



Because good homes make everything possible

Gender Pay Gap Report 2019/20

April 2021

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Background

Network Homes is committed to the principle of equal pay for all employees. We seek to promote equality in everything we do and are committed to create an environment in which everyone feels valued and able to make a positive contribution to the services we provide and the culture of our business.

Reporting Gender Pay Gap is an important tool to help understand the size and causes of pay gaps and identify any issues that may need to be addressed. Network Homes continually monitors how effective actions and initiatives have been on reducing the pay gap.

Network Homes embraces gender diversity, and it is at the “HEART” of our culture. A recent initiative was to revamp our HART behaviours where we introduced the “E”. This means we embrace everyone, supporting our colleagues and residents to feel confident in themselves, actively building on gender equality by having an inclusive culture.

Helen Evans, Network Homes Chief Executive is leading the way for women in senior positions within the housing sector. In 2019 Helen became the first G15 female chair! Helen was interviewed by Inside Housing in November 2019 where she confirmed she took on the role with pride but also embarrassment that it has taken so long for a woman to secure the position.

Currently there is another female G15 chair, Geeta Nanda, Chief Executive of Metropolitan Thames Valley took over as chair in June 2021.



Pay Gap 2019/20

Difference between men and women

	Mean	Median
Hourly fixed rate	21.4%	20.8%

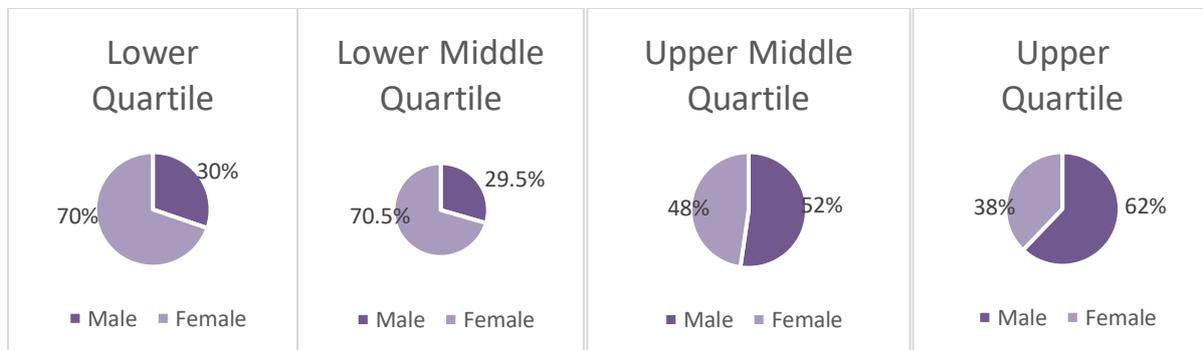
For the period 2019/20, Network had 562 employees of which 58% were female and 42% male. Comparing mean (average) hourly pay, women were paid 21.4% lower than men.

The median hourly gender pay gap for 2019/20 is 20.8%. This is an increase of 1.1% from 2018/19 (when it was 19.7%). The pay gap is not caused by men being paid more than women for similar roles but is due to a higher proportion of female representation in the lower/lower middle pay quartiles and the reduced female representation in higher paid roles.

In Network's gender pay gap reporting for 2018/19, we had reported a mean gender pay gap of 20.1% and a median pay gap of 19.7%. 12 months on, the difference in the average pay between men and woman has increased by 1.3%, slightly widening the gap. The medium difference has also increased by 1.1%.

Pay Quartiles

Proportion of men and woman in each quartile



The reason for the gap is due to the higher representation of female employees in the lower and lower middle quartiles and is not an equal pay issue. However, compared to the gender pay gap reporting in 2018/19, male representation has increased by 2.6% in the lower quartile and increased by 0.1% in the lower middle quartile. From the previous report there was a slight difference of 3% of male compared to female in the upper middle however this has shifted by 0.8%, reducing the amount of female representation. Male representation remains higher in the upper quartile, increased by 2.2% compared to 2018/19 reporting. These shifts attribute to the gender pay gap increase compared to 2018/19.



Bonus payments

Bonus Gap

Difference between men and women

	Mean	Median
<i>Bonus paid</i>	24%	0%

Proportion of staff awarded a Bonus

	Male	Female
<i>Received a bonus</i>	75.3%	77.7%
<i>Did not receive a bonus</i>	24.7%	22.3%

Comparing the mean (average) bonus pay, women's mean bonus pay is 24% lower than men. However, this gap has reduced by 8.8% compared to the previous year's report (32.8%).

