



EQUALITY PAY GAP REPORT 2022/23



INTRODUCTION

Mencap's vision is for the UK to be the best place in the world for people with a learning disability to live happy and healthy lives. We have dedicated ourselves to understanding and learning more about diversity and inclusion and to our collective role in promoting this across all levels of our organisation and within society.

Our Equity, Diversity and Inclusion Strategy is focused on achieving equality through equity – acknowledging the existence of current and historical inequalities and proactively putting in place positive action and adjustments to remove these barriers to equal access and putting in place opportunities for everyone we work with and for.

Mencap has been publishing its gender pay gap since 2017 in line with regulatory requirements. Race/ethnicity and disability pay gap reporting is not yet a legal requirement but as part of Our Big Plan for Equity and in line with our EDI strategy we have decided to publish our race/ethnicity and disability pay gap data for 2022/23 and will continue to do so each year to show our progress.



RACE/ETHNICITY AND DISABILITY PAY GAP REPORTING

In the interests of transparency to ensure that we identify and address any barriers to employment and progression within the Mencap, we are also publishing race/ethnicity and disability pay data for 2022/23 onwards.

Specifically, in relation to race arguably the most challenging area of the EDI agenda, anti-racism is an essential and integral component of our EDI Strategy. We are committed to understanding the barriers to racial equality and tackling this will be crucial to activities for this area of our work. The ethnicity pay gap will provide a focus and backdrop for all the actions which Mencap is already taking to reduce existing inequalities and any others we may encounter.

OUR RACE/ETHNICITY PAY GAP ANALYSIS

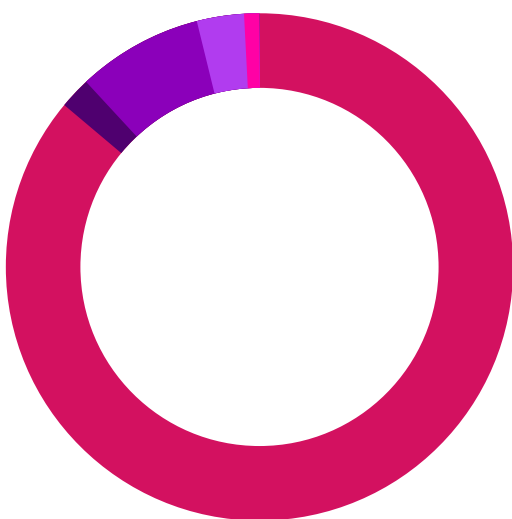
We are committed to tackling racial inequality and improving representation of Black, Asian and Minority Ethnic (B.A.M.E.) representation in senior leadership roles.

The race/ethnicity pay gap shows the difference between the average (mean and median) earnings of the Mencap's B.A.M.E. (Black, Asian and Minority Ethnic) employees

and White employees (White British and White other). Similar to gender pay reporting, this report shows the proportions of B.A.M.E. and White full-pay employees in four quartile pay bands.

Based on the 2011 census, the UK national population breakdown by race is as follows:

UK ethnic makeup



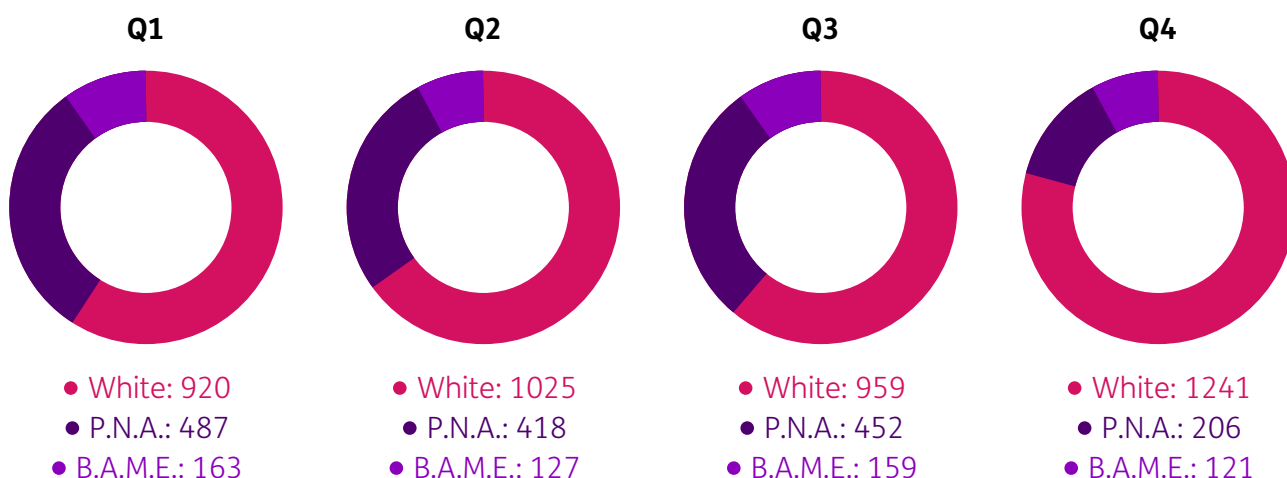
- White: 86%
- Mixed/multiple ethnic group: 2%
- Asian/Asian British: 8%
- Black/African/Caribbean/Black British: 3%
- Other ethnic group: 1%

