

Making homes happen

Gender Pay Gap Report

Snapshot date: 31st March 2020 Published: 29th July 2020



Foreword

Making progress requires effort from all angles. We need to make sure our recruitment processes are right, so we attract women into the right roles, we need to have a clear talent pipeline of women for senior positions, and we certainly need to finalise our new pay structures. Accountability and transparency go hand in hand, and a more frequent internal reporting schedule allows us to hold a mirror up more often.

This mirror has shown us two important things since our last report.

Firstly, that we have continued to narrow our pay gap. Although the change is small, we're striving for constant progress and it is important that each quarterly check-in shows us a consistent move in the right direction. I am confident that throughout this year we'll continue to do the work we need to see the gap close more significantly by the time our annual benchmarking report comes around.

Secondly, that we must see our Gender Pay Gap Report as one important strand of our wider diversity and inclusion agenda. We believe that gender identity is broader that just 'men and women' and although the regulations do require us to report in this way, at Homes England we recognise and welcome colleagues of all gender identities.

We also recognise that our colleagues have overlapping identities, and although the Gender Pay Gap Report is an important tool for keeping us accountable for parity and fairness in our pay and recruitment practices based on gender, our staff members come from many different races, ages, faiths and backgrounds.

This is why, alongside our latest Gender Pay Gap Report, we have prioritised the publication of our first Equality, Diversity and Inclusion Report, which sets out how we will ensure equality and fairness for everyone who works at Homes England. It is important that we adopt the rigour of our Gender Pay Gap Reporting to our wider equality objectives to ensure that all colleagues, no matter how they identify or what their circumstances are, experience fair treatment, pay and opportunities.

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Nick Walkley Chief Executive Officer

Introduction

It has been just four months since we published our last Gender Pay Gap Report, outlining our March 2019 snapshot figures. In that report, we committed to publishing our annual Gender Pay Gap Reports closer to the snapshot date, to provide a more accurate and up to date reflection of our current position. This report shows our gender pay gap as at March 2020. We will continue to publish our reports in July each year to provide a more accurate real-time reflection.

Our reported mean figure as of 31st March 2020 is 16.9% and our median figure is 15.3%, compared to 31st March 2019 figures where our mean gender pay gap was 18.0% and our median 15.5% respectively.

Although the gap has decreased, our progress is not good enough and we know that there is still much work ahead of us to close the gap. Our actions this year will harness the whole organisation to work together to create an inclusive, welcoming environment for all genders.

This year, we are publishing this report along with our first Annual Equality, Diversity and Inclusion Report, which outlines our commitment to growing as an inclusive and diverse place to work. The steps we are planning to take over the next year to impact our organisation, partners and communities, will also help to address our pay gap. This will involve looking at inclusion from systemic, cultural and industry wide perspectives, with a strong leadership approach. Areas of focus for the coming year can be found later in this report, and this will be followed by a more detailed action plan.

Contents

Background	. 5
Dur declaration	. 5
Gender identity	.6
Dur gender pay gap as of 31 st March 2020	. 7
Dur gender pay gap journey	10
What are we doing about the gap?	12

Background

In 2017, the government introduced legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31st March 2017.

These regulations underpin the Public Sector Equality Duty and require all organisations which meet the criteria to publish their gender pay gap data annually:

- → Mean gender pay gap in hourly pay;
- \rightarrow Median gender pay gap in hourly pay;
- \rightarrow Mean bonus gender pay gap;
- \rightarrow Median bonus gender pay gap;
- → Proportion of men and women receiving a bonus payment; and
- → Proportion of men and women in each pay quartile.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be several issues to deal with, and the individual calculations may help to identify what those issues are.

The gender pay gap is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

Homes England supports the fair treatment and reward of all staff irrespective of gender. This report fulfils the gender pay gap reporting requirements, analyses the figures in more detail and sets out what we are doing to close the gap.

This is Homes England's fourth annual gender pay gap report and we remain committed to analysing and investigating our results, ensuring that we put in place the correct action plans to address them.

