



# 2018 Gender Pay Gap Report

Alternative Futures Group (AFG)

# Welcome to our 2018 Gender Pay Gap Report



Hi there, I'm **Ian Pritchard** - Chief Executive Officer at Alternative Futures Group (AFG).

I'm delighted to be able to share with you our Gender Pay Gap report for 2018.

The delivery of AFG's Vision and Mission is dependent upon the **outstanding people that work for our organisation**. We are committed to supporting our people, and value any opportunity to reflect upon the equality of our pay profile.

The Gender Pay Regulations provide us with a great opportunity to review and respond to the **equality of pay** between our male and female workers.

I am pleased to advise that **our Gender Pay data shows improvements** during 2018 in terms of our **Mean GPG** and whilst sustaining our positive female representation in the **Upper Quartile** which is great to see.

We are **committed to continuous improvement** and development of our people. We have invested significantly in staff development in 2018 and creating a learning environment where our people can **grow and flourish regardless of their gender** or any other protected characteristic.



## Our Gender Pay Report Declaration...

I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Ian Pritchard

AFG Chief Executive Officer (CEO)

# Background to the Regulations and Pay Gap?

## Background to the Gender Pay Regulations

On the 1<sup>st</sup> April 2017 the Government introduced *The Equality Act 2010 (Gender Pay Information) Regulations 2017*. The regulations require that any private, voluntary and public sector employers that have 250 or more employees on the snapshot date of 5<sup>th</sup> April each year must calculate and publish their Gender Pay data.

The regulations set out a clear framework for the consistent calculation and reporting of Gender Pay differences (a summary of the reportable measures is provided to the right of this page).

## What is the Gender Pay Gap?

'Equal Pay' and 'Gender Pay' are often confused, but are very different measures of pay. Equal pay has thankfully been unlawful for many years and relates to the difference between individuals or groups performing the same or similar work. Gender Pay difference however relates to the average earnings for men and women, regardless of their role or seniority.

The Office for National Statistics (ONS) report in October 2018 that the gender pay gap fell from 2017, to stand at 8.6% among full-time employees. The gap among all employees is higher (17.9%), driven by more women working in part-time jobs, which are lower paid (an average hourly rate is £9.36 compared with £14.31 for full-time jobs). ONS outline that Gender Pay differences can vary across sectors and at senior levels within an organisation. Industries such as Finance or ICT historically have more male employees than female and will therefore have a wider pay gap, whereas the Health and Social Care industry typically has a broader female population and would expect a lower pay gap as a result.



## What are the measures?

### The MEAN Gender Pay Gap

Compares the average hourly rate for men/women by adding all hourly rates and dividing by the headcount for that gender at the snapshot date

### The MEDIAN Gender Pay Gap

The Median GPG takes the middle value from a sorted list of hourly rates of pay for each gender and compares the difference between genders

### The MEAN BONUS GPG

Considers the Mean difference between the bonus pay received for men and women over a twelve month reference period leading to 5<sup>th</sup> April 2017

### The MEDIAN BONUS GPG

Considers the difference between the Median (midpoint) bonus pay for each gender over twelve month reference period leading to 5<sup>th</sup> April 2017

### The Proportion of Men / Women Receiving a Bonus

Two calculations that show the proportion of men and women that received any form of bonus over a twelve month period against the total relevant employees for that gender

### The Proportion of Men / Women in Pay Quartiles

This measures sorts the average hourly rate of pay as a single list and divides employees into four equal pay quartiles. The proportion of male and female employees in each quartile is reported

A written statement is required to confirm the accuracy of the submission as a minimum. Employers also have the option to publish an accompanying narrative.

# Our Mean & Median Gender Pay Gap

## Our MEAN Gender Pay Gap

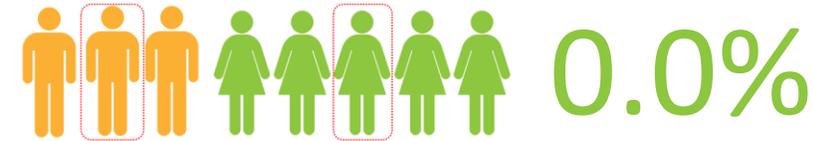


Our *Mean Gender Pay Gap* shows the difference between the mean hourly rate of pay that male and female employees receive. At the snapshot date of 5<sup>th</sup> April 2018, our Mean GPG showed that female workers earned 1.44% less than their male colleagues – this is a 0.9% reduction from last April 2017 (1.53%).

The mean average for each gender is calculated by adding the standard hourly rates of all men and dividing this figure by the number of male employees to create a standard male hourly rate. This exercise is then repeated for female workers.

On average, female workers within our organisation have an hourly rate of pay of £9.09 per hour, compared to an average of £9.22 per hour for men.

