

**energy  
saving  
trust**

# Gender Pay Reporting 2021

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## 1. Introduction

This report details the findings of Energy Saving Trust's gender pay gap analysis taken as a snapshot on 5 April 2021.

### 1.1. What is gender pay gap reporting?

In 2017 it became a legal requirement for public, private, and voluntary sector organisations with 250 or more employees to report annually on their gender pay gap. Reports must analyse employee data using six different measures (see table 1 in section 1.3 of the report), on a specified 'snapshot date' relevant to their sector and the information must be publicly available. Energy Saving Trust employs more than 250 people and is therefore required to comply with this law. As part of our reporting requirements, we have the option to include a narrative with our calculations. This allows us to explain some of the reasons for the results and give details about actions we have taken to date and plan to take to continue to tackle the gender pay gap.

If you after reading this report you would like to learn more about gender pay gap reporting and the set government guidelines that supports this process please refer to [Gender pay gap reporting - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/gender-pay-gap-reporting).

### 1.2. Gender pay gap vs equal pay

The **gender pay gap** is an internationally recognised equality measure of the position of women in the economy in comparison to men. It compares the difference in median hourly pay between women and men in an organisation.

**Equal pay** is related to men and women who do 'equal work' receiving equal pay. Equal work is work that equal pay law classes as the same, similar, equivalent or of equal value. Equal pay is a legal requirement.

Gender pay gap is not the same as equal pay. The gender pay gap is the result of a combination of economic and social factors that come together to reduce the earning capacity of women across their lifetime. For example, the unequal division of caring responsibilities within the household means that more women than men work part-time jobs. Another factor is the impact of gender stereotypes that result in sectoral and occupational segregation. Sectoral or horizontal segregation is where most women work in sectors where pay is much lower, e.g., caring, leisure, than in sectors where more men work e.g., skilled trades, STEM subjects (science, technology, engineering, and mathematics) etc. Occupational or vertical segregation is the distribution of career positions; women predominate in jobs in the bottom of the career ladder. Closing the gender gap goes far beyond ensuring equal pay.

### 1.3. Reading the report

The **mean** figure represents the sum of total pay divided by the total number of people who are in that category (either male or female for our data sets used here. Please refer to section 1.3.2 for explanation on this categorisation). This figure can be skewed by a small number of highly paid individuals.

The **median** figure represents the figure in the middle of the data set when it is sorted from smallest to largest amount for each category (either male or female for our data sets used here). This is the figure usually used in gender pay reporting, because it provides a more accurate view of typical average earnings than the mean figure, due to not being included by salaries at the upper end of a pay scale.

### 1.3.1. Glossary

- **Full-pay relevant employees** are employees as of the snapshot date (see section 1.4 below for explanation) that received their full pay with no deductions in the pay period of the snapshot date, including part-time employees.
- **Relevant employees** are employees who were employed on the snapshot date, including employees on leave.
- **Gross pay** is an employee's total salary before any taxes or deductions are taken out.
- **Quartiles** are four equal groups into which a data set can be divided by a particular measurement. For gender pay gap reporting we sort the data from highest to lowest hourly pay then divide this into four equal quartiles which are called upper, upper middle, lower middle, and lower. For example, if your hourly pay is in the top 25%, you will be in the upper quartile.
- **Pay period** is a recurring length of time over which employee working time is recorded and paid for. Examples of pay periods are weekly, monthly etc. At Energy Saving Trust our pay periods are monthly.

To read more about how the government defines full-pay relevant, relevant employees, and quartiles please follow this link [The gender pay gap data you must gather - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/the-gender-pay-gap-data-you-must-gather).

**Table 1: The six measures of gender pay gap**

<b>Mean gender pay gap</b>	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
<b>Median gender pay gap</b>	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
<b>Mean bonus pay gap</b>	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
<b>Median bonus pay gap</b>	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
<b>Bonus proportions</b>	The proportions of male and female relevant employees who were paid bonus pay during the relevant period
<b>Quartile pay bands</b>	The percentage of men and women full-pay relevant employees within four equal sized groups of employees based on their hourly pay. These four groups are categorised as the lower, lower middle, upper middle and upper quartile pay bands.

Each of these measures gives us a slightly different take on our gender pay gap and the detail of each provides relevant context as well as a measure of progress made year on year.

### 1.3.2. Terminology relating to sex and gender

For the purposes of this report, the categorisations of **male** and **female** has been done in line with the legal sex/gender recorded for all colleagues on Selima, as required by HMRC. Legal sex/gender refers to the legally recognised sex/gender recorded on an individual's birth certificate, which can currently only be recorded using the binary options of male or female.

