

# **Pay Gap Report 2024**

# About us

**At Karbon Homes, we build, manage and look after homes for people across the North. And then we go further, we give them the strong foundations they need to thrive.**

Since our formation in 2017, we've been focused on delivering our three strategic aims - to provide as many good quality homes as we can; to deliver an excellent service to our customers; and to shape strong, sustainable places for our communities.

Our footprint covers the North of England and Yorkshire, with over 32,000 homes across diverse communities where customers face differing opportunities and challenges.

Some customers just need an affordable home, or a way onto the property ladder. Others might need a bit more – financial advice, community services, supported accommodation or even training that can lead to a new job. Whatever people need to feel more secure, confident and happy with where they're at, we'll aim to provide it.

We always make the effort to really understand our customers. We believe that everyone deserves respect. Everyone's voice should be heard. And everyone deserves someone in their corner now and then. By focusing on our three strategic aims, combining a sound business head with a strong social heart and staying true to our values, we hope to build strong foundations for even more people.

## **Accessibility statement**

This report has been approved for publication and is digitally available on our website.

We've created a plain text version to support those using accessibility tools such as translation, audio, changes to the size of text, ruler and screen mask.

We also aim to make our information and services more accessible by using plain English in our communication and offering sign language and language interpreters where required. If you would like this document in an alternative format or have any questions relating to the report, please contact **[inclusion@karbonhomes.co.uk](mailto:inclusion@karbonhomes.co.uk)**.

# Welcome

Eight years ago, mandatory pay gap reporting was introduced in the UK for organisations with over 250 colleagues. Encouragingly, the pay gap has reduced since its introduction.

For us at Karbon, however, pay gap reporting is about much more than meeting legal requirements and numbers on a page. It's a hugely important part of our unwavering commitment to inclusion and belonging, for both our customers and our colleagues. We believe in equality, inclusivity and fairness in all aspects of life, whether you work for us or live in a Karbon home.

This year, a highlight for me has been launching our Wellness Cloud platform. It's a fantastic addition to our existing, award winning wellbeing offer.

In terms of the pay gap data, nationally, the figures focus on the median, which is where half of colleagues earn more, and half of colleagues earn less. This provides a better measure of the 'typical' colleague's pay. The mean, on the other hand, is a simple average that includes both the highest and lowest paid in an organisation.

At Karbon, we look at both and consider all our data. While we know it's encouraging that our mean gender pay gap remains within 5% of parity for the seventh year, we aren't complacent.

Through our organisation's inclusion and belonging commitment of 'Developing Diversity and Creating Fairness', we'll continue to focus on our pay gap reporting, because we believe it's a crucial and transparent measure of our progress. But it's not just about the data, it's about our people. We'll focus on working together to create an inclusive culture in which every new and existing colleague feels they can truly belong and are valued for the contribution they make.

We're also sharing the latest figures from our Ethnicity Pay Gap and Disability Pay Gap reports, which we published for the first time last year. Publishing these results ahead of legislative requirements has been unanimously supported by our leadership team.

As well as reading this report, we'd encourage you to read our Inclusion and Belonging Annual Report. We share details of our broader work and commitment to improve equality, diversity and inclusion, brought to life through customer and colleague stories.

As the authorised signatory of this Pay Gap Report, I am pleased to confirm that the data contained within this report is accurate and meets the requirements of the gender pay gap reporting regulations. The report has been developed using data from a snapshot date of 5 April 2024 and data regarding bonus payments made between 6 April 2023 and 5 April 2024.

**Scott Martin**

Executive Director, Resources

As a wholly-owned subsidiary, data from 54North Homes is not included in this report, nor are they required to be published, as their headcount is below 250 colleagues.

However, activity across the group to improve gender equality includes all colleagues.



## What does the data tell us about Karbon?

There are several factors that influence our gender pay gap, many of which are not unique to Karbon Homes. We have a number of roles that have historically been performed by either men or women (male-dominated or female-dominated) which influences the gender split in our quartiles.

### Headcount

The growth in our headcount has remained steady. Activity such as our New Start employability programme has brought more male colleagues into roles in the lower quartile, which is predominantly female dominant. Although we have low numbers of colleagues working part time, our commitment to supporting flexible working has seen new work patterns become more popular, including nine days over ten. With the cost-of-living crisis still impacting people, it's important to us to create equitable ways of working that support our male and female colleagues.

### Salaries

All of our colleagues\* are paid the real living wage or above. We operate a salary benchmarking scheme which supports and ratifies our approach to equal pay. This would explain in part why our median pay gap is reported closer to parity than our mean pay gap.

