

Steeper – gender pay gap report

April 2018



Commitment to equality, diversity and inclusion

The Steeper group fosters a culture where it promotes **equality** of opportunity for all its employees, giving them the chance to achieve their potential, free from prejudice and discrimination. We promote equality and diversity by treating all employees fairly, by creating an inclusive culture and by enabling all employees to develop to their full potential. Steeper is proud to be a Disability Confident employer, which demonstrates its values in being a diverse employer. We are committed to championing equal rights and opportunities, and proactively tackling discrimination.

We are also committed to ensuring all employees are treated and rewarded fairly irrespective of gender. We aim to determine pay and conditions of employment that do not discriminate unlawfully and that are free from bias, by ensuring there is equal pay for work of equal value.



Paul Steeper
CEO



John Midgley
COO/CFO

Introduction – reporting requirements

The gender pay gap legislation introduced in April 2017 requires that UK employers with 250 employees or more on the snapshot date (5 April 2017) publish data about their gender pay gap.

Employers have a legal duty to report and publish results both on the Government and their own website, using six calculations:

1. median gender pay gap
2. mean (average) gender pay gap
3. median bonus gender pay gap
4. mean bonus gender pay gap
5. proportion of male and female employees in each pay quartile
6. proportion of male and female employees receiving a bonus payment.

The median and mean are two common types of ‘averages’ in mathematical statistics.

Gender pay gap vs equal pay

Although equal pay and the gender pay gap look at differences between women’s and men’s pay, they are two different issues and this needs to be remembered when reading this report. The gender pay gap is measured using averages of both full and part-time employees and having a gap between average pay for men and women is not illegal. We are confident our gender pay gap is not a pay issue.

Factors affecting the gender pay gap

The causes of the gender pay gap in many organisations are many and varied. They often overlap and are frequently outside the control of any one employer. According to data collected by the Office of National Statistics the main factors explaining why women tend to earn less than men are:-

- part-time work
- type of occupation
- having and caring for children

A gender imbalance in the different levels of roles, or if particular types of roles are dominated by a single sex this also has an effect on the gender pay gap.

Within the clinical services business of Steeper which employs the highest percentage of all our employees, the transfer of employees in or out is a natural process with working with our public sector partners. Due to the Transfer of Undertakings (Protection of Employment) Regulations Steeper doesn’t have any control over the gender or pay conditions of the people joining the business in these situations. This area of our business also employs a higher proportion of part-time staff.

Steeper employ a higher proportion of men compared to women with a twelfth of employees working part-time of which two thirds of all part-time employees are women.

Within manufacturing, our staff are overwhelmingly male, whilst our corporate head office staff (whose pay rates are typically higher due to the nature of the roles) are more evenly split between men and women. This will cause significant disparity across our results where this imbalance is not taken into consideration. Similar issues will apply to other organisations operating in similar sectors to Steeper.

A guide to the figures

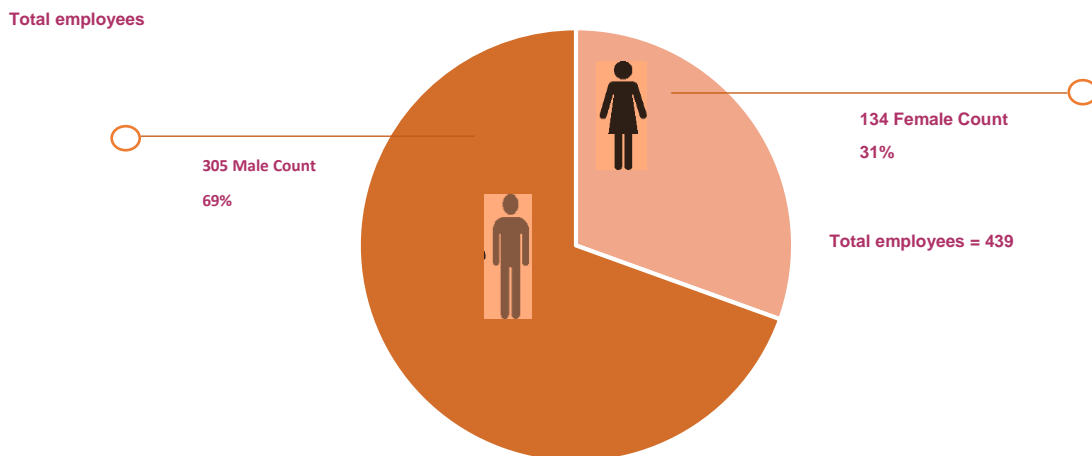
<p>Mean - The average of a set of numbers. All numbers are added together and divided by the number of numbers put into the calculation. For example, taking 5, 8, 12, 26, and 40, the sum of the numbers is 91. Dividing this by five (the number of figures) gives you a mean of 18.2. The regulations require us to report the difference between the mean hourly rates of men compared to the mean hourly rate of women, expressed as a percentage of the men's figure.</p>	<p>Median - The middle value of a list of numbers. If the list has an odd number of entries, the median is the middle entry after sorting the list into increasing order. If the list has an even number of entries, the median is halfway between the two middle numbers after sorting. For example, taking 5, 8, 12, 26, and 40, the median value is 12. The regulations require us to report the difference between the median hourly rates for men compared to the median hourly rate for women, expressed as a percentage of the men's figure.</p>
<p>Pay quartiles - Rates of pay are placed into a list in order of value and the list is divided into four equal sections (quartiles). Each quartile will contain the same number of individuals. The regulations require us to report how many men and how many women are in each pay quartile, expressed as a percentage within each quartile.</p>	<p>Bonus - The regulations also require us to publish the same measures as above on bonus payments</p>

