

SCCL Gender Pay Gap Report

At 5 April 2024

1. Introduction

SCCL's aim is to create an environment where colleagues feel motivated to come to work and feel able to grow. We are committed to eliminating unlawful discrimination and promoting equality of opportunities for all SCCL colleagues. To that end, we respect diversity and will continue to promote a culture which allows each colleague to succeed regardless of any aspect of their identity. We aim to ensure that no job applicants, colleagues, contractors, or customers receive less favourable treatment on any grounds.

We are confident that our colleagues are rewarded equitably through several measures including:

- ✓ A Reward Framework with a consistent grading structure to support colleagues with effective career progression discussions by providing better visibility of development opportunities and career pathways.
- ✓ A transparent pay management policy that is consistently applied and regularly reviewed, offering salary range reflect the required experience, skills, and behaviours for the role.
- ✓ Annual 'progression' salary increases for eligible colleagues based on annual skills assessments against the requirements for their role.
- ✓ Ensuring that all salaries comply with national legislation and statutory entitlements.
- ✓ Annual salary review process encompassing a process to ensure consistency across the organisation.
- ✓ Job evaluation tool in place to support a fair and equitable pay structure based on the role requirements and no other characteristic.

2. Gender Pay Gap Reporting

The gender pay gap is a measure that shows the difference in average earnings (mean or median) between male colleagues and female colleagues across the organisation.

As SCCL is a limited company a snapshot date of 5 April 2024 has been used to report on the gender pay gap.

This report provides information on:

- **Mean gender pay gap in hourly pay** - calculated by adding together the hourly pay rates of all male or female full-pay relevant colleagues and dividing

this by the number of male or female colleagues. The gap is calculated by subtracting the results for female colleagues from results for male colleagues and dividing by the mean hourly rate for male colleagues. This number is multiplied by 100 to give a percentage.

- **Median gender pay gap in hourly pay** - The median gap is calculated by arranging the hourly pay rates of all male or female colleagues from highest to lowest and find the point that is in the middle of the range.
- **Mean bonus gender pay gap** – calculate both mean bonus payments for male and female colleagues. The gap is calculated by subtracting the mean bonus payment for female colleagues from the mean bonus payment for male colleagues and divide by the mean bonus payment for male colleagues. This number is multiplied by 100 to give a percentage.
- **Median bonus gender pay gap** – arranging the bonus payments of all male or female colleagues from highest to lowest and find the point that is in the middle of the range.
- **Number of colleagues receiving a bonus** - Proportion of male and female colleagues receiving a bonus payment and the proportion of male and female colleagues in each pay quartile

3. Our Gender Pay Gap Data

SCCL Gender Ratio

The below table provides the gender split of the organisation with the headcount included at the snapshot date in 2023/2024.

Gender	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Female	48.6%	55% (193)	56% (221)	54% (245)	55% (295)	59% (583)
Male	51.4 %	45% (159)	44% (176)	46% (213)	45% (367)	41% (413)

Mean Gender Pay Gap

The mean hourly rate is calculated for each colleague based on 'ordinary pay' which includes basic pay and any contractual allowances.

Gender	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Female	£19.71	£22.76	£18.54	£21.32	£23.60	£27.09
Male	£21.76	£23.20	£22.15	£24.69	£27.52	£30.07
Pay Gap (%)	9.42%	1.91%	11.7%	13.6%	14.3%	9.9%

Our mean gender pay gap has decreased to 9.9% compared to 14.3% in the previous year. This is below the national average of 13.2%.

Median Gender Pay Gap

The median hourly rate is calculated for each colleague based on “ordinary pay” which includes basic pay and any contractual allowances.

