



**McCarthy & Stone**

— Retirement living to the full —

# 2019 GENDER PAY GAP REPORT



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**John Tonkiss**  
Chief Executive Officer

**Declaration:** I confirm that the information and data provided in this report is accurate and in line with the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



**At McCarthy & Stone we recognise that equality, diversity and inclusion in the workplace is good management practice and makes sound business sense.**

We want everyone to feel that they belong and thrive in our organisation as we work towards our ultimate purpose of creating communities that enrich the quality of life of our customers and their families.

We aim to be an inclusive organisation, where difference and diversity are valued. We want to ensure that everyone has an equal opportunity for recognition, reward and career development. We are confident that we operate equal pay at McCarthy & Stone and have robust processes in place to ensure this. However, we recognise that we continue to have a gender pay gap which needs to be addressed over time, both within our business, and the construction industry as a whole.

A gender pay gap can arise from many different factors. Whilst we have broadly similar numbers of male and female employees in the development business, there are also inherent challenges within the housebuilding sector which are not unique to our business, and these play a key role in our ongoing gender pay gap. For example, if gender were represented equally by job level, our mean hourly pay gap of 39.4% would reduce by 88% to 4.7% and our mean bonus gap would disappear altogether.

We are committed to addressing the gender pay gap to the best of our ability and to drive a better, more balanced and more diverse business. We believe the best routes to this are through encouraging and promoting talent, with a particular focus on females; continuing to work to attract more women into the sector and addressing the overall diversity of our workforce. We are pleased to see the continuing progress we have made in bringing more women into senior management roles in the last five years (see page 8), but recognise that there remains more to be done to deliver better business and workforce diversity in all areas.

We welcome the ongoing requirement to report on our gender pay gap and the gender profile of our employees, and will strive to ensure that our business attracts a broad and diverse range of employees; to provide an attractive and inclusive working environment in which everyone feels a sense of belonging; and to work together to create communities that enrich the quality of life of our customers and their families.

# WHAT IS THE GENDER PAY GAP?



## Background to Gender Pay Reporting

The gender pay gap legislation requires all companies with more than 250 employees to report their data against six key metrics:

- Mean hourly gender pay gap
- Median hourly gender pay gap
- Mean gender bonus gap
- Median gender bonus gap
- Proportion of male and female employees who received a bonus
- Proportion of male and female employees in quartile pay bands

At 5 April 2019, McCarthy & Stone had three separate employing entities covered by this legislation: McCarthy & Stone Retirement Lifestyles Limited, which employed 733 people; McCarthy & Stone Management Services Limited, which employed 408 people; and YourLife Management Services Limited, which employed 1,179 people. The remaining 130 people were employed in other entities not covered by the legislation, for example, McCarthy & Stone (Developments) Limited, which employed most of our Head Office and support functions and which represented 5.3% of the total workforce.



# OUR GENDER PAY REPORTING



In this report we have again gone a step further than the regulatory requirements and have taken the opportunity to publish aggregated gender pay data across all group companies except YourLife Management Service Limited, whose payroll was administered at the snapshot date by our former joint venture partner, Somerset Care.

We believe this approach better represents our wider employee population and helps us to understand pay and diversity across our organisation as a whole. Separate disclosures by the three entities required to report are detailed in the final pages of this report.

All figures in this report relate to a snapshot of our business at 5 April 2019 for the pay gap and the 12 months prior to that date for the bonus gap.



**Equal pay is different from the Gender Pay Gap and it's important to understand the difference**

## Gender pay gap

The gender pay gap is the difference between average male and female pay across an organisation calculated in line with the regulations, regardless of the nature of work.

## Equal Pay

Equal pay means that men and women performing equal work should receive equal pay. This is a legal requirement.



# OUR 2019 FINDINGS

## McCarthy & Stone group mean and median gender pay gap

This table shows the McCarthy & Stone group mean and median hourly pay gaps (based on April 2019 payroll data), as well as our mean and median bonus gaps (based on bonus and commission data from 6 April 2018 to 5 April 2019).

