



**Reporting the
UK Gender Pay Gap**

Our analysis | April 2017

What is the gender pay gap?

The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation. Reporting on the gap is a legal requirement in the UK.



At Barnett Waddingham, our ambition is to be a successful business, providing high quality independent solutions to help our clients understand and manage their financial risks and business uncertainties.

⋮ We are driven by the core belief that our people are the lifeblood of our business. They have the ability to add value to our clients and to ensure success for the firm in the long-term.

By harnessing a truly diverse and inclusive culture, we believe this will act as an enabler for our people to flourish and grow.

The best teams are those of high challenge and high support. We can only achieve this if we embrace the skills that women can bring to our business. Equality of pay across genders has always been important to us, but the work on gender pay challenges whether we can do more to ensure everyone has the same opportunities to progress to senior roles.

⋮ Women currently make up 29% of leadership and senior management roles.

In this report, we provide our gender pay gap information; identify the causes and outline the actions we are taking to ensure we support women in their career choices. These include the development of smart working, tailored development and on-boarding when returning from a substantial period of leave.

We are committed to continue to deliver opportunities for women to ensure Barnett Waddingham is a place where women want to join and where they thrive equally with their colleagues, based on their choice and merit, and not on any unconscious bias.



JANE GALVIN
Partner and Chief Operating Officer

About us

We are proud to be a leading independent UK consultancy at the forefront of risk, pensions, investment and insurance.

From small beginnings with just 20 people, our total headcount is now over 1,000 (including 68 partners and 99 associates) – with offices in eight locations around the UK. We act for a wide range of clients, large and small, in both the private and public sectors including 15% of FTSE350 firms with a defined benefit pension scheme. Initially the firm provided actuarial consultancy only, and we have worked hard to diversify our services, bringing in employees with different skills to enhance our offering.

We continue to grow through referrals from professional contacts and our existing clients. Our primary focus is to continue to provide the personal, quality, tailored approach that has made us successful and has led to our high level of client retention. We seek to build stable and long-term working relationships with clients, supported by happy, motivated staff.



Values

Our values are critical to the functioning of the firm and it is important that our employees and partners act within these values on a day to day basis.



Principled

We are committed to maintaining our high ethical standards whilst considering the impacts on all our stakeholders. We behave in a manner that demonstrates our honesty, conviction, pride and responsibility to keep our promises.



Quality

We don't compromise on quality; excellence is the norm across our whole business.



Partnership

We work collaboratively and encourage both individual excellence and teamwork within our business. Our unified approach ensures we are working together toward the same goals and desired outcomes.



Respect

We recognise and respect the value of everyone's contribution to our success, honouring our diversity and the positive effect we have on our communities and the environment.

... We believe that we will be more successful if we work together to achieve our common objectives than working alone. If there is success, we all share in it - and if there is a problem, then we are all responsible for putting it right. We work to help all of our people achieve their ambitions - whatever work-life balance they strive for - so we are all working together for the benefit of our clients.

In this report, we provide our gender pay gap, identify the causes of the pay gap and outline our plans for closing this gap.

Measuring the pay gap

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

The regulations require us to report on our employee population as at the snapshot date of 5 April 2017. Our organisation is structured as a partnership and, in line with the regulations, the partners are not included in the gender calculations; partners are not employed and as such have a different remuneration structure. However, we appreciate it is important to be open and transparent about the gender pay gap and have therefore analysed these figures too which are shown below the employee data

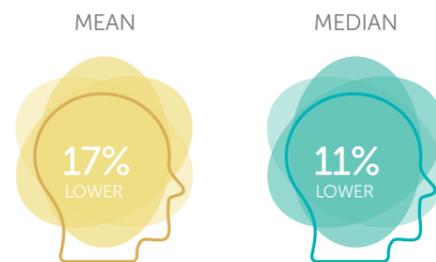
Gender pay reporting is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful, and against our belief to pay people unequally because they are a man or a woman.

Mean and median gender pay gap

The mean gender pay gap is the difference in average hourly rates of pay that male and female employees receive. This gives an overall indication of the gender pay gap by taking all hourly rates of pay and dividing by the total number of people in scope.

The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle value.

Women's hourly rate is:

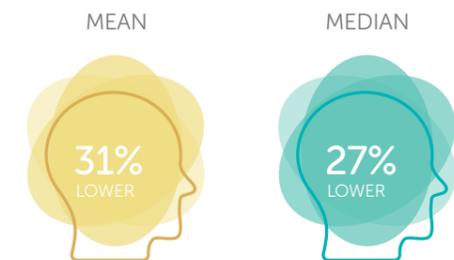


Mean and median gender bonus gap

The mean gender bonus gap is the difference in average bonus pay that male and female employees receive.

The median gender bonus gap shows the difference in the midpoints of the ranges of bonus pay received by men and women.