Our declaration

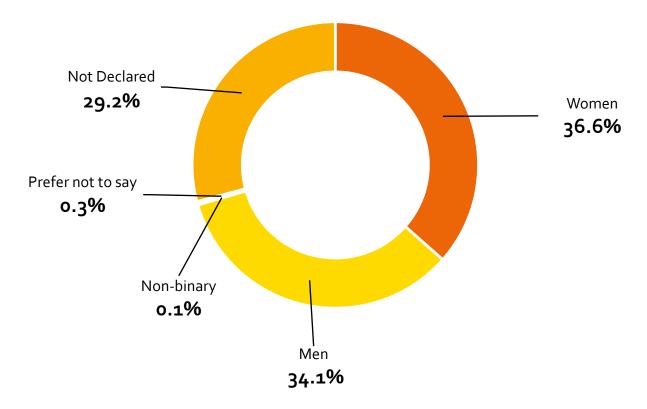
Our calculations follow the legislative requirements as set out in the <u>Equality Act 2010 (Specific</u> <u>Duties & Public Authorities) Regulations 2017</u>. All staff who were deemed to be full paid relevant employees at 31 March 2020 are included.

5

Gender identity

Following current requirements for gender pay gap reporting, gender must be reported in a binary way, recognising only men and women, and we are unable to report non-binary or other identities in this report. The data used for the calculation comes from Her Majesty's Revenue and Customs (HMRC) records, which we acknowledge won't have an accurate record of gender for many trans and non-binary people. For the purpose of this report, we have used the terms 'gender', 'men' and 'women', although we understand that, for some people, this will be referring to their biological sex.

Gender identity is often assumed from the sex assigned at birth. However, we know that sex is more complex than simply 'male' and 'female', and gender is more than 'men' and 'women'. There are many people who do not fit into these binary categories, for example non-binary or intersex people. We are also aware that some people's gender identity does not align with the sex they were assigned at birth.



Gender identity - self-declaration

Our internal diversity data collection process allows colleagues to choose between various gender identities as well as providing a space for them to self-identify. As at 31st March 2020, 0.1% of colleagues declared their gender identity to be something other than man or woman. This is lower than the official statistics, which indicate that around 0.4% of the UK population identify in this

Way (Titman, N. (2014). How many people in the United Kingdom are nonbinary?).

Our data currently shows that a significant proportion of colleagues have not declared their gender identity. As part of our commitment to creating an inclusive environment in the organisation, one of our priorities for the coming year will be encouraging all colleagues to update their diversity data. However, we understand that there may be some colleagues who do not feel comfortable sharing this information with us, so we will provide a 'prefer not to say' option.

We want all our colleagues to feel comfortable to bring their whole self to work and we commit to the following actions to help create a more inclusive workplace for trans and non-binary colleagues:

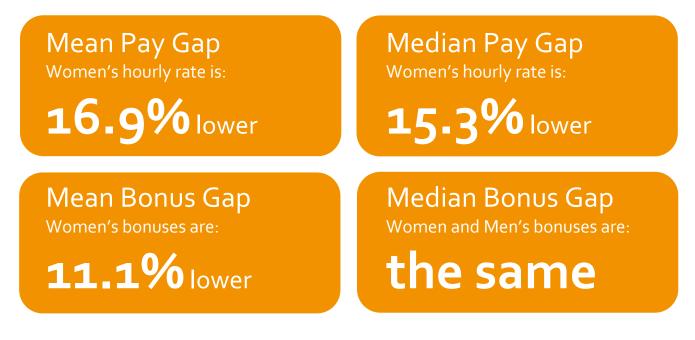
- → Corporately encouraging the active use of clearly stated pronouns among colleagues.
- → Providing gender identity awareness training to employees.
- → Continuing to support and uplift the voices of trans and non-binary members of our LGBTQ+ network.
- → Providing visibility of trans and non-binary issues at a senior level.
- → Addressing the current underrepresentation of trans and non-binary colleagues actively through recruitment.
- → Reviewing our existing policy and procedures that support colleagues going through gender transition, to ensure they are clear, safe and confidential.
- → Providing more non-gender exclusionary bathroom facilities in our offices.

Our gender pay gap as of 31st March 2020

Mean and median gender pay gap figures are based on a comparison of men and women's 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.

