



# Barhale Gender Pay Gap Report 2020

# Gender Pay Gap Report

## Introduction

In spring 2020 the Government Equalities Office (GEO) and the Equality Human Rights Commission (EHRC) took the decision to suspend enforcement of the gender pay gap deadlines for the 2019/20 reporting year because of the pressure and uncertainty experienced by many employers as a result of the global pandemic.

For our 2020/21 report we have also included details of our 2019 gender pay gap statistics. Although reporting was suspended, we believe it is important to continue to provide transparency on our gender pay gap and create plans to address them and to enable us to explain changes and challenges.

Over the next 10 years, the UK Government is investing £650bn into the construction industry and with more job opportunities available compared to previous years, it is an exciting time for people to remain and join the industry with so much investment and opportunity.

With an ageing workforce and a loss of skilled labour throughout the industry, we are presented with many challenges and we now have to ensure that our efforts and focus is on attracting diversity of talent and ensuring that we take full responsibility for promoting construction as an exciting and rewarding career choice.

## Our Results

### Introduction

The reporting period for all companies with more than 250 employees is one year up to, and including 5th April ("the snapshot date"). Regulations stipulate that when calculating pay we have to include the following factors:



BASIC PAY



PAID LEAVE



FULL MATERNITY  
& PATERNITY PAY



COMPANY  
SICK PAY



BONUS PAY



CAR ALLOWANCE  
(NOT COMPANY CAR)

## Gender Pay Gap Data

### Pay gap v equal pay

The gender pay gap and equal pay are often confused as being the same problem.

The gender pay gap is different to equal pay, which is the legal requirement that men and women are paid equally for doing the same job under the Equality Act 2010. **Barhale** pays males and females the same amount for doing the same work.

A company's gender pay gap reflects other issues, for example fewer women in senior or highly-paid roles or more women in part-time jobs.

At the snapshot date, for 2019 and 2020 our proportion of males to females remained consistent.



The data that follows is based on these percentages.

### Gender bonus pay gap data

#### Median pay gap

The median pay gap is the difference in pay between the middle-ranking woman and the middle-ranking man. If you place all the men and women working at a company into two lines in order of salary, the median pay gap will be the difference in salary between the woman in the middle of her line and the man in the middle of his.

#### Mean pay gap

The mean pay gap is the difference between a company's total wage spend-per-woman and its total spend-per-man. The number is calculated by taking the total wage bill for each and dividing it by the number of men and women employed by the organisation.

Year	Mean	Median
2019	22%	28%
2020	28.3%	25.2%

We saw our mean gender pay gap reduce in 2019 compared to the previous reporting period as a result of restructures which impacted a significant number of men compared to women. 2020 is still showing an improvement (albeit slow at 3%) in closing our gender pay gap compared to 2017 and 2018. However, it also shows a more realistic picture when considering the challenges faced by the construction industry in attracting more women into construction. Our gender split also remained consistent for the first six months of 2020 as recruitment was put on hold as we responded to the challenges of COVID-19.

## Proportions of males and females receiving bonus



For the 2019 reporting period, 75% of our female population received a bonus payment compared to 76% of the male population. There will always be a percentage of males and females who do not receive a bonus payment under the scheme because of the eligibility criteria which impacts starters and leavers. However, under the scheme we expect to see similar results in the future, which demonstrates inclusivity and fairness of the scheme.

In 2020, one of our business continuity strategies was not to pay any bonus under the performance incentive scheme. We did however continue to pay our productivity bonus (which is common practice within the construction industry) for our site based operational population.

## Mean and Median gender pay gap

- The mean (average) bonus pay is the difference of the **average** bonus pay between men and women
- The median looks at the median bonus pay between men and women

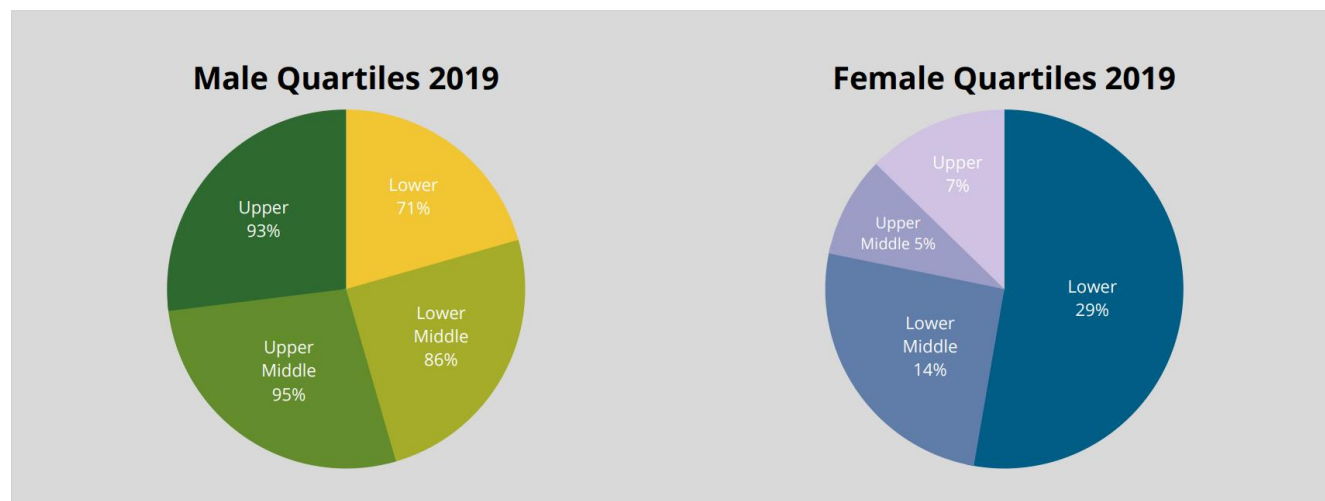
Mean gender bonus gap 2019	Mean gender bonus gap 2020
66.7%	-108%
Median gender bonus gap 2019	Median gender bonus gap 2020
60%	100%