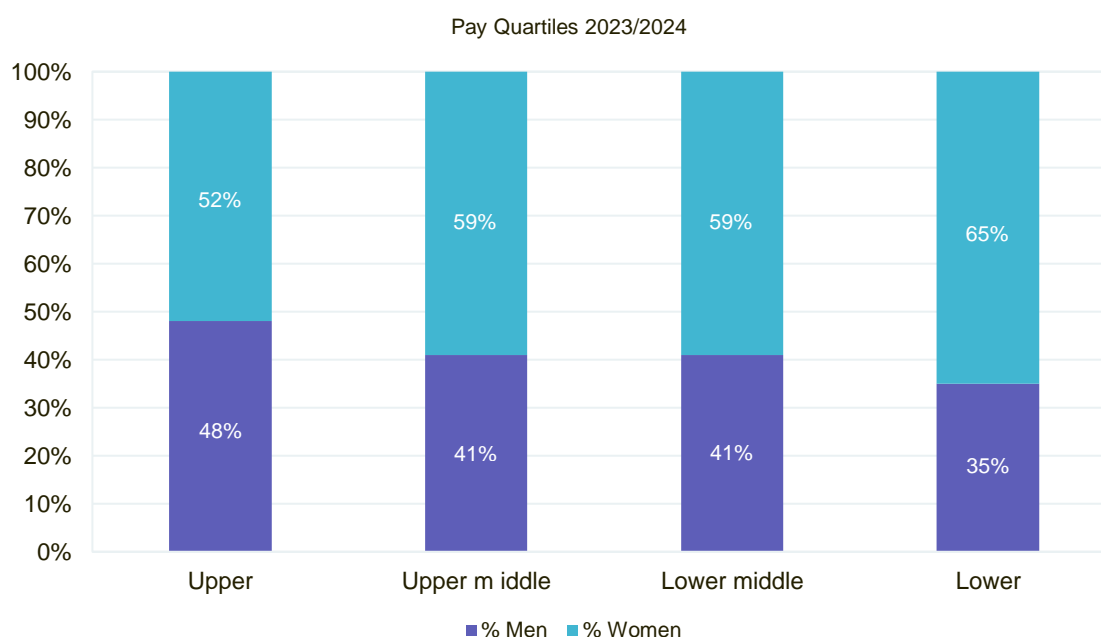
Gender	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Female	£18.13	£19.70	£16.67	£18.57	£21.10	£24.47
Male	£18.34	£19.78	£19.36	£20.89	£22.91	£26.00
Pay Gap (%)	1.15%	0.40%	13.9%	11%	7.9%	5.9%

Our median gender pay gap is 5.9% compared to 7.9% in the previous year. This is below the national average of 14.2% for 2024.

The rationale for the change in our mean and median gender pay gap is provided in the pay quartile analysis and section 6 of this report.

Quartile Analysis of hourly rates

The data below ranks our full-pay relevant colleagues from highest to lowest paid, divided this into four equal parts (quartiles) and then works out the percentage of male and female colleagues in each quartile.



The overall SCCL gender ratio is 41% male colleagues and 59% female colleagues. Both the upper middle and lower middle quartiles are representative of the overall organisational gender mix. The lower quartile has a percentage variance between male and female colleagues of 30%, with the upper quartile showing only a slight variance of 4%.

Like previous years, there is a higher concentration of female colleagues compared to male colleagues in the lower quartile. The balance of male and female colleagues in the upper quartile is now closer to the overall organisational mix, showing progress is being made.

We have seen some changes compared to last year:

- In the lower quartile, the proportion of female colleagues has increased from 61% to 65%.
- In the lower middle quartile, the proportion of female colleagues has increased from 55% to 59%.
- In the upper middle quartile, the proportion of female colleagues has decreased from 62% to 59%.
- In the upper quartile, the proportion of female colleagues has increased from 43% to 52%.

Bonus Pay Gap

This data outlines the gender pay gap in relation to bonus payments in the preceding 12 months of the “snapshot date” and outlines the percentage of male and female colleagues who received a bonus payment.

