

NHBC Gender Pay Gap Reporting 2017

What is gender pay gap reporting?

Under new legislation employers with more than 250 employees, such as NHBC, are required to publish details on their Gender Pay Gap. This must include the mean and median pay gaps, along with information about bonus payments for males and females.

Why is there a gender pay gap in the UK?

Across the UK, males are paid 18% more than females on average. One of the main reasons for this differential is a societal issue with females tending to occupy lower paid roles or part time roles, which are typically paid less.

A recent study by PwC estimates the gender pay gap in Financial Services to be 35%.

What is the difference between the gender pay gap and equal pay for equal work?

It is important to note that a gender pay gap does not necessarily mean there is an equal pay issue.

Equal pay deals with the pay differences between men and women **who carry out the same jobs, similar jobs or work of equal value**. It is unlawful to pay people unequally because they are a man or a woman.

We regularly conduct equal pay audits. The last audit was carried out in November 2016, with the results confirming there was no evidence of gender pay bias at NHBC.

The gender pay gap shows the difference in the average pay **between all men and women in a workforce** regardless of the jobs they carry out.

NHBC's workforce and industry demographics

NHBC recognises the importance of diversity, inclusion and equality in the workplace.

We know that of the 1,336 employees at NHBC in April 2017, around 55% occupied roles that would typically require a construction background and a similar proportion of our workforce are categorised as STEM roles (Science, Technology, Engineering and Mathematics).

The Office for National Statistics (ONS) estimates that women occupy less than 13% of roles in construction. Given that women account for such a small proportion of the industry as a whole, recruiting females into our specialist and technical roles is a challenge given that the majority of applicants are male.

Gender Pay Figures for NHBC

Based on the calculations detailed within the legislation, table 1 sets out our overall mean and median gender pay gap and bonus gap, based on hourly rates as per the snapshot date of 5 April 2017. The bonus gap is based on bonuses paid in the 12 months up to 5 April 2017.

NHBC's mean gender pay gap is slightly better than the national average, and significantly better than those being reported across Financial Services (35%¹) and Construction sectors (45.4%²). As bonus is linked to pay, our gender bonus gap is driven by the overall pay gap but again better than the National average being published.

¹ Anticipated figure based on PwC Report 2017

² Office for National Statistics



Table 1

	NHBC Mean	NHBC Median	National Average
Gender Pay Gap	17.4%	20.6%	18%*
Gender Bonus Gap	32.0%	31.9%	45.4%*

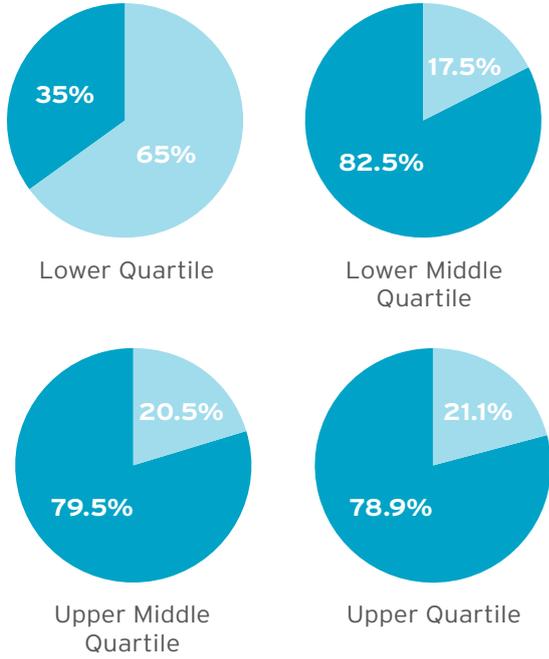
*Annual Survey of Hours & Earnings 2016

The mean is the average of all male and female pay, calculated by adding all hourly rates and dividing by the number in each population. The median average is the middle value in the data set, when all values are ranged from highest to lowest.



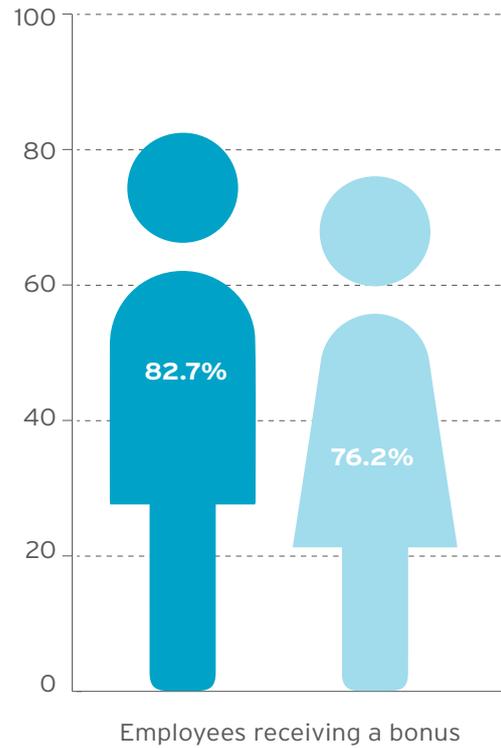
Proportion of males and females in each quartile

NHBC has a workforce of 1336 of which 69% are male and 31% are female. Our pay gap is driven primarily by the tendency for males to occupy a larger proportion of higher paid technical roles as well as senior positions within the organisation as evidenced below across the four pay quartiles.



The pay quartiles are calculated by arranging the pay data for all employees in order of highest to lowest, and splitting it into four even groups. The upper quartile is the highest paid and the lower quartile is the lowest paid.

Number of employees receiving a bonus



A detailed review of all employees who did not receive a bonus shows the data contained a significant number of females who had recently joined NHBC and so were within their probation period at the time of the bonus payment. They were therefore not eligible for payment on this occasion.

Our commitment



NHBC recognises that a diverse workforce supports business growth and the benefits this brings to our business. Over the last year NHBC has become a signatory of the Women in Finance Charter, led by HM Treasury and set ourselves a goal to increase the number of females in senior roles to 45% by 2020.

We regularly review our pay policies, performance practices and pay and bonus decisions to ensure they are fair and are confident they are robust and not influenced by the gender of individuals. We are committed to remaining a 'Real Living Wage' Employer in partnership with the Living Wage Foundation, and are proud to be members of the Employers Forum on Equality and Inclusion and WISE (Women in Science and Engineering). Over the last year we have run a number of events including International Women's Day, International Men's Day and a Women in Engineering Day. We have also sponsored and had finalists at the Milton Keynes Women Leaders Awards.

For us, diversity and inclusion goes beyond gender. We continue to focus on diversity through our leadership team who have a diversity objective embedded within their personal targets.

The data reported has been independently validated and we confirm it is accurate.

Steve Wood
Chief Executive



Raising Standards. Protecting Homeowners