



Hill & Smith Holdings Plc
Gender Pay Gap disclosures for the 2019/20 reporting period

January 2021

Scope of services

Deloitte LLP (“we”) were engaged by Hill & Smith Holdings Plc (“Hill & Smith” or the “Group”) to calculate its mandatory Gender Pay Gap (“GPG”) disclosures as required by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (the “Regulations”) for the reporting period ended 5 April 2020.

Birtley Group Ltd, Hill & Smith Ltd and Joseph Ash Ltd (the “Relevant Employers”) were the only UK employing entities with 250 or more employees as at 5 April 2020 and therefore required to report their GPG disclosures.

The Group’s GPG disclosures are also reported on a voluntarily basis.

Work performed

Using HR and payroll data provided by Hill & Smith, we have calculated the six disclosures required by the Regulations for Birtley Group Ltd, Hill & Smith Ltd, Joseph Ash Ltd and the Group. The disclosures are as follows:

1. Mean Hourly Pay Gap – difference between the male and female *Full Pay Relevant Employee* mean Hourly Pay as a proportion of the male figure.
2. Median Hourly Pay Gap – difference between the male and female *Full Pay Relevant Employee* median Hourly Pay as a proportion of the male figure.
3. Mean Bonus Gap – difference between the male and female *Relevant Employee* mean Bonus Pay as a proportion of the male figure.
4. Median Bonus Gap – difference between the male and female *Relevant Employee* median Bonus Pay as a proportion of the male figure.
5. Proportion of male and female *Relevant Employees* receiving Bonus Pay.
6. Proportion of male and female *Full Pay Relevant Employees* in each Hourly Pay quartile banding.

These calculations must be signed off by a director of the Relevant Employers or the Group to confirm their accuracy. The 2019/20 GPG publication will include a declaration confirming the accuracy of the GPG disclosures.

Responsibilities and assumptions

HR and payroll data used to calculate the GPG disclosures was provided by Hill & Smith. We have assumed that the data was complete and accurate. We have not audited or otherwise tested or verified the data to source.

Specifically, Hill & Smith is responsible for establishing and maintaining an effective internal control system that reduces the likelihood that data errors or irregularities will occur and remain undetected; however, it does not eliminate that possibility. Our work does not guarantee that data errors or irregularities will not occur, nor is it designed to detect any such errors or irregularities should they occur. It is therefore imperative that Hill & Smith takes full and final responsibility for the GPG disclosures prior to publication.

GPG disclosures

Group

	2019/20				2018/19			2017/18			2016/17		
Employees	Male	Female	Total		Male	Female	Total	Male	Female	Total	Male	Female	Total
Relevant Employees	1,715	230	1,945		1,684	220	1,904	Not disclosed	Not disclosed	1,890	Not disclosed	Not disclosed	1,954
Full Pay Relevant Employees	1,000	148	1,148		1,581	204	1,785	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed
GPG	Male	Female	GPG	Change	GPG	Change		GPG	Change		GPG		
Mean Hourly Pay	£18.68	£17.12	8.4%	-4.3%	12.7%	0.2%		12.5%	2.3%		10.2%		
Median Hourly Pay	£14.13	£14.12	0.1%	3.3%	-3.2%	-7.1%		3.9%	-1.3%		5.2%		
Mean Bonus Gap	£4,707	£2,141	54.5%	-25.4%	79.9%	1.1%		78.8%	19.8%		59.0%		
Median Bonus Gap	£1,425	£1,125	21.1%	-35.8%	56.9%	21.9%		35.0%	39.2%		-4.2%		
% Relevant Employees receiving a bonus	Male	Female			Male	Female		Male	Female		Male	Female	
	40%	62%			45%	62%		31%	47%		41%	58%	
Pay quartiles	Male	Female			Male	Female		Male	Female		Male	Female	
Upper	91%	9%			89%	11%		91%	9%		90%	10%	
Upper Middle	84%	16%			87%	13%		89%	11%		88%	12%	
Lower Middle	86%	14%			91%	9%		89%	11%		89%	11%	
Lower	88%	12%			87%	13%		90%	10%		87%	13%	

