

GENDER PAY GAP REPORT 2018

Last year we published our gender pay gap voluntarily as we had less than 250 employees in place on 5th April 2017. This year we had 288 employees in place on 5th April 2018 and in line with requirements, we are publishing our gender pay gap for the second year.

As from April 2017, all organisations that employ over 250 employees are required to publish an annual report detailing their gender pay gap, using six key metrics specified by the Government. Publishing our gender pay gap and observing the data from other organisations provides focus on this particular issue and demands we try and understand why it is an issue and what we can do about it.

The gender pay gap in construction is particularly challenging when compared to other sectors. Last year the average median pay gap in construction was 25%.¹ Knowing this is a long term issue, Telford Homes remain committed to improving diversity and inclusion in the wider construction industry and recognise the part we can play in addressing gender inequality.

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

WHAT IS GENDER PAY?

The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation, regardless of role or level. It is expressed as a percentage of men's earnings.

IS GENDER PAY DIFFERENT TO EQUAL PAY?

Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010. Gender Pay does not compare male and female pay for those that work in the same roles.²

WHY IS THERE A PAY GAP IN THE UK?

The pay gap for all employees reported in the UK in 2017 was 18.4% and fell to 17.9% when reported in 2018.³

It is recognised that this gap exists because generally, women tend to work in less senior roles and in lower paid occupations. Also, many women work part time or take time out due to caring responsibilities. In addition to the above, workplace culture and stereotypes can also be factors and it is still difficult for women to progress in their careers to higher paying senior roles.

1. www.personneltoday.com

2. www.equalityhumanrights.com

3. www.ons.gov.uk

GENDER PAY AND BONUS GAP AT TELFORD HOMES

Table 1 shows our mean and median hourly pay gap as at 5th April 2018 and the gap between the bonus payments made in the 12-month period prior to 5th April 2018.

Our mean gender pay gap is 21.9%. In other words when comparing mean hourly rates at Telford Homes, **women earn 78p** for every **£1** that men earn.

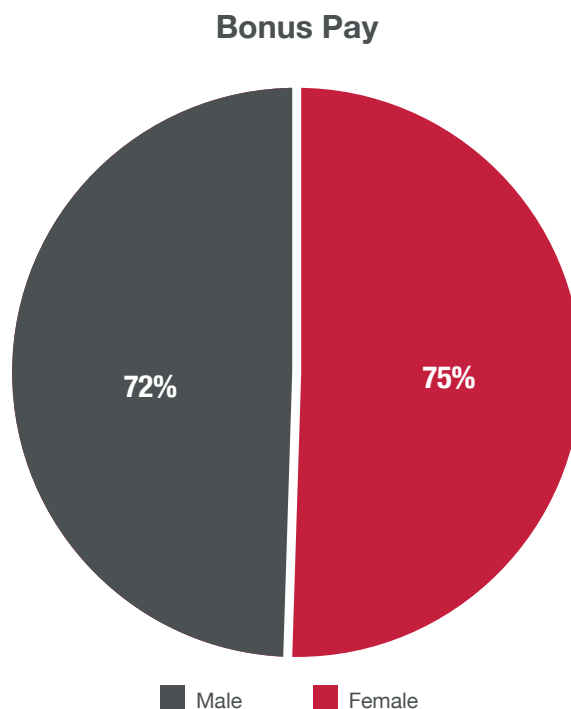
Table 1

PAY GAP	MEAN		MEDIAN	
	2017	2018	2017	2018
Hourly Rate of Pay Gap	18.9%	21.9%	19.4%	16%
Bonus Gap	44.1%	47%	25.2%	25%

EMPLOYEES WHO RECEIVED BONUS PAY

Table 2 shows the proportion of men and women who received a bonus, based on Company and individual performance, during the 12-month period to 5th April 2018. As we pay our bonus annually in May all new starters throughout the year would not have been in place to receive a bonus during the relevant period for the purposes of these calculations. This means that the figures are not a true reflection of those who were eligible to receive a bonus, however, the figures do show that men and women have equal opportunity to earn a bonus.