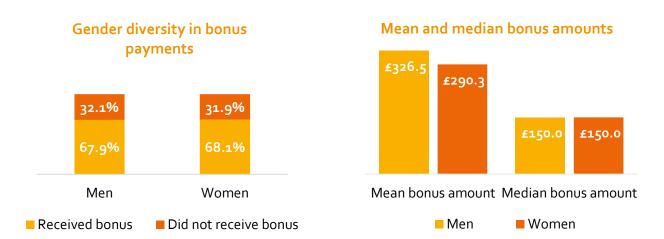
- → The **mean figure** is the percentage difference between the mean average hourly rates of men and women's pay.
- → The **median figure** is the percentage difference between the midpoints in the ranges of men and women's pay.
- → The bonus gap refers to bonus payments paid to men and women employees during the 12 months period prior to the snapshot date.

Our pay gap figures



Bonus pay gap

The charts below show the percentage difference between the number of men and women being paid a bonus in 2019/2020 and the mean and median bonus amounts. The bonus data for 2019/20 includes performance-related pay, honorariums and Employee Recognition Scheme payments paid between 1st April 2019 and 31st March 2020.

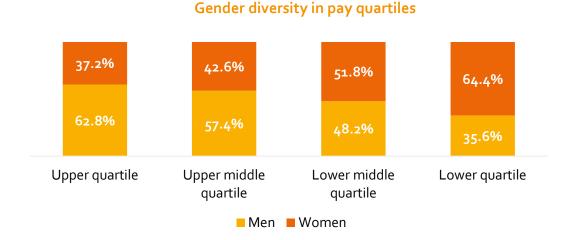


The data shows that there was a similar percentage of men and women that received a bonus in 2019/20. Within the 68.1% of women that received the bonus, the mean bonus value was £290.30. Within 67.9% of men that received bonus, the mean bonus value was £326.50. As the mean bonus amount was higher for men than woman, there was a 11.1% Mean Bonus Gap reported.

Median bonus amounts in 2019/20 were the same for men and women, therefore there was no median bonus gap observed.

Pay quartiles

Pay quartiles have been calculated by dividing all Homes England colleagues into four even groups according to their pay. The upper quartile includes colleagues with the highest level of pay and the lower quartile has the lowest level of pay. The chart illustrates the gender diversity within each pay quartile.

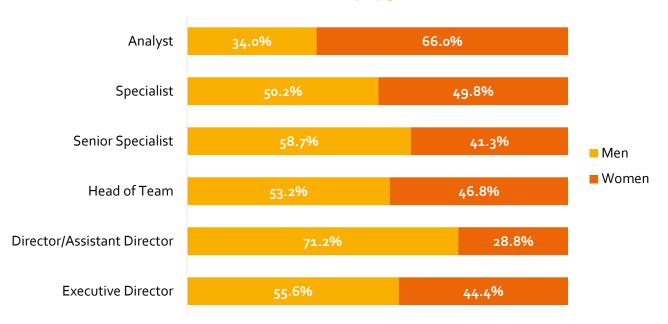


This data shows us that there is a higher representation of men at the upper quartile (62.8%) and upper middle quartile (57.4%). There are more women than men in the lower middle quartile (51.8%) and lower quartile (64.5%). There is still underrepresentation of women in the highest quartile.

We recognise that this in part is a legacy issue caused by the lack of representation of women in our industry as a whole. Our new diversity and inclusion objectives promote inclusion in our sector, to address the lack of diversity within the industry. However, we also know that we need to continue to drive change internally – tackling systemic and cultural challenges to change behaviour to ensure there are true equal opportunities for promotion and development.

Gender pay gap by grade

Lack of gender diversity and representation across grades, as seen in the chart below, continues to be a significant factor of our pay gap. Women are over-represented in junior grades and underrepresented in senior grades. We are pleased to report that we have increased gender diversity at Director level. Last year, we reported 100% of our Directors being men, and this has now reduced to 55.6% being men, which is something we are proud of. However, improving gender diversity alone is not enough, and whilst there are differences in the hourly rate between genders, particularly at Director grade/higher grades, our gap will remain. Tackling this issue is not a quick fix, however, our pay and grading review which is currently underway will help to address this issue in the long term through reducing our pay scales and therefore mitigating the risk of such large pay disparities within grades.



