



Homes
England

Making homes happen

Gender Pay Gap Report

Snapshot date 31st March 2019

Published 30 March 2020

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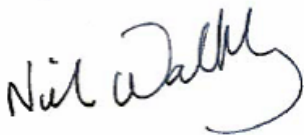
Foreword

Since Homes England published its first Gender Pay Gap Report two years ago, we have had no shortage of honest and determined conversations about what it will take for us to see improvements within our organisation and what responsibility we have to demonstrate D&I leadership in a sector where change is happening at all too slow a pace.

As Chief Executive, I talk a lot about our values. This includes our commitment to learning more and being collaborative with one another and with our partners, to being creative and commercial, and to embracing diversity of thought, experience, background and perspective. These values are the backbone of the organisation but being able to point to actual changes in the data – real, measurable progress – shows that we are also prepared to walk the walk.

This year's report doesn't quite hit that mark. We have a long way to go and there is a lot of work to be done, but at the same time, I know we have seen a step change in the last year. Our recruitment processes have matured, we've hired more talented women into senior roles and our ambitious staff-led Gender Network is more active than ever, but we can't fairly talk about impact of those changes when the data set is lagging a year behind. This is why we are moving to a new schedule, with a more real-time look at what's happening in our agency and will begin producing quarterly reports for our staff and stakeholders to see and hold us accountable to. Unfortunately, we won't solve this problem overnight, but I hope that this change demonstrates the agency's commitment to tackling the issue openly, transparently and with a sense of urgency.

It is important to me that Homes England is a fair and inclusive employer for everyone – not just women, but for all colleagues regardless of sex, gender, race, age, sexual orientation or any other characteristic. Without this, we simply won't be able to fulfil our potential. It is also important to me that we are setting an example, and that we do not so much aim for change in the sector as insist upon it. Over the coming year, I will personally be thinking just as much about what we can do to influence change on a wider scale as we do about what happens within our offices, and I look forward to having that conversation with our colleagues, leadership teams, partners and stakeholders.



Nick Walkley
Chief Executive Officer

Introduction

It's been two years since we published our first Gender Pay Gap Report, where we outlined our commitment to increasing the diversity of our organisation. In this report, our reported mean figure is 18.0% as of March 2019 and our median is 15.5%, compared to last year's 18.2% and 17.5% respectively.¹

Whilst we have seen a marginal reduction, it is disappointing. However, this snapshot data is a year old, and we can report positively that our figures at the time of writing in March 2020 have shifted further, which demonstrates that the steps we have taken are making a difference. We are now monitoring our gender pay gap on a quarterly basis and have seen a gradual reduction over the past twelve months and can report a significant reduction of the gap in our December 2019 figures with a mean pay gap of 15.3% and a median gap of 12.5%. We are forecasting that our March 2020 snapshot data figures will demonstrate that greater improvement, and this will be reflected in our next report, which will be published in July 2020.

We will continue with our plans to provide development for our colleagues, focusing our attention to increase women and non-binary candidates to Homes England, particularly into senior roles and through our pay and grading review we will redress these inequalities further.

These steps will shift the dial further and more quickly to close the gap and drive positive change throughout our organisation, build a talent pipeline for the future and play our role in making the housing sector a more diverse and inclusive place to be.

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 31st March 2019.

Background

In 2017, the government introduced world-leading 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 31 March 2017.

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

- 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.

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 a number of 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.

The regulations require us to categorise our colleagues as male and female. At Homes England, we recognise that gender identity is broader than simply men and women, and we know that some of our colleagues do not identify with either category. Whilst we must report in this way, we value, welcome and celebrate colleagues of all gender identities at Homes England.

This is Homes England's third annual report on gender pay gaps and we remain committed to analysing and investigating any gender pay gaps and ensuring that we put in place the correct action plans to address them.

Following this report, we will be amending the timing of our gender pay gap reporting so that we are reporting on accurate, real time information. We will publish our 2020 gender pay gap in July 2020, in line with our Annual Report and Diversity and Inclusion statement.

