

A woman and a man, both wearing high-visibility safety vests and hard hats, are standing on a construction site. The woman, on the left, is wearing a white hard hat and a yellow safety vest over a dark top. She is smiling and looking at a red clipboard held by the man. The man, on the right, is wearing a black hard hat and a yellow safety vest over a dark long-sleeved shirt. He is gesturing with his right hand while looking at the clipboard. The background shows a blurred construction site with scaffolding and structural elements. A large, semi-transparent purple geometric shape is overlaid on the left side of the image.

Gender Pay 2018

Foreword

As a large and ambitious employer in the midlands, we have a diverse workforce of approximately 1600 people, which reflect the differing demographics of the geographies across which we operate. Being inclusive has always been at very heart of our organisation, as when we embrace our diversity we attract and retain the right people who provide the best service to our customers. Put simply, we want Midland Heart to be a place where anyone can succeed, irrespective of their background or diversity.

Alongside other employers with over 250 employees, we are publishing our gender pay gap results for our April 2018 snapshot. Our median gender pay gap is 17.9%, while the UK average median gap is 17.9%. (ONS October 2018)

At Midland Heart, we pay men and women equally for doing equivalent jobs. Our gender pay gap exists for two reasons; there are more women working in social care positions with lower levels of pay and more men in leadership positions with higher levels of pay. These two issues in the gender balance of our workforce reflect wider societal norms across the UK.

We saw the shape and size of our workforce change during 2017, which widened the pay gap across the organisation. If we compare our organisation like for like to the 2017 data snapshot, our gender pay

gap has in real terms reduced. In 2017, we commenced the process of repatriating 14 extra care schemes back to Midland Heart, which were previously managed by another provider. By our April 18 data snapshot, 147 females and 14 males had transferred back into our business with the overwhelming majority of these colleagues employed in lower paid social care roles at the point of transfer; this has affected both our mean and median figures.

The stagnation of pay across the social care labour market, which this year was reflected in a segmented pay award, has also had an impact. Like many other mixed housing providers, we had to balance affordability of delivering social care services which covered their costs, with remaining competitive as an employer across other labour markets within which we operate.

Having recruited to a wide range of roles across the business in the last year we have been pleased to see that women have now replaced a number of leadership roles previously held by men in areas such as IT, HR, and Finance.

However, despite some progress, we are not complacent and we are very clear that there is still work to do to reduce our gender pay gap and continue to find the best people to deliver the best service to our customers.

Baljinder Kang
Executive Director of HR and Learning



What is the gender pay gap?

The gender pay gap is the difference between the hourly pay for men and the hourly pay for women, regardless of the work they do. It gives an overall picture of total pay from the highest to the lowest paid colleagues and lists them by gender. These figures take into account both full and part time roles. Put simply, occupations where either men or women are underrepresented will produce higher pay gaps.

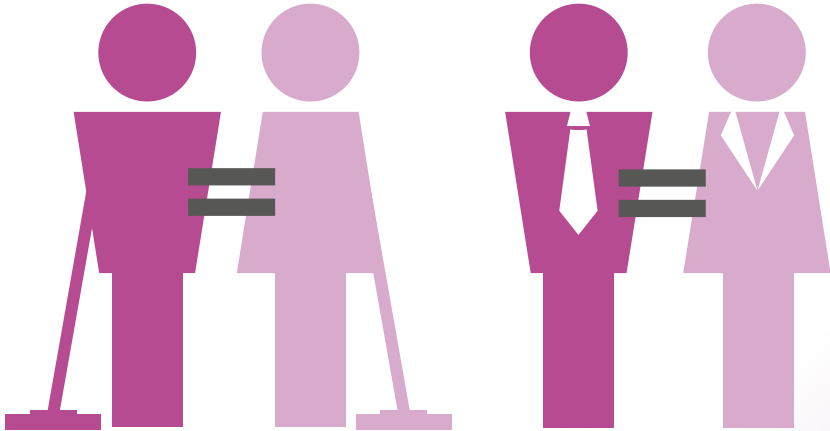


Nationally, one of the main reasons for the gender pay gap is men are more likely to be in senior roles.



17.9%

National gender pay gap is 17.9%



Gender pay is very different to equal pay

At Midland Heart, we pay all men and women equally for doing similar work or work of equal value. This is known as equal pay, which is very different to gender pay, but easily confused.



How do we calculate our gender pay gap?