We know that this is problematic, as it means that colleagues whose gender identity does not align with that recorded on their birth certificate are not being accurately represented and counted. For example, this may affect some of our trans and non-binary colleagues.

We will address this issue by planning to collect data on employee's gender identity, as opposed to only their legally recognised sex/gender. We intend to use data on gender identity to inform future gender pay gap analyses.

For the purposes of this report, we often use '**men**' to refer to those recorded on Selima as 'male' and '**women**' to refer to those recorded as 'female'. We know this not always accurate, and that sex and gender are not the same. We do this to make the report more readable and to reflect the context of this being a *gender* pay gap analysis.

### 1.3.3. What do the percentages mean?

- a positive percentage figure reveals that typically, or overall, employees who are women have lower pay or bonuses than employees who are men (which most employers are likely to have)
- a negative percentage figure reveals that typically, or overall, employees who are men have lower pay or bonuses than employees who are women (which some employers may have)
- a zero-percentage figure would reveal no gap between the pay or bonuses of employees who are men and employees who are women (or there is equal pay and bonuses overall.) This is highly unlikely but could exist for a median (midpoint) gender pay gap where a lot of employees are concentrated in the same pay grade).

## 1.4. Method

5 April 2021 is Energy Saving Trust's 'snapshot' date and forms the basis of our report. On this date Energy Saving Trust employed 291 relevant employees, of which 124 were recorded as men and 167 as women. Of these relevant employees, 284 were categorised as full-pay relevant employees, of which 124 were recorded as men and 160 as women. Employees who started at Energy Saving Trust after the snapshot date of 5 April 2021 but were paid within the pay period 1-30 April 2021 were not included in this data.

Using this data, we collated our figures for:

- Gross ordinary pay: this includes basic pay, paid leave pay, temporary responsibility allowances and car allowances.

- Bonus or commission payments made in the 12 months before the snapshot date. For this report this was the performance related bonus for performance year 2019/20 (paid in September 2020) and any commission payments made between 6 April 2020 – 5 April 2021.

In this report our relevant pay period in which the snapshot date falls, was 1 to 30 April 2021. This is different from the 2020 report which looked at April 2019 to April 2020. When verifying with our external legal support it was confirmed that the relevant pay period for this year's reporting extraction was the month of April 2021.

As per government guidance we have used full-pay relevant employees for the calculations of 2.1, 2.2, and 2.6 and relevant employees for the calculations of 2.3, 2.4 and 2.5.

We have also compared our 2021 data to that of 2020.

## **1.5. Where does this information go?**

Organisations have 12 months to publish this information from their 'snapshot date'. Energy Saving Trust therefore has until 4 April 2022 to publish this year's data on the [government portal](#).

## 2. The data

### 2.1. Mean gender pay gap

Our mean gender pay gap is **15.20%** which is the difference between the mean hourly rate of pay of male and female employees.

**Table 2: Mean (average) hourly pay**

Gender	Male	Female
Total full pay relevant employees	124	160
Total hourly pay	£2350.85	£2571.63
Mean (average) hourly pay	£18.95	£16.07

This means, on average, men at Energy Saving Trust are paid 15.20% more than women. In simple terms for every £1 a man earns at Energy Saving Trust, a woman earns 85p.

In 2020, our mean gender pay gap was 19%.

### 2.2. Median gender pay gap

Our median gender pay gap is **3.56%** which is the difference between the median hourly rate of pay of male employees and that of female employees.

**Table 3: Median hourly pay**

Gender	Male	Female
Total full pay relevant employees	124	160
Median hourly pay	£14.59	£14.07

This means when using the median, men at Energy Saving Trust are paid 3.56% more than women. In simple terms for every £1 a man earns at Energy Saving Trust, a woman earns 96p.

In 2020, our median gender pay gap was 12%.

### 2.3. Mean bonus pay gap

Our mean bonus pay gap is **48.42%** which is the difference between the mean bonus pay paid to male employees and that paid to female employees

For the snapshot date of 5 April 2021, we collated our figures for:

- Men's mean (average) bonus pay = £4,048.48
- Women's mean (average) bonus pay = £2,088.04

This means that on average, men at Energy Saving Trust are paid 48.42% more in bonus pay than women. Which means that for every £1 a man receives in bonus pay, a woman receives 52p.

In 2020, our mean bonus pay gap was 51%.