Our bonus pay gap is not an equal bonus pay issue, but a higher proportion of men in the upper quartiles. Normally posts that sit in the upper middle and upper quartiles are awarded Performance Related Pay (PRP) and some business-critical posts can receive a pre-agreed retention bonus.

The median bonus remained unchanged compared to last year, staying at 0%. There is a similar proportion of males and females receiving a bonus, 2.4% more females received a bonus compared to men of either a "PRP", "Exceeds" or "Fully Met" rating.

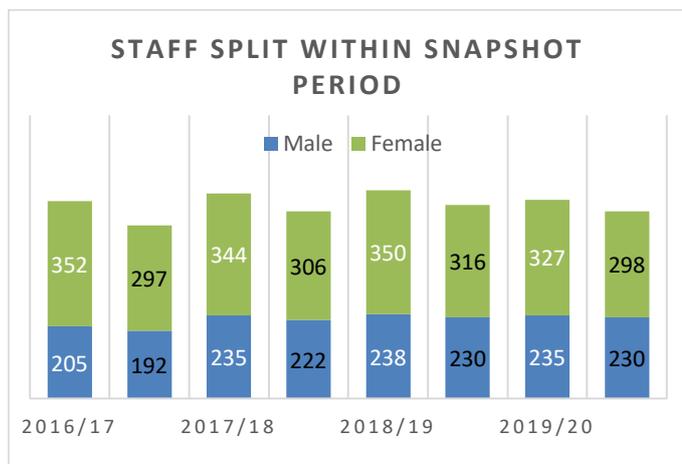
All employees who sit outside of the PRP receive a Contribution and Development (CAD) bonus payments dependant on the rating awarded, payments are either £1000 or £600.00. PRP percentage is awarded to members in certain specialist roles, Senior Management Team and Executive Leadership Team, of which there were 44% of females and 56% of men for the 2019/20 reporting period.

We have relied on market adjusted bonuses and retention payments to retain employees. These roles sit in the upper middle, upper quartiles. During 2019/20 retention payments were made to 40% of females and 60% of males.



Comparable data analysis

Number of staff in snapshot period



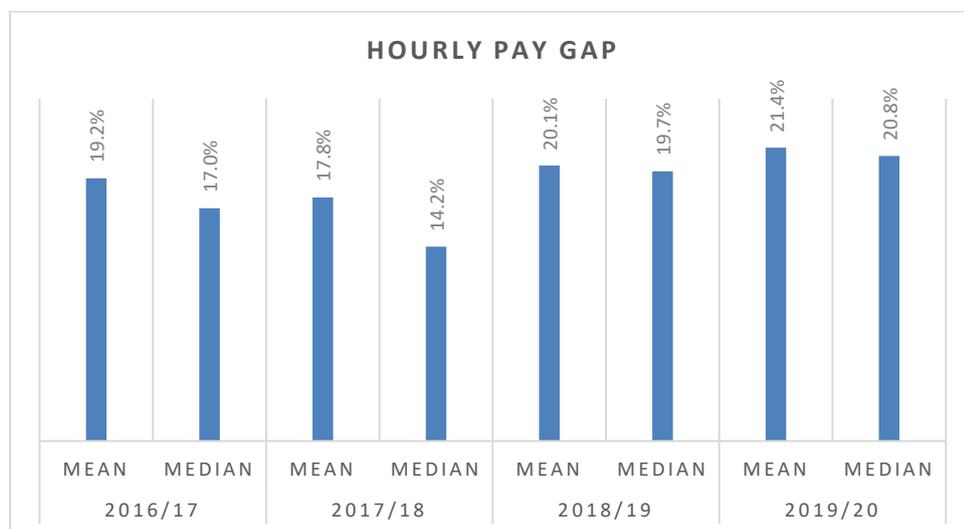
The snapshot period/relevant pay period is from the 1 April to 31 March and includes all employees employed by Network on the snapshot date of a given year.

The first column (number in white) represents the total male and female split of all relevant employees (includes employees who were paid less than their basic pay).

The second column (numbers in black) represents the total male and female split of all full pay relevant employees (who were paid their usual full basic pay).

