



Homes England Gender Pay Gap Report

2019



HOMES ENGLAND

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Foreword

I was clear last year that our reported gender pay gap was not acceptable. This year, it's still not good enough.

Our reported 2018 mean figure is 18.2% and our median is 17.5%. Although this is a slight decrease on last year, the slow pace of progress is disappointing and doesn't reflect the commitment we set out last year to tackle this issue head-on.

The steps we took this year were purposeful and well-intentioned, but ultimately haven't shifted the status quo in any meaningful way. I accept that we need to do things differently this year if we want our numbers to align with our ambitions.

As Chief Executive, this is a responsibility that I have both to this organisation and to the wider sector. We operate in an environment that is still very male, particularly at the most senior levels, and I do not want Homes England to continue being a part of that problem. It is my ambition that we put ourselves in a position to change that picture, and quickly. I intend for us to adopt in full the recommendations set out in the Real Estate Balance report, which states unequivocally that to fast-track gender balance across the industry, we must treat diversity and inclusion as a strategic priority and apply the same direction and accountability processes as we would to any other business critical area.

Creating a workforce that will ensure we are successful is important. We need the right mix of people with the right amount of skill, enthusiasm and grit to help us deliver. However, just as important is having a balanced workforce at all levels, with a genuine diversity of thought and experience. Bringing together people from a range of backgrounds will create new possibilities, introduce different perspectives, and create a more dynamic workforce overall.

I always say that everyone who is committed to our objectives and shares our values has a home at Homes England. With that, I want to be clear that this organisation is one that promotes equality of opportunity and champions inclusion and diversity. It is a message that is relevant to everyone working here and for anyone who would like to join us on our mission.

We have some way to go to achieve the gender balance we need at all levels and to remove our gender pay gap. I am determined that we do so, and that we report regularly and in a more timely fashion on our progress. I will be asking everyone within the agency to understand our story on the gender pay gap and take responsibility for displaying the behaviours and taking the actions which will remove it.

Nick Walkley

Chief Executive Officer

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Introduction

It's been one year since we published our first Gender Pay Gap Report, where we outlined our commitment to increasing the diversity of our organisation and creating more opportunities for all people to realise their potential, confident in the knowledge that we recruit and reward staff in fair, equitable and transparent way.

This year our reported 2018 mean figure is 18.2% and our median is 17.5%, compared to last year's 18.4% and 19.6% respectively.¹

While the actions we took this year have reduced our gap slightly, it is clear that the progress we need to see is simply not happening fast enough. We must take larger and more determined steps towards closing this gap if we want to drive positive change throughout our organisation, build a talent pipeline for the future and play our role in making the housing sector as a whole a more diverse and inclusive place to be.

It is our aim to improve our employee experience and value proposition so that we can develop existing talent and continue to attract the best people from all backgrounds to come and work with us to achieve our mission, within a respectful, collaborative and ambitious culture. We have made real strides this year in identifying the behaviours that enhance that culture, through closer collaboration with our Staff Networks, the introduction of 'The Homes England Way' and a greater emphasis on building our learning and development offer. We strongly believe that these actions will help us to create a working environment that facilitates career progression and opens up opportunities for all people to reach senior levels, but it is important that the outcomes of these actions are ultimately reflected in our data.

What our 2019 report highlights is that these actions in themselves will not be enough, so we need to go further and do better to make the impact we want to see, and we are determined to do so quickly.

Our focus for the next year will be on committing to actions aimed at changing perceptions so that everyone at Homes England take responsibility and ownership of the need to remove the gap. We will also be making targeted interventions aimed at encouraging more diverse incoming talent and supporting female employees into senior roles. A more detailed look at our plans for the next year is provided later in this report.

¹ Figures based on data as at the snapshot date of 30th March 2018.

A year in review

In March 2018 we reported that our gender pay gap was primarily caused by the lack of women at more senior levels in the agency, and committed to taking immediate action to address the issues raised.

- By April, we ensured that all Homes England interview panels were mixed gender;
- In July, we introduced term time and fixed pattern working to provide all employees with more choices of working patterns to support a healthy work / life balance;
- In July, we also launched our People Strategy, setting out our ambitious plans for creating a more diverse and inclusive workforce with a new and more dynamic culture, where everyone feels valued;
- By September, we had achieved a 91% completion rate for Unconscious Bias training, compared to 32% in April 2018;
- In November, we published our new Learning and Organisational Development Plan. Building on our People Strategy, this plan sets out how we will support our people to develop the skills and knowledge they need to do their jobs, and outlines our ambitions for creating new social learning opportunities such as coaching, mentoring and shadowing;
- In February 2019, we introduced The Homes England Way, a culture guide that sets out 'how' we do things here, including our zero-tolerance approach to discriminatory behaviour.