Source: UK Office for National Statistics (2011)

Government projections based on the most recent census in 2021 (results to be confirmed) suggest that the B.A.M.E. population in the UK will have increased to 20%.

Mencap workforce – racial breakdown

Overall number of colleagues (ethnicity):



We are currently employing 570 B.A.M.E. colleagues (9% of our total workforce). 66% of our workforce is white.

Of some concern, is that 25% are recorded as deciding not to answer the question in relation

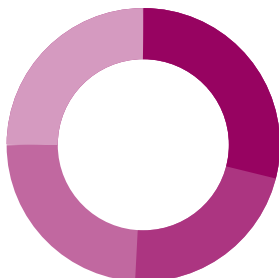
to ethnicity. However, we are aware that this includes people for whom we have no data and we are working to resolve the issue with regards to reporting and to encourage all colleagues to record their race/ethnicity within the system.





Pay distribution of workforce by pay quartile

‘B.A.M.E.’ ethnicity

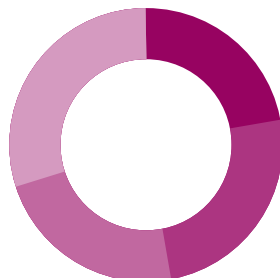


- Lower: 29%
- Lower middle: 22%
- Upper middle: 28%
- Upper: 21%

B.A.M.E. colleagues have a pay distribution that is higher in the lowest and third quartiles with fewer colleagues earning in the second and highest quartiles.

A smaller portion of colleagues that did not declare ethnicity earn in the highest quartiles with the highest number earning in the lowest quartile.

‘White’ ethnicity

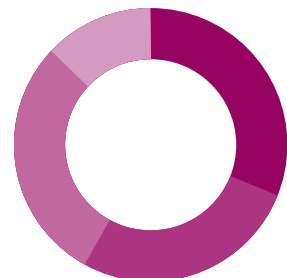


- Lower: 22%
- Lower middle: 25%
- Upper middle: 23%
- Upper: 30%

The remainder are reasonably equally distributed across the second and third quartiles. It should be noted, again, that this category includes those for whom we have no data.

There are proportionately more white colleagues earning in the higher quartile than in the other three quartiles.

‘P.N.A.’ ethnicity



- Lower: 31%
- Lower middle: 27%
- Upper middle: 29%
- Upper: 13%

The mean and median explained

The mean is the difference in the arithmetic average hourly pay, for example, white colleagues compared to B.A.M.E. colleagues within our organisation. The median represents the middle point of a population. If you lined up all our white colleagues and all our B.A.M.E. colleagues in order of the hourly rate at which they are paid, the median pay gap is the

difference between the hourly rate for the middle white colleague compared to that of the middle B.A.M.E. colleague. This would similarly apply to colleagues who disclose no disability compared to colleagues disclosing a disability.

The mean and median are important metrics and need to be looked at together. However, the mean can be skewed by fewer individuals earning more in the upper ranges.