\* With the exception of the New Start programme where we look to external grant funding and employer contributions

# Our gender pay gap commitments

We'll continue to support gender equality at Karbon Homes through our long-term ambitions driven through our Inclusion and Belonging Action Plan. We've been making progress, but we know that there is more to do. These include:

## Wellbeing

Our Wellbeing Strategy has five pillars, with mental health and the menopause being key campaigns. We've introduced Mental Health Allies to support people to thrive at Karbon.

## Recruitment

Our New Start programme has improved the diversity within our recruitment, and we'll continue to evolve our approach following candidate feedback. We've made some improvements to the language we use and our application process.

## Inclusion hubs

Our Gender Inclusion hub helps to ensure our colleagues influence our plans around this important topic and we will develop our approach to allyship.

## Development

We'll continue to develop our colleagues through our leadership pathways. Our programmes are open to all colleagues. In the latest cohort of our 'Aspire to Lead' programme, of the 24 people who were selected to take part through anonymous shortlisting, two thirds were female. The Aspire to Lead programme supports colleagues wishing to move into a more senior position and we've already seen 12.5% of the females in this cohort securing leadership roles. The programme is supported by senior leader mentorship, of which there is a 50/50 male and female mentor split.

## Data

We'll be using the data and insights from our pay gap reports to inform our planning. We've introduced a quarterly review to understand any emerging trends that are impacting our attraction, recruitment and retention.

## Understanding our colleagues

We'll continue to improve our data collection of our colleagues to improve our reporting and insights. This will help with all elements of our pay gap reporting.



## **Introducing our ethnicity and disability pay gap report**

At the time of writing this report, we're not legally required to report on our either our disability or ethnicity pay gap. However, we believe in being transparent, and consider it is equally important for us to publish these figures as it is our gender pay gap. We recognise that without a full data set, it can make these reports less meaningful, but we don't want that to be a barrier. We'll continue to work to improve our data, which will in turn improve our reporting.

We've used the same approach as the gender pay gap for these calculations, splitting our data into two categories – majority and minority cohorts.

For the disability pay gap, the majority cohort includes all colleagues that haven't reported a disability and the minority cohort includes all colleagues that have told us they have a disability or long-term health condition.

For the ethnicity pay gap, the majority cohort includes all white British colleagues, and the minority cohort includes all other ethnic groups.

Where we have unidentified data, i.e., 'not known' or 'prefer not to say', this has been removed from the calculations, but it is shown in our overall headcount figures.

Removing data from the data set provides a less accurate picture, but this is something experienced by all organisations that are reporting additional pay gaps.

# Ethnicity pay gap reporting

## Headcount

Unknown **8.03%**    Minority **3.37%**    Majority **88.60%**

Mean pay gap 2024    **11.91%**

Median pay gap 2024    **6.11%**

Upper    Majority **97%**    Minority **3%**

Upper Middle    Majority **98%**    Minority **2%**

Lower Middle    Majority **95%**    Minority **5%**

Lower    Majority **95%**    Minority **5%**

We have seen a small reduction in our 'unknown' data, but there is still work to do. There has been an increase in representation in all quartiles. While the mean pay gap has seen a 0.72% increase, we've seen a significant reduction in the median pay gap of 5.02%. We'll continue to develop our recruitment approaches and place-based programmes to make Karbon more attractive to people from different ethnicities that represent the communities we work in.

# Disability pay gap reporting

## Headcount

Unknown **10.31%**    Minority **4.66%**    Majority **85.03%**

Mean pay gap 2024            **5.42%**

Median pay gap 2024        **-0.72%**

Upper                          Majority **96%**            Minority **4%**

Upper Middle                Majority **93%**            Minority **7%**

Lower Middle                Majority **96%**            Minority **4%**

Lower                          Majority **94%**            Minority **6%**

There is a small reduction in our unknown data for this year. However, we've seen some fluctuation in the quartiles. There is more representation in the mid quartiles and less representation in the upper and lower quartiles compared to last year. This has resulted in a 1.74% reduction in the mean pay gap and a positive increase in favour of colleagues with disabilities in the median pay gap. We'll continue our work toward our Level 3 award in Disability Confident and working with our specialist recruitment partners to continue to build the representation across all quartiles.

We'll continue to improve our data and commit to publishing our ethnicity and disability pay gaps and take action within our Inclusion and Belonging Action Plan to improve our representation across all levels of our organisation.