In December, we started our pay and grading review. This review will allow us to test whether comparable jobs within grades are being rewarded in a consistent way, and is an important step towards reducing gender pay gap, ensuring we have parity within our grades and pay outcomes. While the outcome of the review won't influence our official pay gap numbers until 2020, in starting the process this year we have taken an important step forward in our ability to deliver truly meaningful and measurable long-term change.

Our plans last year included a commitment to improving our performance and talent management processes and establishing a Homes England Mentoring Scheme for all staff by 31st December 2018. We did not achieve those ambitions by the target date, but are committed to delivering a mentoring offer by December 2019 and making improvements to our performance and talent management processes by March 2020.

Our declaration

Our calculations follow the legislative requirements as set out in the <u>Equality Act 2010 (Specific Duties & Public Authorities)</u> Regulations 2017. All staff who were deemed to be full paid relevant employees at 31 March 2018 are included.

Data analysis

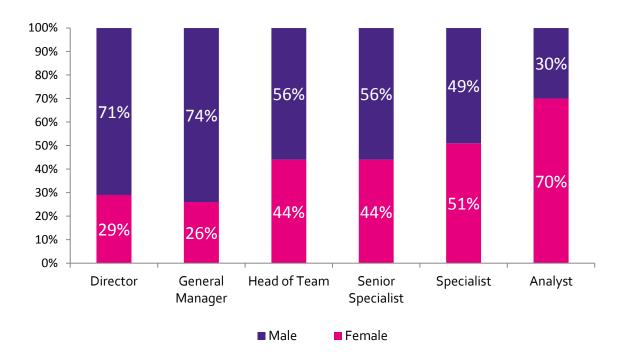
- 1. In line with the legislative guidance, our headline mean average gender pay gap is 18.2% and our median average gap is 17.5%. These figures are based on a comparison of female and male hourly pay across the agency irrespective of grade, which means that the gap shows the difference in the average pay between all men and women in the agency's workforce.
- 2. Along with a slight reduction in our gap, we also saw an increase in the number of women who have joined the agency at our Head of Team and Senior Specialist grades since our last report. However during the same period, we have also seen decreases in the number of women in our Director and General Manager grades. A more detailed picture of our recruitment by gender and grade during 2018 is provided in Table 1.

	Headcour	Headcount – 2018 Headcount - 2017 Headco		Headcount - 2017		ount - Movement	
Grade	Female	Male	Female	Male	Female	Male	
Director	2	5	3	3	-1	2	
General Manager	10	28	13	30	-3	-2	
Head of Team	42	54	33	48	9	6	
Senior Specialist	101	126	76	118	25	8	
Specialist	138	135	162	165	-24	-30	
Analyst	110	47	113	42	-3	5	
Grand Total	403	395	400	406	3	-11	

Table 1

3. As with the last year, our analysis has determined that the gap is mainly driven the very high proportion of women in our most junior grade (Analyst) and by the lack of women at more senior levels in the agency. The proportion of female and male staff in each grade is illustrated by the graph below::

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4. Our mean gap of 18.2% is a decrease of 0.2 against last year's mean figure of 18.4%. Our median pay gap is 17.5%, a decrease of 2.1% against last year's median average gap of 19.6%. We recognise that there is more we can and need to do to ensure we achieve gender balance at all grades. It is not acceptable to us that we have imbalances. We will take action to address this, set out in our next steps.

Our Gender Pay Gap by grade

5. The mean average gender pay gaps for individual grades are much smaller than our headline figure of 18.2%. The figures for each grade are summarised in the table below:

Grade	% Gap
Director	-2.81% Higher
General Manager	8.44% Lower
Head of Team	7.83% Lower
Senior Specialist	2.54% Lower
Specialist	2.52% Lower
Analyst	-o.81% Higher
Overall mean average gender pay gap	18.20% Lower

6. In 2017, we conducted an Equal Pay Audit. Whilst there were no issues that required addressing, we are aware that we have a wide range of different jobs within each grade and in December, we began a wide-ranging pay and grading review. The overall aim of the review is to design a fair and equitable pay framework that rewards professional and technical expertise, helps us attract and reward talent and provides more opportunity for progression for our people.

Our mean and median Gender Pay Gap in hourly pay

7. Our data shows the overall mean and median gender pay gap at the agency as at the snapshot date of 31 March 2018. The mean figure is the percentage difference between the mean average hourly rates of men and women's pay. The median figure is the percentage difference between the midpoints in the ranges of men and women's pay.

