

CAF GENDER PAY GAP REPORT 2017

Gender pay gap legislation came into effect in the UK to encourage employers to identify where gender pay gaps exist and to take action to address any imbalance.

A gender pay gap is a measure of difference (a gap) expressed as a comparison between what, on average, men earn and what, on average, women earn. This is different to equal pay which is where individuals are paid differently for performing the same or similar work, or work of equal value.

We are confident that men and women across CAF are paid equally for doing equivalent jobs. We take equality very seriously and have robust job evaluation, salary benchmarking and review processes in place to ensure this happens. But we recognise we do have a gender pay gap in CAF and while we do not believe this is because of inherent gender bias, we aspire to closing the gap in the coming years.

CAF's gender pay gap report provides a view of the overall mean and median gender pay based on figures for April 2017 and bonus pay gap based on bonuses paid in the previous 12 months from April 2017.

CAF's mean gender pay gap is 28%

The mean pay gap is the difference between the average hourly pay of men and women.

CAF's median gender pay gap is 34.2%

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

CAF's mean bonus gap is 42.5%

The mean bonus gap shown is the difference between the actual average bonus paid to men and women.

CAF's median bonus gap is 33.3%

The median bonus gap is the difference between the midpoints in the ranges of actual bonuses paid to men and women.

% of men who received a bonus	55.6%
% of women who received a bonus	47.7%

CAF gender pay quartiles

The following chart shows the percentage of women and men who were receiving full pay in April 2017 in four broadly equal quartile pay bands. This is achieved by splitting these employees according to their pay into four broadly equal bands – lower, lower middle, upper middle, and upper quartiles.

CAF Gender Pay Quartiles - 2017

(% of men and women in each pay quartile)



Pay gap by each individual quartile

Quartile	Mean	Median
Quartile 4 (top quartile)	7%	0.4%
Quartile 3 (upper middle quartile)	4.7%	6.6%
Quartile 2 (lower middle quartile)	3.1%	4.6%
Quartile 1 (lower quartile)	0%	0%

Why do we have a gap?

Our gender pay gap is primarily because we have a large proportion of women in non-managerial, customer service and administrative roles (see lower and lower middle quartile figures above) and more men than women in managerial, technical and specialist roles which attract higher pay (see upper middle and top quartile figures above).

Although we recognise that a pay gap exists, there are some factors in CAF that to some extent skew our gender pay gap figures including pay for some staff on 24 hour standby and some from the financial services sector, whose pay reflects the fact that their pensions were fully funded and can no longer contribute to an occupational pension scheme.

CAF pays modest performance related bonuses to a little over half of our employees (50.6%). In the calculation to determine the bonus pay gap, we report actual bonuses paid. We enable flexible working to both males and females as part of our culture and this is greatly valued by our staff. The average cash value of bonuses paid to women is lower than bonuses paid to men in CAF. This is because we are required to report the actual bonus paid after it has been pro-rated for part time working. As the vast majority of part time staff are women, bonuses are therefore reduced to reflect their part time hours. This contributes to a bonus pay gap. Additionally, because we link any bonus paid to an individual's grade, lower grades therefore receive a lower bonus. As the majority of our lower grades are held by women, this further contributes to the bonus pay gap.

How we are addressing the pay gap

Recruitment

We aim to recruit from as wide a pool as possible and our recruitment policy together with training provides our recruiting managers with essential knowledge and skills to help ensure unconscious bias is avoided.

Retention

Once we have recruited the right people to CAF we want them to stay. We support flexibility in terms of working hours and work patterns; we provide diverse and comprehensive training and development, including coaching, mentoring, apprenticeships, management development, and support to achieve professional qualifications. We undertake periodic employee engagement surveys and work with our Employee Council to action issues and suggestions raised by our staff. We have a zero tolerance to discrimination in any form in the workplace and provide clear guidance for managers and staff on this, including an equal opportunities policy.

Pay

We have a clear reward policy where roles are sized by independent job evaluation and salaries are determined by market and industry benchmarking. We review our salaries annually to ensure they are fair and equitable and that men and women are paid equally for doing equivalent jobs. Our annual pay review process is underpinned by robust moderation processes to ensure fairness of approach.

Where bonuses are paid, they are modest, conform to clear criteria and linked to an individual's grade to prevent favouritism and bias. Last year (2016/7), bonus payments amounted to 3.2% of our total pay bill. Bonus payments are also subject to a robust moderation process.

We recognise we have a gender pay gap in CAF and while we do not believe this is because of inherent gender bias, we aspire to closing the gap in the coming years.

I confirm the accuracy of the data we've reported.

Sir John Low
Chief Executive