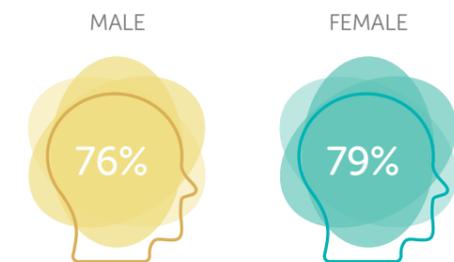
Women's bonus pay is:



Proportion of males and females receiving a bonus

This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2017.

Proportion received bonus pay



Measuring the pay gap

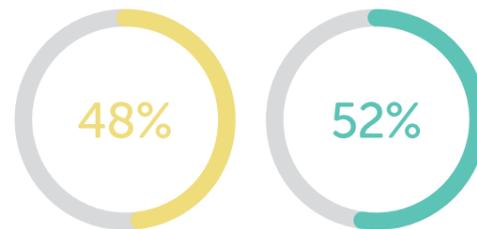
Proportion of males and females by pay quartile

This is the percentage of male and female employees in four quartile pay bands, (dividing our workforce into four equal parts).

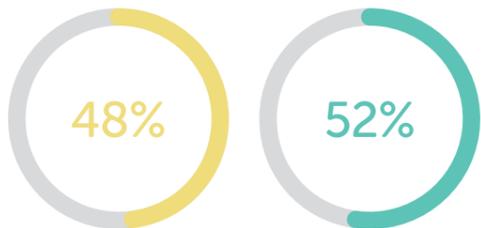
Upper quartile



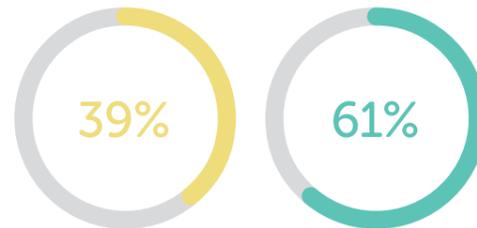
Upper middle quartile



Lower middle quartile



Lower quartile



Male █ Female █

Partners

Including partners in the analysis makes a large difference to the pay gap because (at 5 April 2017) we have 50 male partners and 12 female partners.

This pay gap analysis excludes two other partners on maternity leave at that time

Mean and median gender pay gap

Women's hourly rate (partners only) is:



Women's hourly rate (employees and partners) is:



MARCUS WHITEHEAD
Managing Partner

"Including data on partners, although not required, is important to ensure our gender pay figures are open and transparent. We believe it is important to the success of our business to ensure we have good diversity across the business, including at the most senior levels. The gender pay reporting requirement has helped us focus on these challenges and encourage open debate at partnership level on how we improve this. This report outlines some of our initiatives already underway and throughout 2018 we will revisit these and determine what else we can do."

Why do we have a gender pay gap?

We have a gender pay gap because there are more men in senior roles in the organisation. While women make up 49% of our organisation (including partners), at our most senior levels we have 71% men to 29% women. We believe that this is due to three main factors:

History of actuarial profession

We were predominantly actuarial at the outset, and during the early years of the firm, the majority of members of the actuarial profession were males (this has changed more recently). Whilst the make-up of the firm is more diverse now, the more senior roles in the firm are largely filled by actuaries. The actuarial profession is working on promoting gender equality at all levels. We are actively contributing to that work, as we believe it important for the profession.

Our administration functions

Conversely in our administration functions - which make up 40% of our business - a greater proportion of women than men are employed. These roles are accountable for the majority of roles in the lower, and lower middle quartile of pay.

The choices our employees have made

In addition, we need to acknowledge the choices our employees have made. Proportionately more of our female employees choose to have career breaks and work part-time. This is not a barrier to progression, but for some the choice is for a less demanding role too. We are happy to support our people in their choices.

Gender bonus gap

With respect to our median bonus pay gap, this is driven in part by two factors: a higher proportion of men than women in Associate positions, as bonus targets are higher for these roles. The second factor is that a larger proportion of men are in consulting roles than women and these roles generally attract higher levels of annual incentives in line with the market.

What action are we taking?

Meaningful change takes time and we know we need to continue to drive this from the top of the organisation. We've outlined some of the steps we are taking so far to address our gender challenges.

New ways of working

We have recently introduced 'Smart Working' to support our growth and ensure that we are continuing to work in the most efficient and effective way, benefitting our clients and ensuring that Barnett Waddingham is a great place to work.

Smart Working is an approach to organising work that aims to drive greater effectiveness through a combination of flexibility, autonomy and collaboration, in parallel with optimising tools and working environments. It is about looking for the most effective and efficient ways of working that not only benefit the individual but also deliver benefits to clients without any drawbacks to colleagues or the firm.

Our employees responded to a "Future Workplace" questionnaire which has helped us to understand the gaps between how they want to work and how well their needs are being met by our current working environment and policies.

As a result:

- We have made a number of changes in office design and the level of technology available (including laptops and a new integrated telephone system), to support working outside the normal office environment.
- We have introduced a number of changes to our working practices, which enable more flexible working and enable employees to get a better work/life balance. Smart Working is a conscious mind-set whereby all our people think about how and where they can best deliver to the needs of our clients, their colleagues and of course their own needs.
- We are reviewing how we deliver training and development to enable our people to access these in line with an agile workforce and therefore ensuring these opportunities are open to as many employees as possible.



