

UNDERSTANDING THE PAY GAP

What is the gender pay gap?

Overview

In 2017, new legislation required all employers with 250 or more employees to publish their gender pay gap report annually. This report is a snapshot of time.

A gender pay gap measures the difference in the pay of men and women - regardless of the nature of their work. It can be affected by a variety of factors including relative numbers of men and women across all roles and seniority levels within an organisation. In general, if there are fewer highly paid women in an organisation the gender pay gap will be greater.

It is different from an equal pay comparison, which directly compares two people or groups of people who are carrying out the same, similar or equivalent work to establish whether or not they are paid at the same rate.

What's included in the calculations

Basic pay at 5 April 2023, including shift premium pay, regional or area allowances and car allowances (where paid as cash) as well as a proportion of any bonuses paid during the pay period covering 5 April 2023. Employees earning less than their full rate of pay (i.e. because they are on sick leave or maternity or paternity leave) are not included in the pay calculations.

Bonus pay for the year 6 April 2022 to 5 April 2023, including profit sharing, performance and productivity bonuses, other bonuses and incentive pay, piecework and commission, as well as any long term or share based payments.

Calculating the mean and median gaps

The **mean** pay gap gives an overall picture of any difference between men and women's hourly rates of pay. It is calculated by adding all male hourly rates of pay together and dividing this figure by the number of male staff. The same calculation is done for women and the difference in these two figures is expressed as a percentage of men's pay – this is the mean pay gap.

The **median** pay gap gives a typical picture of any difference between men and women's hourly rates of pay. It is calculated by listing all male hourly rates of pay from lowest to highest and selecting the middle figure. The same is done for women and the difference in these two figures is expressed as a percentage – this is the median pay gap.

Using both mean and median figures is helpful as it gives a more balanced overview of any gender pay gap within an organisation.

Bonus gender pay gap

The mean and median calculations are also done to compare all bonus payments paid to men and women over the 12 months prior to 5 April 2023. The proportion of men and women receiving a bonus payment in that period is also given.

Calculating the pay quartiles

Pay quartiles are calculated by taking all rates of pay across Smart Solutions, splitting the list into four equal groups and calculating the percentage of men and women in each of these groups.

Our results

	2023		2022	
Mean Pay Gap	-0.1%		-0.2%	
Median Pay Gap	0.0%		0.5%	
Mean Bonus Pay Gap	63.2%		45.6%	
Median Bonus Pay Gap	47.0%		-50.3%	
Proportion of Males Receiving Bonus	23.8%		66.6%	
Proportion of Females Receiving Bonus	27.9%		64.9%	
Prop of Males & Female in each quartile	M	F	M	F
Lower Hourly Pay Quarter	76%	24%	63%	37%
Lower Middle Hourly Pay Quarter	51%	49%	66%	34%
Upper Middle Hourly Pay Quarter	69%	31%	73%	27%
Upper Hourly Pay Quarter	56%	44%	61%	39%

Understanding our numbers

The mean hourly gender pay gap is small with no median hourly pay gap for the year.

The mean bonus gender pay gap has increased this year. This is due to bonuses paid out to the senior management team which is male dominated. This can also be seen by the median bonus gender pay gap.

Addressing the gap

We pride ourselves on being an equal opportunities employer and we are committed to embedding diversity into everything we do, in particular our recruitment and retention policies and procedures.

We offer flexible working practices, where it's practicable to do so, and we will continue to do so wherever possible encouraging and enabling men and women to work flexibly.

We will continue to create a working environment that encourages individuals progress through the business to more senior positions and achieve their full potential.

We will continue to review and monitor our recruitment and retention practices to ensure that we attract, recruit and retain a diverse mix of candidates and staff. We are in the business of recruiting people and our knowledge and experience of this market makes us ideally placed to do this.

We will continue to review our pay and reward strategies to ensure they remain gender neutral.

We will endeavour to work with external stakeholders to increase the appeal of certain roles amongst women.

We are aware that closing the gender pay gap will take time, but we remain committed to all aspects of diversity and inclusion and will support and encourage our clients and other key stakeholders to do the same.

I confirm that the figures and content above are accurate to the best of my knowledge.

Stephen Mills

Finance Director