Network started reporting pay gap analysis in 2016. The total number of staff had increased by 22 employees in 2017/18, male employees increasing by 30 and female employees decreasing by 8. Male employees continued to increase by 3 in 2018/19 and female employees also increased by 6. The current pay gap reporting shows a decrease of 23 female employees and 3 male employees. On average, year on year female employees represents 60% of the workforce and males' employees represents 40%.

Hourly Pay Rate

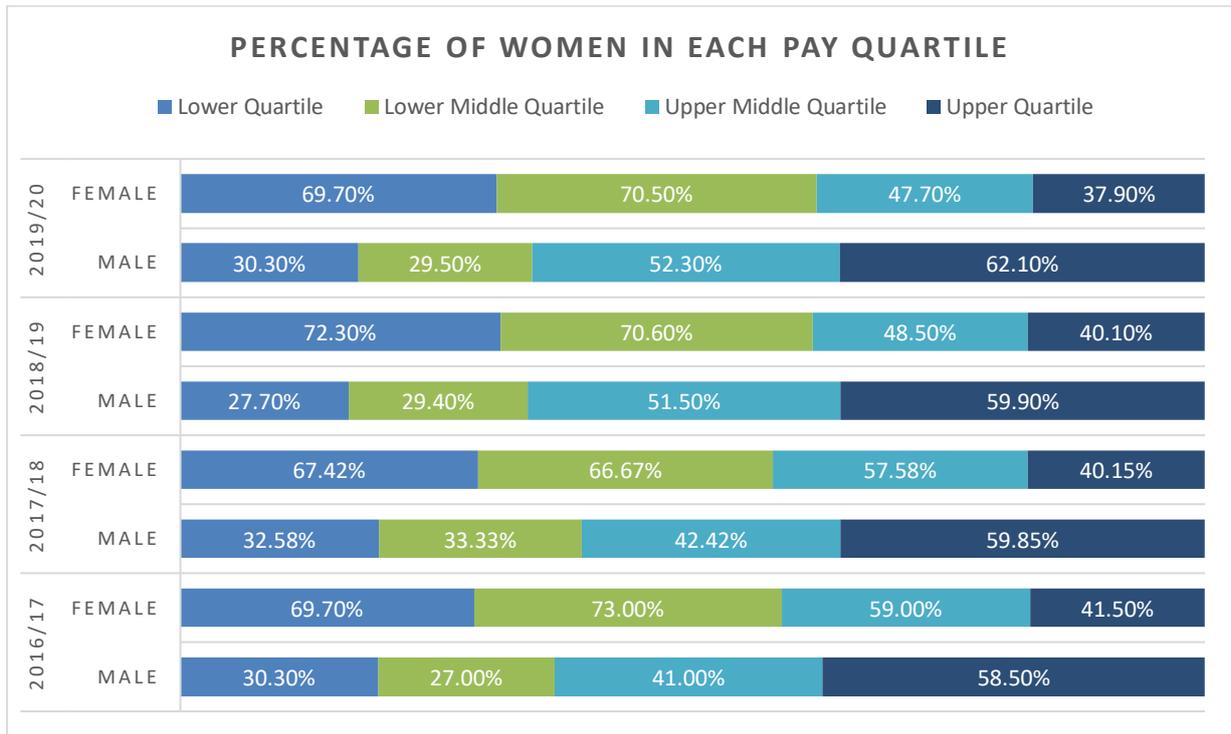


The mean hourly pay gap reduced by 1.4% in 2017/18. In 2018/19 increased by 2.3% and by 1.3% in 2019/20.

The medium hourly pay gap reduced by 2.8% in 2017/18 however from 2018/19 increased by 5.5% and increased slightly by 1.1% in 2019/20.



