



## Introduction

Stonewater is a social business fully committed to Equality in all aspects of its operations. Whilst we acknowledge our legal obligation to publish an annual gender pay gap report, more qualitatively, we do so with a commitment to learn and act upon its findings.

This is the sixth cycle of reporting since the introduction of statutory obligations were introduced in 2017. As was the case since 2021, we have again voluntarily undertaken an ethnicity pay reporting exercise. In acting voluntarily in this way, we do so in the firm belief that it is the right thing to do. Our actions are in part intended to signal Stonewater’s commitment to proactively addressing pay inequality in all its forms.

The report is based on snapshot data as of 5 April 2022. The outcomes alongside those of previous years are set out in the attached appendix.

## Gender Pay Gap

The figures set out in the below have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

		2017		2018		2019		2020		2021		2022		Change/Movement 2021 to 2022		Change/Movement 2017 to 2022	
Mean Gender Pay		23.38%		19.72%		19.69%		17.16%		16.87%		17.78%		0.91%		-5.60%	
Median Gender Pay		22%		24.41%		21.47%		16.84%		18.14%		20.41%		2.27%		-1.59%	
Bonus Mean		55.39%		64.73%		37.30%		39.55%		51.42%		47.59%		-3.83%		-7.80%	
Bonus Median		27%		30.00%		-0.46%		39.56%		59.10%		0.00%		-59.10%		-27.00%	
Proportion Receiving Bonus																	
Male		72.00%		14.05%		7.57%		9.16%		8.02%		98.23%		90.21%		26.23%	
Female		89.00%		16.67%		8.54%		12.88%		11.42%		97.36%		85.94%		8.36%	
Quartiles		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Lower Quartile		21%	79%	27%	73%	24%	76%	27%	73%	31%	69%	23%	77%	-4.22%	4.22%	2.00%	-2.00%
Lower Middle		21%	79%	24%	76%	28%	72%	27%	73%	25%	75%	27%	73%	-0.22%	0.22%	6.20%	-6.20%
Upper Middle		31%	69%	36%	64%	38%	62%	40%	60%	32%	68%	35%	65%	-5.00%	5.00%	3.90%	-3.90%
Upper Quartile		42%	58%	46%	54%	44%	56%	43%	57%	48%	52%	44%	56%	0.91%	-0.91%	2.10%	-2.10%

## What are the underlying causes of Stonewater’s gender pay gap?

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

Stonewater is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, the organisation:

- carries out pay and benefits audits at regular intervals;
- provides regular equal pay training for all managers and other staff members who are involved in pay reviews; and
- evaluates job roles and pay grades as necessary to ensure a fair structure.

Stonewater remains vigilant in guarding against pay inequality, and whilst we do not believe that the gender pay gap reported is attributable to paying men and women differently for the same or equivalent work, we regularly monitor practices to ensure this remains the case. Our pay structure, introduced in 2019, is underpinned by a proprietary job evaluation system. In addition, we undertook a full equal pay audit in the latter part of 2019 and will complete a repeat of this process during the first half of 2023. Findings and accompanying improvement plans will be overseen by the governance forums of the Group.

Across the UK economy, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in construction, technical and IT-related roles, which attract higher rates of pay than other positions at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy is broadly reflected in the make-up of Stonewater's workforce, where the majority of front-line customer facing roles are women, and most executive director roles are held by men. In addition, most of the relatively highly paid technical roles e.g. IT are held by men and not women. This can be seen in the table attached depicting pay quartiles by gender. This shows Stonewater's workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest-paid 25% of employees (the lower quartile) and Band D covering the highest-paid 25% (the upper quartile). For there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band. However, within Stonewater, 77% of the employees in Band A are women and 23% men. The percentage of male employees increases in Bands C & D, with 45% in Band D. Female proportions have increased in the lower quartiles from that reported in 2021. This has been reflected in this year's outturn and will be closely monitored as part of the actions set out above. The upper end of Band D, the executive director cohort, has a significant impact on the outcomes reported.

**How does Stonewater's gender pay gap compare with that of other organisations?**

Most organisations have a gender pay gap. The 2016 'whole sector' figure as reported by the ONS, was 18.1%. A figure that has been on a downward trend in recent years having stood at 27.5% in 1997. The 'whole sector' gender pay gap figure, as reported by the ONS (Oct 2022 – latest publication), stood at 14.9% an increase from 2021 which was recorded at 15.1%.

