

GENDER PAY GAP REPORT

2023



VERSUS
ARTHRITIS

GENDER PAY GAP REPORT 2023

What we do

We are volunteers, healthcare professionals, employees, researchers, friends and loved ones all doing everything we can to push back against arthritis. We won't rest until everyone with arthritis has access to the treatments and support they need to live the life they choose with real hope of a cure in the future. To deliver our mission we invest in world class research, deliver high quality services and campaign on the issues that matter most to people with arthritis.

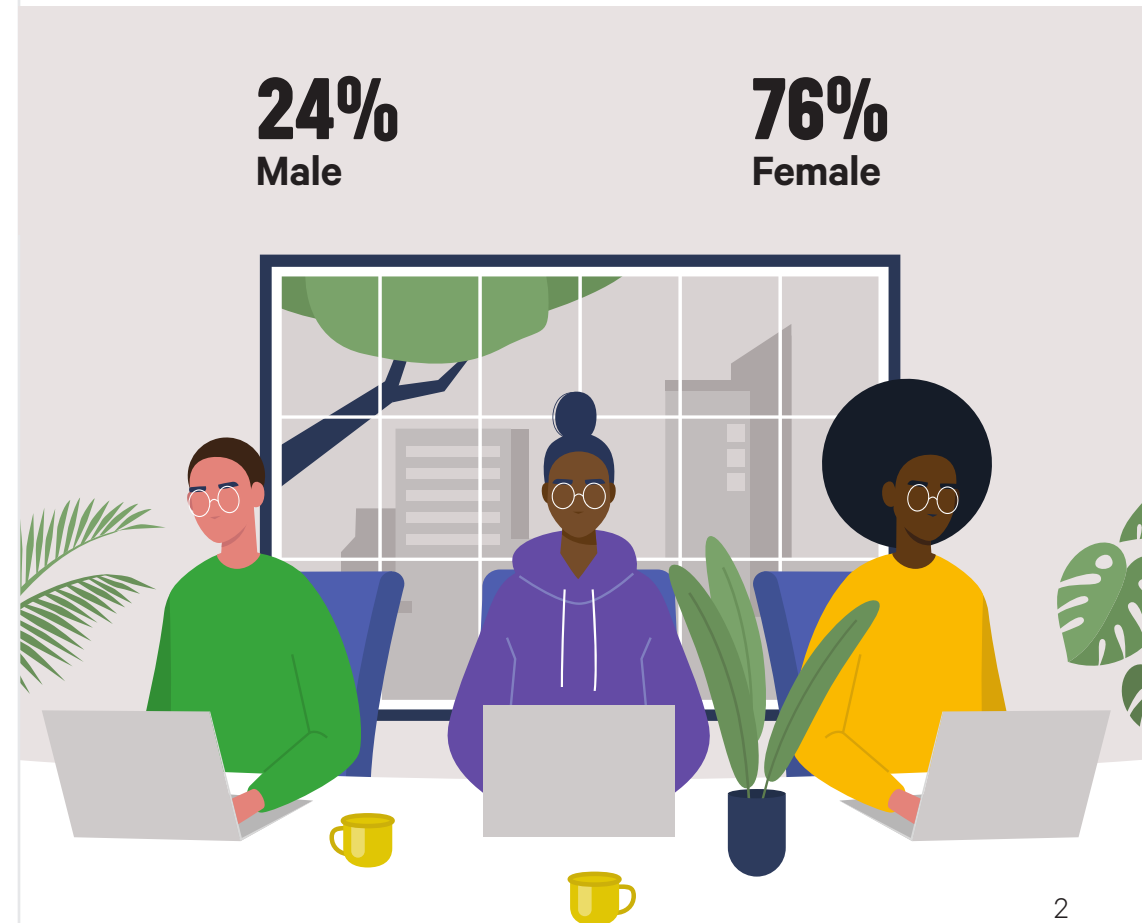
Overview

Government regulations on gender pay reporting for private, voluntary and charity sector employers with more than 250 employees took effect from April 2017, and the first report for Versus Arthritis was published from April 2018. The headline gender pay gap shows the difference in the average pay between all men and women employed by Versus Arthritis and takes no account of whether they are performing equal work or factor in relative numbers of employees in each gender group. It is different to equal pay which deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

There are six required gender pay gap calculations based on a snapshot date of 5 April. Following Government guidelines set out on GOV.UK the charity is required to report on the mean and median gender pay gap; mean and median bonus gender pay gap; the breakdown of bonus payments by gender and the proportion of male and female employees who fall into four pre-defined equal quartile pay bands.

