

2022 GENDER PAY GAP REPORT



FOREWORD

“We are committed to reducing any gender pay gaps in our firm. Stevens & Bolton is passionate about building and promoting an inclusive, fair and transparent culture where everyone is valued for the contribution that they bring and can reach their full potential.

We firmly believe that our people are at the centre of everything that we do and that having a happy and dynamic workplace will continue to contribute positively to the success and growth of our business.

This is our first year of reporting. We do not have a statutory requirement to report our gender pay gap due to our employee numbers (the threshold for mandatory reporting is 250 employees and we had 211 employees on 5 April 2022 which was the snapshot date for reporting).

However, we have chosen to voluntarily report because we value transparency and want to use the resulting data to drive positive change. Crucially, understanding our gender pay gap will help us to recognise better where we need to improve, to build a commercially driven action plan around this, and to track our progress.”



Amanda Rose
Head of HR & L&D



WHAT IS A PAY GAP?

A **gender pay gap** is the difference in the hourly pay between men and women across a workforce, regardless of the job roles they perform. This is different to equal pay, which is the legal requirement for employers to pay equal pay to men and women for doing equal work. We already have robust measures in place around equal pay. For example, we set and publish lawyer salary bands that apply equally to all, and we conduct external benchmarking of salaries as part of our annual salary review.

We are now committing to identifying any gender pay gaps in our firm to track and measure our progress, and to take steps to reduce these gaps.

Gender pay gap legislation does not require us to include partners in our calculations. We are an all-equity partnership whose partners are self-employed*. However, we have chosen to include data for partners to provide a complete picture of our firm.

This report therefore includes three data sets:

- data for employees only;
- data for partners only; and
- employee and partner data combined.

Putting the data in context



14.9%

The average median gender pay gap in the UK is 14.9% (reported by the Office for National Statistics, April 2022 data)¹

Gender pay gap reporting guidance requires a business to report its gender pay gap by looking at both **mean** and **median** data sets:



Mean

Calculated by adding all employees' hourly rates of pay together, and dividing by the total number of employees



Median

Calculated by presenting all employees' hourly rates of pay in a list, and then identifying the mid-point

Given the size of our organisation, we are mindful that our gender pay figures have the potential to fluctuate year on year, with one or two employees having the capacity to have a significant impact on our data. We therefore want to focus on longer-term trends in our results, and plan to use our data to analyse, measure and influence our actions on gender pay over coming years.

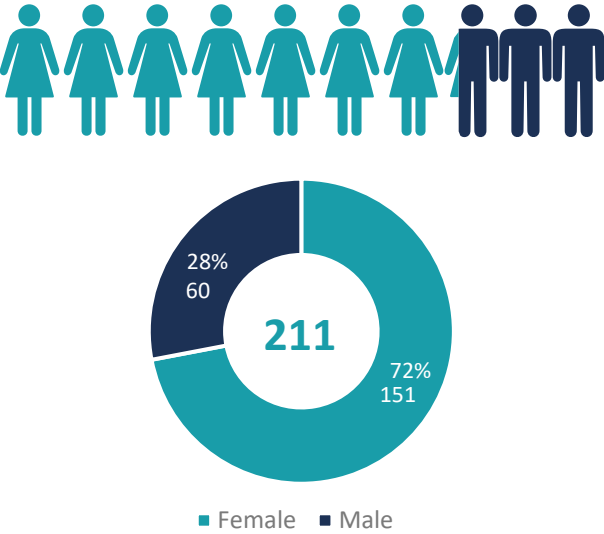
* Partners are remunerated differently to employees and receive a share of the firm's profits as opposed to a salary. For the purpose of our calculations we have treated the profit awarded to each partner for FY21/22 as equivalent to salary (excluding any bonus allocated). Hourly rates have been calculated on the same basis as employees (by taking 1/12th of the "salary" amount as each partner's monthly amount for April).

1. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2022#gender-pay-gap-data>

OUR DEMOGRAPHICS

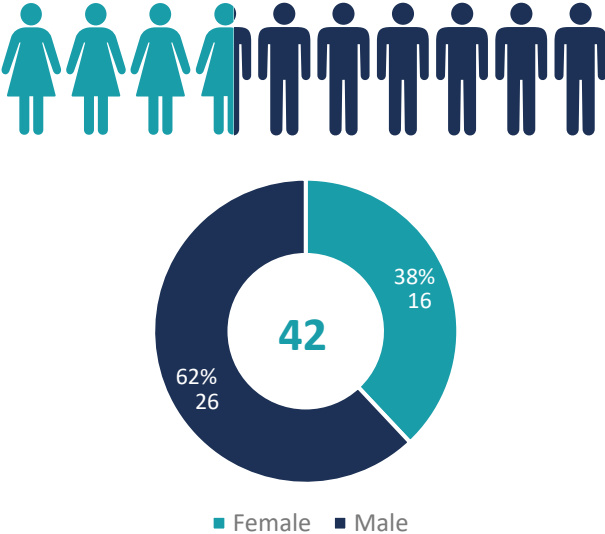
Employees

On the snapshot date we had 211 relevant employees on our payroll. Of this total, 151 employees (72%) were female and 60 (28%) were male. As a firm we have more female employees than men. We would attribute this, in part, to our flexible culture – 27% of our workforce work part-time. We also have realistic expectations with regards to work/life balance and lawyer targets (currently 1300 chargeable hours per year for those working full-time).



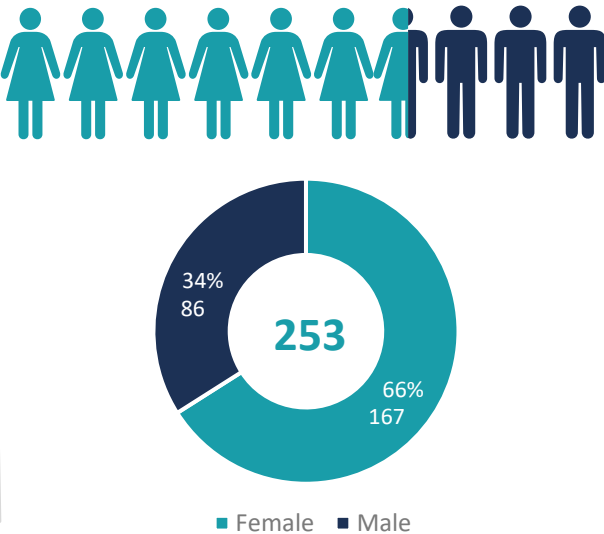
Partners

On the snapshot date we had 42 partners of whom 26 (62%) were male and 16 (38%) were female. This compares well with the wider market. According to a 2023 report by The Lawyer², 26.7% of partners in the top 30 UK law firms are women, and 37.8% of partners at the UK 50 – 100 firms are women.



Employees and partners combined

Our overall headcount (employees and partners combined) was therefore 253 of whom 167 (66%) were female and 86 (34%) male.



2. UK Legal Gender Diversity, February 2023 report published by The Lawyer Signal

OUR GENDER PAY GAP DATA (EMPLOYEES)



0%

Our **median gender pay gap** for employees is 0%.

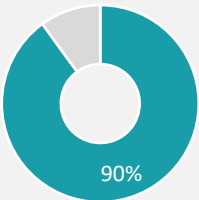


8.2%

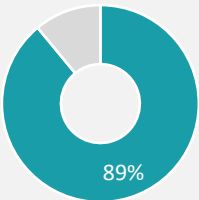
Our **mean gender pay gap** for employees is 8.2%. This is considerably lower than the national average for the UK and for many law firms.

Bonus data

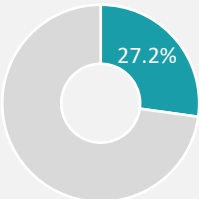
% of male employees who received a bonus



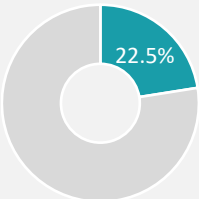
% of female employees who received a bonus



Mean gender bonus gap



Median gender bonus gap

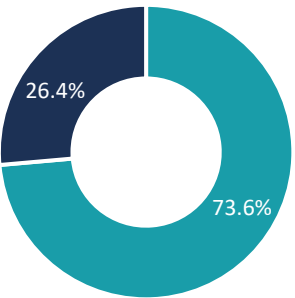


This is the difference between the bonus pay of female employees (taken as a single group) and male employees (taken as a single group), expressed as a percentage.

