

Gender Pay Gap Report 2018



Introduction

A message from Georgina Bale, Head of HR, Police Mutual Group

This is the second year that UK companies with over 250 employees must report on their gender pay gap.

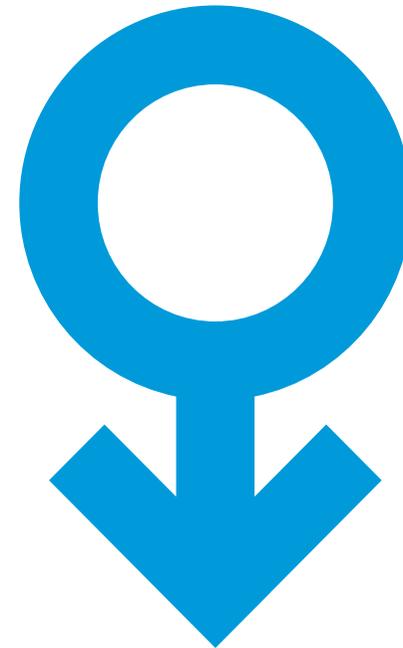
At Police Mutual Group, we believe that continuing to share our gender pay information each year is important to raise awareness, and in doing so, have meaningful conversations about our approach to inclusivity and diversity. We value diversity in our workforce and we work hard to ensure that we create equal opportunities for all.

You will notice that our gender pay gap has increased slightly compared to 2017, and it's a gap that we are not comfortable with. However we continue to be confident that it doesn't stem from paying men and women differently for the same or equivalent work and we understand that our gender pay gap continues to be driven by the structure of our workforce.

We have implemented the commitments made in our previous report and will continue to embed these throughout 2019. We continue to be committed to creating opportunities that allow our colleagues to fulfil their potential and make a difference in our unique and special business.

Georgina Bale

Head of HR
Police Mutual Group

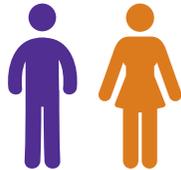


Understanding our gender pay gap

At 39.3%, our mean gender pay gap has seen a slight increase compared to 2017 and remains above the national average. We have looked at what factors are contributing to our gap and if we can take any measures to improve it.

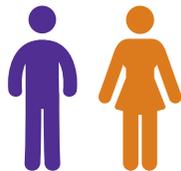
Mean

39.3%



Median

38.3%



We remain confident that our gender pay gap does not reflect equal pay issues. We undertake a robust analysis and monitoring process to ensure colleagues are treated equally when it comes to pay. Last year we identified that our gender pay gap is driven by the structure of our workforce.

Similarly in 2018, whilst the overall number of colleagues employed by the organisation reduced, the overall structure has remained the same. Females now represent a slightly greater proportion of total colleagues, at 60%, and the majority continue to be in roles which attract lower levels of pay.

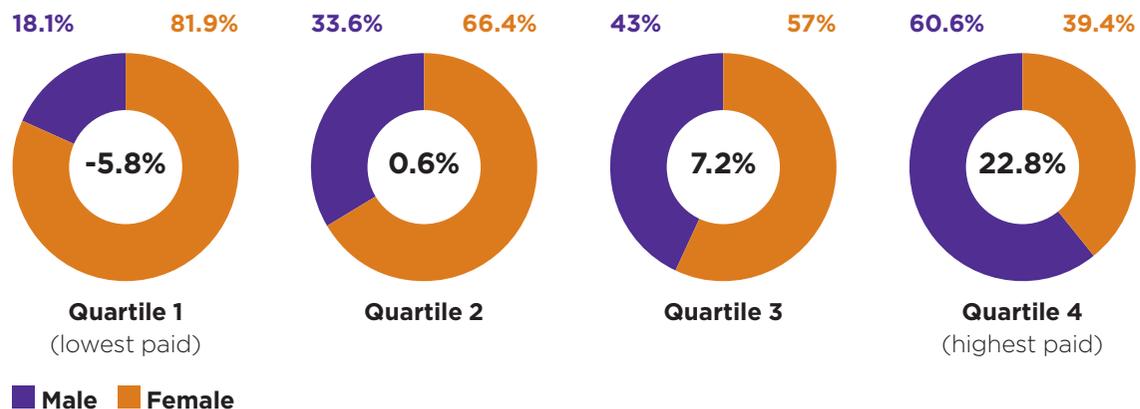
This is evidenced by our median pay gap which has increased to 38.3% (when each gender is ranked from lowest to highest hourly rate, this is the difference in pay between the middle female and the middle male).

