



Gender Pay Gap

April 2020 Report

Foreword

CVS proudly strives to be the veterinary company that people most want to work for. We are committed to making CVS a great place to work and providing equal opportunities for all. We want to increase the level of diversity in our sector and recognise the importance of having a diverse workforce.

The gender pay gap legislation requires UK employers with over 250 employees to publish a gender pay report on the snapshot date of 5th April 2020.

The CVS (UK) Ltd gender pay gap reflects the average pay for men and women across our UK business. It is not a comparison of pay rates for men and women doing work of equal value, and is influenced by the mix of men and women in the various roles in an organisation.

In line with the sector, our UK workforce is made up of a high proportion of female Veterinary Nurses, Patient Care Assistants and Receptionists, which is reflected by 85% of our overall UK workforce being female.

The overall UK-wide gender pay gap was 15.5% in 2020, down from 17.4% in 2019.

This reporting period was impacted by COVID-19, during which a number of practices were forced to close due to Government restrictions, and some employees agreed to be placed on furlough. The CVS reported median gender pay gap including furloughed staff was 44.78% in 2020, compared to 45.26% in 2018. The median gender pay gap in 2020 excluding furloughed staff was 29.44%.

We have taken this opportunity to provide further information on our key areas of focus to drive future progress, including further improvements in salary banding, recruitment practices and training & development as well as our ongoing commitment to equality, diversity and inclusion.

I look forward to reporting on further progress in a year's time.

Richard Fairman

Chief Executive Officer
CVS (UK) Ltd

Reporting requirements

CVS (UK) Ltd group will report and publish results using the following six calculations;

- 1 Mean gender pay gap in hourly rate
- 2 Median gender pay gap in hourly rate
- 3 Proportion of male and female employees in each quartile
- 4 Mean bonus gender pay gap
- 5 Median bonus gender pay gap
- 6 Proportion of male and female employees receiving bonus payment

Understanding our gender pay gap

Employees included in the gender pay gap

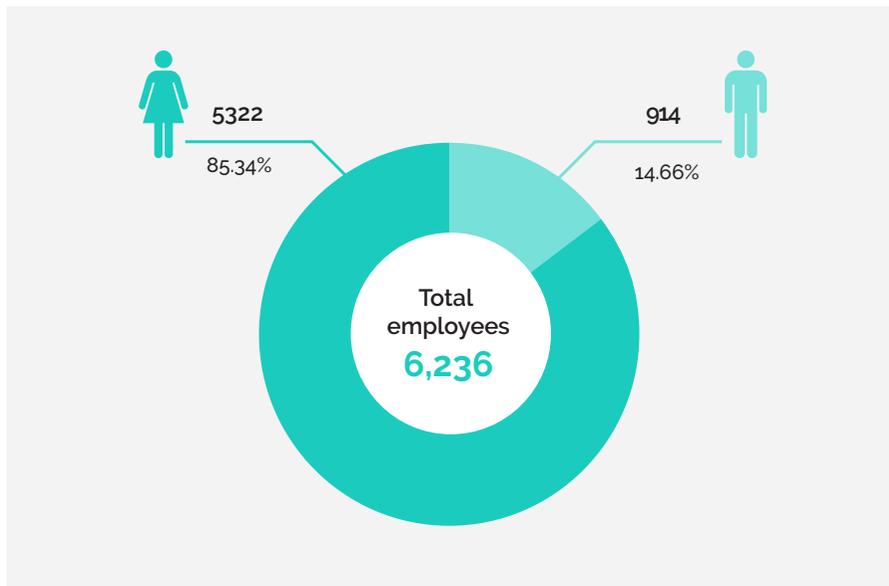
This report includes UK based employees and excludes those that were in receipt of Statutory Maternity Pay or Statutory Sick Pay.

Staff outside of the UK, in the Republic of Ireland and the Netherlands are not included in this report.

CVS demographics

The gender split in CVS is shown below. As for the veterinary profession in general, the number of female employees outweighs the number of male employees by 5:1.

We have considerably more women working in our core roles such as veterinary surgeons, nurses, patient care assistants and receptionists. Male staff represent a considerably smaller proportion of our overall workforce, with most of them working as vets or in specialist clinical roles as well as IT, property and facilities, warehousing and logistics and managerial roles. This is changing and it has been encouraging to see an increasing number of women appointed or promoted into senior clinical, managerial and executive roles.



Throughout this report we refer to Mean and Median.