Table 2

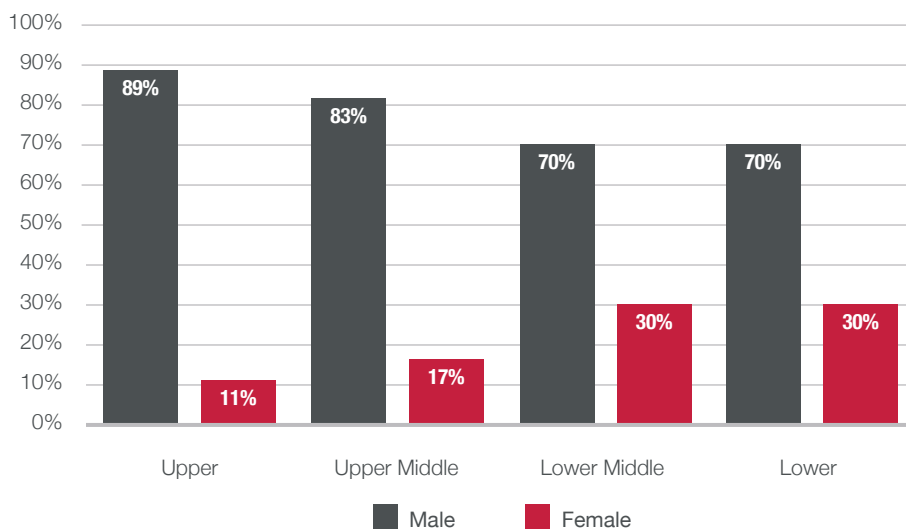


EMPLOYEES BY QUARTILE PAY BANDS

Table 3 shows the gender split at each of the four pay quartiles. The pay quartiles are calculated by hourly rate and include all employees whose hourly rate places them at or below a particular quartile. The information is split by gender, so for example the upper quartile (highest paid 25%) is made up of 11% females and 89% males.

Table 3

Pay Quartiles



HOW HAS OUR PAY GAP CHANGED SINCE LAST YEAR?

Our mean hourly pay gap has increased since last year. This is due mainly to an Operational restructure, which resulted in several promotions at a senior level. As reported last year, the number of women in senior roles is low in comparison to men. Our ethos is to promote from within wherever possible but there were no female candidates for the operational roles that were created.

Taking a long term approach we feel that one of the most successful ways to bring women in to construction and encourage them in to senior roles is to bring in more female trainees and this year 31% of our trainee intake was female.

The median hourly pay gap for 2018 has reduced by 3.4 percentage points and this is because the male hourly median rate has decreased, bringing more balance to the spread of salaries.

Overall, we still compare very favourably with the rest of the construction industry which reported median pay gaps at an average of 25% in 2017.

The pay quartiles have shown some movement in favour of women. There has been a decrease in the lower quartile and an increase to lower middle and upper quartile. As an example the number of females in the lower middle quartile have increased by 6 percentage points and decreased by 4.4 percentage points in the lower quartile.

As reported last year our pay gap is due to a lower number of female employees in our business, particularly at senior levels due to the roles in which men and women work within the organisation and the salaries that these roles attract.

WHAT HAVE WE DONE TO ADDRESS OUR PAY GAP?

Last year when we reported our pay gap information, we committed to three key pieces of work aimed at reducing the gender pay gap at Telford Homes. Our ultimate goal is to encourage better representation of women in construction and to support their career progression and development. This should result in more women overall in construction and in senior positions that attract higher salaries.

Whilst we are confident there is no bias towards women in the business we have been working on the following initiatives during the last year:

1. To ensure we are attracting a diverse mix of candidates for new roles we have done the following:

- Introduced a new recruitment system which helps target a wider variety of candidates. This enables us to join job boards such as 'workingmums' so that we can focus on specific groups to attract more applications from women at various levels into our business.
- We have started to review our job titles to make them more gender friendly. Last year we recruited our first ever female Finishing Foreman and as a result changed the job title to Finishing Manager for all employees in that role.
- Our recruitment workshop has always included an element of training on avoiding unconscious bias and this year we have enhanced this to raise our Recruitment Managers awareness that it could exist and how to avoid it.

2. We want to ensure we fully understand how we support staff with caring responsibilities.

As a result we are working on the following after interviewing maternity returners and those with caring responsibilities:

- Our staff told us it would be beneficial to raise awareness of our current policies and procedures that support them and discuss this support in more detail before maternity leave starts.
- Discuss with our employees how to make an effective flexible working request and the associated timescales.
- Improve how we keep mums up to date with changes and business updates.
- Hold a meeting before maternity leavers return to work to ease them back in and plan their return.

In addition to the above, we already offer enhanced maternity pay and we recently launched guidelines to support employees and managers with care arrangements.

3. Confirming our reward and promotion practice continues to ensure women are being treated equally to their male colleagues by:

- Continuing to ensure men and women are treated equally during our reward and promotion cycle.
- Ensure women have equal access to our training academy programme. Currently women make up 22% of the workforce and 30% of the delegates on our new Academy management programme.

We continue to strive for diversity in our business but we know that to make a real difference will take time and a focused effort. We are committed to increasing the representation of women at Telford Homes especially in senior roles and as a result of that reducing our gender pay gap.

Signed:



Jon Di-Stefano
Chief Executive Officer