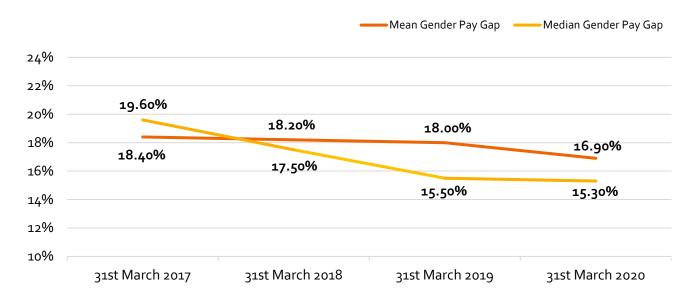
Gender diversity by grade

The table above shows our gender diversity by grade, taken from HMRC records for the purpose of this report. We know the table above is not an accurate reflection of Homes England's gender diversity at some levels, as it does not reflect our non-binary colleagues. We are exploring ways in which we can improve how we report on gender in future, as well as trying to improve the completion rates of our self-declaration data for gender.

Our gender pay gap journey

Comparing the results of the gender pay gap at Homes England reported at 31st March for the last four years, we can see a slow improvement in our pay gap. In our first report in 2017, we reported a mean and median gender pay gap of 18.4% and 16.9% respectively. This has now decreased to 16.9% (mean) and 15.3% (median). Over this time, we have implemented a number of changes and initiatives, and talked about our gender pay gap with our Board, leadership team and colleagues. While the gap has decreased, we know that the rate of improvement is not good enough.

Mean and median gender pay gap comparison



The gender pay gap at each grade has also fluctuated over the period of the last four years, as per the table below.

Gender pay gap by grade comparison					
Grade	March 2017	March 2018	March 2019	March 2020	
Analyst	2.3%	-0.8%	7.1%	2.1%	
Specialist	5.4%	2.5%	2.9%	4.0%	
Senior Specialist	1.5%	2.5%	1.6%	3.6%	
Head of Team	6.2%	7.8%	4.7%	1.5%	
Director/Assistant Director	7.4%	8.4%	6.9%	8.6%	
Executive Director	14.6%	-2.8%	100% *	32.6%	

*at the point of reporting, all employees at Executive Director grade were men, therefore the gap appears as 100%

What are we doing about the gap?

Our ambitions to create a more inclusive agency are set out in our Equality, Diversity and Inclusion Report and the diversity and inclusion objectives that we have committed to will go some way in improving the gender pay gap.

Over the next year we will focus on the following areas where we believe we will see the biggest impact in 2020/21. The areas below will be supported by a detailed action plan with specific, measurable and timely actions and clear ownership.



Transparency

- We continue to report on our gender pay gap on a quarterly basis to Executive Directors and the Board and will share this quarterly data to the whole organisation to further improve transparency and accountability.
- → We will use our Board and Executive Sponsors to advocate the Employee Networks and help to raise the profile of gender inequalities across the organisation.

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Policies

- → We will consult our Trade Unions and Employee Networks on policies to ensure they are inclusive and support them to develop new policies that improve equality, diversity and inclusion – for example exploring the development of a Menopause policy.
- → We will improve our advocacy and promotion of our benefits and policies that support gender equality, for example Shared Parental Leave, Term Time Working and Flexible Working.



Recruitment and Attraction

- → We will work with our Employee Networks to undertake a comprehensive review of our end-to-end recruitment process to improve inclusivity.
- → We have invested in an applicant tracking system which will improve our ability to analyse our recruitment data, allowing us to identify where the challenges lie in recruiting women into more senior roles, enabling us to create meaningful action plans.

→ For senior roles (Head of service and higher grades) we commit to shortlisting at least two women providing they meet the essential criteria, to increase the opportunity for women to be appointed.

Pay Reform



- Our pay and grading review will be finalised in 2020 and implemented in 2021, which will provide greater consistency, transparency and fairness across the organisation.
- → We have made provision in our 2020/21 annual budget to enable us to address any specific recommendations identified that will reduce our pay gap further. We know that simple investment is not enough, however this will support our wider action plan which will aim to deliver meaningful and measurable long-term change to focus on the uneven distribution of genders in the quartiles.



Focusing on Women's Development

→ We will provide a tailored programme of training and development opportunities that meet those needs, to support their career development and progression, including identifying opportunities for mentoring. enquiries@homesengland.gov.uk 0300 1234 500 gov.uk/homes-england

