EDI matters and will review and build on our equalities objectives in 2022/23.
- 4.6 To support our delivery of the equality objectives we have taken a number of actions including setting up a steering group to lead the work delivering our equality, diversity and inclusion strategy and associated action plan.

4.7 The table below updates on our equality objectives following the first year of delivery. We have made good progress across the deliverables with many of them now being embedded into business as usual.

Objective	Del	livered through	Year 1 update
Ensure that where equality and diversity	i.	Appropriate training for our enquiries team and staff who regularly handle complaints	We provide specialised training, including refresher courses as needed, to our enquiries team and other staff who regularly handle complaints. This focuses primarily on mental health and learning disabilities. We also have in-house guidance on the Public Sector Equality Duty and our Legal team has delivered a team session on this with the intent of rolling out more widely following a review of new content available through the regulator's networks.
concerns are raised through our enquiries process, they are considered	ii.	Ensuring that complaint referrals identified as having an EDI dimension are recorded as such and dealt with in accordance with our consumer regulation guidance	We collect EDI information where appropriate in our case management system when we log referrals. All referrals are dealt with in accordance with our consumer regulation guidance.
in line with our statutory objectives	iii.	We intend to highlight key lessons learned and good practice from discrimination cases and enquiries in our annual report on consumer regulation	We will identify lessons learned and good practice where relevant in our annual consumer regulation review. There were no specific points to be raised in the 2021 review.
	iv.	Investigating technological solutions to improve collation and analysis of EDI data arising from enquiries	We are updating our case management system to improve the consistency of the data we collect by allowing users to select from a pre-defined list of EDI issues. This will streamline analysis of this data in due course.

Objective	Delivered through		Year 1 update	
The Regulator	i.	Training for staff on accessible communication skills (particularly around mental health and learning disabilities)	We provide periodic training focusing on communication with people with poor mental health and learning disabilities for our externally facing colleagues. We also offer an effective writing course for all colleagues which includes guidance on Plain English, how to write in an easily understood way, and what to consider when drafting documents for external publication to make them accessible.	
will review its methods of communicating to ensure that it does so in an	ii.	Ensuring that the regulator's publications are as accessible as is reasonable, in line with our duty to make reasonable adjustments	We have reviewed our publications and our pages on Gov.uk to make sure that these are as accessible as is possible. Future publications will follow current and emerging good practice to make them as accessible as possible.	
inclusive way	iii.	Ensuring that our communications, such as responses to enquiries, meet the individual's communication needs where reasonable in line with our duty to make reasonable adjustments	We draft and review all our responses to enquiries according to the information we have about our correspondents' communication needs. We make reasonable adjustments when these are requested and are working on a reasonable adjustments policy.	
	iv.	Proactively engaging with Government Digital Services about what changes can be made to our website to make it as accessible as possible	We have completed this and made changes in line with the guidance we received. All further and ongoing changes to our content will be made in line with accessibility requirements and guidance.	

Objective	Delivered through	Year 1 update
	<ul> <li>i. Collating data on gender pay to establish our gender pay gap. Data to be collected and published in accordance with the regulator's People Strategy</li> <li>We collect, analyse and publish data on both the gen pay gaps. The reports are available on our website.</li> </ul>	
We will provide a supportive and inclusive working environment for all	supportive and diversity data in order to identify barriers to underrepresented groups to recruitment and progression, advance equality of opportunity, andEDI data capture. We are also implement recruitment shortlisting. We have an EDI various staff networks and working group support to colleagues. We also work clos	recruitment shortlisting. We have an EDI steering group as well as various staff networks and working groups in place which provide support to colleagues. We also work closely with the unions for staff
	iii. Establishing a robust baseline and using data to inform how the regulator embeds equality and diversity into its approach to developing policies and/ or strategies for staff to support continuous improvement	We developed an internal EDI strategy and action plan in early 2021/22 following consultation with unions, staff networks and working groups. We have built success measures based on staff survey indicators and organisational HR data to develop a baseline against which to monitor progress. We are developing a template and guidance on carrying out of
	<ul> <li>Using data to review how effective the policies we have in place are at delivering the desired outcomes</li> </ul>	Equalities Impact Assessments, so we have a consistent approach to evaluating the impact of our work.

Objective	Delivered through	Year 1 update
	v. Carrying out learning and development activity to further foste an inclusive working environment including mandatory training on unconscious bias, discrimination, harassment and equality legislation for all staff	Most staff completed online training provided for the wider Civil Service on unconscious bias and EDI in 2020/21. We are working on developing new training for the whole organisation in response to recent research on the efficacy of unconscious bias training and expect to roll this out in 2021/22. We also have in-house guidance on the Public Sector Equality Duty and our Legal team has delivered a team session on this with the intent of rolling out more widely following a review of new content available through the regulator's networks.
	vi. Actively promoting equality, diversity and inclusion in the workplace	We developed an internal EDI strategy and action plan in early 2021/22 following consultation with unions, staff networks and working groups. We have guidelines in place and support the creation of staff-led networks. We have an active Women's Network and Black, Asian and Minority Ethnic Network, and a Positive Working Group which works to inspire and support a culture that respects diversity, inclusivity and staff wellbeing.