Our declaration

Our calculations follow the legislative requirements as set out in the [Equality Act 2010 \(Specific Duties & Public Authorities\) Regulations 2017](#). All staff who were deemed to be full paid relevant employees at 31 March 2019 are included.

Our mean and median Gender Pay Gap in hourly pay

- Our data shows the overall mean and median gender pay gap at the agency at the snapshot date of 31st March 2019. 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. Our mean and median pay gap figures have improved significantly since the snapshot date, with our December 2019 snapshot showing a mean pay gap of 15.3% and a median pay gap of 12.5%. We are forecasting an improved March 2020 pay gap, which will be reflected in our next report published in July 2020.

Mean Pay Gap

Women's Hourly Rate is:

18.0% lower

Median Pay Gap

Women's Hourly Rate is:

15.5% lower

Mean Bonus Gap

Women's bonuses are:

9.4% higher

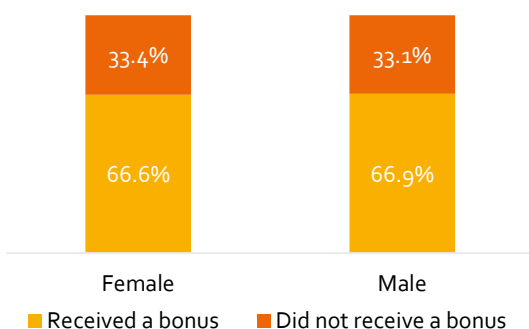
Median Bonus Gap

Women's bonuses are:

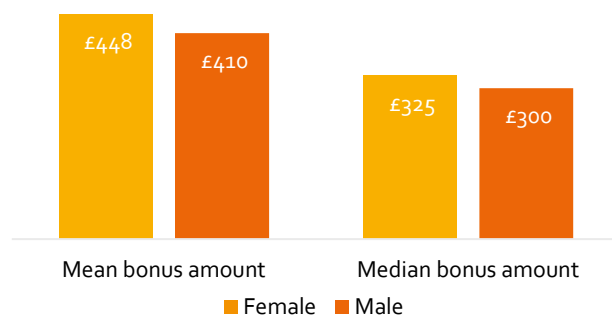
8.3% higher

Proportion of staff awarded a bonus in 2018/19

Gender split in bonus payments



Mean and median bonus amounts



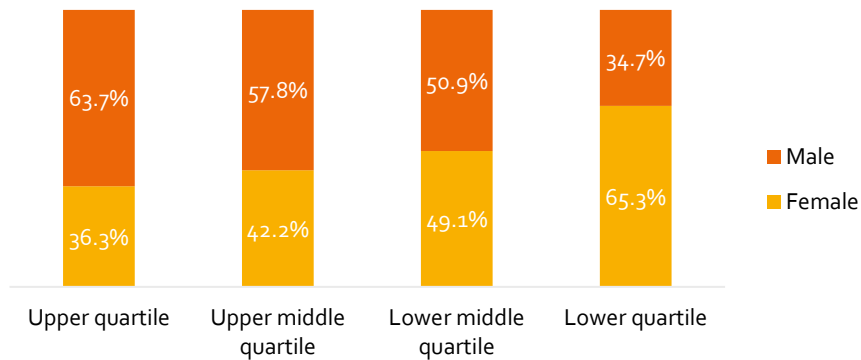
- The charts above show the percentage difference between the number of men and women being paid a bonus in 2018/19² and bonus mean and median amounts. The bonus data for 2018/19 includes performance-related pay, Honorariums and Employee Recognition Scheme payments. The figures illustrate a close percentage of men and women that received bonuses (with a difference of 0.3 percentage point). Mean and median bonus amounts were higher for women than men, with mean bonus gap of -9.4% and median bonus gap of -8.3%.

² Figures applied have been rounded to the closest decimal point and include bonuses paid from 1st April 2018 to 31st March 2019.