## 2.4. Median bonus pay gap

Our median bonus pay gap is **20.55%** which is the difference between the median bonus pay paid to male employees and that paid to female employees

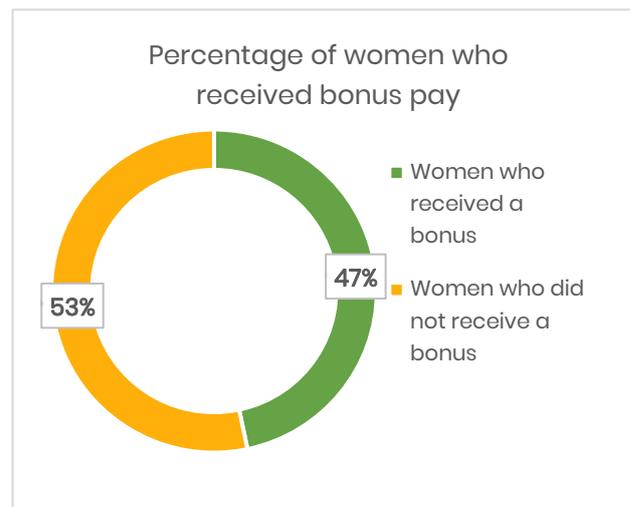
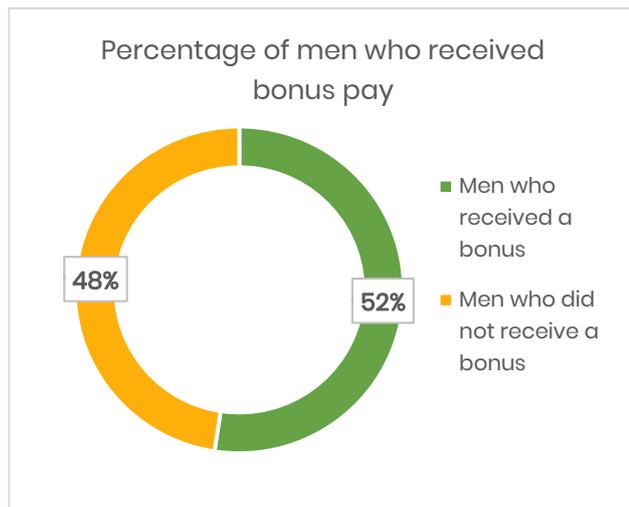
- Men's median (average) bonus pay = £2,175.55
- Women's median (average) bonus pay = £1,728.50

**This means that when using the median, men at Energy Saving Trust are paid 20.55% more in bonus pay than women. Which means for every £1 a man receives in bonus pay at Energy Saving Trust, a woman receives 79p.**

In 2020, our median bonus pay gap was 16%.

## 2.5. Bonus proportions

Below are two charts which demonstrate the percentage of men and women who received bonus pay during the relevant period.



