

Gender Pay Gap Report Narrative

Foreword

All employers with 250 or more employees are required by law to publish an annual gender pay gap report showing the pay gap between their male and female employees.

The work we do at Nottingham City Homes is primarily focussed in construction. The construction industries predominantly attract male employees. Our workforce reflects these patterns and we have a high proportion of males working across a wide variety of trade roles. NCH has recently completed an exercise in harmonising pay terms and conditions for our Construction, Repairs and Maintenance Trades workers which are currently predominantly male and accounts for approximately 450 members of staff out of a workforce of around 950. Nottingham City Homes currently have a transitional pay period which will inflate our gender pay gap for the next 12 months

Nottingham City Homes Group is committed to promoting equality and embracing the diversity in employment. We acknowledge that we are under represented by women at the most senior levels in our organisation but already have in place a number of initiatives to address this situation. We are committed to identifying those with leadership potential from within the organisation utilising leadership and management master classes, shadowing, coaching and mentoring as tools to encourage women to develop skills and knowledge to be able to successfully gain more senior roles.

We are proud of our dedicated Women in Construction programme providing women from our workforce and wider communities with valuable skills to help them start or continue their careers in construction and related industries.

Through our employee staff forums, recognised trade unions and the Equality and Diversity strategic steering group we encourage employees to raise issues that they believe will contribute to greater gender equality and we will work to break down any barriers where they may exist.

We will continue to strive to create an inclusive workforce as demonstrated in our Organisational Development strategy which outlines how we plan to focus on culture, empowerment and talent management to the benefit of all of our employees.

Our Culture

We want Nottingham City Homes to be:

- A great place to work, with a clear sense of direction, shared by all, and ambitious to succeed on behalf of our customers.
- A place where people work as one team, where people believe in the values of the company and go the extra mile to deliver homes and places where our customers want to live.

- A place where colleagues are kept well informed, are listened to and whose views are respected; where colleagues are encouraged to learn and develop; where talent is nurtured; a place which has the courage to try things differently; where people are empowered to perform and individual performance is well managed; where success is celebrated and where we are proud to let others know about our success.
- Widely respected as an efficient, professional organisation, demonstrably fair and honest, which respects the individual and reflects the diverse communities we serve, with a strong, confident external image both in word and deed.

Equality and Diversity at Nottingham City Homes

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

NCH is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender identity or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, we:

- have spent significant time and resource harmonising pay, terms and conditions of all employees;
- carry out pay and benefits audits at regular intervals;
- provide regular equal pay training for all managers and other staff members who are involved in pay reviews; and
- evaluate job roles and pay grades as necessary to ensure a fair structure.

NCH continues to make equality part of our everyday decision making, using Equality Impact Assessments to assess the impact on deliverables. We work to ensure our strategic equality objectives are aligned to our corporate vision and goals in order to embed equality and diversity into all aspects of our work and services.

Four equality employee staff groups (a Women's Network, a Disability and Carers forum, an Ethnically Diverse Forum and a Lesbian, Gay, Bisexual and Transgender forum) currently exist to promote equality and diversity among NCH employees. An Equality and Diversity Steering Group has also been set up to champion diversity and lead and monitor initiatives across the organisation.

Equality and Diversity is embedded throughout our new recruitment policy, ensuring that the best candidate is recruited regardless of any protected characteristic.

All of these initiatives have contributed to NCH recently celebrating some excellent achievements including UKHA Landlord of the Year 2018. Nottingham City Homes are Stonewall Diversity champions and was awarded an "Excellent" accreditation in the Social Housing Equality Framework in 2016

Gender Pay Gap Analysis

This is our report for the snapshot date of 5 April 2018.

We have a legal requirement to report two separate figures:-

The median value is the middle value when all employee salaries are ranked in order.

The mean value is calculated as the average full pay of all relevant males and relevant females.

A full pay relevant employee is an individual who is employed on the snapshot date and receiving a full salary for that month.