Our pay quartiles

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

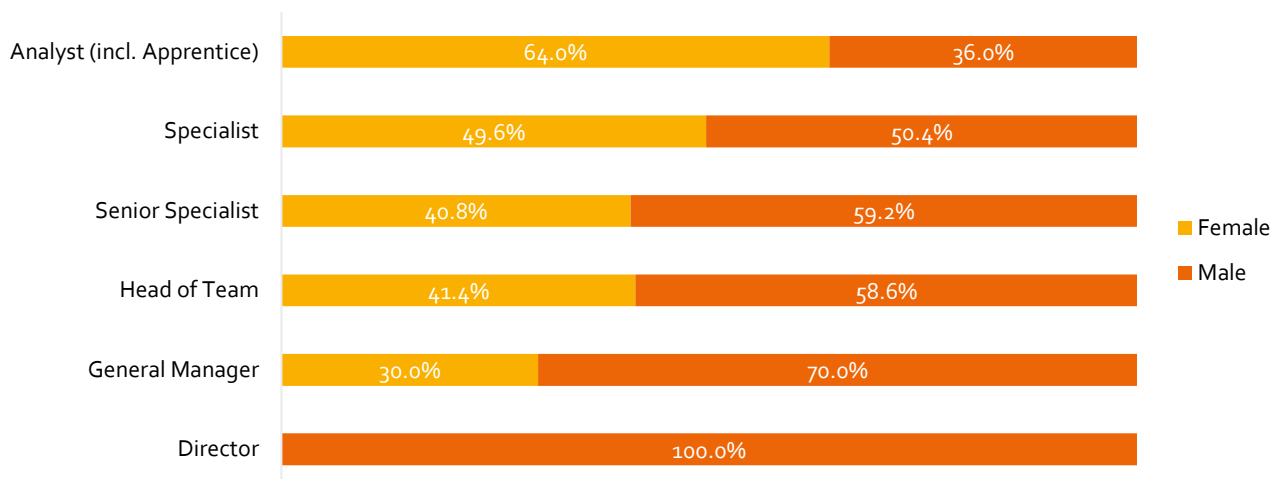
Gender split in pay quartiles as of March 2019



Data analysis

4. In line with the legislative guidance, our headline mean gender pay gap is 18.0% and our median gap is 15.5%. 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.
5. The primary cause of the gender pay gap within Homes England is an imbalance in representation – women are over-represented in junior grades and under-represented in senior grades, as seen in the chart below. Since the March 2019 snapshot date, work has been undertaken to address this issue, resulting in us currently having much greater gender diversity at senior levels than is reported here. This will be evidenced in our 2020 report, however, there is still some way to go.

Gender split by grade as at March 2019



6. The table below presents results of Gender Pay Gap at Homes England reported at snapshot date (31st March) over the last 3 years.

Gender Pay Gap – 3-year comparison			
	March 2017	March 2018	March 2019
Mean Gender Pay Gap - hourly rate	18.4%	18.2%	18.0%
Median Gender Pay Gap - hourly rate	19.6%	17.5%	15.5%
Mean Gender Pay Gap - bonus pay	-12.4%	62.7%	-9.4%
Median Gender Pay Gap - bonus pay	-85.1%	0%	-8.3%

Our Gender Pay Gap by grade

7. We have a wide range of different jobs within each grade and in last year's report, we referred to our pay and grading review which is underway. We have made provision in our 2020/21 annual budget to enable us to address specific recommendations to reduce our pay gap further. Simple investment is not enough and delivering truly meaningful and measurable long-term change requires focus on the uneven distribution of genders in the quartiles. At the time of reporting (in March 2020) we can positively state that we have already seen a shift in the diversity of colleagues at our most senior levels. This will be reported in detail in our March 2020 submission in July.