GPG disclosures

Joseph Ash Ltd

	2019/20				2018/19			2017/18			2016/17		
Employees	Male	Female	Total		Male	Female	Total	Male	Female	Total	Male	Female	Total
Relevant Employees	292	36	328		296	36	332	Not disclosed	Not disclosed	325	Not disclosed	Not disclosed	325
Full Pay Relevant Employees	210	32	242		287	32	319	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed
GPG	Male	Female	GPG	Change	GPG	Change		GPG	Change		GPG		
Mean Hourly Pay	£15.47	£13.99	9.6%	4.2%	5.4%	-6.3%		11.7%	-3.3%		15.0%		
Median Hourly Pay	£13.07	£14.17	-8.4%	8.5%	-16.9%	-14%		-2.9%	-4.4%		1.5%		
Mean Bonus Gap	£10,740	£1,705	84.1%	-5.3%	89.4%	5.9%		83.5%	-0.9%		84.4%		
Median Bonus Gap	£3,038	£1,689	44.4%	-14.4%	58.8%	17%		41.8%	-5.7%		47.5%		
% Relevant Employees receiving a bonus	Male	Female			Male	Female		Male	Female		Male	Female	
	15%	92%			13%	86%		14%	88%		15%	91%	
Pay quartiles	Male	Female			Male	Female		Male	Female		Male	Female	
Upper	80%	20%			86%	14%		88%	12%		90%	10%	
Upper Middle	90%	10%			91%	9%		91%	9%		91%	9%	
Lower Middle	98%	2%			98%	2%		100%	0%		98%	2%	
Lower	78%	22%			85%	15%		80%	20%		84%	16%	

Impact of Furloughed employees

As noted on page 9, employees who were furloughed during the Relevant Pay Period and who did not receive full regular pay are not considered Full Pay Relevant Employees. The tables below illustrate the difference in Hourly Pay Gap disclosures in terms of including vs excluding such employees.

Group	Excluding Furloughed employees ¹			Including Furloughed employees		
	Male	Female	Total	Male	Female	Total
Employees						
Relevant Employees	1,715	230	1,945	1,715	230	1,945
Full Pay Relevant Employees	1,000	148	1,148	1,517	217	1,734
GPG						
Mean Hourly Pay	£18.68	£17.12	8.4%	£16.47	£15.12	8.2%
Median Hourly Pay	£14.13	£14.12	0.1%	£12.60	£13.14	-4.3%

Furloughed employees	Male	Female	Total
Number	517	69	586
% of Male / Female / Total Relevant Employees	30%	30%	30%

1. Excludes employees furloughed during the Relevant Pay Period and who did not receive full regular pay, in line with interpretation of Regulations.

Impact of Furloughed employees

As noted on page 9, employees who were furloughed during the Relevant Pay Period and who did not receive full regular pay are not considered Full Pay Relevant Employees. The tables below illustrate the difference in Hourly Pay Gap disclosures in terms of including vs excluding such employees.

Joseph Ash Ltd			
Employees			
Relevant Employees	292	36	328
Full Pay Relevant Employees	210	32	242
GPG			
Mean Hourly Pay	£15.47	£13.99	9.6%
Median Hourly Pay	£13.07	£14.17	-8.4%
Furloughed employees			
Number	47	4	51
% of Male / Female / Total Relevant Employees	16%	11%	16%

1. Excludes employees furloughed during the Relevant Pay Period and who did not receive full regular pay, in line with interpretation of Regulations.

2019/20 reporting positions

Application of definitions

The reporting positions taken to prepare the GPG disclosures for the 2019/20 reporting period are summarised below.

Element	Definition	Application to Hill & Smith
Relevant Employer	An employer who has 250 or more employees on the snapshot date (5 April 2020).	<ul style="list-style-type: none"> Birtley Group Ltd, Hill & Smith Ltd and Joseph Ash Ltd.
Relevant Employee	A person who is employed by the Relevant Employer as at the snapshot date (5 April 2020).	<ul style="list-style-type: none"> Employees identified in HR data as employed on 5 April 2020 and who received Ordinary Pay during the Relevant Pay Period per payroll data.
Full Pay Relevant Employees	A Relevant Employee who is not, during the Relevant Pay Period, being paid a reduced rate or nil as a result of being on "leave" ¹	<ul style="list-style-type: none"> Relevant Employees, excluding those who we identified or assumed to be on reduced pay as a result of leave. Namely: employees who received Statutory Sick Pay or Statutory Maternity Pay; employees subject to a deduction for unpaid leave or unworked hours; employees who did not receive basic pay or holiday pay; employees who received Hourly Pay (calculated per the Regulations) of less than £6.45 (NMW for 18 to 20 year olds during 2020/21); employees who were not employed during the entirety of the Relevant Pay Period. Also includes employees who were furloughed during the Relevant Pay Period and who did not receive full regular pay. This therefore includes all employees within the Group who were furloughed during April 2020, with the exception of weekly paid employees employed by Birtley Group Limited (where such employees received full regular pay during the Relevant Pay Period).
Relevant Pay Period	The pay period (whether weekly, fortnightly, monthly) within which the snapshot date (5 April 2020) falls.	<ul style="list-style-type: none"> Relevant Employees are either weekly or monthly paid.
Relevant Bonus Period	The period 6 April 2019 to 5 April 2020.	<ul style="list-style-type: none"> Based on payroll data for the 12 month period to 5 April 2020.
Ordinary Pay	<p>Includes basic pay, allowances, pay for piecework, pay for leave, shift premium pay.</p> <p>Excludes remuneration referable to overtime, redundancy / termination of employment.</p> <p>Excludes remuneration in lieu of leave.</p>	<ul style="list-style-type: none"> Basic pay, shift premium and allowances included in payroll data. See pages 11 to 13. A deduction is taken for benefits operated under salary sacrifice (childcare vouchers).

