Gender Pay Gap Report

2022

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Our Commitment

We are proud to have a clear commitment to diversity and inclusion and to becoming a truly inclusive organisation, where everyone is valued for their contribution. This is consistent with our core values and desire to promote the Royal British Legion (RBL) as a great place to work. Bringing people together is core to Remembrance and to our mission. As the Armed Forces community and society continue to evolve, we need to evolve too. We strive to become a more inclusive and diverse organisation, not least so that we can best serve the needs of the entire Armed Forces community we are here to support. We published our first D&I (Diversity & Inclusion) Action Plan in Spring 2022 to help set the framework for this agenda.

Gender Pay Gap (GPG) reporting is a legal requirement for all organisations employing over 250 people. Gender pay reporting identifies any gap between men and women's average pay and enables organisations to outline their plans for addressing this. RBL embraces this as part of our commitment to diversity and inclusion, and to improving our pay offer and transparency over how pay is set.

The existence of a gender pay gap does not represent an issue of equal pay, the requirement to pay men and women (who do the same or similar jobs, or work of equal value) equally. Gender pay gaps demonstrate the existence of structural inequity in the average pay of men and women in an organisation usually driven by over- and under-representation of the two groups in different roles and pay levels within the organisation. We are committed to our legal responsibility to ensure equal pay, as well as our moral responsibility to reduce structural gender pay gaps within our workforce.



The Royal British Legion and its constituent parts

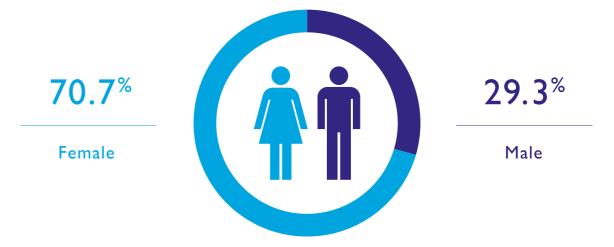


Figure 1: All Full Pay Relevant (FRP) employees, April 2022

The Royal British Legion (RBL) is a large, complex organisation which delivers a wide range of welfare, care and recovery services to beneficiaries, including running six care homes, in addition to campaigning, supporting our members, raising funds and leading Remembrance on behalf of the nation.

RBL had 1380 Full Pay Relevant (FPR) employees on 5th April 2022, of whom 641 work in our care homes. Overall, we had a much higher number of women employees than men: 70.7% of all employees were women. This imbalance is common within the charitable sector and is also, for us, reflective of the higher number of women that work in the care sector.

While we are required to report on our Gender Pay Gap at RBL as a single legal entity, as part of our commitment to improving pay transparency, we have also analysed our data for our care homes staff separately from our other corporate roles (comprising of Welfare Services and Grants, Membership, Fundraising, Remembrance and the various corporate professional functions). This allows us to consider the gender pay gap for these two different areas, because the market for many front-line roles within the care sector is lower than those in the "technical" or "commercial" roles in other parts of the organisation.

Quartile Split

For our formal gender pay gap reporting, we are asked to split our employees into four groups (quartiles) by hourly rate. Within these quartiles, the balance between men and women in RBL is shown in the table below:

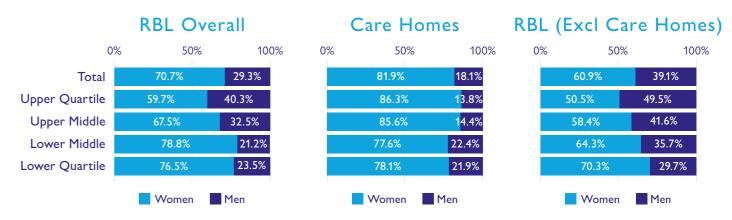


Table 1: Quartile split of all FPR employees, April 2022

While the proportion of women overall in our upper quartile has increased from 55.1% in 2018 to 59.7% in 2022, we recognise that, in our corporate grades, the proportion of women in our upper quartile has decreased from 2021.