Mean Pay Gap

Women's Hourly Rate is:

18.2% lower

Median Pay Gap

Women's Hourly Rate is:

17.5% lower

Mean Bonus Gap

Women's bonuses are:

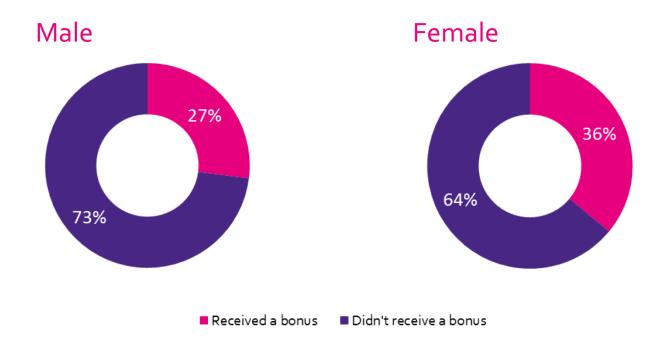
62.7% lower

Median Bonus Gap

Women's bonuses are:

O.O% higher

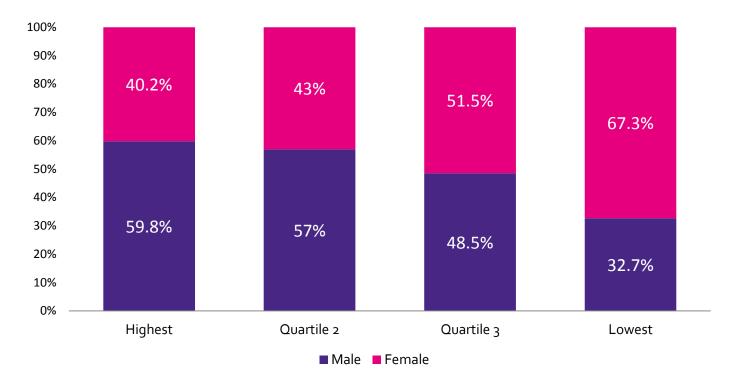
Proportion of staff awarded a bonus for 2018²



8. The charts above show the percentage difference between the number of men and women being paid a bonus for their performance in 2017/18, with more women receiving a bonus than men (35.5% of women compared to 26.5% of men). The bonus data for 2017/18 excludes performance related pay but includes Honorariums and Employee Recognition Scheme payments. Those payments include £25 payments made as part of the Employee Recognition Scheme and honorariums ranging from £350 to £3750. Annual performance bonuses for 2017/18 were not agreed and processed in time for 2017/18 snapshot period and therefore are not included here. However both the 2017/18 & 2018/19 annual performance bonuses will be included as part of the next reporting cycle. This will cause an increase in the overall bonus figures we report next year.

² Figures applied have been rounded to the closest decimal point.

Our pay quartiles



Taking Action - Our Gender Pay Gap Action Plan 2019

We have an unacceptably large gender pay gap and we aim to take meaningful action to address it. In doing so we will build on the actions that we committed to in our last action plan and take steps towards providing greater transparency and fair and equal opportunities for development and progression for everyone.

The below actions are jointly owned by the Human Resources and Communications Teams and will be developed in collaboration with our Staff Networks.

Actions Immediate Recruitment Workforce Creating Career **Progression** Transparency **Inclusive Actions** and Talent Cultures and **Pipeline Empowering** our Staff **Networks**

1. Immediate Actions

No. Actions

- 1. We will ensure that everyone in our analyst grade has a career development discussion with their managers to ensure that their career ambitions are captured and development needs are identified. We will ask that all managers have held their discussion and have personal development plans in place.
- 2. We will facilitate sessions in each of our offices to raise awareness of our gender pay gap and to ensure that everyone at Homes England takes ownership of our commitment to remove it. We will ensure that members of our Board and Exec team take part in those sessions and so that they can hear staff thoughts on the gender Pay Gap and can consider views on how to address the issues that arise first-hand.
- 3. We will be adopting the recommendations set out in the Real Estate Balance report, which stresses the importance of treating diversity and inclusion as a strategic priority and applying the same direction and accountability processes as you would to any other business critical area.