1. Leave includes: annual leave; maternity, paternity, adoption, parental or shared parental leave; sick leave; and special leave.

2019/20 reporting positions

Application of definitions

The reporting positions taken to prepare the GPG disclosures for the 2019/20 reporting period are summarised below.

Element	Definition	Application to Hill & Smith
Bonus pay	<p>Includes remuneration in the form of money, vouchers, securities / securities options.</p> <p>Includes remuneration that relates to profit sharing, productivity, performance, incentive or commission.</p> <p>Excludes Ordinary Pay and remuneration referable to overtime or redundancy / termination of employment.</p>	<ul style="list-style-type: none"> Bonuses included in payroll data for the 12 month period to 5 April 2020.
Hourly Pay	<p>Calculated based on the formulae:</p> $\frac{(\text{Ordinary Pay paid during the Relevant Pay Period} + \text{Pro-rated Bonus Pay paid during the Relevant Pay Period}) \times \text{Multiplier}}{\text{Weekly working hours}}$ <p>The Multiplier is 7 / number of days in the Relevant Pay Period.</p>	<ul style="list-style-type: none"> 30.44 days has been used as the Multiplier for monthly paid Full Pay Relevant Employees. 7 days has been used as the Multiplier for weekly paid Full Pay Relevant Employees. The number of weekly working hours is based on the weekly contractual hours included in HR data.

2019/20 reporting positions

Payroll element analysis (1 of 3)

The table below sets out the treatment of each payroll element used during the Relevant Pay Period. Specifically, whether it has been included as Ordinary Pay or Bonus Pay.

Payroll element	Ordinary Pay	Bonus Pay	Comments
Basic rate	Yes	No	Basic Pay
Overtime (various descriptions)	No	No	Ordinary Pay / Bonus does not include remuneration referable to overtime
Travel and subsistence expenses / reimbursements	No	No	Ordinary Pay does not include expenses / reimbursements wholly and necessarily incurred in the course of employment
First Aid	Yes	No	Cash allowance / pay for additional responsibilities
Cleaning	Yes	No	Cash allowance / pay for additional responsibilities
Holiday Pay	Yes	No	Pay for leave
Back Pay	No	No	Does not relate to Ordinary Pay earned during the Relevant Pay Period
Shift Allowance	Yes	No	Shift Premium
Berry On Site	Yes	No	Cash allowance
Production Gross Pay	Yes	No	Basic Pay
Multiplate Gross Pay	Yes	No	Basic Pay
Call Out	Yes	No	Cash allowance
Leading Hand	Yes	No	Cash allowance / pay for additional responsibilities
Key Holding	Yes	No	Cash allowance / pay for additional responsibilities
Car Allowance	Yes	No	Cash allowance
Additional Pay	Yes	No	Cash allowance
Out Of Hours Allowance	Yes	No	Cash allowance
BUPA Payment	No	No	Deduction from net pay
Underpayment	No	No	Deduction does not relate to Ordinary Pay earned during the Relevant Pay Period
Training	Yes	No	Cash allowance
Pension (Employer)	No	No	Ordinary Pay does not include employer pension contributions
Phone / Internet	Yes	No	Cash allowance
Overpayment	No	No	Deduction does not relate to Ordinary Pay earned during the Relevant Pay Period
Basic Hourly	Yes	No	Basic Pay

2019/20 reporting positions

Payroll element analysis (2 of 3)

The table below sets out the treatment of each payroll element used during the Relevant Pay Period. Specifically, whether it has been included as Ordinary Pay or Bonus Pay.