Gender Pay Gap Analysis – 5 April 2018

Hourly rates

- The difference between the mean hourly rate of pay of male full-pay relevant employees and that of full time relevant employees is 16.4%



Mean hourly
rate of pay
Female -
£13.44



Mean hourly
rate of pay
Male - £16.07

There is currently a transitional pay period in place whilst we harmonised pay terms and conditions, this will inflate trade salaries until protected pay period terminates 30 April 2019

- The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees is 22.1%



Median hourly
rate of pay
Female -
£12.42



Mean hourly
rate of pay
Male - £15.94

Bonus

- The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees is 24.2%



Mean annual
bonus Female -
£7536.72



Mean annual
bonus Male -
£9948.82

In NCH the roles that attracted a bonus were our trade roles which included: Heating Engineer, Electrician, Labourer, Bricklayer, Glazier, Joiner, Plumber, Plasterer and Painter. Our bonus pay scheme ceased December 2017 eligible employees are pay protected until April 2019.

- The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees is 20.2%



Median annual
bonus Female -
£7452.58



Median annual
bonus Male -
£9335.69

- The proportion of male employees in NCH receiving a bonus is 43.7% and the proportion of female employees receiving a bonus is 1.2%.



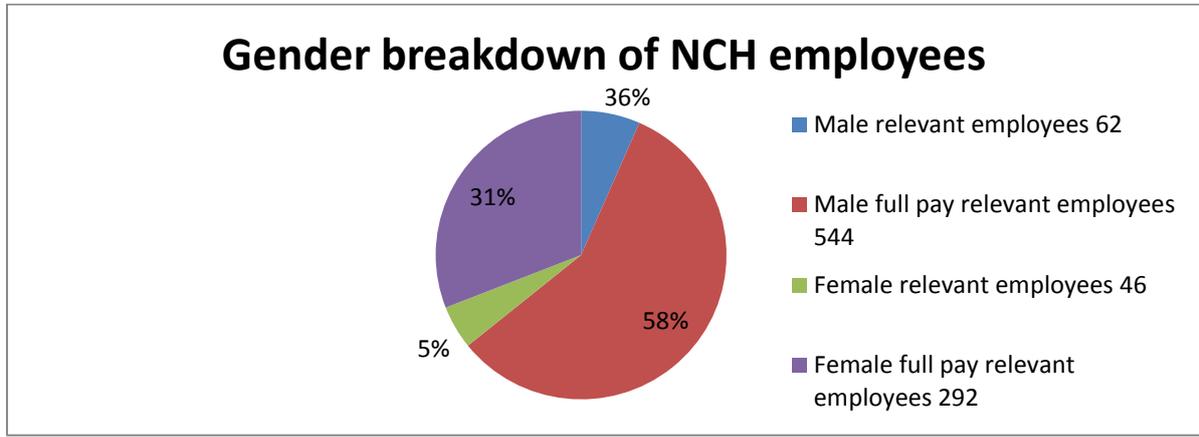
Number of
Female
employees
receiving bonus -
4