2. Career Progression and Talent Pipeline

No.	Actions	Timeframe
1.	We will ensure that Homes England staff have visibility of the career pathways available to them by beginning our design of a career architecture which allows careers to be tracked and which clearly articulates career trajectories from current grades into higher grades others.	By June 2019
2.	We will offer and promote secondment and shadowing opportunities to staff (with a particular focus on supporting women into our most senior roles) allowing them opportunities to work across the organisation in order to gain new skills and to observe senior members of staff in their day to day roles. This will improve prospects for progression and ensure that our people are given access to a wider variety of roles.	By June 2019
3.	The Executive Director of Corporate Services will lead a team with responsibility for developing an organisational Professional Business Support Service that has clear lines for the advancement of careers.	By June 2019
4.	We will introduce a new mentoring framework to Homes England. We aim to align the new framework to our new performance management and personal development processes to improve our gender imbalances and to increase the number of women in our senior roles and internal and external mentors for women. As part of our mentoring offer, we seek ensure that women at our Analyst grade are allocated mentors to support their personal development plans The mentoring relationships we develop will empower our workforce and develop greater confidence in our people.	By July 2019
5.	We will work closely with our Leadership, Future Leaders and Gender Networks to develop an offer aimed at supporting our staff to build their careers at Homes England with a particular focus on supporting women into our most senior roles	By July 2019
6.	We will work with our networks, co-developing their proposed career road map plans acting as a champion and a challenge agent on actions that they identify with the desire that they provide the same champion and a challenge function to us.	Throughout the year

3. Recruitment

No.	Actions	Timeframe
1.	We will develop an attraction strategy that will broaden and diversify our talent pool by focusing on the full list of benefits available to our staff in promotional material for our roles and our job advertisements, particularly around our term time and fixed pattern working, maternity, paternity, shared parental leave and childcare benefits.	Throughout the year
2.	We will ensure that we include mixed gender shortlists for recruitment and promotions (provided they meet the minimum criteria for the role) and we will ensure at least one female is shortlisted for every senior role. In taking that action, we will seek out media whose readership are of diverse backgrounds and place career advertisements there and use recruitment services to help us locate talented individuals.	By September 2019
3.	We will develop and set an aspirational target to increase the representation of women in our top two grades by 15% each year with a view to reflecting a 50/50 gender split in our top grades with a particular focus on women returning to the workforce after maternity leave.	By September 2019
4.	We will improve our assessment processes so that our hiring managers understand how to screen for the right behaviours and use our corporate values, as well as technical and professional expertise. Our aim is to improve the assessment of candidates so that we make a better use of assessment tools and for all hiring managers will receive this training over the course of the financial year.	Throughout the year

4. Workforce Transparency

No.	Actions	Timeframe
1.	We will publish our response to the Pay and Grading Review and communicate our plans for implementation of its findings to Homes England staff	By September 2019
2.	We will review our HR policies and their application in line with best practice to ensure consistency – prioritising those that are likely to affect the most employees so that all staff (including women) are not disadvantaged in recruitment, selection career progression and reward.	By September 2019
3.	We will fully articulate all relevant policies to allow men and women to take advantage of opportunities for flexible working	By September 2019
4.	We will provide quarterly updates to our Director's Group and the Board on progress against our Gender Pay Gap Action Plan from July 2019 onwards	By September 2019

6. Creating Inclusive Cultures and Empowering our Staff Networks

	No.	Actions	Timeframe
1.		We will develop and provide new training for all staff on eliminating bias and ensuring equality of opportunity for all staff as part of ongoing work aimed at creating inclusive cultures. We will aim to initiate the training by June 2019 and implement that training throughout 2019.	By September 2019
2.		We will actively support our Gender Network and all of our staff networks, by creating a Partnership Agreement with them. The agreement will provide a new 'business deal' with our networks to formally recognise how Homes England will work with them to support their needs and how they in turn will work with the agency in the delivery of our relevant diversity and inclusion aims and objectives.	By September 2019

Appendix 1

What is the gender pay gap and why are we reporting on it?

- 1. The gender pay gap is different to equal pay, which deals with the pay differences between women and men who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a woman or a man. Homes England supports the fair treatment and reward of all staff irrespective of gender.
- 2. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 stipulate that all businesses, public sector and third sector organisations with over 250 employees will have to publicly report on average pay differences between their male and female employees in 2018. The Regulations require employers to publish their:
- Mean gender pay gap in hourly pay;
- Median gender pay gap in hourly pay;
- Mean bonus gender pay gap;
- Median bonus gender pay gap;
- Proportion of males and females receiving a bonus payment; and
- Proportion of males and females in each pay quartile.
 - 3. As a public sector body, we are required to publish this pay gap information no later than the "snapshot date" of 31 March 2018.
 - 4. Our ambition as Homes England is to provide a leadership role to the wider housing sector and our stakeholders, including on diversity and inclusion, developing and growing talent, and tackling the gender pay gap. We also want to be an employer of choice for talented people. We have been working hard to achieve those ambitions. We are reporting on our gender pay gap not just to comply with the Regulations but because doing so sends a powerful message about the importance we place on diversity and inclusion, and equality of opportunity across the agency and the sector.
 - 5. Over the last 12 months we have taken steps to improve processes and policies that will positively impact on gender equality at the agency. We remain true to our overall commitment to remove our gender pay gap.

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