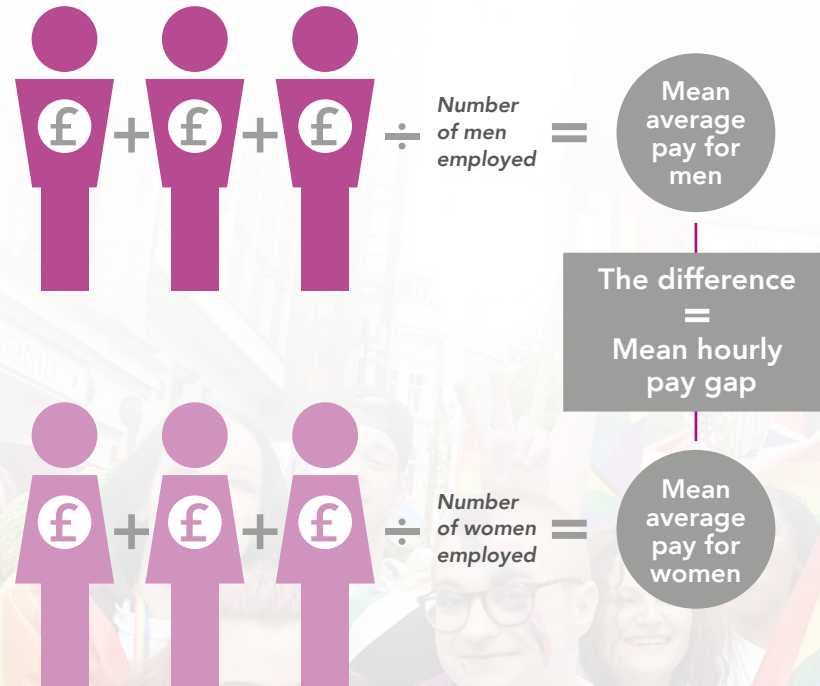
1,396 colleagues were included in our data snapshot.

We have published our mean and median pay gap information as at the **snapshot date of 5th April 2018**. This is the date when all employers had to cut their pay data and report based on the hourly rate of pay on that day.

The mean is our average pay; this is when the salaries of men and women are added up and divided by the number of men and women in each list.

The median is when all salaries from men and women are organised in order and the middle number is picked out from the list of men, and the list of women.

How we calculate the **MEAN** (average) pay gap



How we calculate the **MEDIAN** (middle) pay gap



What is our gender pay gap?

Our median gender pay gap is 17.9%.

The UK median gender pay gap is 17.9%

Our mean gender pay gap is 20.7%.

The UK mean gender pay gap is 17.1%

Our median gender pay gap is 9.9%.

(Excluding social care roles)

Our mean gender pay gap is 13.4%.

(Excluding social care roles)



Who receives a bonus?

The government defines a bonus as anything that relates to productivity, performance, incentive and commission. We provide bonuses in the form of long service awards, commission, STAR recognition awards and the Productivity Scheme for our repairs and maintenance team.

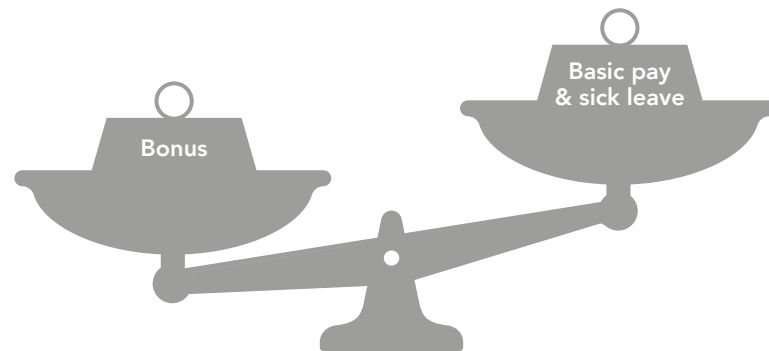
The proportion of men and women who received bonus pay is: 52.5% women vs. 66.9% men

Whilst our median bonus gap is at 0%, we continue to have a large mean bonus gap between men and women.

This again can be attributed to two things. As we set out in our last Gender Pay report our repairs and maintenance team, which consists of roles such as repair operatives, are filled predominantly by men. The team have a pay framework which incentivise quality repairs and whilst they have access to a bonus payment, some of their terms and conditions of employment are more basic then the rest of the organisation.

For example they do not receive occupational sick pay when they are absent from work and their basic pay is also set below median market rates. This pay structure works to incentivise quality repairs, but as a result, it has a direct impact on our mean bonus gap data but customer satisfaction with our repairs service is in the upper quartile.

