



Gender pay gap report

April 2020





About Sovereign

Sovereign has been providing homes and services for more than 30 years, and with 140,000 customers across the south of England, we're one of the largest housing associations in the country. We employ around 2,000 people with a wide range of skills and experience.

As we've grown and changed, we've never forgotten that we're a social business and remain committed to our fundamental purpose: giving our residents the best in customer services and the opportunity to create the communities they want to live and succeed in. Customers will always come first at Sovereign and we are re-thinking how we meet their ever-changing and growing expectations.

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

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What is the gender pay gap?

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.



Our gender pay gap

The difference in pay between men and women at Sovereign.

Year to	Mean (average)	Median (middle)
5 April 2020	1.7%	0.6%
5 April 2019	4%	1.8%
5 April 2018	4.4%	7.4%
National gender pay gap (ONS figures)	14.6%	15.5%

Last year our mean gender pay gap was 1.7% - down from 4.0% in 2019 - and significantly lower than the national average of 14.6%, a figure produced by the Office of National Statistics for businesses across the UK.

Our median gap of 0.6% has also improved, down from 1.8% compared with a national median of 15.5%.

We're very proud of the small gaps we have achieved to date through robust management of our pay structures. We believe that our pay gaps have dropped because we have more women employed in our upper and upper/middle quartiles*.

The most significant increase that we've seen at Sovereign is in the upper middle quartile, creating a better balance of men and women being employed in this group. The average hourly rate for this group is almost equal. In addition, there's been a small increase in the number of women we employ in our upper quartile.

*A quartile is when an organisation is split into four equally sized 'chunks', with employees placed in a section based on their hourly earnings, including bonuses.

Our gender bonus pay gap

A negative percentage figure means that women have a higher bonus than men.

Year to	Mean (average)	Median (middle)
5 April 2020	-40.6%	0%
5 April 2019	-4.3%	0%
5 April 2018	-7.1%	65.4%

Our gender pay gap on bonuses shifted significantly this year, mainly due to a higher number of female employees in our contact centre receiving retention bonuses ahead of a move to our new head office, Sovereign House, in Basingstoke. We asked our employees to make a significant change to their main place of work and awarded a bonus to those who chose to remain with us. This has resulted in a 40.6% mean bonus gap in favour of women. The median, which is 0%, reflects the fact that most of our employees received the same flat bonus payment, linked to the performance of our corporate KPIs.

In the year ending 5 April 2020, 82% of both male and female employees received a bonus, up from 77% for men and 79% for women in the previous year.

What do the figures mean?

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women across our organisation. The mean gender pay gap is the difference between the average hourly earnings of the men and women who work for us.



Why we have a gender pay gap

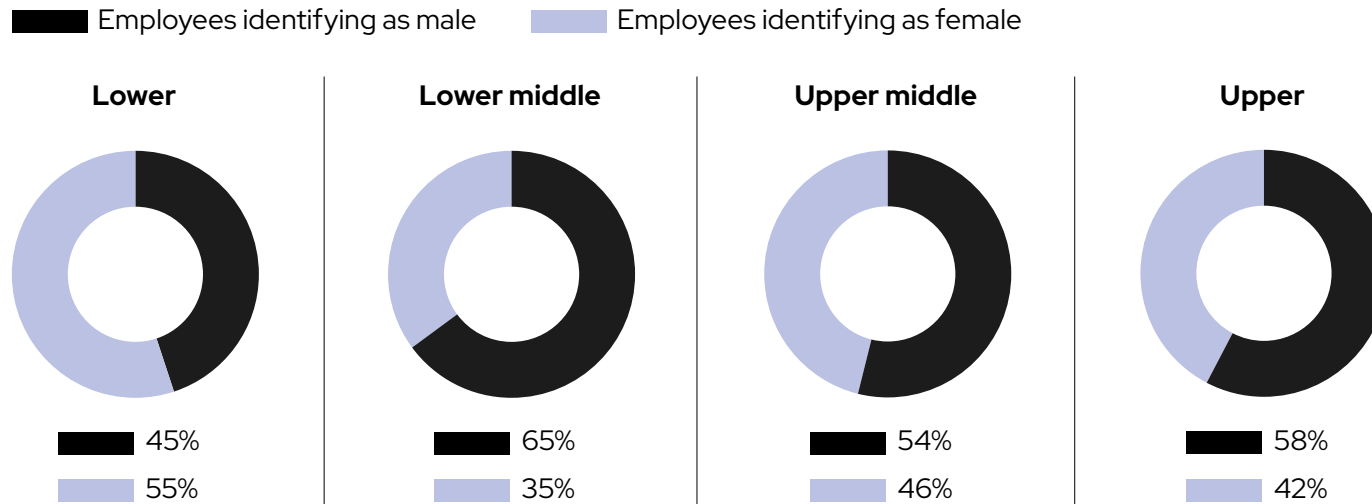
Our small gender pay gap is due to the distribution of men and women in our workforce. We have more women in the lower pay quartile and in part-time roles - which again tend to be in the lower pay quartile.