The McCarthy & Stone Group is made up of the following employing entities:

- McCarthy & Stone (Developments) Limited
- McCarthy & Stone Retirement Lifestyles Limited
- McCarthy & Stone Plc
- McCarthy & Stone Management Services Limited

This data excludes YourLife Management Services Limited.

	Mean	Element due to gender mix	Remaining (excluding elements due to gender mix)	Median
Hourly pay	39.4% (34.7%)	34.7% (30.4%)	4.7% (4.3%)	43.6% (37.4%)
Bonus	15.7% (27.0%)	30.4% (32.6%)	-14.7%* (-5.6%*)	73.6% (67.2%)

\*A minus figure means that if gender mix is removed, women earned more bonus and commission than men

NOTE: 2018 figures shown in brackets

### Definitions

The data shows our mean and median hourly pay gaps (based on April 2019 payroll data), as well as our mean and median bonus and commission data gaps (based on bonus data from 6 April 2018 to 5 April 2019).

**Mean:** The mean calculation considers basic average pay/bonus across all of our employees.

**Median:** The median calculation focuses on those employees in the middle of pay/bonus ranges, thereby reducing the impact of our highest and lowest paid employees.

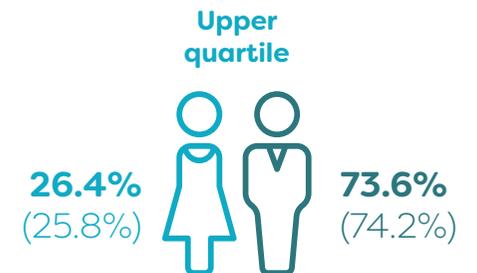
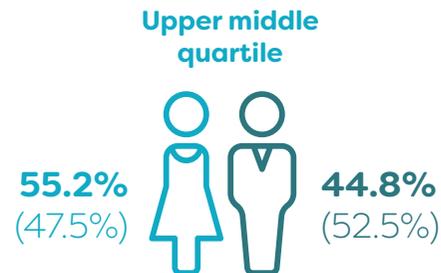
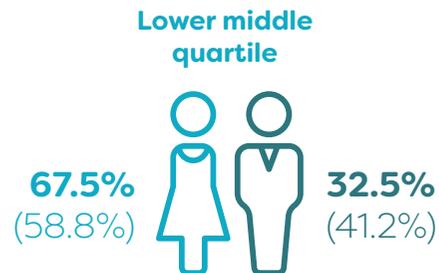
**Element due to gender mix:** This is the amount of gender pay gap which is due to there being higher number of men or women in a particular job role or job level.

# OUR 2019 FINDINGS

## Proportion of male and female employees in each pay quartile

These charts show the gender makeup of the McCarthy & Stone group workforce in each of our salary “quartiles”.

Quartiles are calculated by ordering the hourly rates of pay for each employee across the business from lowest to highest, splitting the list into four equal-sized groups (quartiles), then calculating the percentage of males and females in each quartile.



NOTE: 2018 figures shown in brackets

## Proportion of employees receiving a bonus

Across all McCarthy & Stone group employees, 88.3% of men (84%) and 85.3% (78.2%) received a bonus or commission payment in the 12 months prior to April 2019.



Note: 2018 figures shown in brackets



## WHAT DOES OUR GENDER PAY GAP MEAN AND HOW HAS IT CHANGED, COMPARED WITH 2018?

At the snapshot date in April 2019, we had 1,271 relevant employees in the McCarthy & Stone group\* The workforce in this group was 43.7% male and 56.3% female (48.5% and 51.5% respectively in 2018).

The quartile report shows that we have proportionally more women in the lower paid quartiles and fewer in the higher paid quartiles, which are primarily made up of senior managers and directors. The ratio of women to men in the overall workforce has increased since the 2018 report. There has been a small increase in the number of females in the lower middle and upper middle quartiles since 2018 (+8.7% and +7.7% respectively), evidencing some of the ongoing improvements which are shown on page eight of this report. There has also been a small but important increase in the number of female senior managers and directors (+0.6%) in the upper quartile, but these improvements have not yet flowed through to our gender pay gap figures.

