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Our Ref: NPJF/jdr/BAC001

4 October 2018

FAO – Gender Pay Gap Review Panel
Scrutiny Office
Morier House
Halkett Place
St Helier
JE1 1DD

Dear Sirs

Gender Pay Gap Review Panel – Requests for Written Submission

I refer to your letter dated 13 September and have taken time to consider the questions you raise.

To the four questions I answer as follows:

1. *Do you think there is a gender pay gap in Jersey?*
The concept of a gender pay gap is not straight forward. There may be a gender pay gap in certain sectors but I do not think it is pronounced. In reality it is not a black and white concept and peoples experience, abilities or other attributes for a particular job vary enormously. Levels of commitment in terms of intrinsic interest to any task or job as well as the time they are prepared to commit whether it be a summer season or a twenty year career also varies depending on age, housing status, nationality and many other ethnic and demographic factors.
2. *Do you have any evidence to support this perception?*
Having been an employer in the private sector in the finance industry for some twenty years we see evidence through our own staffing and recruitment requirements. We can be aware of what competitors do in our sector and we are fully aware through clients and their agents of a much wider picture. We do of course deal with the public sector, relevant government authorities here in Jersey and elsewhere and do access the publicly available employment statistics.

In the finance industry, and possibly as a smaller independent player within that sector, recruitment is difficult and remains very tight.

From any employer's perspective one clearly does not want to be over-paying any employee, but at the same time one is sometimes forced to recruit what is available from a pretty limited pool of candidates. The finance industry does seem to rely on skilled women in the workforce who are very good at white collar clerical work. Demographically we have been able to rely over the years on a number of employees who have been mothers returning to the workplace. These are invaluable. We have undertaken pay reviews and had our pay scales independently assessed. We contributed to the Hassell Blampied surveys for a number of years to assess our own pay scales.

However I would specifically stress that Jersey is a high cost centre. We through our international client base we witness businesses or client investments in a number of jurisdictions. Personally I work quite a bit with Malta a competitor jurisdiction. I would suggest to you that the Maltese labour market is a lot easier and freer than Jersey. In very simple terms if I was able to transfer our trust company to Malta overnight (all other things being equal) our internal labour costs would be two thirds our current Jersey costs irrespective of gender.

I have also been involved in recruitment in several other EU countries.

A challenge that we face in Jersey is being able to recruit younger qualified staff. The demographic flow through of younger generation graduates of sufficient skill set is just not available. We have tried to recruit. This is irrespective of gender. We need to see a complete loosening of immigration policy. This would serve to free the marketplace, reduce costs, maintain competition (internationally). Without this it means we are forced to rely on an imbalanced pool of limited labour which can skew unintentionally a gender pay gap.

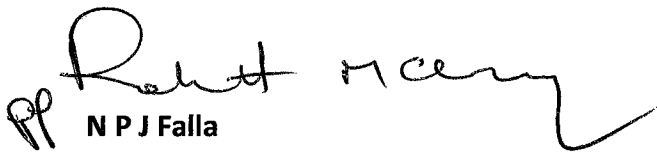
3. Has your company developed any initiatives to ensure a more gender diverse business?
We have always maintained an open door and equal opportunities staffing policy for current staff and recruitment. We continue to do this. However a frustration is to obtain, as said above younger suitably qualified people with aptitude for international business and who are willing to travel. This is a very necessary ingredient of being an international finance company with international clients. Our clients come from very different ethnic, religions and cultural backgrounds: we are an international finance industry. We have to balance our representation in the field accordingly. The difficulty is to persuade women to travel to more risky parts of the world. We are told, a good longer term market for us is Africa. However as with Arabia there are issues of insurance, safety and health which negate sending women to such places on account of the specific cultures in those regions which we will respect.
4. Looking at the composition of your business, are the more senior roles held by mostly males or females?
For the previous five years, until 31 December 2017, our board of directors was split 50% between male and female. It is now 75% male on account of one of the female members coming up to natural retirement age last December. Immediately below the

board of directors we have eight staff employed at senior management level, six of whom are female. Below that we have more junior administrators both client facing and for the office and of these eight, only two are male.

In summary, I could argue that because of the very tight immigration policy we are adversely affected in the job market which will damage our potential to grow in Jersey. Recruitment in these conditions does have an impact on gender ratios within the business not necessarily in line with our policy or competitive requirements.

I trust the above will assist in your review. I am very happy to give further comment or make observations. I have outlined a certain amount of qualification bearing in mind the Terms of Reference you state.

Yours faithfully


N P J Falla
Managing Director