## Our MEDIAN Gender Pay Gap



Our *Median Pay Gap* at the snapshot date was 0.0% (no change to 2017)

Our Median Pay Gap takes the middle pay value from a sorted list (lowest-to-highest hourly rate of pay) for each gender. The difference between the mid-point average rate of pay for male and female workers then provides the Median Gender Pay Gap.

When considering our data for 2018, the Median hourly rate of pay for male workers was £7.83, and the same for female workers (National Minimum Wage for 2018/19) – \* see footnote



As a registered charity, the long-term sustainability of our business is a key consideration for us so that we are able to continue to provide a high quality service to the people we support. As such, a large proportion of our people are paid the National Minimum Wage. This can be seen within our Median Gender Pay Gap of 0.0% as both genders have a mid-point average hourly rate of pay of £7.83. Although we do pay the NMW, as an employer we pay the 'National Living Wage' of £7.83 to all eligible employees regardless of their age.

# Our Bonus Gender Pay Gap

## The MEAN BONUS Gender Pay Gap

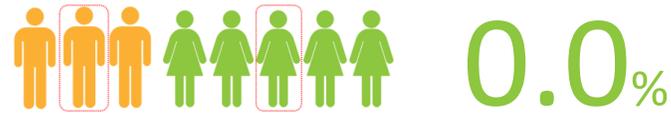


Our *Mean Bonus Gender Pay Gap* shows the difference between the mean bonus pay that male and female employees received over a twelve month period leading to 5<sup>th</sup> April 2018.

The mean bonus pay average for each gender is calculated by adding all bonuses received and dividing this by the number of people of that gender that received a bonus.

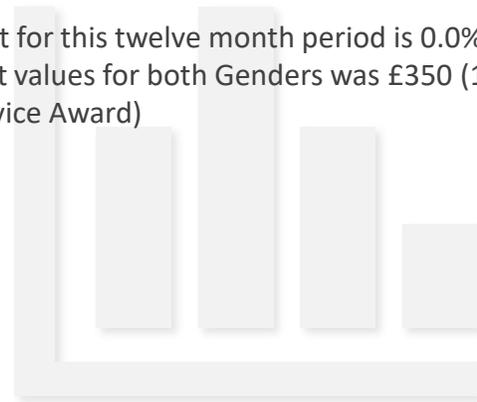
In the twelve months leading to 5<sup>th</sup> April 2018, 122 female, and 63 male colleagues received a bonus (in the form of a Long Service Award or Credit Where Credits Due (CWCD) Vouchers). During the 12 month reference period, proportionally more male colleagues (44% compared to 40%) received Long-Service Awards. This accounts for the lean towards male colleagues earning more through bonuses. Incidentally, proportionally more female colleagues received CWCD awards in recognition of their work and performance.

## Our MEDIAN BONUS Gender Pay Gap



The MEDIAN Gender Bonus Gap takes the middle pay value from a sorted list of bonus payments received by each gender during the twelve month period leading to the 5<sup>th</sup> April 2018 (lowest-to-highest). The difference between the mid-point average rate of pay for male and female workers then provides the Median Bonus Gender Pay Gap.

Our result for this twelve month period is 0.0% as the mid-point values for both Genders was £350 (10 year Long Service Award)



## Proportion of Men/Women Receiving a Bonus



This measure considers the percentage of male and female colleagues that received a bonus in the twelve months leading to 5<sup>th</sup> April 2018 as a percentage of the total 'Relevant Employees' for that gender.

The 'Relevant Employees' refers to the headcount at the snapshot date – which was 2,338.

During this period, 63 male colleagues received a bonus out of 817 relevant male workers (7.7%);

During this same period, 122 female colleagues received a bonus out of 1,521 relevant female workers (8.0%)

As mentioned the higher value bonus payments relate to Long Service Awards. During this reporting period, male workers typically reached milestones in their service more frequently than female colleagues – hence the disparity between the higher percentage of female colleagues receiving an award when compared against the 'mean bonus gap'

The Gender Pay Regulations definition of 'Bonus Pay' extends the usual determination to include profit sharing, productivity, performance, incentive and commission. The data must also include benefits received in the form of cash, vouchers or securities. Typically, AFG do not pay bonuses to our employees, however we do recognise the commitment and loyalty of our people through 'Long-Service Awards' and 'Credit Where Credits Due' Vouchers. Long Service Awards are paid at £350 for 10 years' service and £500 for 25 years. CWCD Vouchers are paid in denominations of between £10 - £50 as appropriate to the act being rewarded.

# Proportion of Men and Women in Quartile Bands

## What do our quartile bands tell us?

This measure shows the proportion of male and female full-pay relevant employees in four quartile pay bands which is completed by dividing the workforce into four equal parts. All relevant full-pay workers at the snapshot date are sorted by hourly rate (lowest to highest). This measure is particularly useful to demonstrate if there are any specific pay gaps in more senior roles within the organisation.

Provide below is a summary table of the proportion of male and female workers within AFG at the snapshot date of 5<sup>th</sup> April 2018.