Percentage of Gender split in four Pay Quartiles



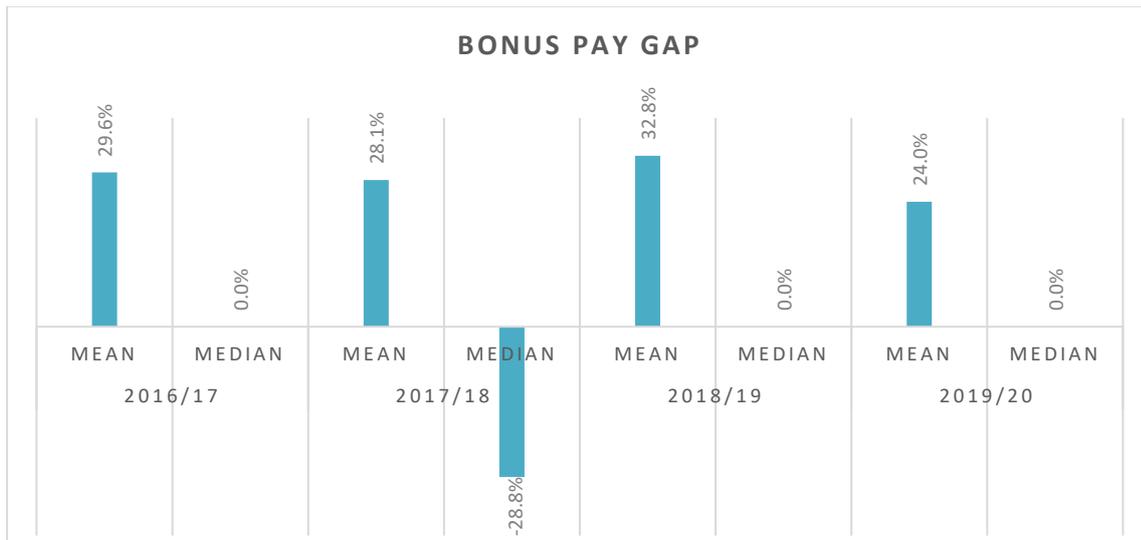
In 2019/20, female employees occupied 69.7% of the lower paid roles and 37.9% of the higher paid roles. Year on year we consistently have a higher proportion of females in the Lower to Lower-Middle Quartiles. In addition, a higher proportion of male employees in the Upper Quartile (over 58%), resulting in Network Homes reporting a “pay gap” that females hourly pay is lower than that of their male counterparts.

The gap decreased in 2017/18 as female representation in the Lower (67.42%) to Lower Middle Quartiles (66.67%) were the lowest ever reported. Male representation was also at its highest in the Lower Quartile (32.58%).

In 2016/17 and 2017/18 females had greater representation in the Upper Middle Quartiles. However, from 2018/19 and 2019/20 this shifted to males having greater representation resulting in an increase to the hourly rate.



Bonus pay gap

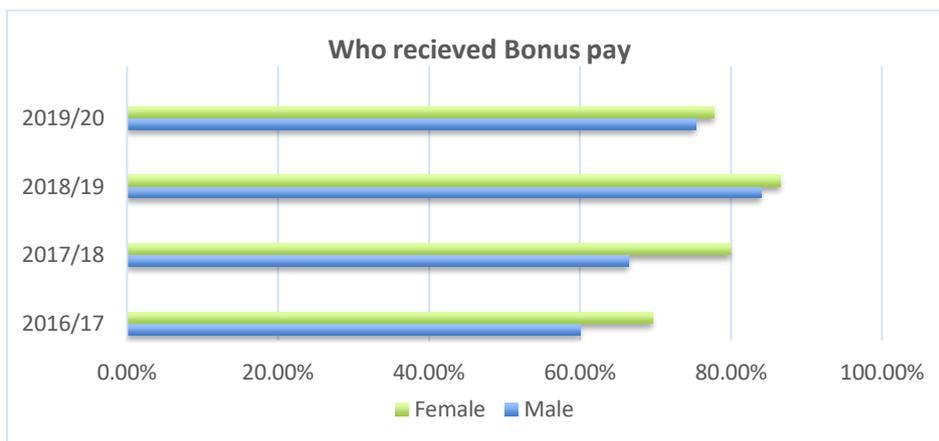


Year on year Network Homes has reported that females mean bonus pay is lower than males. The gap has remained over 20%, on average 28.5%, the lowest at 24%, is reported for this current period. This is due to the PRP award to Senior Managers where there is more male representation.

Encouragingly, three out of the four reports, there has been no pay gap for the medium bonus pay, this confirms that there is not an equal bonus pay issue as majority of employees receive the standard Contribution and Development (CAD) bonus pay award and a small proportion of employees in senior positions receive PRP.

In 2017/18 however, females' median bonus pay was 28.8% higher than men.

Who received a bonus?



Since 2016, female employees have been awarded more bonuses than male employees. You would expect more females to receive a bonus payment due to the workforce split (average 60% female 40% male).



Conclusion

The pay gap exists due to higher female representation in the lower, lower middle quartiles, and a higher proportion of male representation in the upper middle and upper quartiles.