The diagram below shows all colleagues' pay from lowest to highest, split into four equal groups or 'quartiles' (quartile 1 being the lowest paid). This shows that there are proportionally more male colleagues than female colleagues in the 'highest paid' quartile.

We have also shown the pay gap for each quartile. This shows that the pay gap is at its largest in the highest paying quartile, which is mostly populated by males.

Last year we explained that if our goal was purely to reduce our gender pay gap statistics, we would focus on increasing the number of males in the roles in quartiles one and two. This remains the case, and while this would undoubtedly change the numbers, we need to focus on our aim of offering equal opportunities for all.

Gender representation: Pay gap by Quartile



Understanding our gender bonus gap

Every colleague has a part to play in contributing to our Group's success, and all colleagues are eligible to take part in one of our bonus schemes.

When each gender is ranked from lowest to highest bonus payment, the difference in bonus paid between the middle female and the middle male is the median bonus gap.

Overall the percentage of colleagues receiving a bonus increased with the percentage of female colleagues receiving a bonus increasing more significantly than the percentage of male colleagues. Whilst the number of males and females receiving a bonus is similar across our organisation, our mean bonus gap sits at 66.6%.

The gender bonus gap is reflective of the fact that there are currently more male than female colleagues in more senior roles across the Group. While everyone is eligible for a bonus, more senior roles attract a higher bonus opportunity. Our median bonus gap of 46.6% has decreased since last year and this relates back to an increase in the proportion of female colleagues in the lower quartile.

We must also include the pro-rated bonus figures for colleagues who work reduced hours and females represent 64 colleagues of a total of 71 working part-time hours. We're proud to support colleagues to help them balance their work and home lives, but it does impact our bonus gap. This is because colleagues working reduced hours receive a pro-rated bonus to reflect the number of hours they work.

Our bonus arrangements do not currently support bonus accrual for long periods out of the workplace. Whilst most of these periods apply to females and males equally, such as long-term sickness, career breaks or shared parental leave, others such as maternity leave has an adverse effect on our bonus gap.

