

# Gender Pay Gap Report

This will be the first year that Hanover (Scotland) has published gender pay figures and this report provides more information about our gender pay gap, as well as the general context to the figures.

As part of the Equality Act 2010 (Gender Pay Information) Regulations 2016 any employer with 250 or more employees is required to publish statutory calculations each year, to highlight the differences in pay between their male and female employees.

Once completed, companies are then required to post their calculations on the government's official website, [www.gov.uk](http://www.gov.uk).

To understand the following figures, first we must understand the differences between equal pay and the gender pay gap and the differences between calculating mean pay and median pay of male and female employees.

## So what is Equal Pay?

Employers must give men and women equal treatment in the terms and conditions of their employment contract if they are employed to do:

- 'Like Work' - work that is the same or broadly similar
- Work rated as equivalent under a job evaluation study
- Work found to be of equal value in terms of effort, skill or decision making.

Employees are also entitled to know how their pay is made up. For example, if there is a bonus system, everyone should know how to earn bonuses and how they are calculated.

## What is the Gender Pay Gap?

The gender pay gap is an equality measure that shows the difference in average earnings between women and men.

The gender pay gap does not show differences in pay for comparable jobs and the new regulations have been created to help employers report on any differences in pay between men and women when viewed collectively across the organisation.

## How do we calculate mean pay?

The mean pay figure is the difference between the average of a male and a female employees salaries.

It is calculated by adding together the full hourly rates of every male employee and dividing the figure by the number of male employees and then repeating the process for every female employee.

Once these two figures have been calculated, the mean hourly pay rate for female employees is subtracted from the mean figure for male employees.

The subsequent figure is then divided by the mean hourly pay rate for men and the result is multiplied by 100 to give the final mean gender pay gap figure.



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## How do we calculate the difference in the median pay?

Median pay is simply the difference between the midpoints of the ranges of pay for male and female employees.

To calculate the median pay, an organisation must organise the pay figures of all their male employees from highest to lowest and then identify the hourly pay rate which represents the mid-point of this range – this is the median pay rate.

The same process must then be undertaken for female employees and once again the mid hourly rate of pay will be the median for women.

Once these two figures have been identified, then the organisation must subtract the median pay for women from the median pay for men.

This figure will then be divided by the median hourly pay rate for men and the result will be multiplied by 100 to give the median gender pay gap between men and women as a percentage.



As required by the regulations, we have now posted our calculations, answering the six mandatory questions for the pay period of the 5th April 2017:

1	What is the difference in the mean pay (average) of men and women, expressed as a percentage?	23%															
2	What is the difference in the median pay (middle point on the salary scale) of men and women, expressed as a percentage?	26.5%															
3	What is the difference in the mean bonus of full-pay men and women, expressed as a percentage?	N/A – Hanover (Scotland) Housing Association does not provide bonus pay															
4	What is the difference in the median bonus of full-pay men and women, expressed as a percentage?	N/A															
5	What is the proportion of men and women who received bonus pay?	N/A															
6	What is the proportion of full-pay men and women in each of the four pay quartiles, expressed as a percentage?	<table border="1"> <thead> <tr> <th></th> <th>Proportion M (%)</th> <th>Proportion F (%)</th> </tr> </thead> <tbody> <tr> <td>Pay Band A (Lowest salaries)</td> <td>8.4%</td> <td>91.6%</td> </tr> <tr> <td>Pay Band B</td> <td>14.7%</td> <td>85.3%</td> </tr> <tr> <td>Pay Band C</td> <td>11.9%</td> <td>88.1%</td> </tr> <tr> <td>Pay Band D (Highest salaries)</td> <td>35.7%</td> <td>64.3%</td> </tr> </tbody> </table>		Proportion M (%)	Proportion F (%)	Pay Band A (Lowest salaries)	8.4%	91.6%	Pay Band B	14.7%	85.3%	Pay Band C	11.9%	88.1%	Pay Band D (Highest salaries)	35.7%	64.3%
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Hanover is committed to conducting pay audits for all its staff in accordance with the Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2017.

This approach offers the greatest transparency about where our male and female staff are positioned on our salary scale and also offers a direct comparison with other housing and care organisations in Scotland.

The annual findings also help us to make fairer pay decisions; whilst creating better processes for workforce planning and personal development.

In the first year of using this reporting method, we examined the pay data of all 569 employees across Scotland, 73% of whom provide housing support and care to customers in our developments.

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Hanover employs a larger number of female staff (82%) to male staff (18%), and these female staff are represented at every level of our salary scale.

Our Chief Executive is female and we have one female director in a team of four. Our senior managers are split 55% male and 45% female.

Despite this distribution of female staff across our salary scale, the gender pay gap figures show that the median pay for male employees is 26.5% higher than that of female employees.

The figures show that 50% of men work in the highest paid tier of employees, with the other 50% spread across the second, third and fourth tiers of our salary scale.

The audit also found that only 8.4% of employees currently working in the lowest paid (fourth) tier of our salary scale are male.

The figures show that the mean pay gap is currently 23.2%, meaning that the average pay for men is nearly a quarter more than the average pay for women.

## So why is this the case?

Well, there are two key reasons for these figures, firstly, the general rates of pay for care work that affect the industry as a whole; and secondly, the use of part-time or flexible working contracts in this area of the business.

To ensure that all staff are treated fairly, the Hanover Board will continue to take the gender pay gap seriously and will endeavour to work more closely with senior

managers and line managers, to help reduce the gender pay gap between male and female workers in the future.

The Board is also committed to carrying out a full review of all current policies and procedures, including those that relate to pay, to ensure that the gap does not increase in the future.

A review of management development opportunities for women will also take place in 2018 to ensure that adequate support is provided for female employees to progress their careers at Hanover.

As part of our commitment to staff, we will also investigate the figures in more detail to identify possible links between part-time roles and the impact of gender pay on the workforce.



Mike Martin, Chairperson

Hanover Scotland



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