Closing the gap

Pay Transparency

We are currently going through a pay consultation, proposing changes to Network Homes pay policy based on three principles: purposeful, equitable, and transparent. The main principle of equity is removing the geographical setting of pay and proposes salaries of Hertford specific roles would be increased to match the level of the same roles in London-based teams. These post holders are mainly female and if the proposals go ahead, so will help to reduce the gap.

Equality, Diversity, and Inclusion – 10-point plan

In May 2020 Network Homes launched the 10-point plan, which sets out to increase equality, diversity, and inclusion. The plan is monitored and reported on quarterly.

- **Monitor and report on equality, diversity, and inclusion among colleagues** - Data on the protected characteristics of starters, leavers, promoted colleagues and people affected by restructures is published every quarter on Network's intranet system. The Equality and Diversity Engagement Group (EDEG) monitor progress being made with our EDI 10-point plan.
- **Create a more diverse workforce through enhanced recruitment techniques** – Network Homes have implemented the Rooney Rule, which ensures women or people from ethnic minorities are interviewed for senior positions, providing they meet the minimum requirements for the role. We fully capture and monitor all EDI information through the recruitment process and are aiming to have all personal information automatically redacted from applications by Autumn 2022. Diverse interview panels as part of the recruitment process are mandatory.
- **Provide talent development and career progression programmes** – A launch of Development programmes aimed at female and ethnic minority participants. Each programme is for 12 months and alternate year on year. The participants will receive continued support with their development and confidence.

Aspire – A women's development programme. This is ring-fenced to female employees and provides a safe and empowering environment for women to enhance their own skills and abilities; build their confidence, assertiveness, a positive image, and provide a platform from which to compete for higher-level posts.

Springboard – A BAME development programme. This is ring-fenced to BAME employees (junior managers/non managers only), who want to build their confidence in a safe environment.

Members of these recent cohorts will be Mentors to our Executive Leadership Team (ELT) and Senior Management Team, as part of the newly launched HARTBeat+ Mentoring (circular mentoring) programme.



The SuperSTARS programme. A VIP talent programme for managers has previously been male dominant, now has equal numbers of male and female colleagues for the current cohort.

- **Ensure internal policies facilitate equality, diversity, and inclusion among colleagues** - As policies are updated due to changes or as part of the three-year review cycle, all are required to complete an equalities impact screening exercise and full equalities impact assessment if appropriate.
- **Increase diversity at Board and Senior Leadership level** - The aim is to have 50% of Board positions held by women, and 33% of Board positions to be held by people from an ethnic minority background, by 2025 and 40% women and 30% of people from an ethnic minority background, to be in leadership positions. The work with our external EDI consultant will help us understand how we can achieve these targets. The former should be easier to achieve than the latter, partly due to reduced turnover in senior positions compared to the board.
- **Raise awareness and provide training for colleagues** - Equality and Diversity training is mandatory for all new starters. Network is currently designing an inclusive leadership programme to provide training and ongoing support for managers on diversity and inclusion.
- **Raise awareness and provide training for colleagues** - Raising awareness on specific issues and subjects through teams' channels and diversity groups is working well. For example, International Women's Day is celebrated, and colleagues were asked to show their support for #ChooseToChallenge. We have a newly formed Women's Equality Group, who have been successfully promoting events and seminars.
- **Learn from residents and empower them to influence & tackle equality issues facing residents** – As part of our Big Conversation survey during the winter we asked residents if they would be interested in setting up an LGBTQ+ residents' group. One of our residents wrote a blog; 'I got involved and you should too!' encouraging other residents to get involved. Residents have also requested organised events when we are able to physically meet.
- **Actively and visibly promote Equality, Diversity, and inclusion at all levels** - Regular discussions take place across different EDI networking groups to share ideas, collaborate and maintain energy and momentum on all EDI issues. The Race Equality Action Group (REAG) have worked hard to make sure Black History month becomes something we talk about every month. The LGBTQ+ group have held their first Network Thinks event followed by the launch of LGBTQ+ history month with the publication of our new gender transitioning policy.
- **Collaborate to influence** - Network is participating in sector-wide network groups, including HouseProud, a network for LGBTQ+ social housing professionals, Unity, a network for BAME housing professionals, and the London Diversity Group, a networking for anyone working one equality, diversity, and inclusion in social housing.

We are working with an EDI specialist consultancy. They will support us in our next steps to become a truly inclusive employer, and included the launch of our EDI Survey, listening exercises and focus group exercises to understand our colleagues' current experiences and perceptions of Network.