Total men = 124

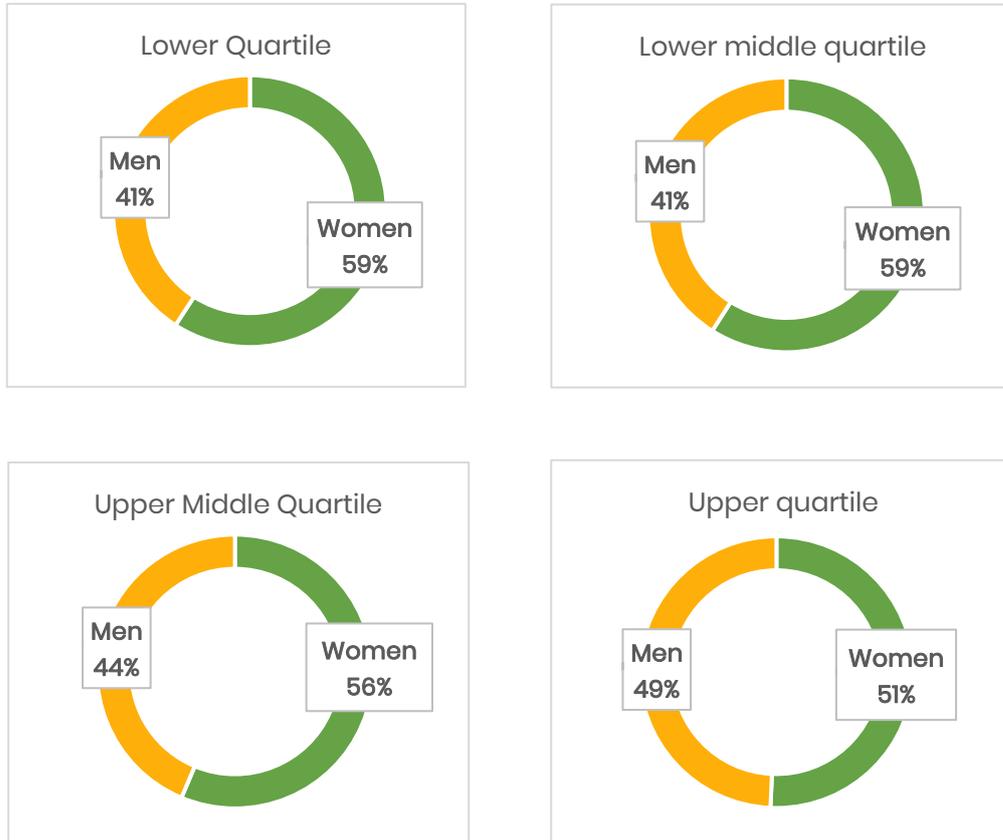
Total women = 167

**This means that men at Energy Saving Trust are proportionately more likely to receive a bonus than women.**

In 2020, 66% of women and 63% of men received a bonus.

## 2.6. Quartile pay bands

Below are four charts which illustrate the percentage of men and women within four equal sized groups of employees based on their hourly pay when pay is sorted from the lowest to the highest.



**Table 4: Quartile pay band proportions 2020**

2020		
Quarter	Men	Women
Lower	43%	57%
Lower middle	50%	50%
Upper middle	46%	54%
Upper	65%	35%

## 3. Supporting narrative

### 3.1. What does the data tell us?

Based on the results detailed in sections 2.1 and 2.2, Energy Saving Trust has a gender pay gap. Specifically, men in the organisation are paid more than women. We believe this is in part due to the underrepresentation of women at our senior management team level at the time the snapshot was taken and the overrepresentation of women in our grade 5 roles. However, we do recognise that there have been improvements on this to date (see 3.3).

When compared to analysis completed in 2020, the mean pay gap has lowered by 4% and our median (the figure that is most widely shared and talked about) has lowered by 8%. This demonstrates that the action we have taken to date (see 3.3 for further details) has had a positive impact. Work in this area is ongoing and improvements gradual.

The results detailed in sections 2.3 and 2.4, demonstrate that we have large gaps when it comes to bonus payments. Two key things have contributed to this gap:

1. The data collected included the bonus payments of three directors for the performance year 2019/20, all of whom were male, which had a significant impact on the results. We now have a 50:50 split of male: female directors, so we expect the gender bonus gap reduce significantly in our future gender pay reports.
2. The bonus data relates to performance year 2019/20, which was paid in September 2020. Over 100 employees joined the organisation after the 2019/20 performance year cut off and were therefore ineligible to receive a bonus. As the bonus payment was made during performance year 2020/21, the results are skewed. Based on the changes we have made to the bonus policy with paying this earlier, in June of each year a more accurate analysis of bonus payments will be reported on next year.

The results in section 2.6 demonstrate an improvement in all quartiles for women at Energy Saving Trust, particularly in the upper quartile results (16% improvement since 2020). This links with our current organisational gender split of 57% women and 43% men.

### 3.2. Will there always be a gap?

Whilst we have and continue to make good progress to address the gender pay gap at Energy Saving Trust, there is more we can do organisationally to further improve and we are fully committed to doing so.

We want to remove the gap but it should be noted that whilst we can act internally, there are external factors that we rely on to influence change too, such as education and societal change all of which take time. Our role is to ensure that we continuously explore new and innovative options, such as apprenticeships and graduate schemes, to influence bigger picture changes.

### 3.3. What have we done to date to address our gender pay gap?

1. **Hired and promoted more women into senior positions** – Since July 2021 we have had a 50:50 gender split in our senior leadership team. We have actively sought candidates from a diverse pool to ensure gender balance and representation in our senior leadership and senior

management teams. Increasing representation in senior positions allows the gap between the highest paid salaries to lower between men and women. It also changes the gender balance in the upper pay quartiles. With more women represented in senior position we hope this will encourage and support other women in the organisation to apply for leadership and management roles in the future.

