



# Gender Pay Gap

April 2021 Snapshot



# James Tugendhat – Chief Executive Officer



In support of our vision - to be the kindest care home provider - we continue to invest in pay and reward to attract, retain and develop talented Colleagues, who in turn ensure that we deliver the quality of service which our Families need, and want for their loved ones. We aim to be the first choice for Families, our Colleagues, and our Commissioners, and can only do so with an engaged, committed and diverse workforce.

As we move into the 'new normal', following the pandemic, it will be important to remember, and honour, the dedication and resilience our Colleagues demonstrated throughout the past two years.

Our journey to lead the sector in pay and reward continues. This year we made an unprecedented investment in pay and reward, introducing a transparent, national pay structure for Colleagues based in our Homes. As a result, the majority of our Home based Colleagues are paid at 'Real'/Foundation Living Wage levels. We expect this new pay structure to improve our gender pay gap next year. This year's mean gap of 4.9% has marginally deteriorated. This is due to new Colleagues joining our senior team during the financial year. However, more recent appointments give me confidence to predict a positive shift when we report next year. We are committed to ensuring a more balanced and diverse workforce at every level - a balance that reflects the communities we serve.

We remain proud that our pay gap is better than the national average, and that over 50% of our senior leadership group, and 2/3<sup>rd</sup>s of our Managing Directors, are female, which compares favourably to other organisations of similar scale. However, we do recognise that we need to keep working to improve the gender balance in our highest paid roles, not least given that female Colleagues make up over 85% of our overall workforce. Key to this will be our focus on growing our own internal talent, through structured management development programmes.

*I can confirm that the information and data contained in this report is accurate as at the snapshot date of 5<sup>th</sup> April 2021.*

# Our reporting entities



As part of a Group wide simplification process, our operating company structure changed during the year, with a number of legal entity changes resulting from this. In addition, the portfolio review of our homes, has led to some closures and sales during the year, which reduced our employee base to circa 21,500. Within this report, we show the required reporting for our legal entities, along with the overall Group position, in order to have complete transparency.

Our report therefore contains information on the following employing companies:

- HC-One Limited
- HC-One No1 Limited
- HC-One No2 Limited
- HC-One No3 Limited

Across all of our entities, our gender pay gap remains negligible, or even positive towards our female Colleagues. Our HC-One Limited business contains our board Directors, and the majority of our Central Support Colleagues based in Darlington, who tend to be salaried professional roles, with individual spot salaries, rather than the tiered hourly structures in place within our care homes. There are a higher proportion of males in senior support office roles than are typically seen in our homes; however, this proportion is closer to the gender split in wider society. With over half of the Senior Leadership Group being female, we feel confident in our journey to greater diversity.

# Our Group gender pay gap

The difference in male and female pay: **Median Pay Gap = 0.5%** **Mean Pay Gap = 5.0%**

Our pay gap increased marginally from the last year, this is due to new hires in the senior team; which, based on more recent recruitment, we anticipate will reverse again in the next report. As a business, we have continued to grant our highest pay awards to our lowest paid Colleagues, in part due to the increases in the national living wage, which impacts the entry level roles in our career structures, but also due to our desire to raise the rates of pay for our care and nursing roles, which are predominately held by female Colleagues.

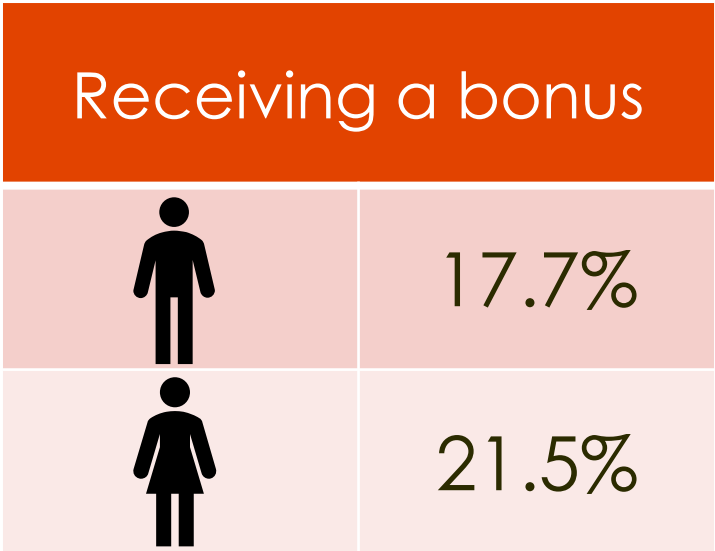
Overall headcount		Lower quartile	Lower middle quartile	Upper middle quartile	Upper quartile
	15.2%	14.0%	15.0%	14.2%	17.7%
	84.8%	86.0%	85.0%	85.8%	82.3%

Our gender split, by quartile, shows how our organisation is predominately female. We know that our gender pay gap is driven by the fact that gender diversity in our senior roles is not aligned to the number of female Colleagues in the wider organisation.

# Our Group bonus gap

The difference in female and male bonuses: **Median Bonus Gap = 0%**    **Mean Bonus Gap = 68.4%**

This year, there were a number of additional bonuses paid across our organisation, in recognition of COVID support. However, our historic management bonus scheme was suspended, with a revised standard bonus awarded to Home Managers. This resulted in a higher proportion of our population, both female and male, receiving a bonus this year.



Where we offer bonuses, the decision to grant a bonus is based on level within our organisation structure, not related to gender.

Our bonus gap, as a Group, is positive this year towards females. As a Group, we chose to limit bonuses given to support office and central management teams, but Home based Colleagues received a number of additional awards, in recognition of their work during the pandemic, many of which were through local and central government funding initiatives. As a Group, we hope this recognition of the vital role our front line Colleagues played in delivering the kindest care, in difficult circumstances, continues to be recognised. We expect this trend to continue into 2021, as the ongoing pandemic results in further payments to Colleagues, beyond our normal bonus policies.

# Our Group companies overview

	All companies	HC-One Limited	HC-One No1 Limited	HC-One No2 Limited	HC-One No3 Limited	HC-One Properties No5 Limited
<b>Difference between male and female pay</b>						
Mean Gap	5.0%	11.27%	-27.64%	-1.60%	11.27%	-0.3%
Median Gap	0.5%	0.65%	-7.05%	0.95%	0.65%	1.3%
<b>Proportion of employees receiving a bonus</b>						
Male	17.7%	28.8%	7.8%	25.8%	1.4%	3.6%
Female	21.5%	33.0%	11.0%	26.6%	11.4%	8.8%
<b>Difference between male and female bonuses</b>						
Mean bonus gap	68.4%	84%	0%	-3.3%	-72.2%	-25%
Median bonus gap	0%	0%	0%	0%	0%	0%

# Our Group companies quartile positions

	All companies		HC-One Limited		HC-One No1 Limited		HC-One No2 Limited		HC-One No3 Limited		HC-One Properties No5 Limited	
% Female and Male employees in each quartile												
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Lower Q	86.0%	14.0%	80%	20%	79.3%	20.7%	86%	14%	82%	18%	91.5%	8.5%
Lower Middle Q	85.0%	15.0%	87%	13%	81.2%	18.8%	86%	14%	83%	17%	88.2%	11.8%
Upper Middle Q	85.8%	14.2%	86%	14%	83.2%	16.8%	89%	11%	77%	23%	90.8%	9.2%
Upper Q	82.3%	17.7%	83%	17%	84.7%	15.3%	88%	12%	78%	22%	81.6%	18.4%
Overall	84.8%	15.2%	84%	16%	82.1%	17.9%	87%	13%	80%	20%	88%	12%

Thank You