Our 2019 mean hourly pay gap is 39.4%, compared with 34.7% in 2018 and our median pay gap is 43.6%, compared with 37.4% in 2018. This continues to reflect the fact that we have a higher proportion of males in more senior roles, where pay is higher as well as some recent senior male hires. However, if each gender were to be reported equally by job level, our mean pay gap would reduce to 4.7% (4.3% in 2018).

Our 2019 mean bonus gap is 15.7%, compared with 27% in 2018. However, if each gender were reported equally, our mean bonus gap would disappear altogether and become 14.7% in favour of females (5.6% in favour of females in 2018). Conversely, our 2019 median bonus gap has increased from 67.2% in 2018 to 73.6% in 2019, which reflects the higher number of males in senior roles.

Our operating model also has an impact on our pay and bonus gaps. McCarthy & Stone is different from most of the major housebuilders in that the majority of our site-based construction and trade workers, who are predominantly male and at the lower end of the pay range, are sub-contractors and are therefore not included in the data.

\* In the same period YourLife Management Services Limited employed 1,179 relevant employees, of whom 7.5% were male and 92.5% were female (respectively 6.6% and 93.4% in 2018).to



**Paula Jordan**  
Group HR Director

***“Our people are the life-blood of our organisation. We aim to attract and retain the best people by investing in their development and success, promoting from within whenever possible and creating a great place to work, built upon strong foundations of trust, honesty and inclusion.*”**

## WHAT WE ARE DOING



**We continue to be confident that our pay and bonus gaps, where they occur, are based on the distribution of men and women across the different levels of our business and not because of our pay policies, which are robust, fair and consistent.**

We already have a broadly even gender balance across the McCarthy & Stone group (excluding YLMS) and continue to take action to increase the representation of women at senior levels in the organisation, as the charts on page 8 show.

In the period from January 2016 to January 2020, the proportion of women in director roles increased from 15.3% to 26.9% and in senior management roles from 17.8% to 29.6%. The comparative figures reported in 2018 were 19.8% and 21.1% respectively. However, we recognise that we have more work to do to address the gender pay gap. These are some examples of what we are doing:

- Our Management Development Programme for aspiring managers continued throughout 2019.
- Our FY20 succession and talent plan, whilst open to all, has a particular focus on identifying and growing female talent.
- We have implemented an enhanced maternity and parental leave policy.
- We have implemented a mandatory equality and diversity training programme focusing on respect at work and raising awareness of unconscious bias.
- Our senior women have objectives to support and mentor their more junior colleagues
- Nigel Turner, our equality and diversity champion, has held a series of diversity and inclusion listening groups across the business to identify key themes, ideas and actions
- We continue to work with the Home Builders Federation, CITB and other housebuilders to improve the image of the construction industry in order to attract a more diverse range of candidates.
- Through our FY20 apprentice programme, we will aim to bring more female rising talent into the business.



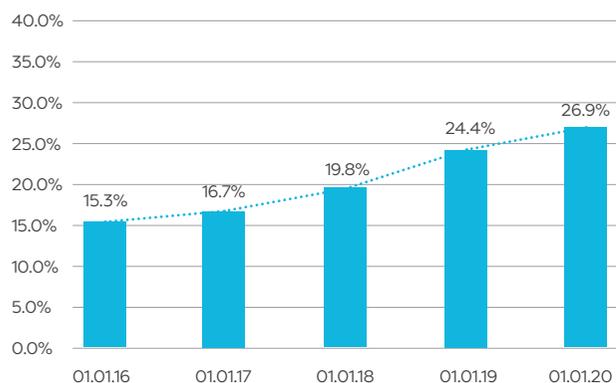
**Nigel Turner**  
Chief Operating Officer - Build

***“I am proud to be our first Equality & Diversity Champion. I am working with everyone within McCarthy & Stone and across the wider construction industry to help create a more balanced business. We are not only increasing the number of women in senior roles, but are also working to create a stronger culture of diversity and acceptance for everyone, so that all of our employees can bring their whole self, and their best self, to work every day.”***

