



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.

The report is based on snapshot data as of 5 April 2018 and the findings are set out below;

- The mean gender pay gap for Stonewater is 20%.
- The median gender pay gap for Stonewater is 24%.
- The mean gender bonus gap for Stonewater is 65%.
- The median gender bonus gap for Stonewater is 30%.
- the proportion of male employees in Stonewater receiving a bonus is 14% and the proportion of female employees receiving a bonus is 17.9%.

Pay quartiles by gender

Band	Males	Females	Description
A	27.47%	72.53%	Includes all employees whose standard hourly rate places them at or below the lower quartile
B	23.63%	76.37%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
C	35.71%	64.29%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile

Pay quartiles by gender

Band	Males	Females	Description
D	46.15%	53.85%	Includes all employees whose standard hourly rate places them above the upper quartile

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

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 offering 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 don't believe that the gender pay gap reported is attributable to paying men and women differently for the same or equivalent work, further reviews to validate this position are planned for 2019. This will include the introduction of a new pay structure with equal pay audits forming a core feature of our reward strategy. We believe the resulting gender pay gap in 2018 emanates from the fact that the roles in which men and women work within the organisation, and the salaries that these roles attract, is the underlying driver for the outcomes produced - not pay inequality from an equal pay perspective.

At Stonewater we recognise that 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 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. 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 the majority of 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 above 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, 72% of the employees in Band A are women and 27% men. The percentage of male employees increases in Bands C & D, with 46% in Band D. The upper end of Band D, the executive director cohort, has a significant impact on the outcomes reported. Our focus is to create an environment where we challenge this thinking rather than reinforce stereotypes within Stonewater's workforce.

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. Stonewater, is a relatively new organisation, the product of two organisations merging in 2016. As a result, different pay practices throughout the Group have been managed during the early years of the Group's inception. Whilst it is not possible to attribute a specific proportion of the 20% to the transitional period, inevitably, this dimension of the organisation's development has been a contributory factor in the outcomes produced.

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

Stonewater is maturing as an organisation and through that process is establishing a comprehensive Reward strategy that has equality and fairness at its core. Following last year's analysis, an integrated set of actions designed to initiate change were adopted. These are summarised below and will continue to be progressed during the coming 12 months;

- Created a business wide Gender Equality Group – looking at initiatives that remove barriers to gender equality
- Improvement action to address the gender balance Assets, Development and IT
- Implementation of a business wide Pay Framework to ensure roles are assessed consistently
- Arrangements to undertake triennial equal pay audits
- The use of upward mentoring through Future Focus Group
- Reviewing our Apprenticeship programme to strengthen our gender balance in roles.
- To continue with our leadership development programme to increase leadership capacity in more diverse roles
- Achieved a 'One Star' rating in the 2019 Best Companies survey and are ranked 78th in the Top 100 best not-for-profit organisations to work for and 25th in the best housing associations to work for in 2019
- Ensure employee policies not only support family friendly principles but are inventive and welcoming to employees returning after parental leave
- Changes to the recruitment process to eliminate bias and employ individuals based on attitude and cultural fit more than out-dated qualifications or unnecessary experience

- Ensuring talent management and opportunity for progression at any level or age, improving the opportunities for discussions about personal development and showing women 'how' to become managers or leaders.

None of the above initiatives will, of themselves, remove the gender pay gap. It may be several years before the full impact of some are felt. In the meantime, Stonewater is committed to the work it is doing to reduce the gender pay gap, and continuing to champion equality and diversity throughout the organisation. This will be overseen within the organisation's governance structure via the Governance & HR Committee.

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 