Calculations are based on full-pay of all relevant employees and exclude anyone who received less than their normal salary. Bonus pay gap calculations are based on all employees (in post on the snapshot date) and any bonus received within the 2022-23 tax year.

Versus Arthritis has a significant majority female workforce (76%), and the proportion of men and women employed by the charity has largely remained the same over the past 4 years.



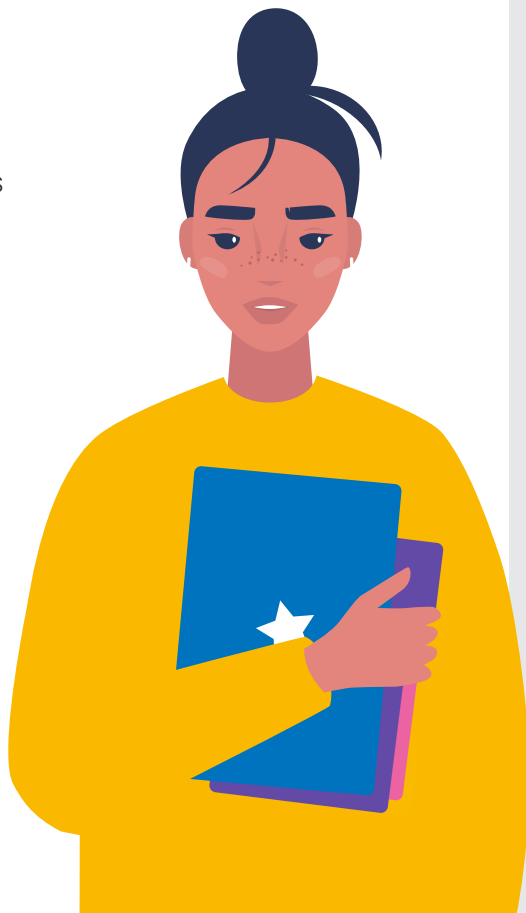
GENDER PAY GAP REPORT 2023

Our gender pay gap

We are pleased to report that our mean gender pay gap remains low. Our 2023 mean gender pay gap is 3.5%, and our median pay gap is 8.4%. Our mean gender pay gap has reduced (-0.8%) since last year, and our median gender pay gap has increased by 1.8%. The mean is defined as the average whilst the median is the mid-point.

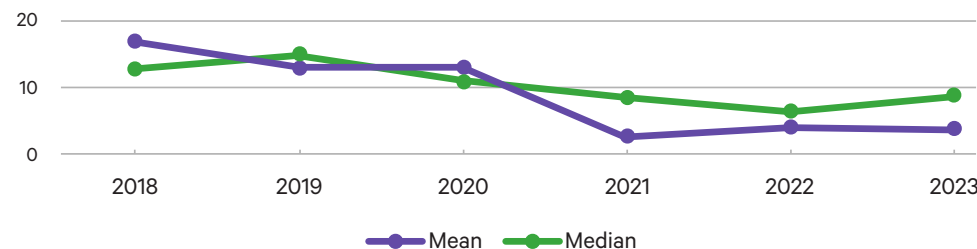
Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap. Very high or low hourly pay can dominate and distort the figure.

Medians are useful to indicate what the 'typical' situation is. They are not distorted by very high or low hourly pay (or bonuses). However, this means that not all gender pay gap issues will be picked up within this figure. The median is also less effective where the gender pay gap issues are most pronounced in the lowest paid or the highest paid employees.



Gender pay gap	2018	2019	2020	2021	2022	2023
Mean gender pay gap	16.9%	14.2%	10.9%	2.8%	4.3%	3.5%
Median gender pay gap	12.8%	15%	11.4%	8.6%	6.6%	8.4%

Versus Arthritis gender pay gap trend



Mean gender pay gap 2023:

3.5%

(UK estimate: 14.3%)

Median gender pay gap 2023:

8.4%

(UK estimate: 13.2%)

The Versus Arthritis mean gender pay gap is the lowest amongst a sample of charities (including Richmond Group) who have published their 2023 data, whilst the Versus Arthritis median pay gap is around the middle of this range.

