


# Audit & Business Assurance Report

	<b>Agenda Item 10</b>
	<b>14 February 2020</b> <b>Gender Pay Gap - Annual Report</b>
	<b>Open Report</b>
<b>Status:</b>	For Information
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<b>Recommendations:</b>	<b>Committee Members are asked to note the contents of the report.</b>
<b>Key risks and contentious issues:</b>	<p>By not taking steps to address the Gender Pay Gap, Wolverhampton Homes (WH) risks its reputation as being a fair and progressive employer.</p> <p>This could impact on our ability to attract and retain high calibre candidates for vacancies and could have an adverse effect on employee engagement.</p>

## **Management Summary**

### **1.0 Purpose**

- 1.1 This report is to inform the Committee of the Gender Pay Gap as it applies to Wolverhampton Homes (WH).

### **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.

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

- 3.1 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.
- 3.2 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 Comparison of Wolverhampton Homes' Gender Pay Gap to national statistics**

- 4.1 The Office for the National Statistics Annual Survey of Hours and Earnings for 2019, put the overall Gender pay gap for all employees in the UK at 17.3%, a fall from 17.9% in 2018.
- 4.2 Wolverhampton Homes' Gender pay gap for 2019 was 11.7% compared to 12.21% in 2018 and almost 6% lower than the national average. The figures can be found at Appendix 1.
- 4.3 Whilst it is recognised that the gap continues to reduce year on year, 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.

## **5.0 Initiatives to reduce the Gender Pay Gap**

- 5.1 Wolverhampton Homes attended the careers and jobs fair on 13 September 2019, promoting our Apprenticeship Programme, which resulted in an intake of 8 apprentices, 3 of which were female. The People Development Manager is also an Enterprise Adviser to a local School.
- 5.2 Wolverhampton Homes are working with the City of Wolverhampton Council (CWC) on the National Graduate Scheme and currently have a female graduate working with us from the programme.
- 5.3 We are developing our OD Strategy, which will include the creation of a new Leadership Programme along with support through mentoring, coaching, and talent management where diversity and inclusion will be a core theme.
- 5.4 Due to Wolverhampton Homes' relatively low attrition rate, currently 1.93%, all posts are advertised internally and externally at the same time including local community groups, to attract a wider and diverse cohort of candidates to apply for roles.
- 5.5 Wolverhampton Homes has changed its approach to the recruitment and selection process ensuring this is bespoke to each vacancy, with the aim of removing any potential barriers and recruiting the right person first time. This includes a redesigned Expression of Interest form where all equality data alongside personal information is removed at shortlisting stage (blind-shortlisting - so panel members do not see it) to eliminate any unconscious bias. We have also introduced direct report and peer group exercises in support of the interview process for suitable posts, with the aim of including staff at all levels from across the organisation to provide a more rounded assessment.
- 5.6 Wolverhampton Homes have been working with the University of Wolverhampton in support of the CIH's Inclusive Futures Campaign and three students have focused their dissertations on workforce diversity and inclusion at the top. Recommendations from the dissertations have been received and incorporated where appropriate into the Equality, Diversity & Inclusion Action Plan delivered via the Service Level Agreement with the City of Wolverhampton Council.

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

- 6.1 There are no financial implications identified in this report.
- 6.2 Any initiatives undertaken to improve the Gender Pay Gap will be met from existing budgets.

## **7.0 Legal implications**

- 7.1 Wolverhampton Homes are required to publish the Gender Pay Gap data as at 31 March 2019 on their website by 4 April 2020, which must remain accessible for up to 3 years.

## **8.0 Human resources implications**

8.1 There are no human resource implications identified within this report.

## **9.0 Health and safety implications**

9.1 There are no health and safety implications identified within this report.

## **10.0 Equalities implications**

10.1 Has an equality impact assessment been carried out. **NO**

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

11.1 There is no impact on the environment and community identified within this report.

## **12.0 Long term consequences for the Company**

12.1 There are no long term consequences for the Company identified within this report.

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

13.1 Wolverhampton Homes can be seen as working to improve gender diversity and exceeds the national average.

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

14.1 Will any new policy or policy updates have an impact on the management system.  
**NO**

## **15.0 List of Appendices**

15.1 Appendix 1: Gender Pay Gap Metrics

## Appendix 1: Gender Pay Gap Metrics

### Wolverhampton Homes

	31 March 2019	31 March 2018	Difference
Total Employees	727	715	12
Total Male	462	464	-2
Total Female	265	251	14

### Organisations Mean Gender Pay Gap

	31 March 2019	31 March 2018	Difference
Male Mean hourly rate	£15.17	£14.64	£0.53
Female Mean hourly rate	£14.09	£13.21	£0.88
Difference	£1.08	£1.43	-£0.35
Organisations Mean Gender Pay Gap	7.12%	9.8%	-2.68%

The mean Gender Pay gap has reduced by -2.68% compared to 2018 now standing at 7.12%. This is due to female new starters to the organisation during the financial years 2018 - 2019 into senior roles.

A gap 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 2019 including, basic pay, essential car user allowance, first aid payment, translator payment, call out pay, standby allowances.

Must 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 must be calculated.

Once this has 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 / females 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

	31 March 2019	31 March 2018	Difference
Male Median hourly rate	£15.04	£14.74	£0.30
Female Median hourly rate	£13.28	£12.94	£0.34
Difference	£1.76	£1.80	-£0.04
Organisations Median Gender Pay Gap	11.7%	12.21%	-0.51%

### Methodology:

Using the male / female hourly rates, find the middle earner i.e.:

- Males Total = 462, find the hourly rate for the male ranked at 231
- Females Total = 265, find the female hourly rate ranked at 132

Organisation Median Gender Pay Gap is dividing the difference in the hourly rate by the male hourly rate x 100:

## Organisation Salary Quartiles

Salary Quartile 1	2019	%	2018	%	Difference
Total	181		179		2
Male	93	51	93	52	0
Female	88	49	86	48	2

Salary Quartile 2	2019	%	2018	%	Difference
Total	182		179		3
Male	100	55	99	55	1
Female	82	45	80	45	2

Salary Quartile 3	2019	%	2018	%	Difference
Total	182		179		3
Male	160	88	140	78	20
Female	22	12	39	22	-17

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

Salary Quartile 4	2019	%	2018	%	Difference
Total	182		178		4
Male	109	60%	132	74	-23
Female	73	40%	46	26	27

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

Increase in females compared to 2018 in quartile 4 following the appointment of females to senior roles during the financial year 2018 - 2019.

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.