Payroll element	Ordinary Pay	Bonus Pay	Comments
Childcare Vouchers	Yes	No	Salary sacrifice deduction
Unpaid leave	Yes	No	Deduction against basic pay for unpaid leave
N/S Hol Premium	Yes	No	Pay for leave
Plus Basic Adjustment	No	No	Does not relate to Ordinary Pay earned during Ordinary Pay Period
Minus Basic Adjustment	No	No	Deduction does not relate to Ordinary Pay earned during the Relevant Pay Period
Advance Repay	No	No	Deduction does not relate to Ordinary Pay earned during the Relevant Pay Period
Barnardos	No	No	Deduction from net pay
Union	No	No	Deduction from net pay
Contract Rate	Yes	No	Cash allowance
Driver Night Rate	Yes	No	Cash allowance
Driver Rate	Yes	No	Cash allowance
Night out no tax	No	No	Does not relate to Ordinary Pay earned during the Relevant Pay Period
Shift Allowance	Yes	No	Cash allowance
Supervisor	Yes	No	Cash allowance / pay for additional responsibilities
Yard Rate	Yes	No	Cash allowance
Statutory Sick Pay	Yes	No	Pay for leave
Paternity Pay	Yes	No	Pay for leave
Statutory Maternity Pay	Yes	No	Pay for leave
Additional Holiday Pay	Yes	No	Pay for leave
Underworked Hours	Yes	No	Deduction for unworked hours
Pension Refund	No	No	Does not relate to Ordinary Pay earned during the Relevant Pay Period
90% Company Sick Pay	Yes	No	Pay for leave
70% Company Sick Pay	Yes	No	Pay for leave
London Allowance	Yes	No	Cash allowance

2019/20 reporting positions

Payroll element analysis (3 of 3)

The table below sets out the treatment of each payroll element used during the Relevant Pay Period. Specifically, whether it has been included as Ordinary Pay or Bonus Pay.

Payroll element	Ordinary Pay	Bonus Pay	Comments
Weekend on call	Yes	No	Cash allowance
Weekday on call	Yes	No	Cash allowance
Commission Monthly	No	Yes	Bonus Pay includes commission
South Weighting	Yes	No	Cash allowance
Chargehand	Yes	No	Cash allowance / pay for additional responsibilities
Contract Rate	Yes	No	Cash allowance / pay for additional responsibilities
Tea Break	Yes	No	Cash allowance
Retention	No	Yes	Bonus Pay includes one-off retention payments
Furlough	Yes	No	Basic Pay
Coronavirus SSP	Yes	No	Pay for leave
Access Sick Pay	Yes	No	Pay for leave

Appendix 1: Pay quartile analysis

The tables below set out the hourly pay figures for the employees who were ranked at the threshold points of the pay quartiles.

	2019/20				2018/19			
Group	Full Pay Relevant Employees = 1,148				Full Pay Relevant Employees = 1,785			
Pay quartile thresholds	Hourly Pay Rank	Hourly Pay	Deloitte ID	Company ID	Hourly Pay Rank	Hourly Pay	Deloitte ID	Company ID
Top of Upper	1	£354.21	PLC3	74	1	£344.62	PLC3	74
Top of Upper Middle	287	£19.78	HIL43	203	446	£16.15	BIR69	440012
Top of Lower Middle	574	£14.13	TEC1	10	893	£12.17	LWK93	10427
Top of Lower	861	£11.30	HIL223	7	1,339	£10.26	JOS292	6010796
Bottom of Lower	1,148	£6.65	PRE7	7	1,785	£6.15	BAR50	014EVE

Appendix 1: Pay quartile analysis

The tables below set out the hourly pay figures for the employees who were ranked at the threshold points of the pay quartiles.

2019/20	2018/19
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Joseph Ash Ltd

Full Pay Relevant Employees = 242

Full Pay Relevant Employees = 319

Pay quartile thresholds
Top of Upper
Top of Upper Middle
Top of Lower Middle
Top of Lower
Bottom of Lower

Hourly Pay Rank	Hourly Pay	Deloitte ID	Company ID
1	£104.22	JOS78	1
60	£15.46	JOS45	2720845
121	£13.31	JOS116	1220885
182	£11.04	JOS119	1220899
242	£8.13	JOS123	1220916

Hourly Pay Rank	Hourly Pay	Deloitte ID	Company ID
1	£99.21	JOS79	1
80	£14.43	JOS99	1210841
160	£11.55	JOS253	2020757
240	£10.22	JOS42	2710899
319	£6.46	JOS33	2210425



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