Furthermore, we have introduced a new programme to incentivise long service and attendance in the business in the last year. Although everyone who has received this recognition has been awarded the same the disproportionate number of men and women receiving the award has had an impact on our mean bonus gap.



PROPORTION OF MEN & WOMEN EMPLOYEES WHO RECEIVED BONUS PAY

66.9%
VS.
52.5%

Median bonus gap 0% (£50 men, £50 women)
Mean gap is 92.8% £1,707 men £122 women



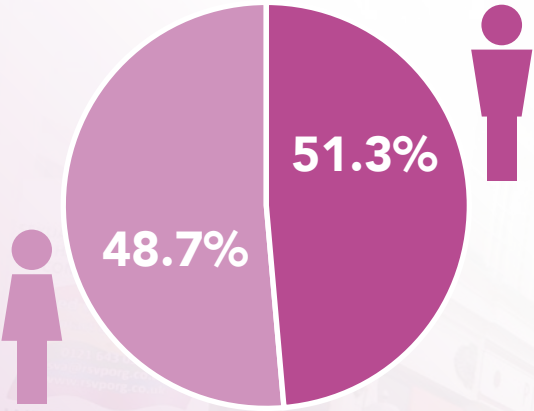
What is the gap in each pay quartile?

Following the repatriation of several Extra Care Schemes, the profile of our workforce has changed from April 2017. Our profile was 60.6% women and 39.4% men. In 2018 our profile is 65% women and 35% men. The majority of our TUPE colleagues have roles which fall into the lower quartile which has increased both our mean and median overarching gender pay gap figures. 147 more women transferred into the organisation, along with 14 males, predominantly in frontline social care roles which are lower paid due to contractual constraints of commissioned contracts from local authorities.



For April 2018 our workforce is distributed throughout the organisation in salary bands in the following proportions.
We have also included typical roles in each quartile.

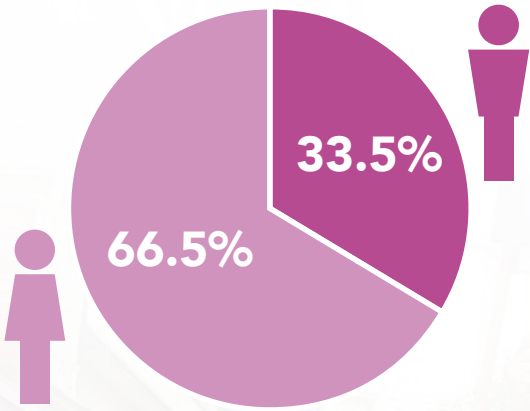
Upper Quartile
*Executive Team, Directors
and Heads of Departments*



Median pay gap 4.34%
Mean pay gap 8.11%

In 2017 the mean pay gap in the upper quartile was higher at 12% and the median was also higher in 2017 at 8%.

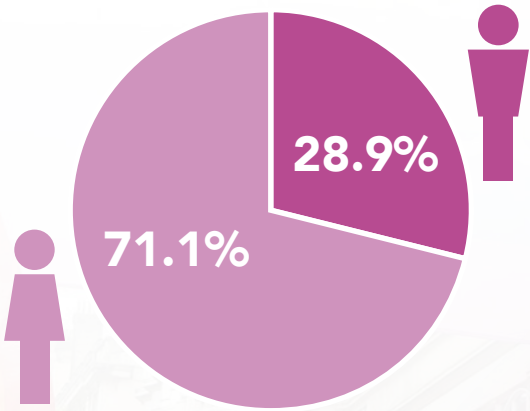
Upper Middle Quartile
*Team Leaders, Surveyors and
Multi Skilled Operatives*



Median pay gap 2.41%
Mean pay gap 2.81%

In 2017 this was 1.2% and 1.9% respectively.

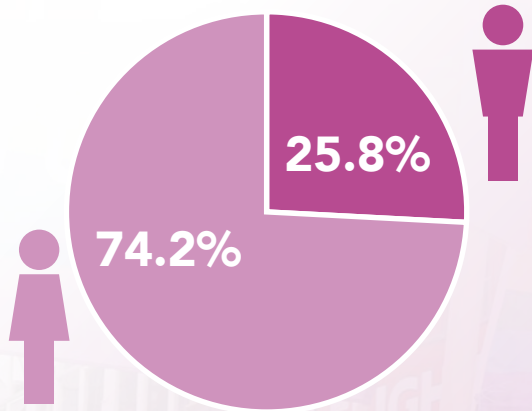
Lower Middle Quartile
*Customer Service Officers, Scheme
Managers and Void Operatives*



Median pay gap 2.09%
Mean pay gap 1.14%

In 2017 the median was 1.84 and the mean 1.3%.