Our Gender Pay Gap

If you line up all the men and women working in an organisation in two separate lines in order of hourly pay rate, the median pay gap will be the difference between the hourly rate of the woman in the middle of their line and the man in the middle of theirs. The mean gender pay gap is the difference between the average hourly earnings of men and of women.

Our Gender Pay Gap has fluctuated over the last five years, during which time we have implemented a new Pay & Reward framework and improved our approach to sick pay that reduced the number of lower paid staff who were excluded from previous reports as not "full pay relevant."

Our Gender Pay Gap now sits at 15.4% median and 17.2% mean, our lowest Gender Pay Gap since we began reporting

This is a primarily as a result of the introduction of a new approach to pay progression which was launched in April 2022 and directly impacted on our data as of 5th April 2022. This new approach has particularly benefited our care homes staff, as we seek to position ourselves within the upper quartile of the market for the care sector.

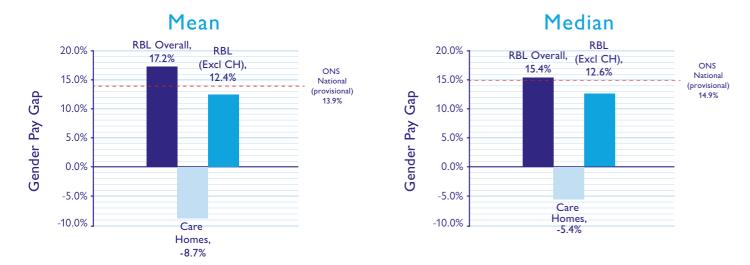


Figure 2: Our 2022 Gender Pay Gap in care homes and in corporate grades

When we split out our care homes and our corporate roles and consider them separately, both show gender pay gaps lower than the UK national values (provisional) for median and mean GPG.

Within our care homes, both our median and mean (average) gender pay gaps are negative, indicating that on average women are paid more than men because more senior roles are occupied by women. Over the last year we have taken steps to improve pay in our care homes including the introduction of the new pay structure in April 2022, which resulted in an overall average increase of around 7.0% (including a 3% uplift of all salaries in January 2022).

Within our corporate grades, while we are below the UK national averages with a gap of 12.6% (median) and 12.4% (mean), we recognise that we need to take clear actions to address this gender pay gap.

What are we doing - our Gender Pay Gap Action Plan

We are committed to reducing our gender pay gap for our corporate grades. We know this may take some time and in order to do this, we have set out three priorities:

- Ensuring our pay and reward framework continues to reflect our ambition to be an inclusive employer of choice
- Monitoring pay progression across RBL.
- Improving opportunities and support for women in senior roles within RBL.

Priority 1: Ensuring our pay and reward framework continues to reflect our ambition to be an inclusive employer of choice

We introduced our new Pay and Grade Framework in January 2021 and continued to make improvements to this in April 2022. Our new framework improves pay transparency and enables us to monitor the internal equity of pay between different roles more closely. During the year, we undertake benchmarking to ensure our approach is relevant and our annual pay award in April is influenced by reference to external salary surveys.

During 2023 we will:

- Continue to ensure our pay and reward framework in our care homes reflects above market conditions so that we are an employer of choice for those seeking a career in this sector. This will continue to have a positive impact on the average pay of women within our workforce.
- Undertake a review of our benefits offering to ensure we continue to improve the overall value of our benefits package.
- Build on our work to become a Disability Confident Employer to ensure our recruitment processes are fully inclusive and free from bias.
- Continue to develop our candidate proposition, engaging effectively with our external audiences and communicating our inclusion agenda; this includes providing encouragement and focus on women joining us, particularly at senior levels.

Priority 2: Monitoring pay progression across RBL

We have undertaken initial analysis of the interaction of different and complex factors that sit behind our corporate gender pay gap and have looked at data that may help us understand the influence of some of these factors.

During 2023 we will:

- Undertake further analysis on starting salaries for both men and women to provide insight on actions we can take during recruitment to ensure equity in approach.
- Understand the role of internal progression in the development of our senior leadership group, particularly understanding women's career paths, using this to explore the career pathways and routes we can build across RBL.

