

Gender Pay Gap Report

2018

Centrepoint is the UK's leading charity for homeless young people. Working with over 10,000 young people every year, our vision is to end youth homelessness.

While we pursue this vision, our immediate focus is on providing vulnerable young people with a place to call home and a chance to acquire the skills they need to build a better future. Centrepoint works directly in London, Yorkshire, Manchester and the North East of England, and collaborates actively with similar organisations right across the UK.

Message from the CEO

In my role as CEO of a leading charity for homeless young people, I want to ensure all our employees have equal opportunities.

I welcome the second year of the gender pay gap report. I see this as an opportunity to review where we are, the progress we have made and what we need to improve.

Our report has identified that our mean gender pay gap is significantly lower than the national average and we have made some positive progress on our mean gender pay gap over the last twelve months.

We have a greater proportion of females working within Centrepoint, especially in our key roles supporting our young people; yet the proportion of young people in our services is just over 50% male to female. It would be beneficial to attract a more balanced ratio within the workforce as well.

While it is important to understand and tackle any gender inequality, we want to broaden this discussion into one of diversity, inclusion and unconscious bias. We must keep exploring what more can be done to ensure that our team is diverse, everyone feels included, and every one of our people is supported to reach the fullness of their potential, for the benefit of our young people.

I am passionate about this topic and want to set an example to both our employees and the young people we work with. By this time next year I am committed to having made further progress in this area.

Seyi Obakin OBE

Centrepoint Chief Executive Officer

March 2019

Gender Pay Gap at Centrepont

What is a gender pay gap?

A gender pay gap is a high level picture of pay within an organisation, showing the percentage difference in pay between all men and all women in a workforce. This is regardless of the type of work or roles that the men and women do.

It's important to remember that a gender pay gap review is different to an equal pay comparison. Equal pay deals with the pay of men and women carrying out the same, similar or equivalent jobs, whereas gender pay is looking at the organisation as a whole.

In this report, we show the percentage of men and women in each of four pay quartiles, the mean and median gender pay gap, the mean and median bonus gap and the percentage difference in bonus pay of men and women.

Our quartiles were determined following the Government's guidance. This sees all relevant employees ranked in terms of pay rates from highest to lowest, and this is then divided into four groups of relatively equal numbers. For us, this meant looking at 428 part time and full time employees who were with us in April 2018. We then calculated the proportion of men and women in each of the four quartiles, to arrive at the relative proportions.

The Government guidance also determined how we calculated the mean and median gender pay gap and gender bonus page gap. The mean hourly pay rate is calculated by adding up the hourly pay rates for men and dividing this by the total number of men, and doing the same with women. The percentage difference between the two is the gender pay gap. The median rate identifies the figure that is in the middle of the hourly pay range. The gap is then the percentage difference between the median pay for men and the median pay for women.

Overall as an organisation, we employ more women than men with 65% of our workforce being female.

What is our gender pay gap? Year on year trends

2017 >> 2018



MEDIAN GAP



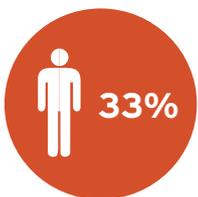
MEDIAN BONUS GAP



MEAN GAP



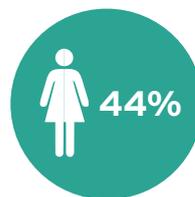
MEAN BONUS GAP



PERCENTAGE OF MALES RECEIVING A BONUS



PERCENTAGE OF FEMALES RECEIVING A BONUS



2017					
PAY QUARTILES	AVERAGE HOURLY RATE £S		PAY GAP	PERCENTAGE OF HEADCOUNT	
	FEMALES	MALES		FEMALES	MALES
ALL EMPLOYEES	14.36	15.93	9.8%	64%	36%
Q1 (HIGHEST)	21.80	24.59	11.3%	58%	42%
Q2	14.68	14.77	0.6%	64%	36%
Q3	12.23	12.17	-0.5%	71%	29%
Q4 (LOWEST)	10.11	9.91	-2.1%	64%	36%