### **What will we do to further address the gender pay gap?**

Stonewater continues to embed a comprehensive Reward strategy that has equality and fairness at its core.

- Leadership support for the further embedment of a business wide Gender Equality Group – looking at initiatives that remove barriers to gender equality.
- Ongoing improvement action to address the gender balance Homes, Development and IT.
- Implementation and robust monitoring of a business wide Pay Framework to ensure roles are assessed consistently.
- Policy commitment to undertake triennial equal pay audits – The next audit will be completed in the first half of 2023.
- The use of upward mentoring through Future Focus Group.
- Continual review of our Apprenticeship programme to strengthen our gender balance in roles.
- Ongoing commitment to continue with our leadership development programme to increase leadership capacity in junior roles.
- Undertake annual staff engagement survey through Best Companies with annual stretched target and aim for Times top 100 by 2021.
- Ensure employee policies support family friendly principles.
- To put diversity profiling at the heart of our new approach to workforce planning.
- Six monthly review of Directorate actions to reduce identified gaps, formally reviewed by the Executive team every six months.

None of the above initiatives will, of themselves, remove the gender pay gap. It may be several years before some have any impact at all. In the meantime, Stonewater is committed to reporting on an annual basis what it is doing to reduce the gender pay gap, and the progress that it is making. This will be overseen within the organisation's governance structure via the Governance & People Assurance Committee.

### **Ethnicity Pay Gap**

This is the fourth year that we have taken a proactive stance to examine pay gaps associated with ethnicity. This is a 'voluntary' act and not one mandated by statute. As such, there is no authoritative guidance on how the analysis should be undertaken.

On the 11<sup>th</sup> October 2018 the Government launched a consultation exercise to gain views on how any future statutory obligations should be positioned. A major consideration being the need to compare organisational outcomes on a like for like basis. The consultation closed on 11<sup>th</sup> January 2019. As a result of the pandemic,

the resulting government views are still to be published. The options set out in the consultation document illustrated the added complexity associated with reporting pay gaps based on ethnicity. At one end of the spectrum, reporting options propose comparisons on a white vis-à-vis employees declaring an ethnic heritage, whilst at the other end of the spectrum, options include comparisons of different ethnic groupings to one another overlaid with gender analysis too. The overwhelming trend of organisations who have reported pay gap ethnicity have adopted the Gender Pay Gap formula and produced analytical outcomes on a white vis-à-vis ethnic heritage comparator basis. Our reviews are presented on that basis too.

The outcomes, summarised below, reveal a blip in our achievements to date.

### Ethnicity Pay Gap

		2019		2020		2021		2022		Change/Movement from Prev Year		Change/Movement from 2019	
<b>Mean Ethnicity Pay Gap</b>		4.45%		6.88%		4.30%		9.02%		4.72%		4.57%	
<b>Median Ethnicity Pay Gap</b>		-2.02%		-0.07%		1.26%		9.48%		8.22%		11.50%	
<b>Bonus Mean</b>		49.95%		50.30%		36.11%		64.48%		28.37%		14.53%	
<b>Bonus Median</b>		0.60%		72.44%		23.91%		0.00%		-23.91%		-0.60%	
<b>Proportion Receiving Bonus</b>		White		13.93%		11.71%		98.20%		86.49%		87.97%	
		Ethnic		5.80%		3.85%		97.94%		94.09%		81.27%	
<b>Quartiles</b>	Lower Quartile	88.19%	11.81%	86.86%	13.14%	87.01%	12.99%	82.00%	18.00%	-4.86%	4.86%	-6.19%	6.19%
	Lower Middle	92.91%	7.09%	88.32%	11.68%	87.01%	12.99%	85.00%	15.00%	-3.32%	3.32%	-7.91%	7.91%
	Upper Middle	85.83%	14.17%	86.23%	13.77%	88.96%	11.04%	86.00%	14.00%	-0.23%	0.23%	0.17%	-0.17%
	Upper Quartile	92.91%	7.09%	88.41%	11.59%	86.36%	13.64%	87.00%	13.00%	-1.41%	1.41%	-5.91%	5.91%

Any further initiatives launched throughout the year will be reported on the company intranet.

I, Nicholas Harris, Chief Executive, confirm that the information in this statement is accurate.



**Signed:**