Staff included in the gender pay gap data

UK-based employees on employment contracts are included in the calculations. This does not include employees who are based outside the UK.

Steeper demographics

The gender split in Steeper is shown below. The number of male employees clearly outweighs the number of female employees.

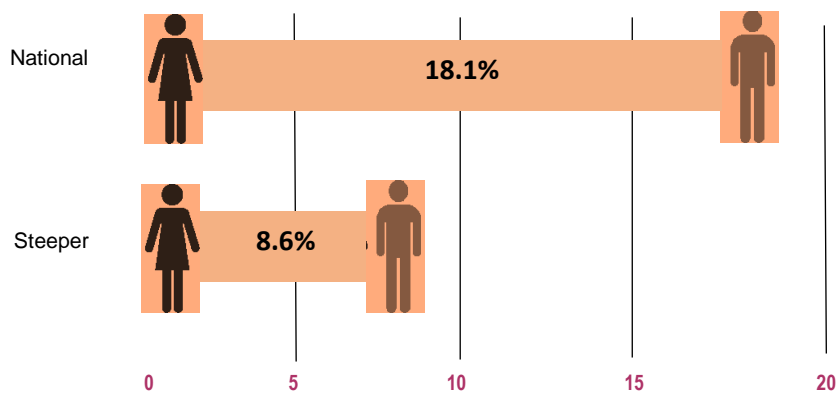


What is used in the calculation to obtain the median and mean?

Gender pay calculations are based on ordinary pay which includes: basic pay, allowances, pay for leave but excludes: overtime pay and repayment of expenses.

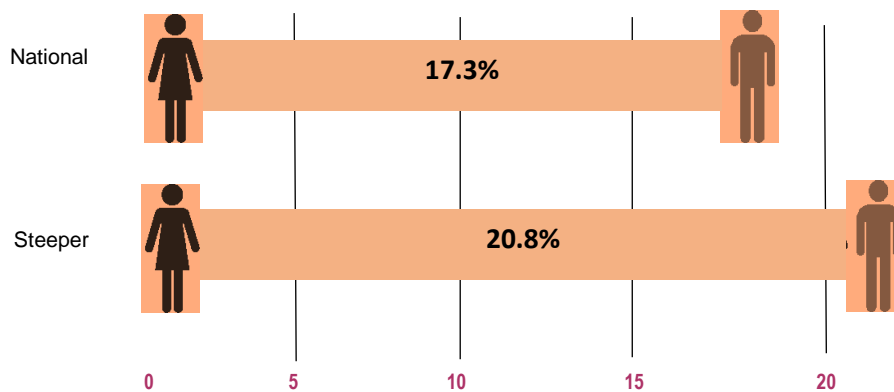
Our gender pay gap is 8.6% (median). This is considerably less than the national median published by the Office of National Statistics of 18.1% (ASHE, Oct 2017).