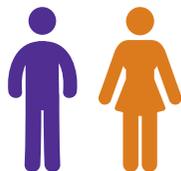
Mean

66.6%

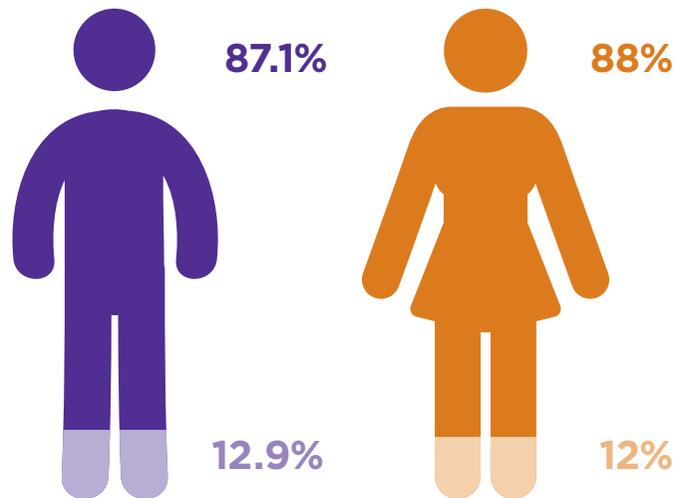


Median

46.6%

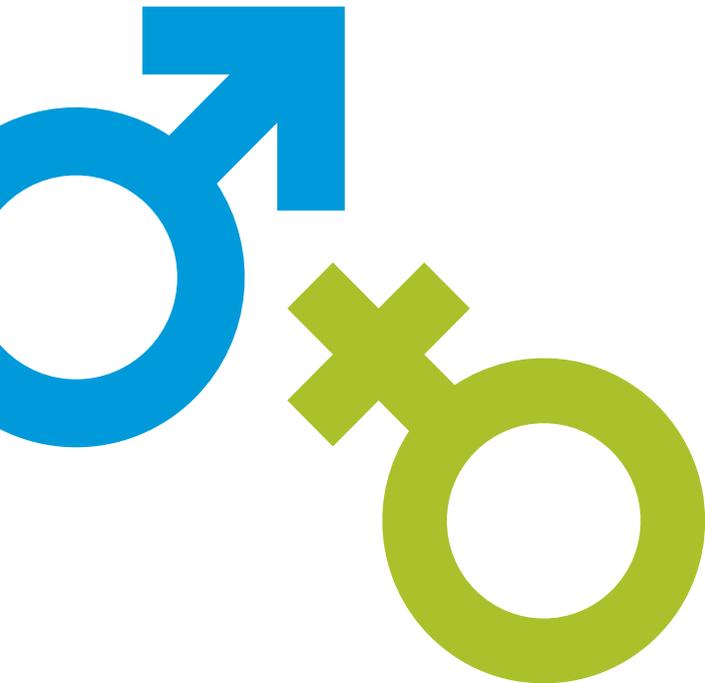


Percentage of colleagues who received a bonus



Percentage of colleagues who did not receive a bonus

We've already taken some specific steps to help reduce our gender pay gap. However, we are always looking at ways that we can help reduce our gap. We've set some clear areas to focus on and we will look to build on our commitments each year.



Unconscious bias training

Last year we launched our unconscious bias training to all recruiting managers in order to raise awareness and equip our managers to be bias free when following our robust recruitment processes. Following this we made the training available to non-managers. So far we have had a total of 113 colleagues complete this training since its launch.

Robust practices that offer equal opportunities for all

We already have gender neutral recruitment and selection processes, and we will continue to review them to make sure they remain free of bias and create equal opportunities for all.

We have a competency model which enables us to clearly define suitable selection tools. The competency model also makes clear performance expectations and so ensures that whether we're assessing colleagues for new roles or their performance against our reward framework, we do this in an objective and gender neutral way.

Robust reward practices

We'll continue our commitment to regularly review our policies, processes and decisions in relation to pay, bonuses and performance. We will continue to:

- Provide robust guidance and support on 'reward' for our leaders.
- Routinely monitor equal pay.
- Review our bonus rules for all schemes.

Promoting our policies to support progression

We have a number of policies that help to make us a more inclusive organisation. These include our Flexible Working, Career Breaks and Parental/Shared Parental Leave Policies. We'll continue our commitment to offer flexible working opportunities for roles at all levels within the organisation and highlight those opportunities more prominently.

Pay Gap			
	Gap (%)	Female	Male
Mean	39.3	£15.73	£25.89
Median	38.3	£12.07	£19.55

Bonus Gap			
	Gap (%)	Female	Male
Mean	66.6	£1,672.27	£5,012.88
Median	46.6	£867.79	£1,624.65

Proportion receiving a bonus			
	%	Paid bonus	Total
Male	87.1	176	202
Female	88.0	286	325

The proportion of employees in each quartile pay band				
	1st	2nd	3rd	4th
Male	18.1	33.6	43	60.6
Female	81.9	66.4	57	39.4
Mean Pay Gap %	-5.8	0.6	7.2	22.8

This report shares the combined results for the Police Mutual Group and includes data for both Forces Mutual and Police Mutual colleagues.

As the Head of HR of Police Mutual Group, I, Georgina Bale, can confirm that the information contained herein is accurate and complies with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in relation to the pay period April 2018.



Georgina Bale
Head of HR
Police Mutual Group

Useful resources

ACAS provide guidance and resources on Gender Pay Gap Reporting:
www.acas.org.uk/genderpay

The Women's Business Council provides some great resources to help improve gender diversity:
www.womensbusinesscouncil.co.uk

The Fawcett Society is the UK's leading charity campaigning for gender equality and women's rights:
www.fawcettsociety.org.uk

The British Association for Women in Policing embraces women of all ranks and grades within the Police Service. Their mission is to ensure that those women are heard and work toward gender equity in policing.
www.bawp.org/