The mean gender pay gap for full-time employees is 0.3% in favour of women, in comparison with 1.7% in favour of men, 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 leadership roles although the balance between men and women in the upper middle quartile is improving.

Since April 2020, we've recruited a new female Chief People Officer and have achieved an equal balance of men and women on our Executive Board.

Proportion of men and women in each pay quartile as at 5 April 2020



What we're doing about our gender pay gap

Although our gender pay gap is 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.

Through our new Equality, Diversity and Inclusion Strategy and three year action plan, we've committed to actions which will see us work towards improving recruitment and progression of women throughout Sovereign, improving our flexible working options, workplace flexibility, achieving gender balance in our workforce at all grades; and improving transparency in our promotion, pay and reward processes.

To do this, in 2021 we will:

- Begin an 18-month programme with Women into Construction, to attract more women into trades roles.
- Ask all line managers to actively promote flexible working options and consider all requests.
- Advertise all roles at Sovereign as supportive of flexible working, unless there's a strong business case not to.
- Promote our mentoring scheme widely across the business.
- Promote our policies and criteria for decision-making in relation to promotion, pay and reward, so that managers and employees understand the processes involved.

We will commit to diversity targets to improve gender representation by:

- Achieving 50:50 men and women gender representation in our Senior Leadership Group by 2023.
- Achieving a target of 7% women in our trades team by 2023

Sovereign now has an equal balance of men and women on our Executive Board.



Our programmes help reduce the gap

Aspire - Sovereign's management development programme

Our annual 'Aspire' programme offers development and support for aspiring managers within Sovereign. It aims to help our employees:

- understand the role of a manager
- provide them with the skills and tools they need to become the best managers they can be
- provide them with opportunities to apply key skills learnt in the programme across the business.



The 12-month programme focuses on key elements of good management such as leadership, coaching within management, goal setting and supporting innovation and change. The course also includes a focus on self-awareness – the impact of self on others, values and behaviours, and supports aspiring managers with their own self-marketing and ongoing personal development plan.

All employees taking part are matched with mentors to help with their development. On completion, employees are awarded an Institute of Leadership and Management qualification in Leadership and Team Skills.

We have always made sure that there's a gender balance in candidates taking part in Aspire. Our aim is to have the best mix of people on the programme as we build our pipeline of future leaders. In the last three years we've seen 17 men and 21 women complete Aspire. We'll be running the programme again later this year, and encouraging ambitious employees to take part.

Female workers make up just 1% of UK manual trades. Already, 3.5% of our trades team are women, and we are actively recruiting more.



Women in trades

We have an ongoing commitment to bring more women into our trade teams. As part of that commitment, we've already held successful taster days for women, to give them the chance to find out what it's like working in trades. We've also offered trades work experience placements to those who have taken part.

This year we're strengthening that commitment by taking fuller advantage of our membership of Women into Construction. We'll work with them to attract more women into our organisation and support those who are already here.

In the UK, female workers make up just 1% of manual trades (roles such as carpenters, gas engineers, plumbers and electricians). Already, 3.5% of our trades team are women, but we've set ourselves the aspiration of 7% women in our trades team by 2023.

We feel that meeting this target is important not just for improved workforce diversity and a reduction in our gender pay gap, but also because we want to play a role in improving representation rates and increasing awareness of construction careers, both locally and more widely in the building and construction industry.



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