GENDER PAY GAP REPORT 2023

Pay quartile breakdown

Gender pay gap regulations require organisations to list employees in ascending hourly rates of pay, from the lowest to the highest, and then divide these into four equal quartiles reporting the gender breakdown in each one. There were 75 employees in the lower quartile and 74 employees in each of the other quartiles. With a population split of 24:76 (male: female), we should expect to see a similar distribution across the four quartiles.

There have been some minor shifts in the proportion of males across the quartiles but nothing significant. This includes a reduction to 16.0% males in the upper quartile (from 18.2% in 2022), an increase in males in the upper middle quartile to 27% (from 25.8%), a reduction in males into the lower middle quartile to 29.7% (from 31.8% in 2022) (see table below).

Population split (male : female)	2022		2023	
Proportion of male and female %	25:75		24:76	
	male	female	male	female
Upper quartile	18.2%	81.8%	16.0%	84.0%
Upper middle quartile	25.8%	74.2%	27.0%	73.0%
Lower middle quartile	31.8%	68.2%	29.7%	70.3%
Lower quartile	22.7%	77.3%	23.0%	77.0%

The hourly rate ranges for each of the quartiles are set out below:

Pay Quartile	Hourly rate range 2022	Hourly rate range 2023
Upper	£23.44 - £74.74	£24.09 - £74.74
Upper middle	£18.46 - £23.23	£19.38 - £24.09
Lower middle	£14.40 - £18.35	£14.96 - £19.00
Lower	£10.22 - £14.38	£11.40 - £14.78

The differential in hourly rates is larger within the upper quartile (with a difference of 210% between the lowest and highest hourly rate within the range). In 2023 the hourly pay range within the upper quartile reduced by 9% on the previous year. The hourly pay range within the upper middle quartile reduced by 2% and the hourly pay range within the lower quartile had the biggest change reducing the pay range by 11%. These changes are contributing factors in the pay gap calculations this year.

GENDER PAY GAP REPORT 2023

The bonus pay gap

Government regulations require the inclusion of all bonus payments whether they are paid in cash or vouchers.

The mean bonus gender pay gap for Versus Arthritis increased to 6.9% for the 2022/23 year, although the median bonus gender pay gap remains as zero. The mean gender pay gap is due to the cost of living payment. The payment was provided across the board (excluding SLT) and consisted of a pro-rata flat rate. The mean bonus gender pay gap therefore arises because the majority of our male workforce are full time (the statutory bonus pay gap calculation does not take into account the hours of work).

Bonus gender pay gap	2021-22	2022-23
Mean bonus pay gap	0%	6.9%
Median bonus pay gap	0%	0%

The mean and median bonus pay gap

Bonus payments made during the 2022-23 year included the Versus Arthritis One Strength award (as part of the recognition and reward scheme, The Power of One, introduced in June 2020) which consists of a one of payment of £500, and the Cost of Living crisis payment (£2000 pro-rata one off payment across the board, excluding SLT).

Further analysis has been undertaken into the impact of the One Strength and the Cost of Living crisis payment on the mean bonus gender pay gap.

Bonus type	Total recipients	Male	Female	Total paid	Value of award
One Strength	25	4 (16%)	21 (84%)	£12,500	£500
Cost of Living crisis	259	58 (22%)	201 (78%)	£362,834	£2,000 pro-rata

The number of employees receiving a bonus payment is small (25 equates to 8% of the workforce). We would expect to see the percentage of males to females receiving this award to reflect the overall percentage split of the workforce. This is showing that the award slightly favours females as the percentage of females receiving the award (84%) is higher than the workforce female ratio (76%). However because there is a low number of males within the workforce, and because the number of people receiving the awards is also low, this difference only amounts to one or two males less than we would expect to see receiving the award, and therefore is negligible (approx. 0.6% short – 2 out of a total of 304 relevant employees).

The Cost of Living crisis payment was paid proportionately across the board and calculated as a pro-rata payment. At the point of payment, 93% of the male workforce were full time, compared to 67% of our female workforce. This therefore resulted in the bonus pay gap discrepancy (as the statutory mean bonus gender pay gap calculation does not account for hours worked). Our recruitment, flexible working and Flex guidance policies equally enable and support males and females in full and part time work.

