

GENDER PAY GAP REPORT

5 APRIL 2017

ssafa.org.uk

Lifelong support for our Forces and their families

SSAFA, the Armed Forces charity is required by law to publish an annual gender pay gap report.

This report is for the snapshot date of 5 April 2017.

About SSAFA

Our services can be divided into four categories:

- **Welfare advice and support**
- **Housing**
- **Health and social care services**
- **Specialist services** such as an adoption service for military families, and a mentoring scheme for service men and women returning to civilian life.

Further information about our services can be found on our website:
ssafa.org.uk/about-us/ssafa-today.

Of our 495 employees worldwide on the snapshot date, 54% were employed in health & social care roles and 28% are in welfare, housing and specialist services. The remaining 18% of our employees occupied positions in support functions such as finance, HR, marketing and fundraising. The workforce has consistently been 75% female and 25% male for three years.

Gender pay gap data

- The mean gender pay gap is 27.4%
- The median gender pay gap is 13.2%
- The mean gender bonus gap is -5.6%
- The median gender bonus gap is 0%
- The proportion of female employees receiving a bonus is 5.8% while the proportion of male employees receiving a bonus is 6.2%.
- The table below displays the proportion of males and females within each of the quartile pay bands.

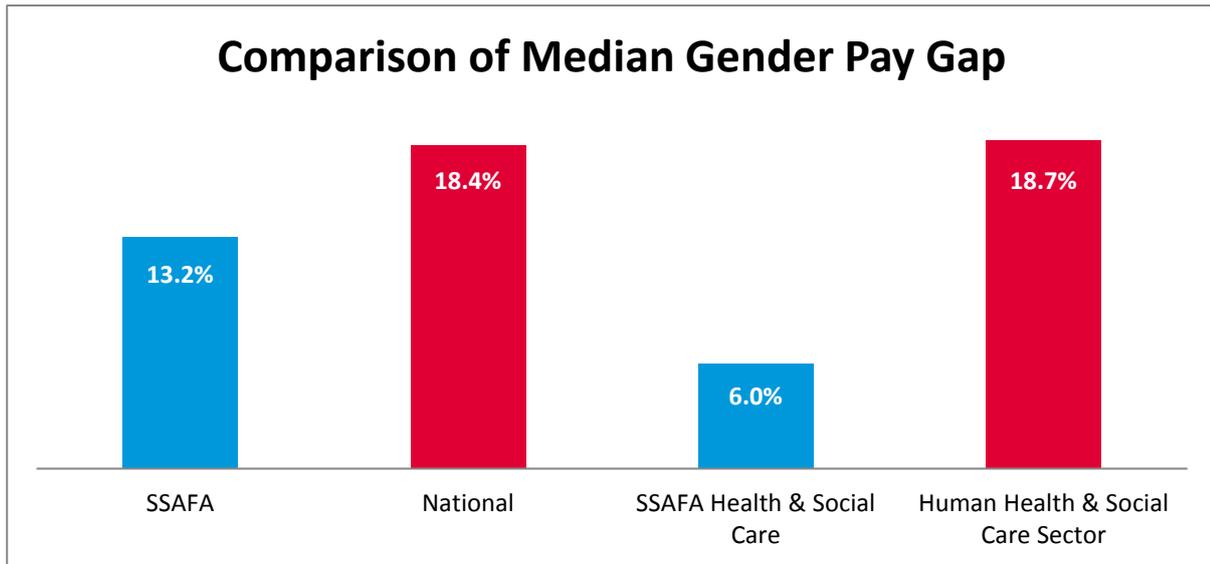
Quartile	Males	Females
Lower	18.3%	81.7%
Lower Middle	22.7%	77.3%
Upper Middle	18.3%	81.7%
Upper	35.1%	64.9%

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

How does SSAFA's gender pay gap compare with that of the national average?