Pay differentials

As race/ethnicity pay gap reporting is not currently a legal requirement, there is very little information available for benchmark. This

is our first year of reporting on the race/ethnicity pay gap, and based on the available data, the pay gap is as follows:

Mean % differences

	P.N.A.	B.A.M.E.	White
P.N.A.	—	-5.15%	-13.12%
B.A.M.E.	—	—	9.17%

Median % differences

	P.N.A.	B.A.M.E.	White
P.N.A.	—	0	0
B.A.M.E.	—	—	0

This analysis shows the % mean and median differentials between the four groups of colleagues.

The highest mean differentials are between those that have decided not to answer and white colleagues. This is 13% in favour of white colleagues, meaning that they earn on average 13% more than those where ethnicity is unknown.

White colleagues have a favourable mean pay variance of 9% compared to B.A.M.E. colleagues.

B.A.M.E. colleagues have a 5% favourable mean pay variance when compared to colleagues for whom we have no ethnicity data.

There is no median pay differences across the three colleague categories.



WHAT WE HAVE DONE

In April 2021, Mencap signed the Race at Work Charter. The Charter sets out seven actions to improve the representation of ethnic minority employees at all levels in organisations. One of these actions is to capture ethnicity data and publicise progress

Ethnicity pay gaps are influenced by several wider social and contextual factors. These include:

- Cultural and language barriers
- Family and care responsibilities
- Lack of recognition for education qualification from abroad
- Government legislation
- Immigration
- Structural and systemic discrimination
- Societal power imbalance

Internal organisational systems, processes, policy and resources are generally designed from one homogenous viewpoint and standards, subsequently influencing the end-to-end employment cycle and employee experience.

These standards are interwoven into all people management processes, e.g. recruitment, management and progression processes. Any employees outside this group are automatically at a disadvantage within the organisation.

Mencap is aware of the disparities between B.A.M.E. and white colleagues. Our Equity, Diversity and Inclusion strategy commits to understanding and removing barriers to racial equality and taking positive action to improve B.A.M.E. representation in senior roles and across the organisation. To deliver on this commitment Mencap has:

- Developed and launched mutual mentoring and leadership sponsorship programme to be launched – breaking down barriers and connecting voices from different backgrounds and races. Applying positive action 20% of the programme cohort are targeted for colleagues from B.A.M.E. backgrounds.
- Launched mandatory “Let’s talk about race” training for all staff.
- Produced an anti-racist practices module that is a specific and essential part of the Leadership learning and development programme.
- Formed the B.A.M.E. EDI network subgroup to provide a safe space for B.A.M.E. colleagues to share their experience and support each other but with the support and sponsorship of an Executive Director.
- Through the Equitable Recruitment project, increased B.A.M.E. leadership representation from 2% to 6%.
- Develop an Anti-Racism Learning and Action group.

OUR RACE/ETHNICITY PAY GAP ANALYSIS

Although there is also no current legal requirement to do so, we are publishing the disability pay gap. This is with the intention of furthering our commitment for inclusion and bringing all planned and future initiatives into the forefront.

Under the Equality Act 2010, a person is classed as being disabled if they have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