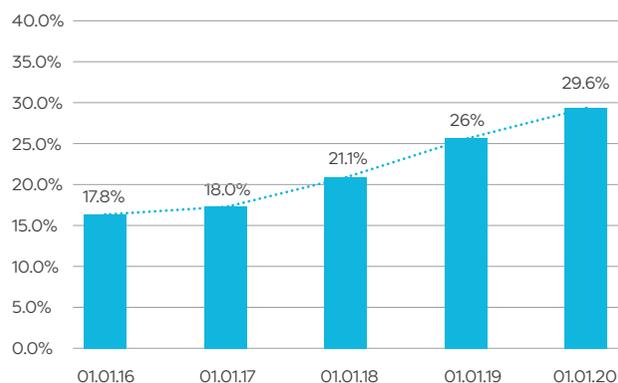


# OUR PROGRESS

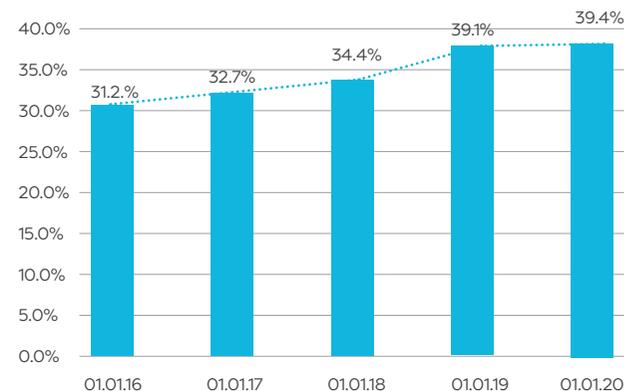
## Proportion of women in director roles



## Proportion of women in senior manager roles



## Proportion of women in mid management roles



The number of women in director, senior management and mid-management roles has been growing steadily year-on-year since January 2016 when our programme began, through a combination of internal promotions and external appointments. We continue to invest in developing the management and leadership capability of all of our people through our iLearn platform with tailored modules available to support our female rising talent, supported by mentoring and coaching.

At our last succession planning and talent review, 42% of our rising talent pool was female.

## SOME OF OUR SUCCESS STORIES



“As McCarthy & Stone’s first female CFO I have been delighted over the last year to see more women move into senior management roles. Their appointments reflect our ongoing commitment to create a fair and transparent workplace, with a culture that values and champions diversity. We want all employees to have the opportunity to rise up through the organisation based on merit and fulfil their potential.”

**Rowan Baker**  
Chief Financial Officer



“I have been at McCarthy & Stone for over 3 years and it is fantastic to see more senior women across our organisation. It is an exciting time for us as we work to improve opportunities across all diversities and put in place initiatives to build a rounded employee proposition which supports inclusivity and excellence.”

**Tracey McDermott**  
Chief Technology Officer

## SOME OF OUR SUCCESS STORIES



“I joined McCarthy & Stone in 2019 after accepting the opportunity to support a new rental proposition for the group. I was reassured and encouraged to see so many women in management positions across the group and Women’s networking and mentoring groups being established. The company really encourages progression through coaching, training and opportunity and I personally appreciate the opportunity to mentor others, supporting them on their personal career journey.”

**Alison Nunez**  
Director of Multi-Tenure



“Since joining McCarthy & Stone in 2017, I have enjoyed my role as Assistant Site Manager on various sites and have felt incredibly supported. During my employment I have successfully passed the NVQ Level 6 in Construction Management with the company’s assistance and they have supported my ongoing development with training courses including the Site Manager Safety Training Scheme, Scaffold Inspection, First Aid and Crane Supervisor. I look forward to a long career with McCarthy and Stone and hope to become the first female Site Manager in the Midlands Division.”

**Lexi Kirby**  
Assistant Site Manager



“I have been with the business for almost one year and in this time, I’ve benefitted from the support and friendship of some incredible women – many of whom are leaders of this business and actively promote a diverse work culture. Not only am I delighted to be surrounded by them, but I think what we do at McCarthy & Stone has opened my eyes to older women with incredible life stories who can sadly become a little invisible in today’s media. It’s my priority in the months and years to come to do more to showcase them.”