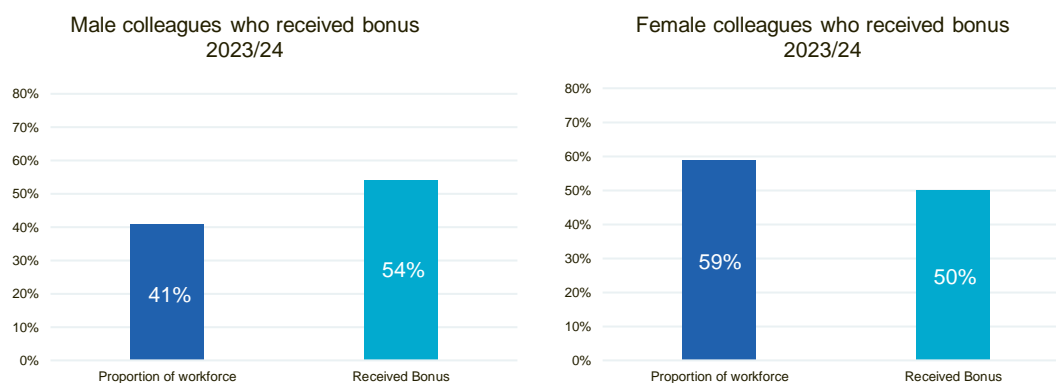
Mean Bonus Pay Gender Pay Gap

Gender	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Female	£1,136.92	£3465.18	£3496.19	£2,871.77	£3,524.63
Male	£992.89	£4560.29	£4424.32	£3,672.06	£4,163.72
Pay Gap (%)	-14.50%	24%	21%	21.8%	15.4%

Median Bonus Pay Gender Pay Gap

Gender	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Female	£778.39	£2457.50	£2401.09	£1,990.69	£2,590.00
Male	£737.69	£2873.67	£2873.67	£2,322.51	£2,680.65
Pay Gap (%)	-5.50%	14.5%	16%	14.3%	3.4%

Male and Female colleagues in receipt of a bonus payment



In the 12 months preceding to the “snapshot date”, 54% of the male population and 50% of the female population received a bonus. Though the proportion of male colleagues compared to female colleagues receiving a bonus had a small variance of 4%, both the male mean and median bonus payment was higher than female.

An annual performance-related bonus scheme was introduced in April 2019, which is applicable to all colleagues, except for those on protected Agenda for Change terms and conditions (~64 employees). There is also an eligibility criterion within the bonus scheme rules and colleagues who did not meet the criteria will not have received a bonus payment. We are confident that we have a fair and robust bonus scheme in place that does not discriminate between male and female colleagues.

4. How does SCCL Compare?

Sector	Mean		Median	
	2023	2024	2023	2024
Public	13%	12.9%	14.2%	13.5%
Private	15.3%	16%	19%	18.3%
National	13.2%	13.8%	14.2%	13.1%
SCCL	14.3%	9.9%	7.9%	5.9%

According to the latest Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) 2024, the gender pay gap (median) for all employees across the economy decreased to 13.1% in 2024 from 14.2% in 2023.

The public sector mean gender pay gap for all employees is reported as 12.9% and a median gender pay gap of 13.5%. The mean has decreased from 13% in 2023, and the median gap decreased from 14.2% in 2023.

The private sector mean gender pay gap for all employees is reported as 16% and median gender pay gap as 19%. The mean has increased from 15.3% in 2023, and the median pay gap has also increased from 18.9% in 2023.

The SCCL mean and median gender pay gaps are now below the economy, public and private sector averages for 2024.

5. What have we done so far?

We’re taking a range of actions to continue to close our gender pay gap, specifically focussing on creating an equitable and inclusive workplace where diversity is not only valued but celebrated.

Our actions fall into 3 key areas:

1. Creating and support an inclusive culture
2. Evolving and maintaining a diverse workforce
3. Leadership commitment

Creating and supporting an inclusive culture

We are committed to creating an inclusive culture where people are treated fairly so we can encourage and retain diverse talent at all levels of our organisation.

We have:

- conducted an annual survey to give us insights into what our people think, help inform our decisions and take action to meet our cultural ambition.
- continued to review our pay and ensure all our roles meet the Real Living Wage as a minimum.
- embedded a Listening Strategy to amplify colleague voice and ensure feedback is understood and acted upon.
- introduced colleague networks (including a Women's Network) to better understand the different lived experiences of our people and help drive equity and inclusion for all.
- continued to make SCCL a menopause inclusive workplace by creating opportunities to share lived experiences, upskill managers and support people impacted by the menopause.