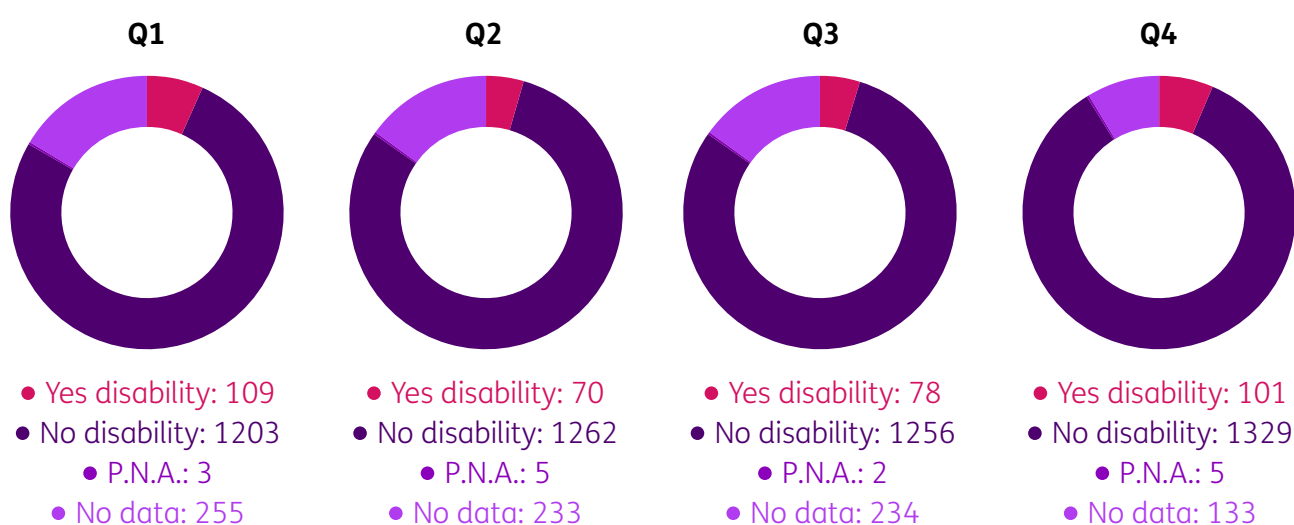
The disability pay gap shows the difference between the average (mean and median) earnings of disabled employees and non-disabled employees. As with gender and ethnicity reporting, the proportion of disabled and non-disabled full-pay relevant employees in each quartile pay band will also be shown. However, as there is very little disability pay gap reporting by other organisations and the requirement to publish this information is not compulsory, again, there is very little benchmarking information.



DISABILITY PAY GAPS (ALL DISABILITIES)

Mencap workforce – disability breakdown

Overall number of colleagues (disability):



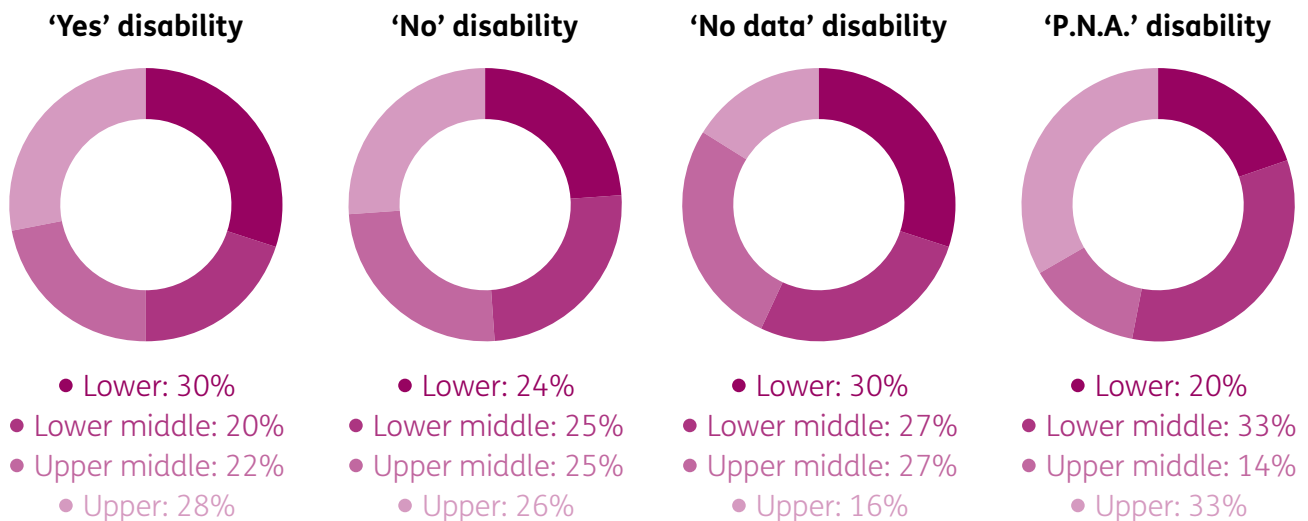
Mencap currently employs 358 colleagues who have declared a disability (6% of our total workforce).

13 colleagues (0.02%) chose not to respond to the question relating to disability and for 855 colleagues (14%) we have no data.





Pay distribution of workforce by pay quartile



Those colleagues with a disability have equal distribution in the highest and lowest pay quartiles with less in the second and third quartiles.

Those that have no disability are almost equally distributed across all four pay quartiles.

