



# Wolverhampton Homes Board Resources Committee

30 January 2019

**Open Report**

<b>Report title:</b>	<b>Gender Pay Gap</b>
<b>Status:</b>	For information
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<b>Recommendations:</b>	<b>Resources Committee to note contents of report.</b>

**Key risks and contentious issues:** By not taking steps to address the gender pay gap, Wolverhampton Homes risks its reputation as being a fair and progressive employer. This could impact on our ability to attract high calibre candidates for vacancies and could have an adverse effect on employee engagement.

## Management Summary

### 1.0 Purpose

1.1 To inform the Committee of the Gender Pay Gap as it applies to Wolverhampton Homes.

### 2.0 Background

2.1 Parliamentary approval of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 brought into effect a requirement for organisations with 250 or more employees to report publicly every year the differences in the aggregate pay and bonuses of men and women.

2.2 The issue of equal pay and the gender pay gap are often confused. While the former concerns pay differences between individuals or groups performing the same or similar

work, the gender pay gap is concerned with differences in the average earnings of men and women, regardless of their role or seniority. It is, therefore, a broader measure capturing not simply any equal pay issues within an organisation but also any pay inequalities resulting from differences in the sorts of jobs performed by men and women and the gender composition of the workforce by seniority.

- 2.3 The Office for the National Statistics Annual Survey of Hours and Earnings for 2018, put the overall gender pay gap for all employees in the UK at 17.9%, a fall from 18.4% in 2017.

### **3.0 Causes of Gender Pay Gap**

- 3.1 The causes of the gender pay gap are many and varied. Paying men and women differently for the same or equivalent work has been unlawful for decades. Although it does still happen, it is not considered a major factor in explaining the gender pay gap, and an employer that has completely eliminated unequal pay may still have a wide gender pay gap.
- 3.2 An organisation with a higher proportion of men in senior roles and women in junior roles will have a gender pay gap. So will an organisation with a higher proportion of men than women in better paid functions such as IT.
- 3.3 Women also make up three quarters of the part time workforce, whose hourly pay rates tend to be significantly lower than those of full time workers. In addition, women are much more likely to take time out of the labour market for family reasons, slowing the pace at which they typically progress to more senior and better paid roles.

### **4.0 Metrics required to be reported on by the legislation**

- 4.1 The regulations require Organisations with 250 or more employees to publish details of the gender pay gap for their organisation as it is in the pay period in which April 5 falls in each year from 2017 onwards.

Employers are required to report on:

- a. The difference in the mean pay of full-pay men and women, expressed as a percentage
- b. The difference in median pay of full-pay men and women, expressed as a percentage
- c. The difference in mean bonus pay of men and women, expressed as a percentage
- d. The proportion of men and women who receive bonus pay
- e. The proportion of full-pay men and women in each of four quartile pay bands

Wolverhampton Homes do not have any employees who receive bonuses so will only publish data for a, b, and e.

4.2 The data to be published is at **appendix 1**. The figures have been reached using the mechanisms that are set out in the gender pay gap reporting legislation.

4.3 The report must appear on Wolverhampton Home's website, be accessible and once published must remain there for at least three years.

## **5.0 Comparison of Wolverhampton Homes' Gender Pay gap to national statistics**

5.1 The national average (using the Annual Survey of Hours and Earnings figures), states that the gender pay gap is currently around 18%.

5.2 Wolverhampton Homes' gender pay gap is currently 12.21%, compared to 17% in 2017 so approximately 6% lower than the national average. The main reasons for this reduction is due to more females being recruited into higher paid roles (see quartiles 3 and 4 of Appendix 1).

5.3 Whilst it is recognised that the gap has significantly reduced since 2017, there are two areas where there are gaps, the biggest is where the majority of the workforce is male, predominantly the craft workforce, and women in senior roles.

5.4 Wolverhampton Homes has been taking action for some time to reduce the gender pay gap and to encourage females into construction by providing various employability programmes and management development programmes such as;

- Women into Construction
- Aspire Management Development programme
- Shadowing/coaching/Mentoring
- Employability programmes
- Working along side our Strategic Construction Partners

Wolverhampton Homes also attend career and jobs fair, promoting women in construction, have work experience placements, and the People Development Manager is an Enterprise Adviser to a local school.

## **6.0 Current initiatives to reduce the Gender Pay Gap**

6.1 Wolverhampton Homes are working with the City of Wolverhampton Council on the National Graduate Scheme and currently have a female graduate working with us from the programme.

6.2 Introduction of technical apprentices leading to our first female surveying apprentice.

6.3 Wolverhampton Homes has also reviewed its recruitment practices and all posts are now advertised internally and externally at the same time, to open up an opportunity for females to apply for suitable roles. Shortlists are also reviewed by HR to ensure that there is at least one female candidate on the shortlist for posts graded SO1 and above.

- 6.4 Wolverhampton Homes have signed up to the CIH's Inclusive Futures Campaign (calls upon housing organisations to take 5 steps to improve diversity) and have already redesigned the application form so that all equality data alongside personal information is removed at shortlisting stage (so panel members do not see it) to remove any unconscious bias. Also all recruitment panels now have a panel member that is independent to the service area recruiting and we are looking to develop a new leadership programme once new structures have settled along with support through mentoring and coaching.
- 6.5 Alongside the changes in recruitment practices to support the Inclusive Futures agenda, Wolverhampton Homes is working with the University of Wolverhampton . Three students are using Wolverhampton Homes as subject matter for their dissertations and they have been asked to cover the following projects;
1. Examine the existing composition of the workforce at Wolverhampton homes and research into prioritising workforce diversity and inclusion at the top
  2. Research into how recruitment/selection and retention methods could help in retaining people from ethnic minority groups, and come up with a set of recommendations.
  3. Conduct a comparative analysis of Wolverhampton homes and other Housing Associations.