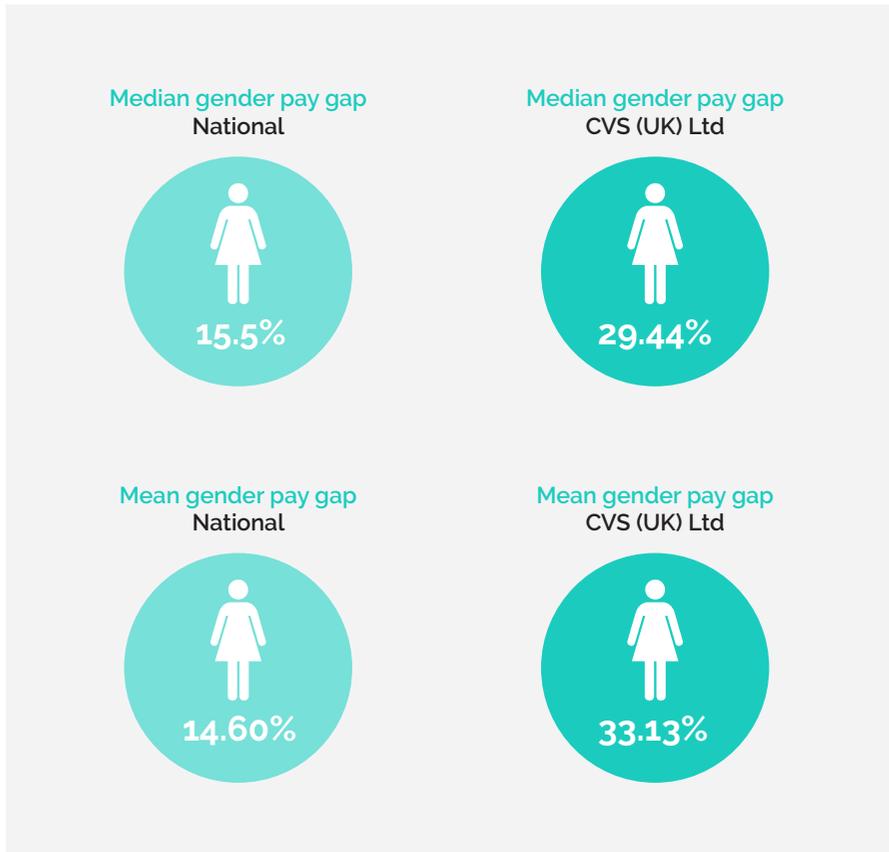
The mean, commonly known as the average, is calculated when you add up the basic pay of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between mean male basic pay and mean female basic pay.

The median is the figure that falls in the middle of a range when all employees' basic pay is arranged from smallest to largest. The median gender pay gap is the difference between the employee in the middle of the range of males' basic pay and the middle of the range of females' basic pay.

Salary

Salary: CVS gender pay gap

Gender pay calculations are based on basic pay excluding anyone receiving Statutory Maternity Pay or Statutory Sick Pay. It also excludes any overtime payments, including part-time staff working extra hours, which are mainly paid to front-line staff where there are more women than men.



Salary quartiles: CVS (UK) Ltd

The chart below shows full pay relevant employees from lowest to highest paid and the percentages of males and females in each quartile.



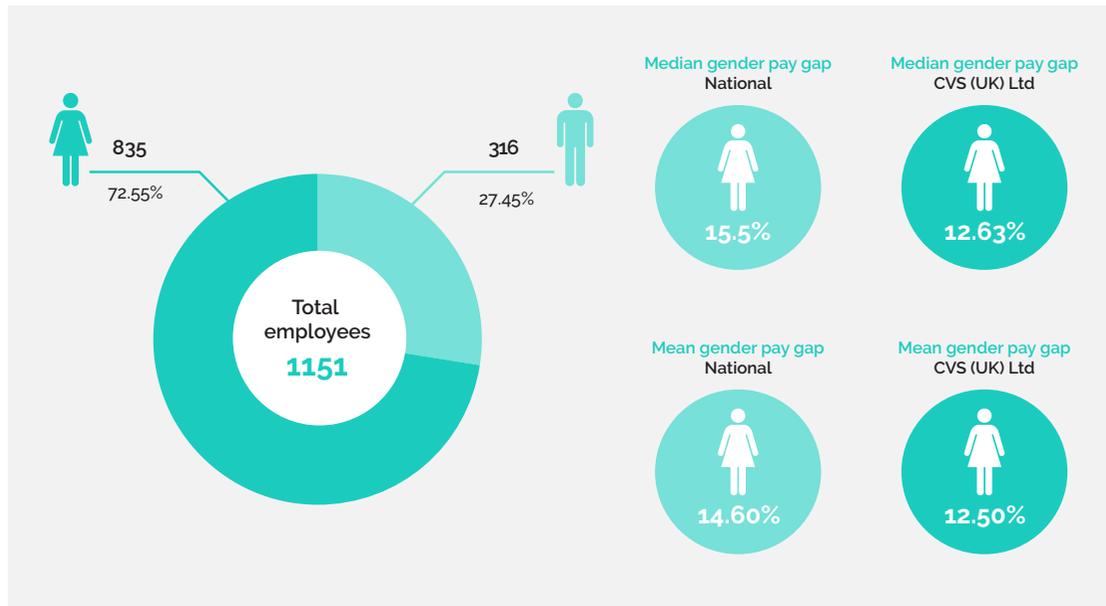
This demonstrates the high number of women compared to men in every quartile. Men remain under-represented in many roles in Q1-3 and recruitment continues to be more challenging than for women.