Median gender pay gap



The above chart shows the middle hourly rate of pay for all female employees is 8.6% lower when compared with the middle hourly rate for all male employees (female middle hourly rate = £11.89, male middle hourly rate = £12.96)

Mean gender pay gap

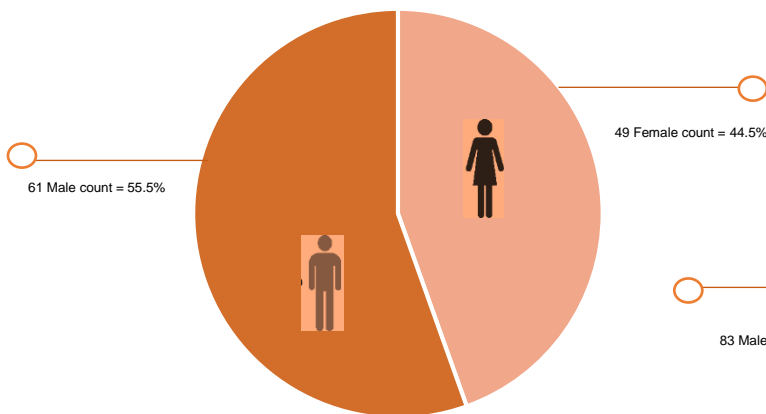


The above chart shows the average rate of pay for all female employees is 20.8% lower when compared with the average hourly rate for all male employees (female average hourly rate = £12.49, male average hourly rate = £15.78)

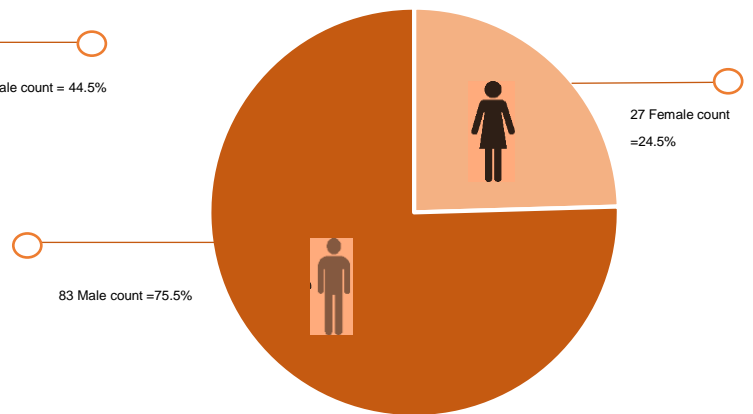
Salary quartiles

The charts below demonstrate when split into quarters how many employees are in each quartile

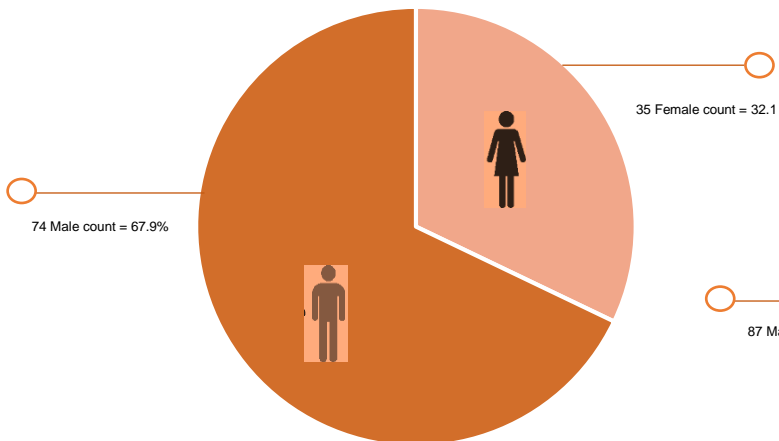
Lower Pay Quartile – 110 Employees



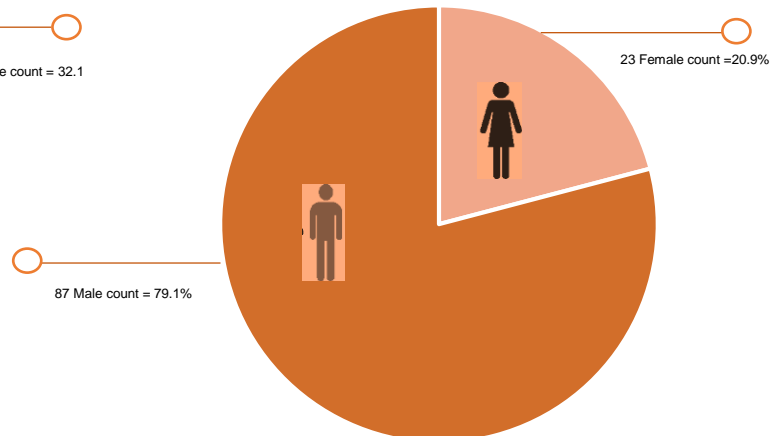
Upper Middle Pay Quartile – 109 Employees



Lower Middle Pay Quartile – 110 Employees



Upper Pay Quartile – 110 Employees



There are a higher proportion of male employees in roles as a whole in all quartiles. However, there is a similar split of the whole workforce averaging 109.75 employees across all the four quartiles.

