

Gender Pay Report April 2020



What is the gender pay gap?

From 5 April 2017 onwards, any UK employer with 250 or more employees must publicly report on its gender pay gap. Employers must publish the gap in pay between men and women on both a median basis (pay per hour based on the person 'in the middle' of the distribution of pay) and a mean basis (average hourly salary). Gender pay gap reporting is not about equal pay, although our policy is to pay employees equally for the same or equivalent work, regardless of their gender.

Reducing the pay gap

We are proud to have been awarded Investor in People Silver accreditation for the second time, and our overall engagement score increased to 73% overall. We remain committed to building and developing a more diverse workforce; however due to the impact of the recent pandemic our voluntary attrition rate has been at its lowest of 3% meaning lower than usual recruitment activity.

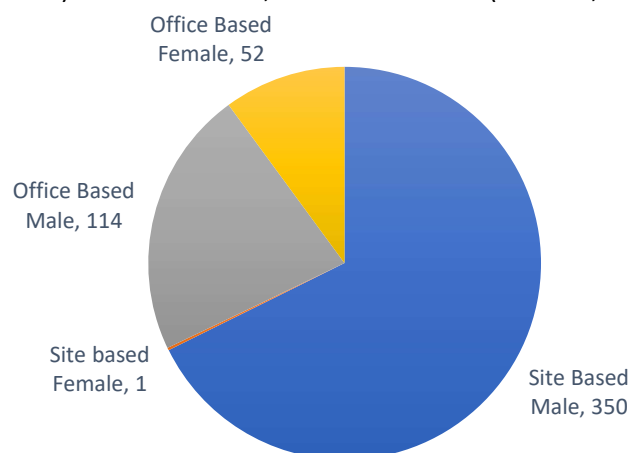
In general, females have been underrepresented across our industry, which has traditionally been, and continues to be male dominated, primarily because of fewer women choosing to follow a qualification/career in construction and engineering. We continue to promote the industry and work in partnership with the FPS to engage with people of all genders, ethnicities and social backgrounds to consider our industry for a career. In addition, to future address this, we have a three-year Equality, Diversity and Inclusion Action Plan which focuses on Leadership, Culture, and Development, each with bespoke targets, helping to build a strong culture of fairness, inclusion and respect across our organisation.

Our commitment to encouraging people to join our industry is a focus area of ours. We are a partner of the 5% Club, whereby we provide learning and development opportunities and are committed to 5% of our workforce being on an emerging talent programme, meaning people gain qualifications needed to develop careers within the industry. We are also engaging directly with further education establishments to encourage more females to enter the construction and engineering sector. Both processes are aimed at addressing the challenge of increasing female representation within our workforce and will ultimately lead to reducing the pay gap.

Our Workforce

At 5 April 2020 we employed a workforce of 517 (53 female, 464 male). This is an increase of 23 (1 female, 22 male) compared to 5 April 2019.

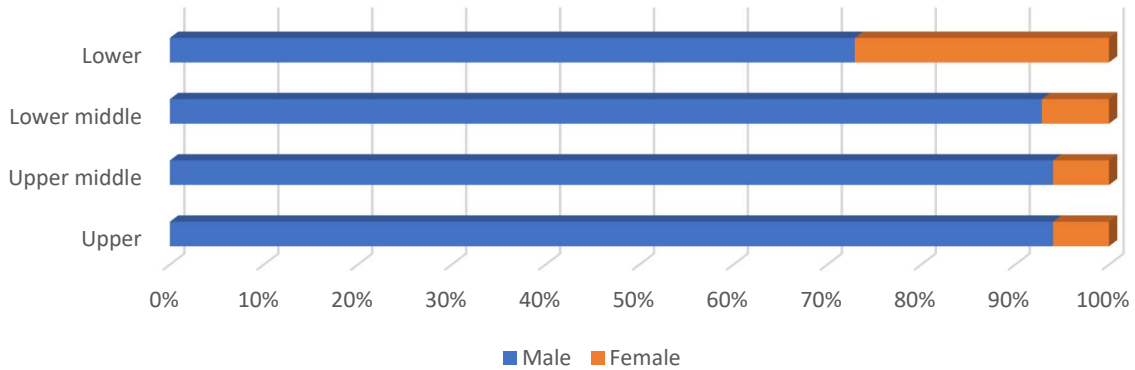
Of these, 166 employees (114 male, 52 female) were office based, an increase of 3 (2 male, 1 female), and 351 (350 male, 1 female) were site based, an increase of 20 (20 male, 0 female).



Our Pay Gap Data

Van Elle continues to have a pay gap both for hourly pay and for bonus pay. The primary cause of this pay gap is that 58% (2019: 61%) of female employees are within the lower pay quartile. This is reflective of the construction and engineering sectors where women continue to be underrepresented, particularly on site and at senior levels.

Proportion of male and female employees in quartile pay bands



The results have been impacted by, and are reflective of, the relevant pay period used for calculating the mean and median hourly pay gap. The relevant pay period is the pay period within which the snapshot date (5th April) falls. For site-based staff, who are paid weekly, this was week commencing 30th April 2020. For office-based staff, who are paid monthly, this was April 2020.

The pay used to calculate an hourly rate per employee for the pay gap calculations includes any bonuses received in the relevant pay period. Therefore, the hourly pay of site-based staff, where 99% of employees are male, includes bonus but the hourly pay of office-based staff does not. This has therefore resulted in an increased hourly pay gap.

There are also additional impacts as a result of Covid-19, the number of full pay relevant employees is reduced due to the use of the Coronavirus Job Retention Scheme and a number of staff being furloughed during the relevant pay period. The pay gap will also be reduced as several staff who were not furloughed including the entire senior leadership team took a temporary pay cut during the relevant pay period, 80% of these staff being male.

	2020	2019	2018	2017
Mean hourly pay gap	29.0%	37.6%	39.7%	38.4%
Median hourly pay gap	35.7%	42.9%	40.2%	38.3%

The mean hourly pay gap has decreased from 37.6% at 5 April 2019 to 29.0% at 5 April 2020 because of an increase of 12% in the average hourly pay to women against and decrease of 2% for men. The median hourly pay gap has decreased from 42.9% to 35.7% at 5 April 2019 due to a 5% decrease in the male hourly pay median, with the female median increasing by 7% year on year. As explained above this reflects the temporary measure taken during the start of the Covid-19 pandemic.

The mean and median bonus pay gap is calculated based on bonuses paid in the 12 months ending 5 April 2020.

	2020	2019	2018	2017
Mean bonus pay gap	53.7%	64.0%	59.0%	66.3%
Median bonus pay gap	5.9%	67.0%	52.9%	40.9%

The mean bonus pay gap has decreased from 64.0% to 53.7%. There was an increase of 6% in the average bonus pay to men against and increase of 37% for women. The median bonus pay gap has decreased from 67.0% to 5.9% at 5 April 2020 due to a 205% increase in the bonus pay median for women, with the male median increasing being 7% year on year.

We had 239 (2019: 162) employees (189 male, 50 female) who did not receive a bonus in the relevant bonus period. As can be expected for a period which had been heavily impacted by the pandemic in the final months, this is a marked increase on 2019. With only 3 women receiving a bonus and bonuses in general being reduced this has contributed to the above reductions in the bonus pay gap.

Declaration

I confirm that the gender pay gap data contained in this report for Van Elle Limited is accurate and has been produced in accordance with the guidance on managing gender pay developed by the Arbitration and Conciliation Service (ACAS). **Graeme Campbell - Chief Financial Officer**