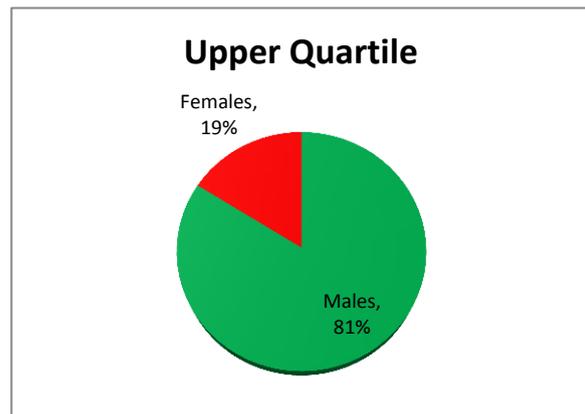
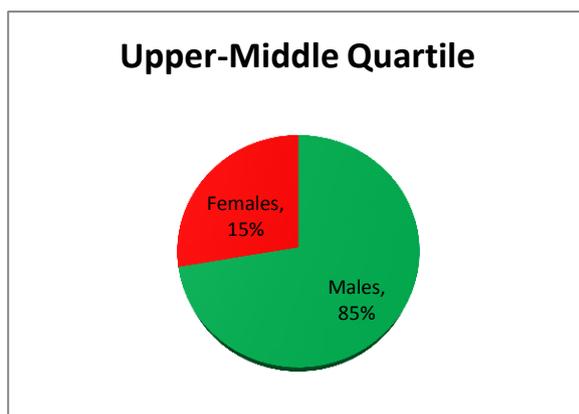
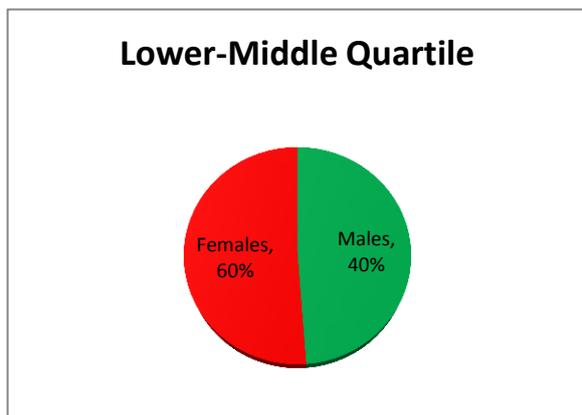
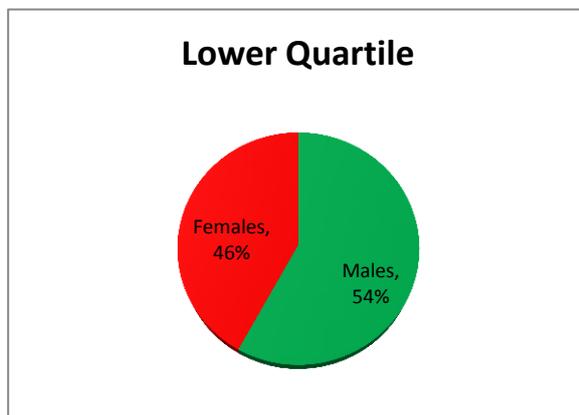
Number of Male
employees
receiving bonus -
265

Proportion of Men and Women in Each Quartile

The breakdown of employees for Nottingham City Homes



As the graphs below show Nottingham City Homes has a greater proportion of men in the lower quartile but also in both the upper middle and upper quartiles.



The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>

How does Nottingham City Homes gender pay gap compare with that of other organisations?

The vast majority of organisations have a gender pay gap, and Nottingham City Homes' gap compares favourably with that of other organisations.

Nottingham City Homes mean pay gap is 16.4 which is lower than the national average of 18.4*

The mean gender bonus gap and the median gender bonus gap for Nottingham City Homes are 24.2% and 20.2%.

The number of men at Nottingham City Homes who received a bonus in the 12 months up to 5 April 2018 was 265 a decrease from the 2017 report of 278, while for women this remained at 4. This reflects the higher proportion of men in trade roles that, under our previous policy, attracted a performance bonus. It is expected that these figures will reduce significantly in the next report snapshot date as performance bonus have been removed

What are the underlying causes of the gender pay gap?

National Trends

There's no one reason behind the gender pay gap - it's a complex issue.

The Fawcett Society, a group which campaigns for equality, says caring responsibilities can play a big part. Women often care for young children or elderly relatives. This means women are more likely to work in part-time roles, which are often lower paid or have fewer opportunities for progression.

Another important factor is a divided labour market. Women are still more likely to work in lower-paid and lower-skilled jobs. Women currently make up 62% of those earning less than the living wage, according to the Living Wage Foundation.

Men also tend to take up the majority of the most senior roles at a company, which are the highest paid.

Source BBC

This pattern from the UK economy as a whole is reflected in the make-up of NCH workforce, where the majority of administrative roles within its office are women, while the majority of line manager and senior manager roles are held by men. In

In addition, the majority of our trade colleagues are male (309-male employees) whilst only 32 trade colleagues are female an increase from 243 and 7 respectively reported in 2017.

What is Nottingham City Homes doing to address its gender pay gap?

While Nottingham City Homes gender pay gap compares favourably with that of organisations both across the whole UK economy and within the social housing sector, this is not a subject about which Nottingham City Homes is complacent, and we are committed to doing everything that it can to reduce the gap. The need to be more radical particularly within our Construction, Repairs and Maintenance section in order to make a significant difference to the gender pay gap is noted.