On a more positive note, the recruitment of women has been helped by an increase in part-time contracts. Flexible working is an essential part of our recruitment and retention strategy especially to encourage women back to work after maternity leave.

Veterinary Surgeons and Nurses

As part of our overall action plan for the last year we have focused on ways to eliminate any gender imbalance in pay within key roles such as Veterinary Surgeons and Veterinary Nurses as these are two of the largest and most critical job categories within CVS.

Veterinary Surgeons



The data above is reflective of those relevant employees in April 2020.

For Veterinary Surgeons, the data demonstrates the measures are considerably better than the overall company average and the National UK-wide gender pay gap.

The information above does not include Specialist Veterinary Surgeons as this is a separate category and we are keen to attract more women into these roles; this remains a priority.

Nurses

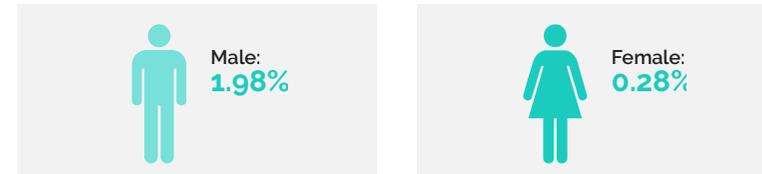


A negative gender pay is apparent in this category and whilst there is again a common salary banding scheme in place, the data is skewed by the very small number of male veterinary nurses.

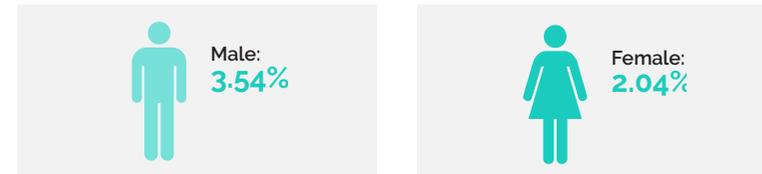
Bonus pay



Nurse bonus verses salary



Vet bonus verses salary



The data above shows the proportion of total pay that bonus represents for Nurses and Vets and how much bonuses represent as a percentage of salary for males and females.

The proportion of Vets and Nurses receiving bonuses is higher for male and female vets. Whilst more female vets are receiving bonus the value as a percentage of basic salary is less and we have seen a small decline in Nurse and Vet males and females achieving bonuses.

Bonus pay

Over the last year, across all the various types of bonus schemes, more women received bonuses which reflects the demographic mix of employees working in front-line roles. The value of bonuses received was higher for men than women and although smaller in number, men receiving bonuses were often in senior managerial roles.

However, the snapshot information just for the single month of April 2020, shows low levels of bonus payments made in the month, with more women than men receiving bonus, and women receiving higher bonus payments than men.

Included in the annual bonus pay calculations are those paid to senior executives including Long Term Incentive Plans, and again, whilst this was a small number, more men than women were eligible to receive them.

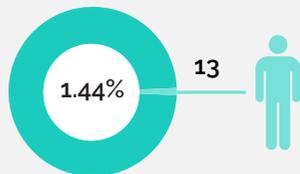
The data for the month of April and the overall Annual Bonus calculations include a large number of payments made as part of schemes which cover a number of employees at each veterinary practice. These payments are relatively small and spread across a range of employees, the majority of which are female.

Bonus payments are available within the Practice Division and in some other operational areas but they are generally not used for example in support and administrative areas.

Bonus pay gender gap April 2020

The median bonus gap April 2020 is **-5.97%**

Proportion receiving bonus payments

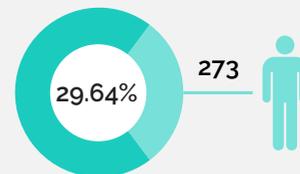


The mean bonus gap April 2020 is **-38.77%**

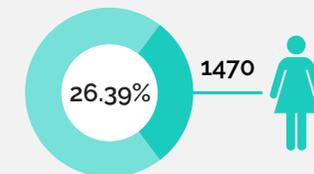
Annual bonus pay gender gap May 2019 - April 2020

The median bonus gap is **95.73%**

Proportion receiving bonus payments



The mean bonus gap is **75.17%**





Interpreting the data

The CVS (UK) Ltd median gender pay gap for the year ending April 2020 was 29.44% in favour of males compared to the national average of 14.37%. Similarly, our mean gender pay gap was 33.13% compared to the national average of 16.93%.