We will:

- evolve our Equity, Diversity and Inclusion Strategy and implement a new People Strategy to ensure our focus supports our culture ambitions and business plan, creating an environment where everyone can thrive.
- introduce Wellbeing Champions to listen to colleagues, champion and improve mental health and wellbeing at SCCL.
- collaboratively refresh our values to ensure they reflect those of our people and our One NHS Supply Chain culture ambition.

Evolving and maintaining a diverse workforce

We will make our practices more inclusive to attract a pipeline of diverse talent and provide fair development opportunities to actively grow and retain diverse talent at all levels of our organisation.

We have:

- implemented of a refreshed reward framework to ensure fair, equitable and transparent pay for our colleagues and to support in talent attraction across diverse groups.
- created a Hybrid Working policy and continued to offer hybrid and flexible working opportunities to attract a diverse set of candidates and support our commitment to valuing wellbeing and work-life balance.
- continued to provide support for colleagues prior to, during and on return of maternity leave in particular offering enhanced maternity pay to encourage women to take time off without being at a financial detriment and encouraging women to return to work following their leave.
- reviewed our recruitment and attraction processes to ensure they are fair, inclusive and eliminate bias, including the use of structured, skills-based interviews, mandatory hiring manager training and enhancing our data capture process throughout the candidate experience.
- reviewed and improved our work experience programme to ensure we are creating opportunities for a diverse range of people and have a positive impact across our local communities.

We will:

- implement a collaborative working framework to support colleagues in making the best of their hybrid working arrangements whilst maintaining flexibility and work-life balance.
- continue to improve our diversity data reporting to better understand our diverse workforce, including an ambition to reach 75% disclosure of diversity information.
- welcome 24 new colleagues onto our Graduate Scheme to support and grow the next generation of diverse talent.
- introduce inclusive hiring panel members who are available to support hiring managers during interviews to help eliminate bias and create a more inclusive candidate experience.

Leadership commitment

Our leaders are committed to leading by example through their behaviours and will role model our values to support the development of our inclusive culture and support the progression of diverse talent.

We have:

- introduced values-led behaviours and skills-based performance and recruitment assessments (Success Profiles) to reduce the chance for unconscious bias in our recruitment and progression processes.
- introduced Executive Sponsors for all our colleague networks to help champion our work to improve equity, diversity, and inclusion.
- introduced a level 5 Women in Leadership apprenticeship programme, aimed at supporting emerging female leaders to gain the skills and confidence they need to move into senior leadership roles.
- encouraged the next generation of female leaders through our early careers programme.
- embedded inclusive leadership principles into our leadership development programmes.

We will:

- develop an ongoing learning programme to equip our People Managers with the knowledge, skills, and behaviours needed to help develop our people to be the best they can be in line with the Growing for the Future pillar of the People Strategy.
- provide opportunities to listen to and act on colleague feedback to improve colleague engagement, driving sustained action through corporate, directorate and team action plans.

6. Conclusion

We are pleased with the decrease in both the mean and median pay gap and a significant decrease in our mean bonus pay gap. This is a positive indicator that the measures we have implemented are making a difference. However, we acknowledge that there is still room for improvement and will continue to strengthen our focus on eliminating pay gaps at SCCL.

SCCL has continued to grow as an organisation in line with our target operating model ambition, with 370 colleagues joining SCCL from CPP, Akeso, HST and DHL in 2023. Achieving equity across pay for colleagues is a key enabler to this ambition.

As a result of growth to date we have seen a 9% increase in female colleagues in the upper quartile.

We will continue to take action to improve our pay quartile demographics and explore best practice across the sector and beyond. Particularly to increase male representation in the lower quartile where we have the greatest variance. Our new reward framework sought to unify colleagues onto one pay framework with consistent principles that over time will alleviate pay discrepancies. We have seen that this has made a positive impact by reducing our gender pay gap in its first year of implementation.

Although we are now below the national and sector averages, we remain committed to our focus on delivering the range of activities over the next 12 months that will support in further reducing our gender pay gap and bonus pay gaps.

Prepared By: Alice Kershaw, People Partner - ED&I
Beth Ridyard, Reward Manager
Kim Camm, Payroll Lead

Executive Team member: Lorraine Nicholls, People and Engagement
Executive Director

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