Pay quartiles

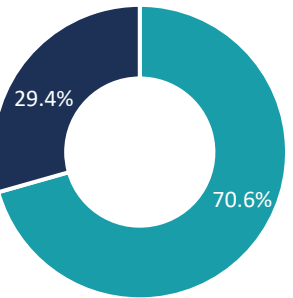
If you split our workforce into four pay quartiles from lower to higher pay, the breakdown of male/female employees in each quartile is:

Lower quartile



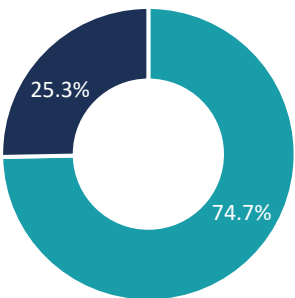
Female Male

Lower middle quartile



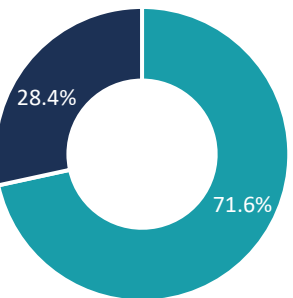
Female Male

Upper middle quartile



Female Male

Upper quartile



Female Male

OUR GENDER PAY GAP DATA EXPLAINED

Mean and median gender pay

Our data shows that male employees at Stevens & Bolton (based on **mean** value) are paid **8.2%** more than female employees. When we look at **median** value, the difference reduces to **0%**.

The difference in our **mean** value is driven by our demographics and job roles. In particular we have a small number of highly paid male employees which brings the male mean up, together with a relatively large group of lower paid females occupying roles in areas such as business services and secretarial. As previously mentioned, with a relatively small headcount, one or two employees who are outliers can make a big difference to our mean data point.



Bonus pay

Our data shows that we pay bonuses to a very similar proportion of our male and female employees. During the snapshot year, we awarded a **profit share bonus** to all employees on the payroll at the time that the bonus paid out (July 2021). This is a bonus whereby employees receive a pre-agreed percentage of salary if the firm meets or exceeds its financial target. We also paid a one-off discretionary **Christmas bonus** to all employees on the payroll in December 2021. This was in recognition of extraordinary efforts during the Covid pandemic. In addition to these two strands of bonus, some employees also achieved an **additional discretionary bonus** in recognition of outstanding performance (paid in May 2021). Discretionary bonuses are typically set as a percentage of pay. The reason that our data does not show 100% of employees receiving a bonus is because some of the individuals on our payroll at the snapshot date joined after the bonuses were paid. Also, the discretionary bonus element is paid based on individual performance and it is usual for there to be a degree or variance in what is paid and to whom under this scheme irrespective of gender.

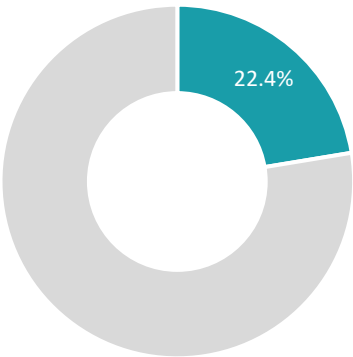
Male employees were awarded larger bonuses than female employees. It is helpful to explain that our profit share and Christmas bonuses were paid on actual salary (rather than FTE). We are obliged by the gender pay gap reporting requirements to report on actual bonuses paid, and not on a full-time equivalent basis, although we feel that would allow for a more “like-for-like” comparison. We attribute our bonus gap to the fact that we have more part-time women than men in our organisation (95% of our part time employees are female vs 5% male) and part-time employees typically receive a lower bonus payment because bonus payments are typically calculated as a percentage of actual pay.

Pay quartiles

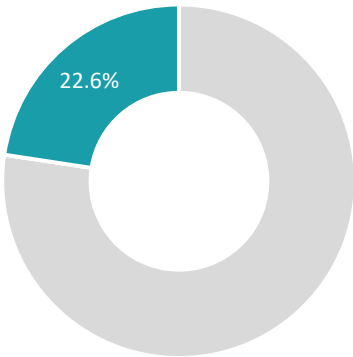
We are pleased to see that the gender make-up of our firm is broadly mirrored across the four pay quartiles.