GENDER PAY GAP REPORT 2023

What have we done to effect this change?

During 2022/2023 there were several initiatives and actions which may have contributed to the figures. These include:

- Versus Arthritis includes the salary in all job advertisements, being clear and transparent about the salary for the role, serving to eliminate bias in salary negotiations.
- We have created a new Women's Network to share experiences, careers advice and information. The Network is providing us with a mechanism to understand the female perspective, better support females in the workplace and to inform policy and decision-making.
- This year there has been a focus on women's health with a menopause support group being created and we have signed up to the Time to Test campaign run by Jo's Cervical Cancer Trust.
- We have introduced a new exit interview survey process to better understand our turnover. This includes a new platform to improve the collection of data and enable greater insight into the reasons for turnover, identification of trends, and inform policy and working practices.
- We have broadened the range of our advertising media to include Indeed in order to reach a wider audience.
- We launched a new men's network to support men working within the charity and to better understand their particular needs..

Contributing factors

Salaries above £60k per annum

In April 2023 there was a reduction in the percentage of FPRE females

earning above £60,000 (72% in 2023, compared to 75% in 2022). This is also below this year's proportion of female FPRE (76%).

Strategic review

Staffing numbers have increased significantly (from 264 FPRE in 2022 to 297 in 2023). This has been due to high volume recruitment since the implementation of the strategic review in 2022. There has also been a minor reduction in the ratio of males to females from 25:75 in 2022 to 24:76 in 2023.

Shifts in our gender pay data include:

- A slight reduction in the proportion of male to female ratio (25:75 in 2022 to 24:76 in 2023).
- Analysis of leavers during the 2022-23 year shows a male to female ratio of 25:75, which closely reflects the total FPRE ratios. The ratio of male: female leavers in employee: management roles also closely reflect total FPRE ratios.
- Analysis of new starters during the 2022-23 year shows a male to female ratio of 24:76. The ratio of males to females appointed to management roles is 36:64, which shows that the number of females appointed to management roles is considerably less than the total ratio of those appointed. The ratio of males to females appointed to employee roles is 20:80, which shows that females have been disproportionately appointed to lower grade roles than males.
- The greatest influencer on the changes in male: female total ratio's in 2023 is therefore the recruitment of a slightly greater ratio of females to males and the greater proportion of males into management roles. This also impacts negatively on the gender pay gap figures.

GENDER PAY GAP REPORT 2023

Next steps

Whilst we are making good progress, we cannot stand still. Strategies we will explore include:

- We will be introducing a recruitment module as part of the new HRIS which will enable us to introduce equality monitoring within recruitment, helping us to address the gender imbalance within our recruitment and selection processes.
- We are re-shaping our recruitment practices and developing our recruitment guidance. This will include strategies to breakdown gender barriers and to use gender neutral advertising campaigns.
- As part of our new system implementation and development we will be reviewing the use of new job advertisement boards with new tools being available to publish easily across a range of job sites.
- Introducing new quarterly KPI targets to include diversity data.
- Continuing to review our Flex ways of working and looking at inclusive recruitment strategies.
- Gathering information from our employee surveys and reviewing whether the employment proposition could be improved upon.
- A review of pay and reward framework is underway. The objective is to ensure a fair, open and transparent pay framework, which creates pay parity across the organisation whilst recognising external market influences and operates as an effective recruitment and retention tool, creating the foundations to build a compelling and attractive employment offer.
- Review of our Power of One, One Strength recognition scheme to identify and remove any potential gender bias whilst incorporating our values and behaviours.





Note on gender reporting

Gender pay gap reporting guidelines require us to report on the pay gap between men and women, meaning that reporting is unable to include data on other gender identities.

The data used for the calculation comes from Her Majesty's Revenue and Customs (HMRC) records, which we acknowledge won't have an accurate record of gender for many trans and non-binary people.


We are committed to continuing to take steps to create an inclusive culture for our trans and non-binary colleagues. For example, staff are able to record their gender identity (including non-binary identities) through our annual diversity data monitoring survey and we have introduced a pronouns section in our email signatures, enabling colleagues to share how they would like to be referred to.


We also continue to provide trans and non-binary inclusion resources to all staff.

For more information please visit our website [versusarthritis.org](https://www.versusarthritis.org)

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