To date, the steps that Nottingham City Homes has taken to promote gender diversity in all areas of its workforce include the following:

- completed and implemented new pay terms and conditions for its trade colleagues aligning them with the rest of the organisation
- removed its bonus payments;
- revised its recruitment policy and provided training for any recruiting managers to ensure fair decisions are made and individuals are aware of the potential impacts of unconscious biases.
- use gender neutral language throughout all recruitment communications
- Inclusive recruitment marketing literature representative of diverse culture (age/ethnicity/gender etc.)
- The recruitment policy offers the opportunity for our staff, who do not fulfil the entirety of the skills and knowledge for a more senior post, or post that utilises different skill sets, to move into the post and be developed. This allows the opportunity to diversify our teams by opening up post to people from non-traditional industries such as construction, and allows us to create a more diverse demographic.
- Use of diverse panels when recruiting
- developed workforce planning workshops in Construction, Repairs and Maintenance Services
- developed a new culture change model and programme linked to our Customer Services Strategy
- introduced new flexible working processes linked to our Accommodation Strategy and developed a flexible working policy to enable individuals to better balance work and life commitments. These are partly aimed at attracting more high calibre female employees into the workforce. Flexible working also supports employees with caring responsibilities
- targeted recruitment drives through our Women In Construction programme
- offered a range of employee benefits including child care vouchers and the option to 'buy' additional annual leave

- participated in a school-partnering scheme with local secondary schools, to raise young people's awareness of the different career opportunities available within the housing, and to help dispel any misperceptions and stereotypes
- developed specific leadership and board training opportunities for those from unrepresented characteristics
- committed to identifying high profile employees in the organisation for senior role as part of succession planning
- developed guidelines for managers on supporting employees prior to, during and on return from maternity and other parental leave.
- continues to build on its employee equality forum Women in Construction to increase the number of females in Construction, Repairs and Maintenance team providing peer support and on the job training for those wanting a career in construction
- developed a Tenant Academy to target under representative groups who are not in education, employment or training (NEET)
- taking on numerous work experience placements and apprentices as part of our award winning apprenticeship scheme
- Employed 15 new trade apprentices 7 of which are female and all came through NCH's successful Women in Construction programme
- Employed a number of new female senior managers including a Head of Service in Construction, Solicitor, Repairs and Maintenance and two Assistant Director in Investment and Business Services
- Employed or are in the process of employing a number of apprentices across Housing, Customer Service and Caretaking
- implemented a new job evaluation scheme based on the job not the individual

These are all carried out at a time of reducing resources. None of these initiatives will, of itself, remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, Nottingham City Homes is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.

Nottingham City Homes has gathered evidence to include qualitative data. It has done this through a consultation exercise across all areas and levels of the organisation to identify the barriers (and the drivers) for women employees. In the coming year, Nottingham City Homes is also committed to continue to:

- writing an new Equality and Diversity strategy outlining our commitment and plan to ensure a fair and representative workforce
- reviewing recruitment at the upper quartile of the organisation to target more women to take up positions with NCH at the more senior levels
- Expanding Women in Construction network to a Companywide 'Women's Network' to provide a support mechanism for female workers across NCH to improve retention of women
- Gathering, reporting and taking positive action on informative data regarding:
 - the proportions of men and women applying for jobs and being recruited;
 - the proportions of men and women applying for and obtaining internal moves

- the proportions of men and women leaving the organisation and their reasons for leaving;
- the numbers of each gender in each role and pay grade;
- the proportion of each gender who return to their original job after a period of maternity or other parental leave; and
- the proportion of men and women still in post a year on from a return to work after a period of maternity or other parental leave.

We acknowledge that this is the start of a journey and will continue to champion new approaches and initiatives to demonstrate our commitment to reducing our gender pay gap.

I, Nick Murphy, Chief Executive Officer, confirm that the information in this statement is accurate.

Signed

A handwritten signature in black ink, appearing to read 'Nick Murphy', written in a cursive style.

Date 1 March 2019

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