

Gender Pay Gap 2019



Foreword from Darrell Mercer, Group Chief Executive

As a residential property group we provide housing for a diverse range of people. So it is important that our workforce is just as diverse and that we create a fair environment for all our staff.

We want anyone from any background to succeed and thrive in their career at A2Dominion, that's why we support and encourage professional development. From apprenticeships that launch careers, to developing the talent of future leaders.

We know that improving diversity and inclusion across the organisation is a continuous effort and we can always do more. That's why last year we commissioned external diversity and inclusion experts to help conduct an independent audit and review for the Group.

As a result we launched a Diversity & Inclusion Steering Board earlier this year, of which I'm pleased to Chair. One of our main areas of focus is the gender pay gap, which has improved since 2017, but this is just the start of our work on equality at the Group.

Together with colleagues across the Group we are now working on a plan of action to drive forward our commitment. I am confident that our work will make it easier for all staff to develop and progress in their careers at A2Dominion, whoever they are.



Darrell Mercer
Group Chief Executive



Background

As an organisation with over 250 employees, we are required to disclose our gender pay gap and bonus gap information as it was on 5 April 2018.

The gender pay gap refers to the differences in the average pay between men and women. This is different to equal pay, which under the law means 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.

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle salary.

The mean gender pay gap is the difference between the average hourly earnings of men and women.

We are required to publish:

- The difference in the mean pay of men and women, expressed as a percentage
- The difference in the median pay of men and women, expressed as a percentage
- The difference in mean bonus pay, expressed as a percentage
- The proportion of men and women who received bonus pay
- The number of men and women in each four quartile pay bands.

The gender pay gap requires us to report on male and female employees only. The report does not include employees who do not identify with either gender, for example, non-binary.

Our approach

We are committed to providing equal opportunities and fair treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, maternity/paternity, sexual orientation, gender reassignment or disability.

Last year we released our first gender pay gap report and committed ourselves to making long-term improvements. Our work to improve our gender pay gap will be one of the focus areas of our new Diversity and Inclusion review (see page 7).

Over the past year we have been working on our promised actions we mentioned in the report last year to build solid foundations to improve our gender pay gap:

- **Provide career programmes:** Created guidance for managers to support employees who are planning to return to work after maternity or shared parental leave (to be launched later in 2019)
- **Continue to monitor the gender gap in senior roles:** Introduced a talent management programme to review how we develop skills and careers within the Group. Our workforce is very diverse at the foundations of the organisation, so we're committed to developing that talent to help improve diversity across the rest of the organisation
- **Work with our peers:** Directors are continuing to work and talk with peers to ensure the recruitment process in their team is attracting a diverse group of candidates for their roles.

In addition, we have also developed our job evaluation process and launched a new performance management framework. This will help us to differentiate performance ratings and reinforce a consistent approach to salary levels and job evaluation so employees are evaluated fairly based on job performance alone.

Pay gap results

In April 2018 our mean gender pay gap for A2Dominion Housing Group Ltd was 24.51%, a decrease of 1.3% (2017: 25.86%). The median pay gap was 20.85%, an increase of 0.85% (2017: 20%). Our consolidated group, including our subsidiaries, Pyramid Plus London and South, has a gender pay gap of 15.88%.

There are many possible reasons for our gender pay gap, which we continue to explore. Our current understanding is that the gap is largely due to the particular nature of the many industries we operate in, whereby more men are employed at a professional level compared with women. These industries make up a significant part of our workforce, such as Land and Development, Property Services, and Technology.*

Care and Support, our team that provides older persons accommodation, domestic abuse support services, and homeless and vulnerable young people accommodation, make up 21% of our workforce. 80% of the people in Care and Support are women, and although we offer standard living wage across the Group, roles within the care and support industry generally attract lower average pay which has a significant impact on our gender pay gap.

We've also looked at our pay gap, including our subsidiaries, Pyramid Plus London and Pyramid Plus South. Together they employ approximately 150 additional people, providing property repairs and maintenance services. We chose to model our responsive repair services through a partnership with specialist contractors. As our Pyramid Plus organisations are established as their own joint venture groups, with their own employer status, we don't include their employee data in our pay disclosures.

As the industry, according to ACAS*, is mainly made up of men the Pyramid Plus' employ more men at non-professional levels, which makes our consolidated group's (A2Dominion Housing Group Ltd, Pyramid Plus London, and Pyramid Plus South) gender pay gap 15.88%, more than 2% less than the national gender pay gap of 17.9%.

	A2Dominion Housing Group Ltd	A2Dominion Group
Mean pay rate	24.51%	15.88%
Median pay rate	20.85%	8.49%



We reduced our pay gap by **1.3%**



With our subsidiaries, our gender pay gap is even lower at **15.88%**



Our median pay gap is **20.85%**

*Source: ACAS, Managing Gender Pay Reporting (February 2019):

"The gender pay gap varies by occupation, age group and even working patterns. For example: Whilst both public and private sectors need to take action to eliminate the gender pay gap, the gap tends to be higher in industry sectors such as finance, energy and construction sectors and lower in sectors such as public administration, support services and health and social work."

Pay gap results (cont.)

A2Dominion Housing Group Ltd also has more men in the upper quartile for pay. The difference in the number of men and women at all other levels remains positive towards women, reflecting the fact that 62% of those employed at A2Dominion are women.

	Men	Women
Top quartile	54.46%	45.54%
Upper middle quartile	42.72%	57.28%
Lower middle quartile	27.70%	72.30%
Lower quartile	27.70%	72.30%

Bonus gap

A similar number of male employees (72%) received a bonus, compared with female employees (73.3%). This is largely due to A2Dominion Housing Group Ltd having an organisation wide bonus policy in place, as well as individual performance bonus'.

There is a significant mean bonus pay gap, however it has moved from 50.4% to 46.8%, a 3.6% reduction from last year. Having a higher percentage of men in senior roles, particularly within the Executive Management Team, is the main reason for the high bonus gap, especially as the bonus gap is calculated on both the Group bonus (the same amount for every person eligible) and the individual bonus, which is calculated based on an individual's salary.

Mean bonus pay	46.80%	
Proportion receiving bonus pay	Men: 72.09%	Women: 73.30%



We reduced our bonus gap by **3.6%**



72% of men received a bonus



73.3% of women received a bonus

Our next steps

A2Dominion commissioned diversity and inclusion specialists, Pearn Kandola, to conduct an audit so we could fully understand the current diversity climate across the Group and determine our next steps for creating an inclusive culture across the organisation.

Overall, the audit revealed a good foundation for diversity and inclusion that could be built upon and, as would be expected, it identified some areas for improvement. One of its key recommendations was to create the new Steering Board that was launched in January 2019 to help drive forward the Group's commitment to improving diversity and inclusion.

The Steering Board emphasises the importance the Board and Executive Management Team have placed on ensuring we promote and respect diversity and that the recommendations from the audit are fully considered and implemented.

The Steering Board not only ensures the Group meets its legal and regulatory obligations, but it will also be seeking out the wider benefits of having a diverse workforce where everyone can thrive and deliver good services to the range of communities we work with. This includes:

- creating a better working environment for everyone
- helping us to better understand the needs of our customers
- enhancing creativity and productivity
- improving our reputation as a good place to work.

We want any work we do to encourage diversity in the Group to have purpose and a positive impact on our employees, so a clear vision and destination is vital to us achieving that.

While focusing on an end goal for the organisation, the Steering Board is deciding on its next steps, which includes creating a maturity model that will identify the areas we need to improve on and the steps to be taken before we reach our end goal.