Gender pay gap report



Introduction

We report our gender pay gap in line with the regulations set out in the Equality Act 2010 (Gender Pay Gap Information) Regulations.

We are committed to taking proactive action to reduce our gender pay gap and we are pleased to report a reduction in our gender pay gap this year.

We want our workforce to be truly representative of all areas of society, and for each employee to feel included, respected, and able to give their best.

This report shows our gender pay gap statistics, our analysis of the causes, and an outline of the actions we are taking to address it.

Gender pay gap and equal pay: what's the difference?

Gender Pay Gap and Equal Pay are not the same and are often confused.

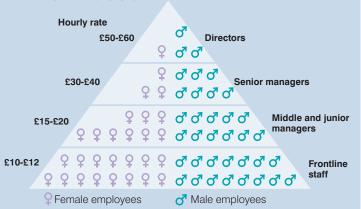
The gender pay gap is the difference between the average hourly earnings of all male colleagues compared to the average hourly earnings of our female colleagues, expressed as a percentage. The gender pay gap reflects the profile of our workforce i.e., the work men and women do and their position in a company's hierarchy.

In contrast Equal pay ensures men and women are paid equally for performing the same or similar job roles.

We have a gender pay gap despite paying our male and female colleagues equally for the same work. Our gender pay gap exists because men and women work in different roles and those roles have different salaries.

Figure 1 below shows an example of this, in the example men and women are paid the same for the role they complete. There are less women than men in higher paid roles, which means the average pay for men, across the organisation as a whole, is higher than the average pay for women, and this results in a gender pay gap.

Illustration of an Organisation with equal pay and a gender pay gap



We have a clear policy of rewarding employees equally for the same or similar work and have systems and processes in place to ensure this.



Gender Pay Gap Statistics

ORDINARY PAY

The table below shows the mean and median gender pay gap based on hourly rates of pay of those employed on the snapshot date of 5th April 2022.

Mean hourly pay difference between male and female employees	7.8%
Median hourly pay difference between male and female employees	8.9%

The mean is the more commonly used average: it adds all the hourly pay rates together and then divides them by the total number of pay rates. In this reporting period our mean gender pay gap shows that women were paid 7.8% less than men on average, when comparing average pay across the whole company.

This year's calculations show that our mean gender pay gap has reduced by 4 percentage points since reporting began.

The median is the middle pay rate in the list of pay rates when sorted from lowest to highest. The median is used so that the average is not distorted by a small number of exceptions to the general rule. In the context of the gender pay gap, it removes the distortion that one or two high paid females have on the overall picture. The median therefore presents a better measure of what is happening.

Our median gender pay gap has reduced by 10 percentage points this year, compared to when reporting began.

How does our gender pay gap compare with that of others?

The mean gender pay gap for the whole economy (according to the October 2022 Office for National Statistics (ONS) Annual Survey of Hours and Earnings figures) is 11.3%, while in the construction sector it is 9.5%. At 7.8%, our 2022 mean gender pay gap is lower than the whole economy and our sector.

The median gender pay gap for the whole economy (according to the October 2022 ONS ASHE figures) is 8.2%, while in the construction sector it is 10.2%. At 8.9%, our median gender pay gap in 2022 is higher than the whole economy but lower than our sector.

BONUS PAY

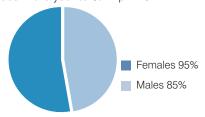
The table below shows the mean and median gender pay gap based on bonus paid during the 12 months to 5th April 2022.

All relevant employees are included in our gender bonus gap calculations as stipulated in the regulations.

Mean bonus difference between male and female employees	33%
Median bonus difference between male and female employees	16%

Proportion of males and females receiving bonuses

The chart below shows the proportion of males and females receiving bonuses in the year to 5th April 2022.

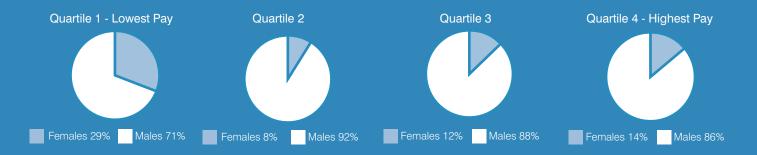


We are proud to offer all colleagues the opportunity to earn bonus

Bonuses are awarded based on outputs linked to individual and company performance, which are objectively measurable to ensure bias or discrimination in our reward schemes are avoided. Our bonus structure is role based and is identical for employees completing the same role.

Proportion of males and females in each quartile

The charts below show the proportion of males and females in each quartile, from lowest pay to highest pay. Each quartile has an equal number of employees in it.



Summary Analysis

The most significant factors causing our gender pay gap are that

- only 16% of our total employees are female causing an imbalance in the number of men and women employed at various levels within the organisational structure
- although our female colleagues are employed in roles at all levels of the business, we have significantly fewer women than men in each of our pay quartiles and women occupy a greater proportion of our lower paid roles than they do our most senior positions

Typically, people in more senior positions receive the highest pay and bonuses to appropriately reward the level of responsibility they hold, and this is the case within our organisation.

Reduction in our gender pay gap

We are pleased to report that this year our gender pay gap reduced, the main causes of this were:

- women occupied a greater number of senior paid roles when compared to a year earlier. This year 22% of our female colleagues occupied roles in the highest pay quartile, compared to 16% a year earlier. This is a result of our ongoing efforts to ensure our recruitment processes are inclusive which has also enabled us to access underrepresented groups; we recruited several senior female managers into the business during the period
- our early talent programmes have provided the opportunity for us to encourage new entrants to the market which has resulted in the recruitment of female colleagues into trainee technical roles which have high earnings potential, many of whom are progressing their careers and entering the higher pay quartiles as they do so
- we introduced a profit share scheme which resulted in a standardised approach to the amount of bonus colleagues can earn, expressed as a % of salary which is now the same regardless of where a job role sits in our hierarchy

Closing the Gender Pay Gap

We are not happy with our gender pay gap and are committed to doing everything we can to reduce the gap further. However, we also know this is a difficult task.

Whilst it is unsurprising that the construction industry has a higher number of male than female employees, we will continue to play a proactive and positive role to:

- encourage more female entrants to the market and into our employment
- facilitate the career progression of female employees within our business and the industry

Regrettably we must acknowledge that given the current composition of the industry closure of gender pay gaps within construction will not be realised quickly, however we remain committed to a long-term sustainable approach focused on improving the representation of women and all underrepresented groups at each level of the organisation.

Our key areas of focus are as follows:

- RECRUITMENT AND SELECTION accessing diverse talent pools and ensuring our recruitment and selection processes are inclusive to increase the number of women (and other underrepresented groups) we employ.
- 2. ENCOURAGE NEW ENTRANTS TO THE MARKET creating opportunities that support underrepresented groups to join the industry such as apprenticeship schemes, work experience placements and career change programmes
- 3. FLEXIBILITY– implement hybrid working for roles that have traditionally been office bound and ensure our front-line sitebased roles can be completed more flexibly to make roles more accessible to a broader range of employees
- 4. REWARD AND RECOGNITION embed a behaviour framework which recognises and rewards inclusive behaviours at all levels of the organisation and makes career development contingent on this, consider modern and flexible benefits packages that appeal to a broad range of talent including continued offering of enhanced family leave pay

We look forward to sharing our progress in future reports.

I, Jason Gorin, People Director, confirm that the information in this statement is accurate.

Signed:

Date: 03/04/23



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