OUR PARTNER DATA, AND PARTNER AND EMPLOYEE DATA COMBINED

Our **mean and median gender pay gap for partners** are as follows:

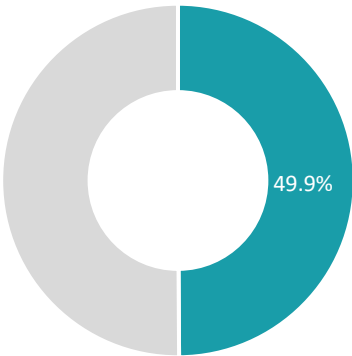


■ **Mean** gender pay gap

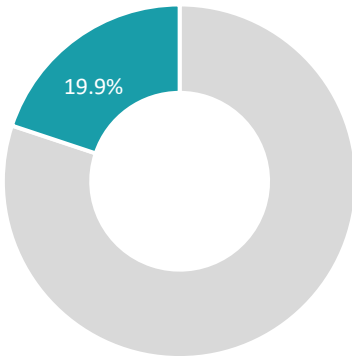


■ **Median** gender pay gap

If we combine partner and employee data together, our **mean and median gender pay gap** is:



■ **Mean** gender pay gap



■ **Median** gender pay gap

Understanding this data

A significant pay gap remains in the partnership. This is because of those partners at the top of equity – those receiving the largest profit allocations – the majority are men, which impacts the statistics significantly. Given the small size of the partnership group, we expect to see year on year fluctuations in our partner pay gap. Small changes to the partnership such as promotions, retirements and lateral hires can have a more marked impact on our partner pay gap data than we would typically see for the employee group.

It is also worth noting that the profits for the FY21/22 reporting year were high and those at the top of the equity benefitted more from this than those at lower levels (for whom more of their pay is attributable to their base share of profit).

Our partner and employee data combined is informed by fact that we have more male partners than female partners (partners being high earners) and many of our highest earning partners are men. We would like to attract and promote more female partners generally – although our percentage of female partners stood at 38% on the snapshot date which already compares well to market standards. We will also continue to support and enable more female partners to make contributions justifying the highest equity levels.

OUR GENDER PAY ACTION PLAN

We have created a **gender pay action plan** to help to keep us accountable, and to drive future, positive change. We have split our action plan into two separate sections – actions we are already taking and those we plan to implement.

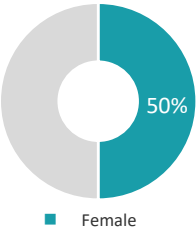
What we are doing already

38% of our partners were female at the snapshot date and this had increased to 42% as of 1 January 2023.

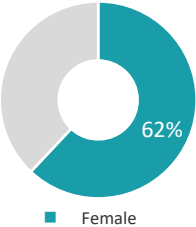
We also have a strong track record of female representation at Board level and in other senior level managerial positions.

For example, as at 1 January 2023:

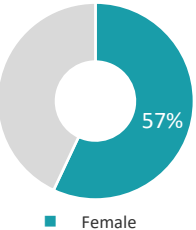
% female Board members



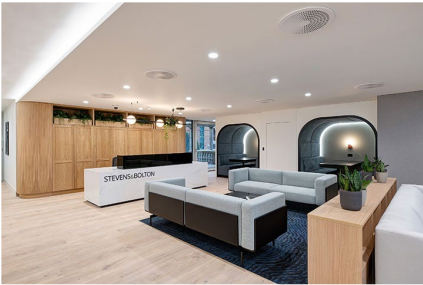
% female practice group heads (for lawyer teams)



% female business service heads



The changes brought about by the pandemic have accelerated the adoption of **agile working patterns**. This has particularly helped those with caring responsibilities to balance work and life, and this flexibility is something we are committed to maintaining. Our newly refurbished office at Wey House (completed in Spring 2023) has been designed with flexibility and agility in mind and our agile working policy provides for employees to split their time between working at Wey House and from home. We typically require all staff and partners to work from the office for at least two days per week.