Here at Barnett Waddingham our values, culture and ethos are very important to us and are well understood throughout the organisation

As our workforce grows we will need to ensure that the environment continues to embody our commitment to equality and diversity and that through our actions we promote a positive and inclusive culture; where people are supported to develop and grow with respect and dignity - and where we continue to ensure appropriate behaviours displayed at all times towards each other.

We recognise the importance of ensuring all employees are seen as making a valued contribution to the success of the organisation, working in highly effective and collaborative ways to create a dynamic, flexible and appropriately paced working environment where there is a true sense of professional fulfilment. We are mindful of the need to achieve a fair work-life balance, ensuring equitable workloads and continuing to support employees in looking after their own wellbeing.



JACQUI DERRICK
Associate and Head of Human Resources

We are committed to ensuring we continue to manage our gender challenges. Our people strategy is focussed on a number of initiatives which support this, including:

- New ways of working
- Talent management
- Recruitment and retention

Talent management

Exemplary leadership and management skills form an essential part of fulfilling our ambitions. We believe that we have the right structures in place to support all our people in their development and choices, but we are taking this opportunity to check this, and ensure that there are no unintentional barriers in place.

- We have set up a Talent Management Board to oversee the development of those with potential at all levels. This has resulted in specific development programmes being devised along with external coaching and internal mentoring. This is to not only ensure our people are clear on expectations but understand how they can best develop with individual and tailored plans put in place.
- There is a formal process to ensure fair and appropriate promotion to senior levels. We have worked hard over the last year to make improvements to this through our Talent Management Board.
- We are supporting the progression of women within the actuarial profession through a new mentoring programme, Moving Ahead; designed to improve diversity at senior levels. This is being driven by the external actuarial professional body, IFoA; with Barnett Waddingham playing a key role.



In addition, we have many other activities designed to support the careers and development of all employees throughout the organisation:

- We are working with the partnership to achieve greater diversity among our leaders. We recognise the need to avoid 'Group Think' amongst our most senior leaders. We are working with partners to ensure diversity of thought in order to build teams to deliver the best results. Diversity of gender is a key part of this approach.
- We will continue the work we have started in developing our competencies and role profiles and will ensure these are developed at all levels so all employees understand what is required from them. Career paths are helping us in demonstrating how everyone can progress.
- We are developing a talent management strategy which will enable us to manage individual's careers. This supports retention and development and will assist in facilitating a more agile workforce centred on the individual's particular strengths and career potential. It will also allow for further planning in terms of an ongoing evaluation of workforce capabilities, identifying any gaps, and putting in place organisation-wide development plans.

Recruitment and retention

As a growing business, recruiting and retaining the right people is a vital part of our people strategy. Rewarding new and existing employees fairly plays an important role in supporting this objective and ensuring our people continue to be at the centre of what we do.

- Removing bias, of any type, in recruitment is addressed through recruitment training for assessors. We are continuing to extend this training for all employees involved in the recruitment process. In addition, we will shortly be introducing an applicant tracking systems for all our recruitment which will again aid reduction of bias as personal data is removed from the screening process.
- We have a formal graduate and summer internship recruitment programme to bring employees into our student actuarial roles. We work hard to ensure that we get a good balance of candidates as we recognise these new entrants bring fresh thinking and challenge to our organisation.
- We are reaching out to secondary schools from a cross-section of the local community to raise awareness of our new apprenticeship scheme and encourage applicants of all backgrounds.
- Supporting employees who have taken career breaks (particularly following maternity absence) has been the subject of a recent review to ensure the return to work is successfully managed as part of the on-boarding process. We are looking into the recommendations to improve this and will be introducing these over the coming months.
- We are committed to ensuring that our remuneration packages are appropriate for the role and recognise skills and experience. We review all pay awards for consistency and fairness across the organisation. In addition, we are undertaking a review of our benefits package to ensure it is balanced for the needs of all.

A few words from our Senior Partner

People are at the heart of our business and we are exceptionally proud of our loyal staff who are committed to delivering an efficient and effective client service.

... People who join Barnett Waddingham tend to stay, thriving in a professional learning environment and caring, friendly culture.

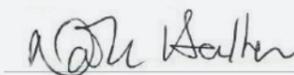
An important component of this culture is ensuring we have a fair remuneration and reward structure in place, alongside ensuring our people strategy supports and develops all individuals. We are confident that we pay men and women equally for doing the same work and we believe that we will narrow the current gender pay gap over time by our commitment to diversity and by continuing to work on developing all our staff. I am pleased with the steps we are taking to support all our staff but we will continue to challenge ourselves to make this organisation the best it can be, going beyond the expectations of both our clients and our staff.



NICK SALTER
Senior Partner

Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2017.



NICK SALTER
Senior Partner



JACQUI DERRICK
Associate and Head of Human Resources



www.barnett-waddingham.co.uk

✉ info@barnett-waddingham.co.uk ☎ 0333 11 11 222

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