Bonus pay gender gap

Bonus awards may be paid irrespective of gender and can include discretionary bonus payments and commission paid to employees within the preceding 12 month period.

The structure of our workforce is also influencing our mean bonus gap. The shape of our workforce drives our mean bonus gap, in the same way it does our gender pay gap.

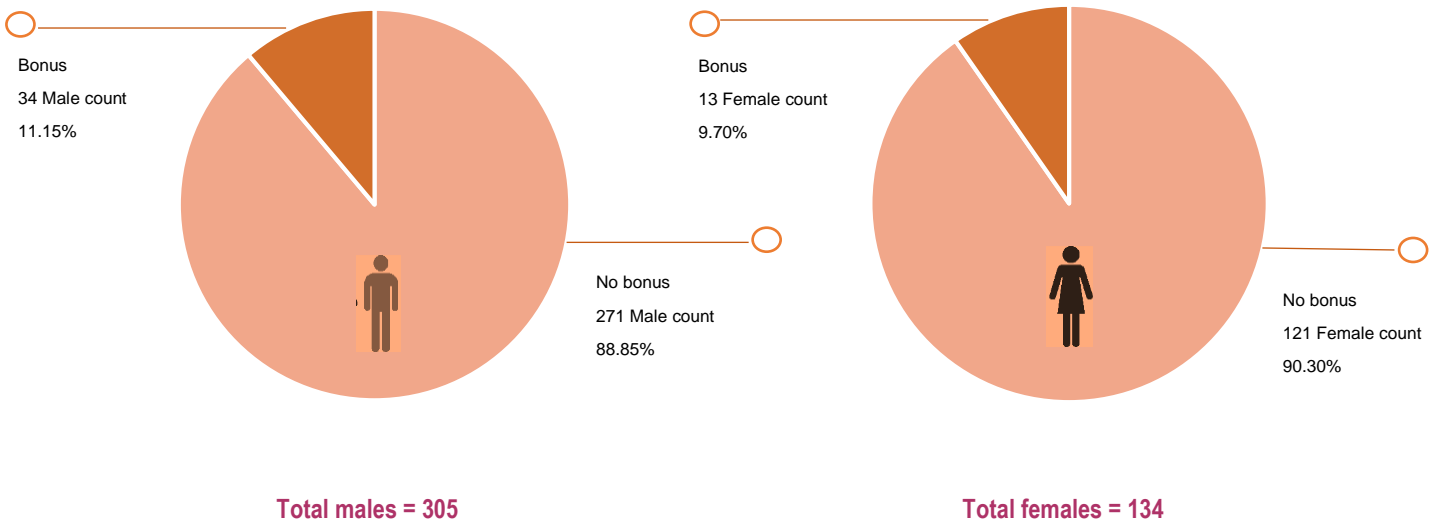
The median bonus gender pay is 8.02%

The mean bonus gender pay is 62.03%

Bonus pay

Male

Female



Overall, the proportions of male and female employees receiving bonuses are very similar, with a gap of 1.45%.

Actions

There are a number of things that need to change in order to reduce or eradicate the gender pay gap in the UK, which are outside the control of employers. These will involve long-term plans to address cultural biases – starting in early education with gender biases towards certain professions and roles in society. However, Steeper is confident that our gender pay gap is not a pay issue, we know this because our approach to pay is gender neutral by design. We are committed to reducing our gender pay gap and establishing ourselves as an exemplar employer. We are working with our employees to establish initiatives to reduce our gender pay gap, including:

- From 2018 we will use job evaluation tools to assess the relative value of jobs across the business and to demonstrate consistency.
- We will be conducting a review of our reward processes, pay and grading structure to ensure fairness and consistency in our approach and application.
- We will be reviewing and evaluating our recruitment processes and the workplace environment to ensure women have equal access to opportunity to progress.
- We will be reviewing flexible working arrangements across our business and address any barriers that are identified.

- We will unlock the potential opportunities to upskill or retrain available through apprenticeships – both with internal applicants and recruitment into apprentice roles. Whilst this is a new initiative and is still being developed, we hope this will also support internal promotions and open up more opportunities in the lower quartiles.
- We will be making managers aware of gender pay gap issues and encouraging them to support women to progress their careers.
- We will be encouraging and promoting access to development opportunities by ensuring our management development programmes is equally offered to and attended by females.