OUR GENDER PAY ACTION PLAN

Partnership with Reignite

- Our successful long-running partnership with the **Reignite Academy** shows our commitment to recruiting women into the firm who are returning to law after a career break. We offered permanent roles to all candidates who came to Stevens & Bolton through an initial placement programme and have made seven hires through Reignite to date. We are especially proud of the fact that a number of our “Reigniters” have been promoted since joining the firm.

Review of family policies

- We conducted a comprehensive market review of our **family policies** in 2022, and we recently published a revised **maternity policy** providing 26 weeks of full pay (up from the previous entitlement of 15 weeks of pay) to eligible employees. At the same time we also enhanced our shared parental leave provision, and introduced a new policy of “Family & Dependants Leave” whereby all employees can access two days of paid leave per year in emergency situations where care arrangements otherwise break down. Additionally we increased the number of hours of **maternity coaching** provided to employees and widened this out to make coaching available to those taking paternity leave too.

D&I groups

- We have a very active parents and carers networking group and an active Women in Law network, comprising two of the sub-groups within our Diversity & Inclusion forum.

The Law Society Women in Law Pledge

- We have recently signed up to **The Law Society’s Women in Law Pledge**, in partnership with The Bar Council and the Chartered Institute of Legal Executives. The Pledge aims to address the issue of gender inequality in the legal profession by supporting the progression of women into senior roles by focusing on retention and development opportunities. We have appointed Kate Schmit as the partner at the firm who will be accountable for gender diversity and inclusion. A Board member herself, Kate will report regularly to the Board on progress in this area.

Other actions

- We take care to use gender neutral language in job adverts and when recruiting and make reference to our flexible approach and agile working policies.
- We run regular D&I training and recently ran a firmwide webinar championing the importance of inclusive language in all business interactions.
- Recruitment and retention are two of our key Board-approved, strategic priorities for 2023/2024. Over the coming 12 months, we will also refresh our annual career review process, and revisit our lawyer career structures and associated development programmes.
- The recent launch of our Partner Development Programme which includes a young partner group will provide additional development support for all partners, including female partners.

OUR GENDER PAY ACTION PLAN

Future initiatives

Some additional actions we will take are:

- We undertake to annually review our progress on gender pay, via our Women in Law network (part of the D&I Forum) and the work we will be doing as a result of signing up to The Law Society's Women in Law Pledge.
- We will do more to actively promote the flexibility we offer employees when recruiting e.g. in job adverts, at interview stage and when offers are made.
- We are looking at reviewing opportunities for increased flexibility such as core hours and remote working (usually for scarce skills roles), where it makes business sense to do so.

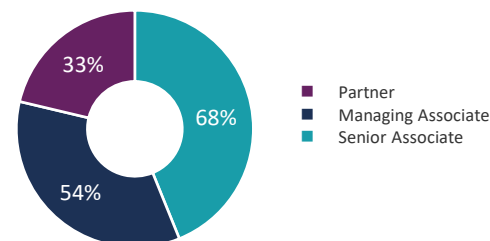


- We plan to widen our apprenticeship offering and support more people to progress via alternative routes into the law such as CILEX.

Female promotions

- We are proud of our strong representation of women in our partnership (38% at the snapshot data and 42% as of 1 Jan 2023). Nevertheless, we recognise the need to continue to promote more women to the highest positions in the firm, including partnership, and over time to the higher equity levels.

- More generally, female employees have made up 58% of our promotions to the highest lawyer levels in the firm since 2019 – senior associate (68% female), managing associate (54% female) and partner (33% female). Our development programmes will focus on how we support all lawyers to reach their full potential – with a specific focus on female retention and progression. This will help us to ensure that we are creating an environment where everyone can excel.



- In line with the work we are doing under The Law Society's Women in Law Pledge, we are also currently working on an action plan including setting gender-based targets, where appropriate.

For our first year of reporting we have concentrated on gender pay. We will keep this under review in future years with a view to looking at other areas which may be added to later reports.

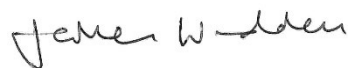
DECLARATION

We confirm that the data in this report is accurate.

Signed:



Amanda Rose
Head of HR and Learning & Development



James Waddell
Managing Partner

Date: June 2023



The information contained in this guide is intended to be a general introductory summary of the subject matters covered only. It does not purport to be exhaustive, or to provide legal advice and should not be used as a substitute for such advice.

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