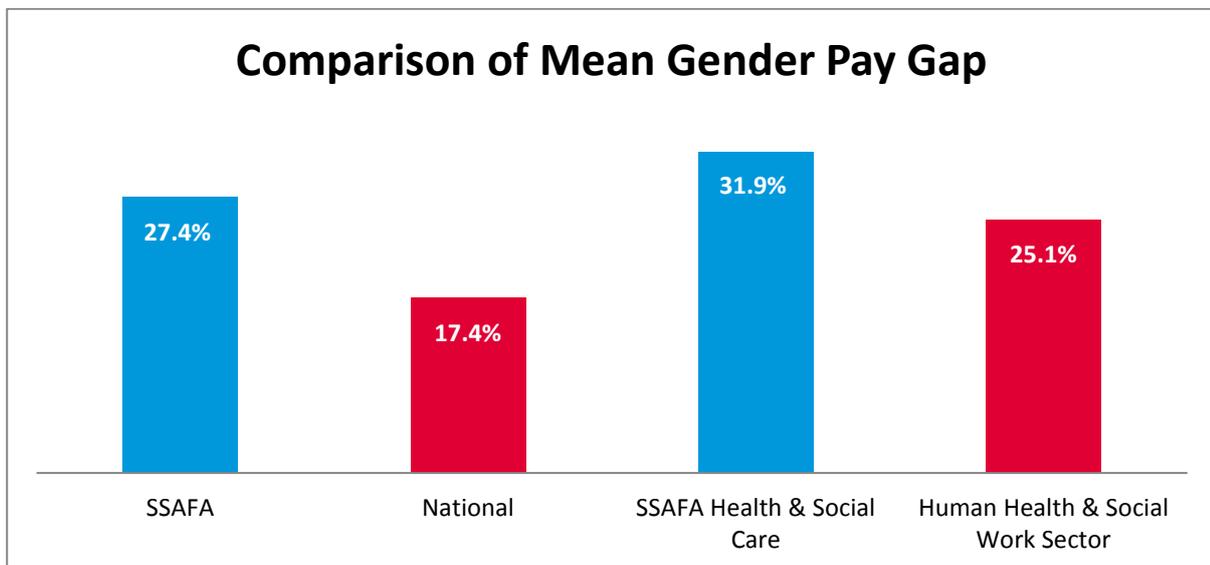
The national median gender pay gap (according to the April 2017 ONS ASHE figures) is 18.4%. At 13.2%, SSAFA's median gender pay gap is lower than the gender pay gap percentage for the whole economy.

The Health & Social Care service makes up the biggest part of SSAFA's employee base so any sector comparison should consider the UK's human health & social work sector. The median gender pay gap for the sector is 18.7% (April 2017 ONS ASHE). SSAFA's median gender pay gap for employees in the Health & Social Care service is 6.0% which is significantly lower than the sector average.



The national mean gender pay gap (according to the April 2017 ONS ASHE figures) is 17.4% while SSAFA's mean gender pay gap is 27.4%. The mean gender pay gap for the human health and social work sector is 25.1% (April 2017 ONS ASHE). The mean gender pay gap for employees in SSAFA's Health & Social Care service is 31.9%.

However, it should be noted that the mean measure can be influenced by the existence of outliers and so use of the median is preferable.



What are the underlying causes of SSAFA's gender pay gap?

We are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. It is more likely that the gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract, as well as the effect of regional variances and historical pay structures.

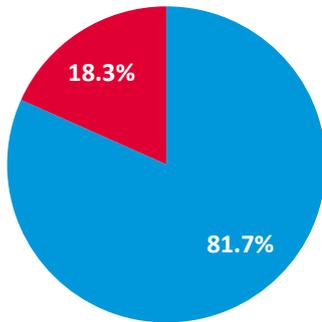
Across the UK economy as a whole, men are more likely than women to be in senior roles (particularly very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles 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. Additionally, they are 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 as a whole is reflected in the make-up of SSAFA's workforce, where the majority of employees in front-line health and social care positions across the organisation are women, while the majority of management and senior roles are held by men.

The graphs below represent the proportion of full-pay men and women in each of the four quartile pay bands. They show SSAFA's workforce divided into four equal-sized groups based on their hourly rates of pay, with the lower quartile including the lowest-paid 25% of employees and the upper quartile covering the highest-paid 25%.