**Miruna Constantinescu**  
National Marketing Director



# STATUTORY DISCLOSURE

## MCCARTHY & STONE RETIREMENT LIFESTYLES LIMITED

McCarthy & Stone Retirement Lifestyles (RL) employs 733 people, 29.9% of our total workforce of 2,450 at the snapshot date. Of these, 409 (55.8%) were male and 324 (44.2%) were female. McCarthy & Stone Retirement Lifestyles is our main divisional development and sales operating business.

Mean hourly pay gap	<b>26.8%</b> (24.3%)
Median hourly pay gap	<b>29.8%</b> (28.1%)
Mean bonus gap	<b>-37.46%*</b> (-10.6%)*
Median bonus gap	<b>-91.37%*</b> (-46.7%)*

\*A minus figure means that women earned more mean and median bonus and commission than men

### Proportion of employees receiving a bonus



Note: 2018 figures shown in brackets

### Quartile pay bands



Note: 2018 figures shown in brackets



# STATUTORY DISCLOSURE

## MCCARTHY & STONE RETIREMENT LIFESTYLES LIMITED

McCarthy & Stone Management Services (MSMS) employs 408 people, 16.1% of our total workforce of 2,450 at the snapshot date. Of these, 321 (78.7%) were female and 87 (21.3%) were male. McCarthy & Stone Management Services is the area of our business that looks after the day-to-day operations and provision of lifestyle services in our Retirement Living developments.

Mean hourly pay gap	<b>19.9%</b> (19.5%)
Median hourly pay gap	<b>3.6%</b> (5.6%)
Mean bonus gap	<b>50.6%</b> (53.8%)
Median bonus gap	<b>37.5%</b> (0.0%)

### Proportion of employees receiving a bonus



Note: 2018 figures shown in brackets

### Quartile pay bands



Note: 2018 figures shown in brackets



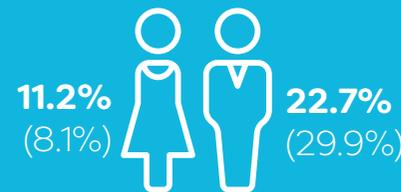
# STATUTORY DISCLOSURE

## YOURLIFE MANAGEMENT SERVICES LTD

YourLife Management Services (YLMS) employs 1179 people, 48.1% of our total workforce of 2,450 at the snapshot date. Of these, 1,091 (92.5%) were female and 88 (7.5%) were male. This is the area of our business that looks after the day-to-day operations and provision of lifestyle services in our Retirement Living Plus developments.

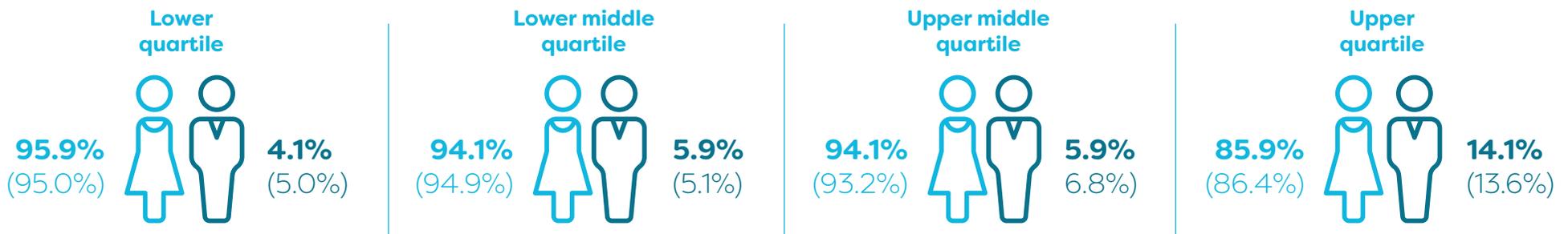
Mean hourly pay gap	<b>18.5%</b> (17.7%)
Median hourly pay gap	<b>3.9%</b> (4.7%)
Mean bonus gap	<b>50.0%</b> (42.6%)
Median bonus gap	<b>26.9%</b> (41.9%)

### Proportion of employees receiving a bonus



Note: 2018 figures shown in brackets

### Quartile pay bands



Note: 2018 figures shown in brackets