In each quartile, there was no data from an equal proportion of staff (16–17%) except Quartile 4 (highest paid) which was twice as likely (8%) to provide data.

Only a very small proportion of colleagues overall (0.24%) have preferred not to answer and that is relatively evenly spread across the quartiles.

Pay differentials

Mean % differences

	Yes disability	No disability	P.N.A.	P.N.A.
Yes disability	—	0.54%	-6.18%	8.86%
No disability	—	—	-6.60%	8.38%
P.N.A.	—	—	—	16.03%
No data	—	-7.73%	—	—

Median % differences

	Yes disability	No disability	P.N.A.	P.N.A.
Yes disability	—	0%	0%	0%
No disability	—	—	0%	0%
P.N.A.	—	—	—	0%
No data	—	0%	—	—

This analysis shows the % mean and median differentials between the four groups of colleagues.

The highest mean differentials are between those that have decided not to answer and those where we hold no data (16.03% in favour of PNA). It is not possible to determine any conclusions from this and we are working to increase the number of people completing this part of our diversity data collection.

The % mean differential between those with and without a disability is 0.45% in favour of the latter. This is a very minimal difference and should be seen as positive and an indicator that disability is not disadvantaging people in terms of pay, with ability to earn being reasonably equal.

There is no median difference between any of the categories.





WHAT WE HAVE DONE

To support our commitment to develop an inclusive workplace for colleagues with learning and other disabilities, we have:

- Introduced People Impact Assessment (PIA) as a mandatory requirement for all key policies from an equitable and diversity perspective.
- Developed and launched mutual mentoring, with leadership sponsorship programme to be launched – breaking down barriers and connecting voices from different background and races. Applying positive action 20% of the programme cohort are targeted for colleagues with a disability.
- Developed Reasonable Adjustments processes and Training module.
- Attained our Disability Confident Leader accreditation.
- Promoted vacancies on disability specific recruitment sites for applicants with a Disability.
- Monitored our people management data to measure our progress on inclusive recruitment, retention, and development of all our people and the progression of those from underrepresented groups.
- Through equitable recruitment processes and positive action, developed and launched diverse toolkits and information to improve accessibility and flexibility within the recruitment and selection processes, to increase representation of colleagues with disabilities in senior positions and across Mencap.

WHAT'S NEXT?

PRIORITY ACTIONS FOR 2022/23

Along with the societal factors, the causes of the gender, ethnicity and disability pay gaps include variation in educational attainment and choices, and the over-representation of women, people from ethnic minorities and disabled people in relatively low paid and low skilled jobs. (Longhi, 2017; Longhi and Brynin, 2017)

Whilst we know that pay gaps are not solely due to organisation policy and processes, Mencap accept that these are a reflection of overall structural and systemic barriers in the UK which discriminate against and exclude particular groups to different extents.

To tackle and reduce these inequalities, we will continue to work to understand root causes, and take a holistic approach to develop and embed Equity, Diversity and Inclusion in the way we work, think and behave. We will:

- Maintain existing accreditations in Diversity and Inclusion recognised industry standards and report on progress.
- Continue to improve the collation and use of our people data to measure our progress on inclusive recruitment, retention and development of all our people and the progression of those from underrepresented groups.
- Grow overall ethnic minority representation from 9–11% and increase leadership representation by 2%.
- Target an increase in overall representation of colleagues with a disability from 6 to 8%

and increase leadership representation by 2%.

- Use our people data to identify colleagues with other layers of diversity and how this affects their experience, pay and progression in Mencap.
- Report on our progress against published targets for improvement for attraction, development, and progression of under-represented groups.
- Continue to take positive action to promote management development, mentoring programmes and inclusion awareness initiatives to support career advancement amongst the gender, ethnicity, and disability characteristic groups.
- Continue to educate and raise awareness amongst our workforce to adopt an equitable mindset and embed inclusion in their way of working and behaving.
- We will also include EDI indicators in our employee survey to provide a baseline measurement and better understanding of the people experiences.
- Utilise EDI sub-groups in developing action plans to address the gender, ethnicity and disability pay gaps and other areas of inequalities.
- Develop EDI learning and development for all colleagues, with specific modules for managers and specialist teams.



Registered charity number 222377 (England and Wales);
SC041079 (Scotland) 2021.037