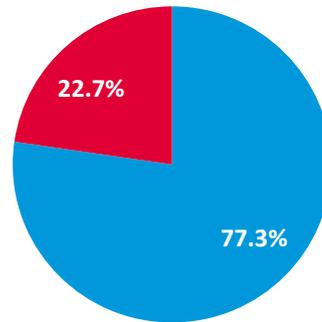
Lower Quartile

■ Females ■ Males



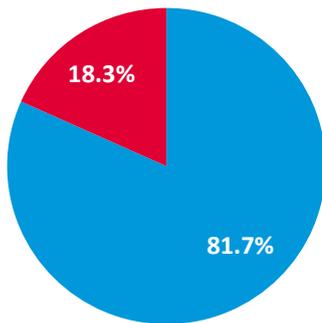
Lower Middle Quartile

■ Females ■ Males



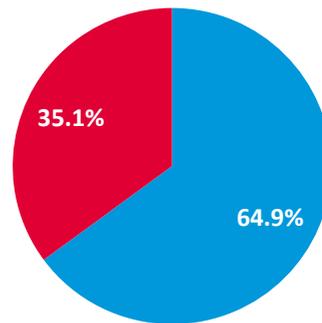
Upper Middle Quartile

■ Females ■ Males

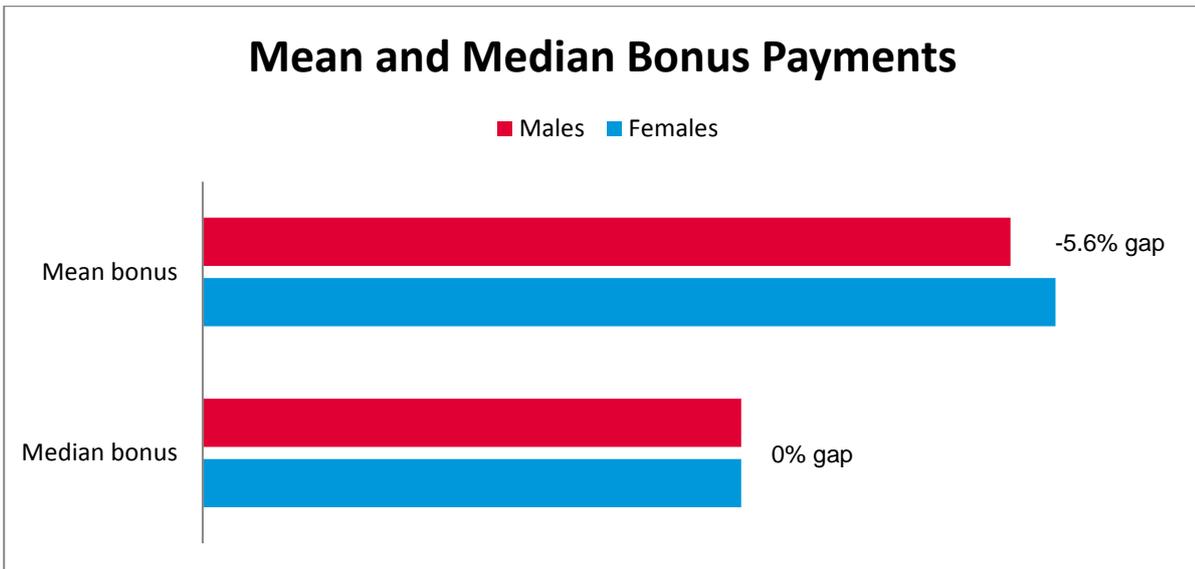


Upper Quartile

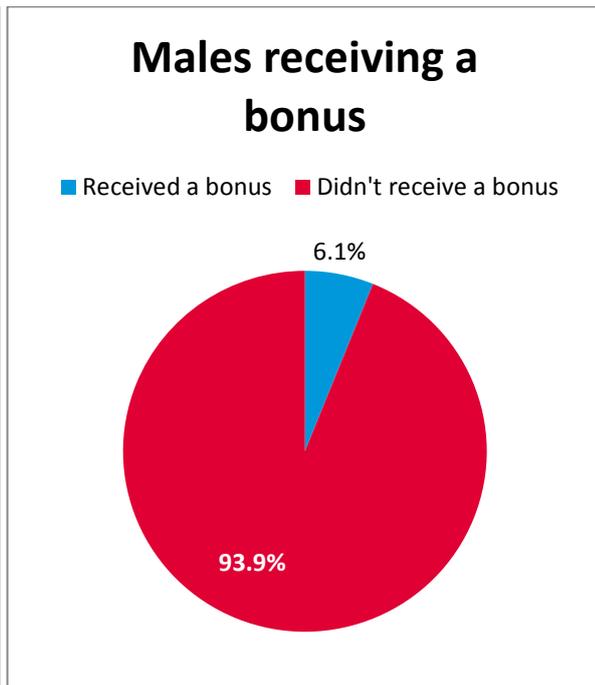
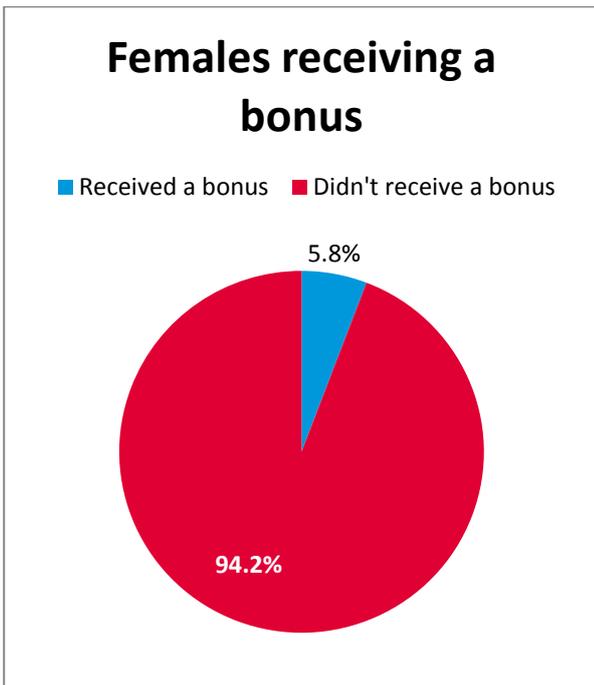
■ Females ■ Males