2. **Expanded our performance related bonus** - For the first time in the performance year 2020/21, all individuals who were new to role received a bonus payment. This has made our performance bonus more inclusive, recognising our people's contributions from day one. The impact of this will not be seen in our reporting until next year however, it will allow us to gather more impactful data on the gender split of payments and hopefully see a lowering in the figure of individuals not receiving bonus.
3. **Streamlined performance rating** - For the performance year 2020/21 we revamped the moderation process. We carried out moderation in directorates/teams and streamlined performance ratings into four categories with clear measures to score against. One people business partner observed all moderation meetings to ensure a fair and consistent application of ratings and that all evidence submitted by departments aligned with how ratings were awarded across the organisation. Like point 2, the impact of this will not be seen in our reporting until next year. However, because of this change, we can be confident that we have created a robust and unbiased process behind bonus payments and we expect to see a lower bonus pay gap going forward.
4. **Hired a Diversity & Inclusion (D&I) lead** - In March 2021 we hired Daisy Crowfoot as our D&I lead. They have since developed a [D&I strategy, action plans](#) and inclusion survey so we can review where we are and create meaningful commitments to progress D&I in the organisation.
5. **Improvements to our recruitment processes** -
  - a. Clear [shortlisting matrix and scoring](#) system
  - b. [Structured interview format](#) where we ask the same questions of all candidatesThis ensures we treat all candidates fairly, using a consistent and rigorous assessment process that helps reduce the impact of bias in the selection process. This also prevents any gendered and inappropriate lines of questioning such as "are you planning a family?" which may cause candidates to withdraw.
6. **Unconscious bias training** - In July 2020 we introduced a mandatory e-learning course for unconscious bias for all employees that is completed annually. This helps us to recognise and address any biases feeding into promotion, hiring and performance rating decisions and in turn reduce any impact of bias on our gender pay gap.
7. **Blended working contracts** - These aim to give our people greater flexibility in working between home and the office, supporting better work/life balance and home/caring responsibilities. This will particularly support women, who in the UK are currently disproportionately more likely to have caring responsibilities at home.

## 4. Action plan

There has been some positive work to date to help reduce our gender pay gap. However, we are at the start of our journey and we know more needs to be done to tackle this important issue. We aim to better understand our gender pay gap figures and reduce the gap as much as possible over the coming years.

In the year ahead we are making the following commitments in line with our four people strategy pillars:

### 1. Attract

- Flexible working – continue to adapt our organisational thinking, culture and guidance around how, where and when people work. By focusing on performance outputs, we will expand our employees' options. By progressing our position on this we hope to attract candidates from a more diverse pool, in particular, those who do not live near our office locations and those who wish to work blended or from home to support their work/life balance and any caring responsibilities.
- Review and improve our recruitment and promotions processes and policies:
  - Develop guidance on ensuring a diverse and gender balanced shortlisting and interview panel, wherever possible.
  - Ensure our recruitment and promotion processes are as accessible and inclusive as possible. Develop further guidance for managers on inclusive recruitment practices, including offering reasonable adjustments throughout the recruitment process. Explore positive action initiatives for roles in areas where women are under-represented. See [D&I action plan](#) section on recruitment and representation.
  - Review how we resource roles by exploring options such as more apprenticeships, interns, graduate schemes, part time and seasonal workers, opening new career pathways and removing current barriers that particularly impact women.

### 2. Engage

- Pay and reward – creation of a transparent pay and reward processes that focuses on ensuring pay is fair, and consistent for all. Included in this is creating total reward statements for all employees to see a summary of their employment package including benefits, leave allowances pay etc. Creating further transparency on how Energy Saving Trust reward their people.

### 3. Develop

- D&I strategy – This report will be shared with the D&I committee for review, reflections and feedback.
- Targets – creation of impactful targets for gender pay gap reporting over the coming years.

Succession planning – Our people business partners will be meeting with their department leads on a quarterly basis to review themes and trends and to build succession strategies in each department. Succession planning can help reduce our gender pay gap, as it will give us an opportunity to identify employees who we can support to advance to senior positions, in particular women who may not have previously applied (if this is the path they wish to take). We will use succession to identify our top

leaders and then provide them clear pathways to the top of the organisation and equip them with the skills and knowledge to pave the way.

#### **4. Retain**

- Deep dive and further analysis on the figures. Including:
  - Running the pay gap figures without senior leadership team members included, to see if the removal of our top earners has any impact on our gender pay gap in the organisation.
  - Extract the data for hourly pay in each quartile pay band and review the gender pay gap in this data to establish if across our quartiles pay is distributed fairly between the genders.
  - 2020/21 bonus payment distribution (the payment made in June 2021) to provide insight and analysis ahead of moderation and the bonus process for 2021/22.

Once reviewed if appropriate we can use the findings to take further steps to improve the current gender disparity between pay and bonus for men and women.