Priority 3: Improving opportunities and support for women in senior roles

We have supported the development of new staff networks across RBL Group, including our new Women's Network and Carers' Network, to empower colleagues to contribute ideas to help solve some of the barriers experienced by under-represented and disadvantaged groups. We have developed a learning programme for all our people managers around the menopause. As part of our commitment to hybrid working, we have implemented a framework that provides a clear rationale for where all roles are based (at site, in a hub or at home) and provide clarity on where roles are based and clear expectations around in-person attendance.

During 2023 we will:

- Develop our women leaders through the launch of our Directors' leadership programme with a focus on an inclusive approach to leadership.
- Build on our menopause work to develop our approach to supporting staff during key life events, such as pregnancy loss, fertility treatment, and wider health related events requiring paid leave such as cancer treatment or gender reassignment.
- Through our new staff engagement survey in Spring 2023, specifically review the differences in engagement between men and women on a number of indicators including career development, our approach to inclusivity and support for tackling discrimination and harassment.
- As part of developments on our grievance procedure, ensure our people managers are coached and equipped with the skills and confidence to have inclusive conversations.
- Plan a new campaign to promote flexible working, adopting the new government requirements for flexible working before they are enshrined in law. This will provide RBL staff regardless of gender with greater ability to manage work alongside other commitments. Following a pilot of a 9-day fortnight flexible working as default for two of our People Teams, we hope to role this model out to other teams throughout our organisation.
- Continue to align our people policies and working practices to support RBL's culture and drive the commitment to an inclusive people strategy.

Our Gender Pay Gap report was created in accordance with government guidelines as defined by the Advisory, Conciliation and Arbitration Service, (ACAS).

This report is based on the snapshot date of 5th April 2022.

I confirm that the data reported is accurate.

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Karen GillExecutive Director: People & Organisational Development

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Appendix: Royal British Legion Statutory data

In accordance with our statutory obligations, we have filed the following data with the Government Equalities Office for the Royal British Legion for the year ended 5th April 2022:

Median Hourly Pay Gap: 15.4%

Mean Hourly Pay Gap: 17.2%

Quartile Composition (against overall FPR workforce of Men: 29.3% / Women: 70.7%):

	Lower	Lower Mid	Upper Mid	Upper
Men	23.5%	21.2%	32.5%	40.3%
Women	76.5%	78.8%	67.5%	59.7%

Median Bonus Pay Gap: **0%**

Mean Bonus Pay Gap: -62.9%

People receiving a bonus Men: 29.1% / Women: 50.7%

Our Bonus Pay Gap shows that women receive the same median bonus payments and higher mean bonus payments than men.

"Bonus" data includes long service awards and recognition vouchers with a monetary value.

The number of employees receiving a "bonus" payment increased considerably this year.

This was driven by two main factors:

- Payment of £20 vouchers (instead of a contribution to a Christmas meal) in many parts of RBL this was the median payment for both men and women.
- Payment of retention bonuses via RBL payroll to care home staff (in two RBL homes) by their county councils (values £250 and £320 FTE respectively) which drove the significantly higher mean bonus gap as over 90% of these payments were paid to women.

The table below shows how RBL values have changed over time and how this compares with UK National median values:

	2018	2019	2020	2021	2022
Median pay gap	18.5%	21.2%	18.9%	19.3%	15.4%
Mean pay gap	19.8%	21.1%	18.7%	19.5%	17.2%
UK National median (ONS)	17.8%	17.4%	14.9%	15.1%	14.9%
UK National mean (ONS)	17.2%	16.3%	13.9%	14.9%	13.9%

ONS (Office of National Statistics) data for 2022 is still provisional at this time.

This data does not cover employees of the National Memorial Arboretum, or Poppyscotland, which are wholly owned subsidiaries of the RBL and do not employ more than 250 people and for which we are therefore not required to report.