Lower Quartile
*Support Workers, Chefs and
Caretakers*



Median pay gap 8.68%
Mean pay gap 3.06%

In 2017 the median 10.1% and the mean was 4.87%.

What does our gender pay gap tell us?

Once again we have done everything we can to fully understand the story behind our numbers. A range of factors can drive the difference between the average earnings for men and women and for us they include:



- The distribution of men and women within different roles at Midland Heart. Out of our total workforce, 65% are women and 35% are men
- Like other organisations in the sector who provide both housing and care, over half (60%) of our colleagues work in social care roles, and this area has a high concentration of women. Many of the roles in social care have lower rates of pay, due to external factors that affect what we can pay, such as the contract price set by commissioners.
- Our group structure means that all of our workforce is assessed when calculating our gender pay gap compared to other providers who have social care or other teams in different part of their wider group structures which they report separately. As part of our total reward strategy we use market pay families, which last year resulted in different increases for different job roles. It is important that we continue to keep pace and recruit great talent, but this has also affected our overall results for this year.
- We have seen more females appointed in upper quartile roles to replace former male colleague vacancies in areas such as Finance, HR and IT.
- The majority of people receiving a bonus payment are in our maintenance and repairs teams who are predominantly men. They receive a performance-based pay system which awards a bonus but lower basic pay and terms and conditions overall compared to the rest of our workforce. Their focus is to respond to customer emergencies and complete repairs to a high standard. This mean gap remains virtually unchanged as a result of this.
- The disproportionate number of men and women receiving an attendance award for the first time this year has had an impact on our mean bonus gap.

How do we close the gap?

We plan to reduce our gender pay gap by breaking our plan down into three key themes.

How we attract people

- **Strong partnerships**
We have teamed up with Women into Construction to encourage more women to join our construction and property maintenance teams. This exciting partnership will boost the number of women applying for roles traditionally filled by men, by offering multi-trade training, mentoring and support. Our hope is that through the initiative more women will be encouraged to find out that the construction industry has a lot to offer and will seek apprenticeships and further training.
- **Targeted advertising**
We carry out targeted advertising campaigns to find the best people to deliver the best service to our customers. We target areas that are underrepresented by men or women in order to attract the widest possible pool of candidates. Our close partnerships with local Colleges and Universities ensures that we attract the best talent and increase the number of people starting, and developing their career at Midland Heart.

- **Regular monitoring**
Every quarter, our established Equality and Diversity group track and assess the profile of internal and external applicants who progress through each stage of the recruitment process and hold key leaders to account when needed.

How we develop people

- **Growing our talent pool**
We are increasing the number of women into management roles by growing the number of women within our future talent pool. We have made good progress on this by having more women than men attend our Aspiring Manager and Frontline Manager courses. These bespoke courses are a core part of our strategy to grow our leadership capability, by giving people the knowledge, skills and confidence they need to have the best chance of securing a future managerial role. Our Equality and Diversity group monitor every cohort and remove any barriers that prevent women from securing more senior roles.

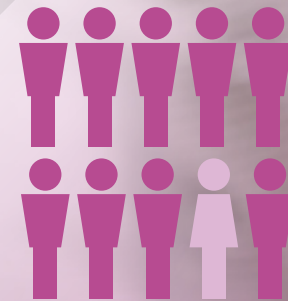
- **Organisational design**
As we prepare to deliver our next corporate strategy, our organisation will need to flex to meet new challenges and future changes in technology. We are clear that any proposed changes to our organisational design has a clear gender pay impact assessment.

How we retain people

- **Removing barriers**
We want Midland Heart to be a place where anyone can succeed, irrespective of their background or diversity. To move towards gender balance, we remove barriers that could prevent successors from progressing through our clear succession and workforce planning strategies.
- **Flexible working**
We want our colleagues to have a rewarding career, but not at the expense of their families or other commitments. We offer flexible start and finish times, part time hours, condensed hours, remote working and job share at all levels so both men and women can easily balance their personal and professional lives.

- **Developing potential**
We offer each of our colleagues a wide variety of programs to develop the skills and knowledge they need to develop their career and reach their full potential. These include our leadership academy, Aspiring Managers, Front line Managers, Speaking Out, recruitment and Speaking Out courses.

IN THE PAST 12 MONTHS
LESS THAN 4%
of applicants for jobs in
Maintenance and Repair
are from women





midland
heart