	Female		Male		Total Headcount
Q1 - Lower	63.4%	333	36.6%	192	525
Q2 - Lower Middle	63.2%	332	36.8%	193	525
Q3 - Upper Middle	63.4%	333	36.6%	192	525
Q4 - Upper	68.4%	360	31.6%	166	526
Grand Total	64.6%	1,358	35.4%	743	2101

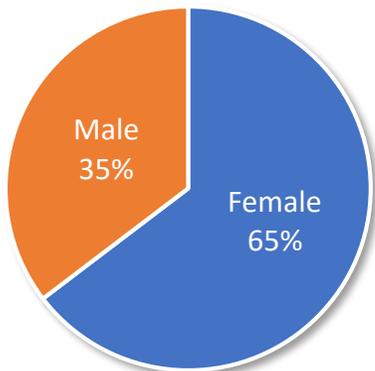
*Note - Data includes % value and headcount values*

At the Snapshot date in April 2018, AFG had 2,101 full-pay relevant employees (2,338 relevant) . At this point in time, 85% of our workforce were Support Workers, and 1,654 (78.7% of our relevant employees) received National Minimum Wage of £7.83 per hour.

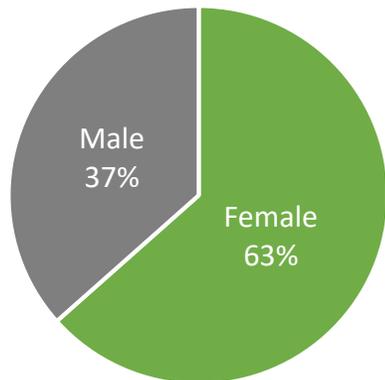
Female representation within AFG in April 2018 was 65%. The optimum for quartile band reporting is that there would be a 65% female representation across all pay bands.

The results for AFG in April 2018 show that female representation across Q1 – Q3 was 63.4% on average, with 68.4% representation in the Upper Quartile. This is a very reassuring result which shows that female colleagues are well represented across the organisation and particularly within more senior roles within our organisation

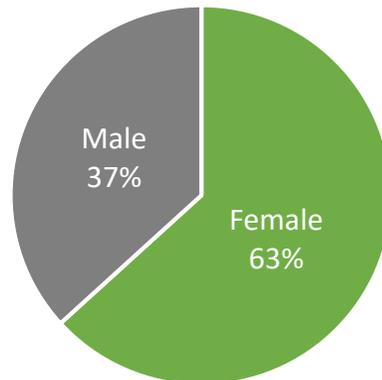
**Total Male / Female Representation**



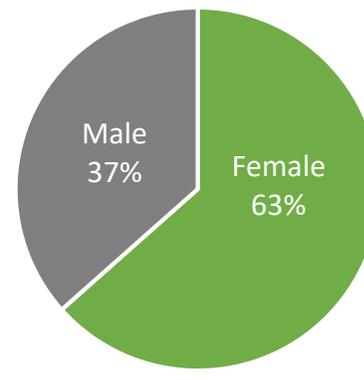
**Q1 - Lower Quartile**



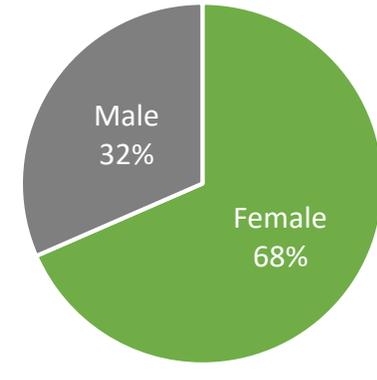
**Q2 - Lower Middle**



**Q3 - Upper Middle**



**Q4 - Upper Quartile**



# What next...?

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## How will we use our Gender Pay Data?

AFG is a People Centred organisation and we are always looking for ways in which we can support and enhance the rewards that we provide to our people. The completion of our Gender Pay Report satisfies a legal obligation, however for us this also acts as a springboard and benchmark by which we can critically reflect on our internal practices.

We are committed to creating a developmental organisation despite funding challenges that exist in the Health & Social Care Sector at this time.

AFG recognise that everyone has the right to develop, to progress, and to reach their own personal goals and aspirations. As an organisation we create opportunities and empower our people to aim for better in all that they do.

We are one year in to our ambitious People & Organisational Development Strategy for 2018 – 2020 which seeks to improve the way in which we attract, retain and develop our people.

During the last year we have transformed our Values Based Recruitment offer to focus on demonstratable behaviours and values rather than prior work experience which opens doors for all. We have also invested heavily in the development of our people with the successful delivery of a comprehensive first line manager development programme (LEAD), IT Skills training for all staff, and a transformation of our Performance Review process which focuses on continuous personal and professional development.

During 2019 we will embark on the next stage of our journey where we will develop our Engagement, Attraction, Career Pathway/Development Programme and our Social Inclusion programme – there are exciting times ahead for AFG

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**GENDER  
PAY GAP**

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Closing it together