In order for there to be no gender pay gap, the ratio of men to women should be the same in each quartile, and ideally reflective of the proportion of men and women in the overall workforce. To some extent this is the case with the ratio of men to women remaining roughly the same in the lower three quartiles, but the proportion of men increases to 35.1% in the upper quartile. This rises to 56.7% when looking at just the 30 highest hourly rates.



Additional payments were awarded during the 12 month period that ended on the snapshot date which recognised outstanding employee performance. Nominations for these payments were considered by the senior management team. While we do not consider these payments as a bonus, the guidelines indicate that such payments should be reported. The mean gender bonus gap for SSAFA is negative and relatively small at -5.6% while the median gender bonus gap is 0%. It is implicit that the payments are intended to reward contributions from the employee population, rather than senior managers.



The proportion of women in SSAFA who received a bonus in the 12 months up to 5 April 2017 was 5.8%, while for men this was 6.1%.

What is SSAFA doing to address its gender pay gap?

To date, the steps that SSAFA has taken to promote gender diversity in all areas of its workforce include the following:

- We monitor gender diversity in the workforce and report monthly to the management board.
- We have embedded inclusion into our core SSAFA values and provide online training for equality, diversity and inclusion to all members of SSAFA.
- Diversity questions are included in all recruitment interviews.

We have also reviewed our reward packages:

- **Harmonised terms and conditions.** In August 2015, the previously complex suite of terms and conditions such as entitlement to holiday above the statutory minimum and occupational sick pay, were replaced with standard terms and conditions for all employees. This harmonisation process was an important step towards ensuring consistency for all employees across the organisation and is continually re-evaluated.
- **Introduced a single 'SSAFA' salary band structure.** In August 2015, the multitude of pay scales, each for a different area of the organisation, were amalgamated into one SSAFA salary band structure and pay caps were introduced. This has removed the possibility for some areas of the organisation to benefit from guaranteed annual increments while other areas were affected by pay freezes. The decision to use broad, overlapping bands means that there is more scope for flexibility in addressing market rates and salary increases. The application of a pay cap has ensured that the salaries of long serving employees do not become disproportionate to the role's value – a scenario which could be viewed as benefitting men as they are less likely to take career breaks.
- **Reviewed our recognition scheme.** The monetary reward for outstanding performance was withdrawn in 2017 and will be replaced with a non-monetary recognition scheme.

In addition, we introduced a new HR Information System in August 2015 which allows us to report more accurately on pay rates and identify anomalies.

In the coming year, SSAFA is also committed to:

- **Introducing job evaluation.** We currently use an informal method to assess the appropriate salary for a role. This consists of categorising the type of role into the pay band structure, undertaking internal and external benchmarking and making considerations about what the organisation can afford. We intend to introduce a formal job evaluation process within the next 12 months to evaluate job roles and pay bands with the aim of ensuring an even fairer structure.
- **Reviewing our recruitment methods.** We believe that our recruitment processes are fair and consistent but there is always room for improvement. We will scrutinise the language used in job descriptions and adverts, in particular for senior roles, to ensure we are not indirectly deterring female candidates from applying. In addition, we aim to broaden our recruitment advertising reach to target more specific female audiences and highlight the opportunities SSAFA provides to work flexibly, particularly when advertising for senior roles, to encourage more female applicants.
- **Talent development.** We aim to actively promote internal career progression for our female employees by identifying where we can support the development of their skills and help them to prepare for their next role.

These initiatives will be communicated to employees by email, electronic newsletter and on the company intranet.

None of these initiatives will, in isolation, remove the gender pay gap - and it may be several years before some have any impact at all. We also recognise that our scope to act is limited in some

areas of our work. In the meantime, SSAFA is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.

I, Andrew Gregory, Chief Executive of SSAFA, confirm that the information in this statement is accurate.

Signed

A handwritten signature in black ink, appearing to read "Andrew Gregory". The signature is written in a cursive style with a large initial 'A' and a long horizontal stroke at the end.



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