Grade	Average Hourly Rate (£) March 2019		Mean Gender Pay Gap		
	Female	Male	March 2017	March 2018	March 2019
Analyst (incl. Apprentice)	14.9	16.1	2.3%	-0.8%	7.1%
Specialist	23.8	24.5	5.4%	2.5%	2.9%
Senior Specialist	32.6	33.1	1.5%	2.5%	1.6%
Head of Team	43.1	45.2	6.2%	7.8%	4.7%
General Manager	63.4	68.2	7.4%	8.4%	6.9%
Director	-	104.1	14.6%	-2.8%	100.0%

A year in review

In March 2019 we reported that our 2018 gender pay gap was primarily caused by the lack of women at more senior grades. Progress has been made, however, there are no quick fixes, and it will take time to see the outcome of our actions reflected in our gender pay gap figures. Since the publication of our last report, the following interventions have been made:

- Over the past 18 months, Homes England has undergone a significant restructure of our operating model, which has resulted in numerous opportunities for colleagues to progress their careers at Homes England, and for Homes England to bring new and diverse talent into the organisation. We will begin to see the outcomes in our March 2020 figures.
- We are investing in everyone's personal development at Homes England. During 2019/2020 all colleagues have been given the opportunity to attend a Development Centre. This is an assessment of strengths and

development areas against our values and behaviours to support shaping an individual's development plan and career conversations with their line manager.

- We have improved transparency of our gender pay gap and delivered Gender Pay Gap roadshows across our sites to engage colleagues to talk about our gap, potential causes and ideas on areas to work on.
- We have commenced quarterly gender pay gap reporting to Executive Directors and the Board.
- We have commenced a comprehensive review of our recruitment attraction strategy to review how we advertise and engage with candidates to increase the number of women applicants. We continue to ensure that all Homes England interview panels are mixed gender and we now guarantee an interview for the highest scoring female applicant for Director grades where they meet the minimum criteria.
- Diversity and Inclusion and Unconscious Bias training are now mandatory for all colleagues, and hiring managers are unable to recruit until they have undertaken this training.
- Our strength of relationship with Homes England network groups continues to grow and we are proud to confirm that we now have a Board Sponsor of our Gender Network.
- We considered the recommendations from the Real Estate Balance report, especially around bringing diversity and inclusion priorities to close attention of Directors and Board members.

We have been monitoring our gender pay gap on a quarterly basis since March 2019, and can see that the interventions put in place are having a positive impact on our figures. Based on our position at December 2019, where we had a mean pay gap of 15.3% and median gap of 12.5%, we are forecasting an improved mean and median pay gap for our March 2020 snapshot, which will be reflected in our next report in July 2020.

Taking action

We are committed to publishing our 2020 gender pay gap data with our annual statement in July 2020, which will provide a more up to date view of our position. This will be aligned to the publication of our first annual Homes England Diversity and inclusion statement.

We know from our progress in 2019 that we are seeing a positive change both in our gender pay gap, and across our wider diversity and inclusion work. We will continue to focus our efforts in providing fair and equal opportunities for development and progression for everyone at Homes England. We are a growing organisation, and the significant increase in our headcount presents an opportunity to make some real change. The restructure of our operating model is creating a significant number of opportunities for existing colleagues to progress in their careers, and for diverse talent to be brought into the agency.

In order to redress the lack of representation of women at senior grades, we are providing additional focus in 2020 on our attraction strategies to increase the number of women applying to the agency in order to continue to appoint the best talent into the agency. We will also continue to invest in our current workforce by providing opportunities for all colleagues to develop themselves, supported by increased learning and development opportunities and a transparent and fair recruitment and talent processes.

Key areas of focus will be we will concentrate on are:

- Continue to review Homes England policies and promote flexible working opportunities
- Develop inclusive attraction strategy that will aim to improve our recruitment process and employer brand to attract diverse talent
- Develop new performance management and talent development approaches

- Strengthen relationships with our Network groups to increase their contribution to our wider aims and facilitate change
- Continue with our pay and grading review, which will be finalised in 2020 and implemented in 2021. We have made provision in our 2020/21 annual budget to enable us to address specific recommendations to 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.

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