HEADCOUNT APRIL 2017: 428

2018					
PAY QUARTILES	AVERAGE HOURLY RATE £S		PAY GAP	PERCENTAGE OF HEADCOUNT	
	FEMALES	MALES		FEMALES	MALES
ALL EMPLOYEES	14.72	16.16	8.9%	65%	35%
Q1 (HIGHEST)	22.27	24.35	8.6%	56%	44%
Q2	14.77	14.83	0.4%	70%	30%
Q3	12.52	12.54	0.1%	70%	30%
Q4 (LOWEST)	10.42	10.36	0.6%	64%	36%

HEADCOUNT APRIL 2018: 440

YEAR ON YEAR CHANGES

PAY GAP
 ALL EMPLOYEES: 0.9%
 Q1: 2.8%
 Q2: 0.2%
 Q3: -0.6%
 Q4: -1.4%

It is pleasing that we have made progress in reducing the gender pay gap at Centrepoint. We also have a substantially lower gap than the national averages for mean (17.1%) and median (17.9%).¹

Whilst there is still a gap, we have been able to reduce our pay gap by attracting, developing and realigning pay of a greater proportion of female colleagues to positions in our Senior Executive team and the upper quartile, with an improvement of 2.8% in the gender pay gap whilst having less female representation in this group. I am also pleased to note that work we have undertaken to identify and promote female talent within the organisation since April 2018 has meant that we have further lowered the gap since the snapshot date and it is anticipated that this will continue as a trend to be reflected in next year's report.

On snapshot date of 5 April 2018, 65% of Centrepoint employees were women and 35% were men and the proportion of women in each quartile is roughly in line with this gender split. It is pleasing to see an increase of 6% in the number of women in the Upper Middle Quartile as this is evidence that we have made progress on advancing female career progression. However, the decrease in the number of women in the Upper Quartile needs to be addressed. We have made progress on this since 5 April 2018 and will continue to do so.

We will also try to increase the number of male colleagues working in frontline roles in the coming year so that they are better represented in the Lower Middle Quartile as this would help to further reduce the total mean and median gender pay gap and enable us to have a balanced and representative workforce.

In the 12 months since we first reported our gender pay gap in April 2017 we have also closed the gap between the percentage of men and women receiving a bonus from 6% to 1.8%, at the same time making progress to equalising the representative percentage of men and women receiving a bonus. This can be attributed to improvements made to the peer review process of appraisals and to the fact that there was a greater proportion of women being retained in the business for longer, increasing their eligibility for a bonus.

¹ Source: Office for National Statistics Gender Pay in the UK 2018

There has been a substantial change since 2017 in the mean and median bonus gap. However, of all staff who received a bonus in 2018, 64% were women and 36% were men which are almost exactly in line with the gender split within the organisation. This is reassuring as it demonstrates there is little bias in the awarding of bonuses. The difference in the mean and median amounts is therefore attributable to the fact that our bonus system changed from being based on a percentage of salary in 2017 to a flat rate depending on appraisal grade in 2018. As more women than men received a bonus due to their larger numbers in the workforce this meant the total amount awarded to them was larger hence the disparity in mean and median bonus gap.

How we are tackling our pay gap?

As an organisation that focuses on our values. It's at the heart of who we are and our approach to pay is no different. While we recognise our pay gap is below the UK average, we know there is much work to do to understand these numbers and address the variance.

Our pay gap is largely due to women being under-represented at the most senior – and so highly paid roles in our organisation. We now need to understand what is driving this underrepresentation of women in our most senior roles and make a plan to address this.

There are interventions we can put in place now for our recruitment processes, our progression and promotions and in our day-to-day leadership of our people to not only ensure absolute equality but that we actively promote opportunities to these under-represented groups.

We will strive to embed equality, diversity and inclusion in everything we do.

For this year our aims are to:

- Undertake an organisation wide pay and reward review which will benchmark pay against market rates and examine whether we need to increase salaries within certain groups.
- Increase the headcount of women in the top quartile.
- Investigate as to why males are not attracted to the roles in the lower two quartiles and create actions to address this area.
- Continue to run mandatory diversity training for staff.
- Review our offering of a range of flexible working options to allow colleagues to maintain a work/life balance alongside opportunities to progress in their careers, especially for colleagues who are parents and carers.
- Establish a diversity champion on the Employee Forum to provide an additional level of accountability.