

Gender pay gap report April 2019

ABOUT SOVEREIGN

Sovereign is a people business, with 2,000 employees. We provide quality, affordable homes and services for around 140,000 residents within strong and sustainable communities, for people priced out of the housing market.

With almost 60,000 homes, we're one of the largest housing associations in the country. We're driven by our social purpose, with residents at the heart of everything we do. We build homes and provide great services, but our work doesn't stop at the front door. We invest for the long-term, creating great places to live, working with residents and partners to support them in realising their potential.

We're striving to create a workforce that's diverse, gender balanced and fairly paid, and which reflects the communities in which we work. We know this will enhance our business and make us more effective.

Because we employ more than 250 people, we must publish figures about our gender pay gap once a year. This is the third report we've issued and is evidence that we not only compare very well against a range of businesses but also continue to improve.



GENDER PAY GAP

	Mean (average)	Median (middle)
Sovereign gender pay gap 5 April 2019	4.0%	1.8%
Sovereign gender pay gap 5 April 2018	4.4%	7.4%
Sovereign gender pay gap 5 April 2017	5.2%	7.2%
National gender pay gap (Office for National Statistics 2019)	16.2%	17.3%

OUR GENDER PAY GAP

Our median gender pay gap of 1.8% has improved considerably since last year and continues to be significantly lower than the national gap of 17.3%. Our mean gap has also gone down slightly in the same period, from 4.4% to 4.0%. Again, this is well below the national mean of 16.2%.

One of the main reasons for the drop is that this is the first year where we are reporting on fully harmonised pay and grading data, following our merger with Spectrum Housing Group in 2016, so the results are a much more accurate reflection of where we are with our gender pay gap. Much of the reduction is because of the impact of the changes we have made to our pay and grading structures in order to align pay. In addition, we introduced a new pay management and governance approach which has enabled us to review pay regularly to make sure we maintain a consistent and fair pay position.

BONUS GENDER PAY GAP

	Mean (average)	Median (middle)
Sovereign gender pay gap 5 April 2019	-4.3% *	0.0%
Sovereign gender pay gap 5 April 2018	-7.1% *	65.4%
Sovereign gender pay gap 5 April 2017	20.8%	55.2%

OUR BONUS GENDER PAY GAP

Our gender pay gap on bonuses has improved greatly this year, mainly because we have harmonised our bonus payments. The average bonus payment paid to women is bigger than the average male bonus payment. The difference is mainly due to a number of higher bonus and commission payments paid to females but if we look at the median, which is 0%, this reflects the harmonised and consistent approach to bonus payments that we have now.

WHY WE HAVE A GENDER PAY GAP

Our relatively small gender pay gap is due to the distribution of men and women in our workforce. We have more women in the lower pay quartile and in part-time roles (which again tend to be in the lower pay quartile). The mean gender pay gap for full-time employees is 1.7% in comparison to 4% for full and part-time employees combined. In addition, we have fewer women in our more traditionally male 'trade' roles, which are mostly in our lower middle pay quartile. There are also fewer women in our more senior roles. However, since April 2019 we are pleased to have recruited two new female Executive Directors, one internally and one externally, so we have three women on our Executive Board, who look after our Housing, Property and Finance functions.

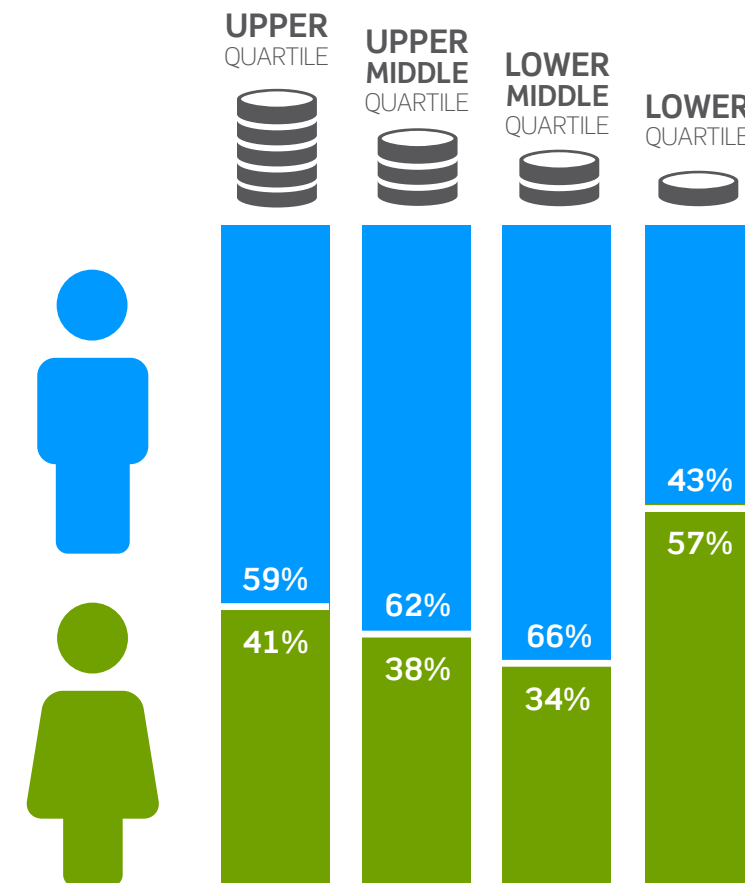
WHAT THE FIGURES MEAN

The gender pay gap is the difference between the average pay of men and women - it isn't the same as equal pay, which deals with pay differences between men and women who do the same or similar jobs.

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. The mean gender pay gap is the difference between the average hourly earnings of men and women.

PAY QUARTILES

PROPORTION OF MALES AND FEMALES IN EACH PAY QUARTILE



OUR WORKFORCE IS MADE UP OF **56% MALE AND 44% FEMALE**

WHAT WE'RE DOING ABOUT IT

Although our gender pay gap is comparatively small and much lower than the national average, we're not complacent.

We're committed to removing obstacles which may deter people from applying for all roles and are actively encouraging greater diversity throughout the organisation. One way we're doing this is by continuing to build a modern, connected working environment which will allow employees to work more flexibly at every level and area of our business. We're starting by moving our head office to a purpose-built space in Basingstoke, which will enable a collaborative and agile working environment. This will be followed by other workplace moves across the area that we cover.

Also:

- We continue to have an inclusive approach to recruitment and provide opportunities for all employees to learn and develop their careers.
- We'll continue with targeted initiatives such as being partners with Women in Construction, which demonstrates our aim to attract more women into traditional male roles via our 'women in maintenance' programme.
- We'll continue to monitor our pay position. We've committed to completing our own broader pay audit on a two-yearly basis.

By taking small steps every day, we'll continue to build an inclusive culture and make Sovereign a great place to work, where everyone is treated fairly and delivers a great service to our residents.