# 5. Ethnicity pay gap

- 5.1 There is no statutory requirement for any organisation to report its ethnicity pay gap, but we believe that it is best practice to be open and transparent to fully support RSH's approach in ensuring that we offer a diverse and inclusive workplace for all staff, present and future. As there is no defined format for an ethnicity pay gap report, currently, we have chosen to adopt a common approach to that prescribed for presenting the gender pay gap. This is the second year for which we have published this data.
- 5.2 The ethnicity pay gap is measured in terms of the differential between the mean and median average hourly pay received by white and minority ethnic staff. It is not a measure of pay equality for equivalent roles.

### Ethnicity pay gap analysis

5.3 Our figures at 31 March 2021, together with comparatives for the preceding year are as follows:

	2021	2020	Year on year difference %
Mean pay gap <sup>1</sup>	20.1%	20.3%	-0.2%
Median pay gap <sup>2</sup>	20.2%	16.8%	3.4%

- 5.4 The ethnicity pay gap is measured in terms of the differential between the mean and median average hourly pay received by white and ethnic minority staff. It is not a measure of pay equality for equivalent roles. The comparison of mean and median pay in RSH ethnicity shows a gap in favour of white staff.
- 5.5 The mean pay gap shows a slight decrease of 0.2% compared to 2020 figures. The median pay gap has increased by 3.4% in favour of white employees. It is recognised that, due to our small workforce, the median pay gap can be affected by very small changes in our workforce
- 5.6 The pay gap is a reflection of the differing demographic profile of staff at different role levels in the organisation. Looking at this in terms of the proportion of white and ethnic minority employees in RSH in each pay quartile it is evident that the low levels of ethnic minority representation in the upper pay quartiles is the driver for the pay gap:

<sup>&</sup>lt;sup>1</sup> Mean is the average in the data set

<sup>&</sup>lt;sup>2</sup> Median is the middle number in the data set

Pay quartile	2021		2020		Year on year difference %
	White %	BAME %	White %	BAME %	
Top quartile	97.7%	2.3%	97.5%	2.5%	-0.20%
Upper middle quartile	84.1%	15.9%	82.1%	17.9%	-2.00%
Lower middle quartile	79.5%	20.5%	80.0%	20.0%	0.50%
Bottom quartile	74.4%	25.6%	77.5%	22.5%	3.10%
Total	84.0%	16.0%	84.3%	15.7%	0.30%

- 5.7 We recognise that the organisation is not as diverse at more senior levels as we wish it to be and further steps that we are taking to support increased diversity in recruitment are discussed earlier in this report.
- 5.8 RSH operates a modest annual bonus pay scheme on a fixed scale, with awards based on individual staff performance in their role. During the year, bonuses were paid at set values of:
  - £0 where individual performance does not meet expectations
  - £150 where performance meets expectations, and
  - £450 where performance exceeds expectations.
- 5.9 Bonuses are awarded irrespective of any protected characteristic and are moderated across the organisation to ensure consistency. To be considered for a bonus, staff must first have successfully completed their six-month probationary period following joining the organisation.
- 5.10 The mean bonus pay gap was 1.1% in favour of white employees. This is a significant reduction from 21.2% in 2020. This does not reflect any change in the bonus scheme, but highlights how sensitive the figures can be to changes in the number of higher level bonus paid to ethnic minority and white staff from year to year.
- 5.11 The median bonus gap is unchanged between 2020 and 2021 at 0.0%.

### Action plan

- 5.12 RSH is fully committed to the principle of equality, diversity and equal treatment for all its employees, regardless of any characteristic. We offer a very flexible employment package with the opportunity to work full or part-time, and flexibility on work locations. We will also consider variations in working patterns where practicable. We believe this assists equality and opportunity, but we continue to look to identify and address, where possible, any further barriers to recruitment or progression.
- 5.13 Ethnic minority staff are significantly underrepresented in the senior management of the organisation. The organisation has recognised the need for positive action and some of the additional measures put in place to support diversity in recruitment are discussed earlier in this report. Specific members of our Board and Executive team hold an equalities challenge role to support the implementation of actions on diversity and inclusion across the organisation. We continue to engage with staff to test the effectiveness of our actions plans, adapting them where necessary.
- 5.14 We continue staff development to ensure that all our staff who want to progress are equally equipped to take opportunities for advancement when they arise and continue to work with the internal BAME networking group to identify further active steps we can take to support an ethnically representative and inclusive workforce at all levels.



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The Regulator of Social Housing regulates registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver and maintain homes of appropriate quality that meet a range of needs.