Whilst the principles of our performance incentive scheme is fair and inclusive, we do have a discrepancy in terms of the difference in the average bonus pay. However, as explained earlier, this is as a result of our gender split within the workplace where we have a predominately male workforce. In addition, the result is representative of the leadership and management profile where a higher number of males than females hold these positions. This is explained more within the quartiles.

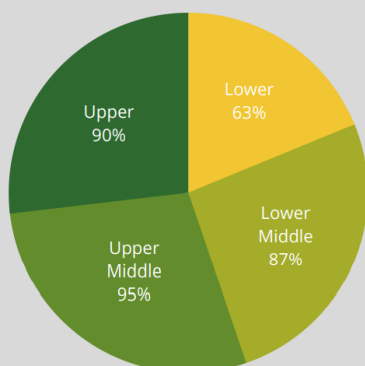
In 2020, the productivity bonus scheme was more favourable towards our female population within our site based teams, which is why we are seeing a negative figure. This again is as a result of low female representation, but also confirms the fact that the scheme is free from gender bias. The 100% median gender bonus gap for 2020 is as result of the non-payment of the performance incentive scheme.

## Pay Quartiles

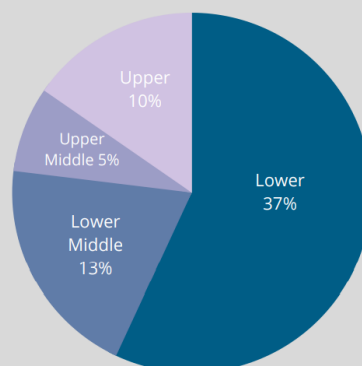
Pay quartiles are calculated by splitting all employees into four even groups from lowest paid to highest paid. It is evident from the below that we continue to have disproportionate groups of women compared to men throughout the business at every level. In addition, our recruitment metrics indicate that women continue to be mainly recruited into lower level positions.



### Male Quartiles 2020



### Female Quartiles 2020



## What we are doing to close the gender gap

- Re-designed our Graduate Programme to 'Early Careers Programme' to bring flexibility to diverse groups
- We are signatories of the Armed Forces Covenant to support ex-military and their families into employment
- We continue to work with organisations such as Women into Construction and local authorities to maximise opportunities to showcase our business and the industry we are working in, in order to recruit talented individuals across the diversity spectrum
- We liaise with schools and colleges to generate interest from students
- Designed and implemented a construction project that reached over 4000 schools within the UK
- Introduced diversity and inclusion training throughout the company
- Achieved Gold in Investors in People which enhances our employee value proposition
- We introduced long service awards to ensure that we are rewarding and recognising the contributions of our long serving employees
- Actively promoting all opportunities to attract diversity and remain inclusive

## CEO Closing Comments

It is clear that 2019-2020 presented challenges and financial pressures for Barhale. New contracts were slower in commencing due to the inertia associated with COVID-19 which presented significant budgetary challenges. Unfortunately, during these turbulent times, remuneration and the performance incentive scheme was impacted.

As a team and a collective a positive and pragmatic approach was taken by the senior leadership team, in unprecedented circumstances, that required speedy cost reduction measures to help off-set some of the unrecoverable COVID-19 cost impact to the business. This included utilising the Government's Job Retention Scheme where some of our colleagues were furloughed and only critical recruitment was permitted. Yet amongst all of this, key performance measures were met

successfully, long-standing issues were resolved that will have a positive impact on future business stability and job security for all and Gold in Investors in People was achieved, in recognition of the Company's values, inclusivity and continuously improved people practices. It is important to also recognise that retention levels of good workers have remained consistent at 80% throughout the last twelve months.

Looking forward, we are encouraged by a number of projects that are coming to fruition and we are now considering our recruitment plans to ensure effective and efficient resourcing, to enable a successful and profitable 2021-2022 financial year. Whilst we still face many challenges in closing the gender gap, we have a strong platform to build upon. It is vital that we focus our efforts on attracting a diverse workforce and creating a sustainable talent pool for the foreseeable future, especially when considering the ever increasing skills shortage in the construction industry. However, with regards to pay, it continues to be the case that we are an equal opportunity employer and we need to harness our employer branding and reputation to improve diversity in its entirety for our future success.

It is an exciting time at Barhale and together we are looking forward to a successful and profitable future.

A handwritten signature in black ink, appearing to read "MB", with a long, horizontal, wavy line extending from the end.

**Martin Brown** Chief Executive Officer