As explained throughout this report, the gender pay gap is influenced significantly by the demographic mix of employees across the company.

The company uses a variety of different bonus schemes especially in areas which deliver client service. Mid-to-senior management are often incentivised based on business results and operational performance.

The company recognises that the gender pay gap is a measure that must receive constant focus and attention and is a long term commitment.

More immediate short-term action has been focused on ensuring that there are fair and consistent policies and practices relating to equal pay and work of equal value in each job category.

Action planning

Where were we as at the snap shot date

In this report, we are publishing our gender pay gap data as it was in April 2020. Any initiatives that were implemented since then have not been reflected in the data published in this particular report.

The priority has been on reducing the gender pay gap specifically relating to Vets and Nurses and this will continue in the years ahead.

We recognise there is ongoing work to further improve fair and transparent reward policies, recruitment practices and employee training & development.



What have we done since the previous report?

In November 2019, we launched sector-leading policies for enhanced maternity, paternity and adoption leave and benefits which has proved a great benefit and support for all our staff. We have also continued to promote and encourage flexible working and to improve the opportunities for women returning from maternity leave.

We have continued to apply and embed our salary bands, with our published pay ranges creating a transparent approach to pay and reward. This enables our managers and our employees to understand where salaries are within the range and encourages a more consistent approach to base pay.

In January 2020, we applied greater scrutiny to the annual pay review, especially in terms of performance and pay differentials between men and women.

The continued investment in our Learning, Education and Development team has been directed towards clinical and non-clinical training programmes and a range of apprenticeship programmes. Sector-specific student veterinary nursing apprenticeships have been particularly popular with excellent feedback over the year. Similarly, the veterinary graduate programme goes from strength to strength, and we hope that our efforts at the junior level of recruitment will create a pipeline of women for middle and senior manager roles in the future.

Work has continued on the development of more varied and flexible career pathways to improve the opportunities for all employees, including those wanting to develop into senior roles. We introduced our Hub Clinical Lead role, a new and exciting progression opportunity for our vets. We also increased appointments into Practice Director roles alongside Clinical Director roles, providing a progression route to senior leadership for our nursing and non-clinical colleagues.

We have increased female representation at a senior level within CVS with a female Director on our main Board, two female members of the Executive Committee and 32% of our Senior Leadership Group are female.

For all senior appointments there is female representation on the recruitment panel.

As part of our positive approach towards equality, diversity and inclusion, we have continued to make considerable efforts to improve well-being at work and mental health support, for example, through recruiting and training 243 colleagues across the group in First Aid for Mental Health.

What are planning to do next?

-  We will continue to increase awareness of the gender pay gap especially amongst our leaders when they make recruitment, promotion and salary review decisions.
-  We are committed to increasing the number of females in senior roles and will continue our focus on career pathways to provide greater opportunity, flexibility and variety of career choices. In line with this, we will aim for one of the senior Board roles, either the Chair, Chief Executive Officer, Chief Finance Officer or Senior Independent Director, to be filled by a woman.
-  We will continue to apply greater scrutiny to the annual pay review especially in terms of performance and pay differentials between men and women, we will encourage decisions that reflect individual performance, skills and experience, applied within the salary ranges to ensure a fair and consistent approach to pay.
-  Work to evolve our reward and benefits policies will continue alongside the extension of salary banding and more consistent bonus and incentive schemes to ensure that we remove any gender bias.
-  We are committed to offering flexible working opportunities for all staff and see this as a particularly effective way of attracting more people to join CVS, particularly vets and nurses, and retaining all staff that want a greater work-life balance.
-  Reducing staff turnover and attrition rates will remain one of the highest priorities and we will look to improve the work-life balance as well as reward and recognition.

-  Finally, we are working with Training Qualifications UK to develop a range of bespoke Leadership and Management programmes offering employees the opportunity to complete apprenticeships and endorsed certificates. We are also working with the Chartered Management Institute to develop a Master's degree level Leadership and Management Programme. These programmes will be entirely online, so colleagues will be able to access the course at any time, in any place, on any device and learn at their own pace making them widely accessible. These flexible programmes will support the development of people wanting to move into practice and broader business management roles.





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