The recommendations from these three pieces of work could influence further recruitment changes.

## **7.0 Financial and value for money implications**

- 7.1 There are no financial implications identified. Any initiatives undertaken to improve the gender pay gap will be met from existing budgets.

## **8.0 Legal implications**

- 8.1 Wolverhampton Homes are required to publish the gender pay gap data by 4 April 2019.

## **9.0 Human resources implications**

- 9.1 None identified at this stage.

## **10.0 Health and safety implications**

- 10.1 None identified.

## **11.0 Equalities implications**

- 11.1 Has an equality impact assessment been carried out. **NO**

11.2 Explanation:

Not required, information item.

## **12.0 Impact on the environment and community**

12.1 None identified.

## **13.0 Long term consequences for the company**

13.1 None identified.

## **14.0 Impact on business relationships with suppliers, customers and others**

14.1 Wolverhampton Homes can be seen as working to improve gender diversity and is within the national average.

## **15.0 Impact on the Wolverhampton Homes' Management System**

15.1 Will any new policy or policy updates have an impact on the management system.

**NO**

15.2 If yes and approved by board members, update to go on the management system by:

Date:

Officer responsible:

## **16.0 List of Appendices**

16.1 Gender Pay Gap Metrics – Appendix 1

**WOLVERHAMPTON HOMES****Gender Pay Gap Metrics**

	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>Difference</b>
Total Employees	715	671	44
Total Male	464	446	18
Total Female	251	225	26

**Organisations Mean Gender Pay Gap**

	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>Difference</b>
Male Mean hourly rate	£14.64	£14.53	£0.11
Female Mean hourly rate	£13.21	£12.77	£0.44
Difference	£1.43	£1.76	£0.33
Organisations Mean Gender Pay Gap	9.8%	12%	2.2%

*The mean gender pay gap has reduced by 2.2% compared to 2017 now standing at 9.8%. This is due to the recruitment of 26 females during the financial year 2017-18, all of which fall within the top two quartiles.*

*A gap still remains due to more females in part time roles, which are lower paid, our predominantly male craft workforce and the under representation of females in higher paid roles.*

*Methodology;*

*A report was run by payroll for all employees who received a payment in March 2018 including, basic pay, essential car user allowance, First aid payment, translator payment, call out pay, standby allowances.*

*Have to discount any employee who received less than their normal basic pay due to sickness or maternity.*

*Once these employees have been discounted, a combined hourly rate for each person has to be calculated.*

*Once this have been done, the data is sorted into male/female to calculate the mean hourly rate.*

*Mean hourly rate = total of the hourly rates divided by the number of male/female in the pay period.*

*Organisation Mean Gender pay gap is dividing the difference in the hourly rate by the male hourly rate x 100.*

**Organisations Median Gender Pay gap**

	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>Difference</b>
Male Median hourly rate	£14.74	£14.60	£0.14
Female Median hourly rate	£12.94	£12.13	£0.81
Difference	£1.80	£2.47	£0.67
Organisations Median Gender Pay Gap	12.21%	17%	4.79%

*Methodology:*

Using the male/female hourly rates, find the middle earner i.e males total = 444, find the hourly rate for the male ranked at 222. Females total = 221, find the female hourly rate ranked at 110. Organisation Median Gender pay gap is dividing the difference in the hourly rate by the male hourly rate x 100.

**Organisation Salary Quartiles**

<b>Salary Quartile 1</b>	<b>2018</b>	<b>%</b>	<b>2017</b>	<b>%</b>	<b>Difference</b>
Total	179		167		12
Male	93	52	80	48	13
Female	86	48	87	52	-1

<b>Salary Quartile 2</b>	<b>2018</b>	<b>%</b>	<b>2017</b>	<b>%</b>	<b>Difference</b>
Total	179		168		11
Male	99	55	88	52	11
Female	80	45	80	48	0

<b>Salary Quartile 3</b>	<b>2018</b>	<b>%</b>	<b>2017</b>	<b>%</b>	<b>Difference</b>
Total	179		168		11
Male	140	78	149	89	-9
Female	39	22	19	11	20

High proportion of males in quartile 3 as this is where the majority of the male craft workforce are.

Increase in females compared to 2017 in quartile 3 due to the TUPE transfer of female employees from City of Wolverhampton Council.

<b>Salary Quartile 4</b>	<b>2018</b>	<b>%</b>	<b>2017</b>	<b>%</b>	<b>Difference</b>
Total	178		168		10

Male	132	74	129	77	3
Female	46	26	39	23	7

*High proportion of males in senior roles and residue of the male craft workforce.*

*Increase in females compared to 2017 in quartile 4 following appointment of female Director of Business Support and the TUPE transfer of female employees from City of Wolverhampton Council.*

*Methodology;*

*Sort whole data into a ranking with the lowest hourly rate first to the highest at the end.*

*Divide the total number of employees by 4 to identify the numbers in each banding.*

*Need to adjust the bandings if there is a disproportionate number of males/females in different bandings with the same hourly rate. Equal it out.*

*For each quartile calculate the male/female percentage.*