

Gender Pay Gap Reporting 2020/2021

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Introduction

In 2017 the Government introduced a requirement for all employers with more than 250 employees to report on their Gender Pay Gap. This requires employers to annually report and publish specific figures about their gender pay gap.

What is the gender pay gap?

The gender pay gap is the difference between the average (mean or median) earnings of men and women across a workforce. This is expressed as a percentage of men's earnings. For example, 'women earn 15% less than men per hour'. The gender pay gap calculations are based on payroll data drawn from a specific date each year. This specific date is called the 'snapshot date' which was 5 April 2020 for the 2020/2021 reporting year.

The gender pay gap is not the same as equal pay. While the gender pay gap and equal pay both deal with pay disparity at work, they are not the same issue. Equal pay means that men and women performing equal work, or work of equal value, must receive equal pay. Even if men and women are paid equally there may still be a Gender Pay Gap for instance if there are more men in higher paid roles than women.

The Office for National Statistics (ONS) found that the average Gender Pay Gap between men and women in the UK in 2020 (relating to the pay period that includes 22 April 2020) was 15.5%.

1. Purpose and Principles

Employers are required to report on their Gender Pay Gap in six different ways:

1. percentage of men and women in each hourly pay quarter
2. mean (average) gender pay gap using hourly pay
3. median gender pay gap using hourly pay
4. percentage of men and women receiving bonus pay
5. mean (average) gender pay gap using bonus pay
6. median gender pay gap using bonus pay

The gender pay gap shows the difference in the average earnings between all men and women within the company. The mean gender pay gap is the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees. The median gender pay gap is the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees. The median for each is the man or woman who is in the middle of a list of hourly pay ordered from highest to lowest paid. Medians are useful to indicate what the 'typical' situation is.

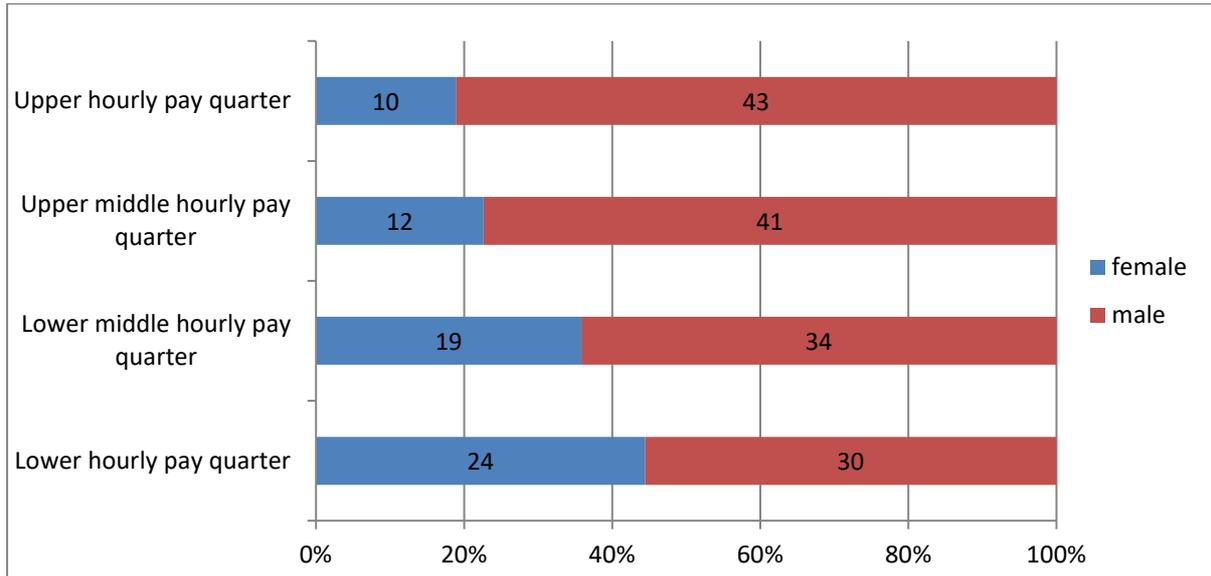
2. Our gender pay gap

The data used to report on our gender pay gap is a snapshot of pay data from 5 April 2020. At this time our workforce consisted of 257 employees (76 women and 181 men). At the snapshot date, 43 employees were on furlough leave due to Covid 19 (32 men and 11 women.) In line with the Coronavirus Job Retention Scheme these employees have been excluded from our data as per the Government guidelines.

2.1. Female representation and hourly pay

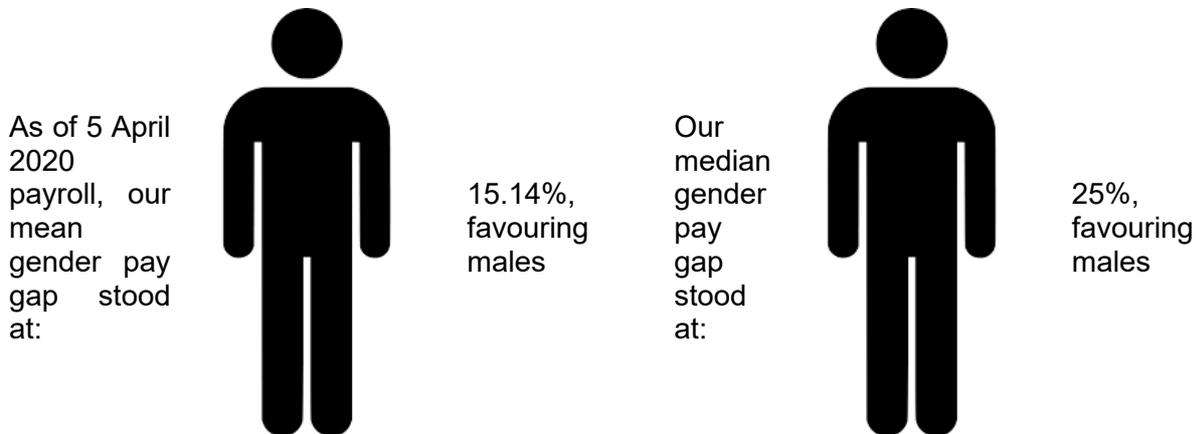
As at 5 April 2020, females represented 29% of our overall workforce. Typically men are over-represented within organisations in the Engineering and Transport industries and this is also reflected across our organisation.

The quartile breakdowns required under GPG reporting show the proportion of women and men at different pay levels.



The above shows that there is a lower representation of women in more senior management roles in our organisation. We know that a contributing factor is that we have technical and specialist high paid roles which typically will be undertaken by men. It is encouraging to see that 3 members of our Senior Leadership Team were females, this represents 37.5% of our Executive Team.

The mean gender pay gap is the difference between the average hourly earnings of males and females. The median gender pay gap is the difference between median hourly earnings.



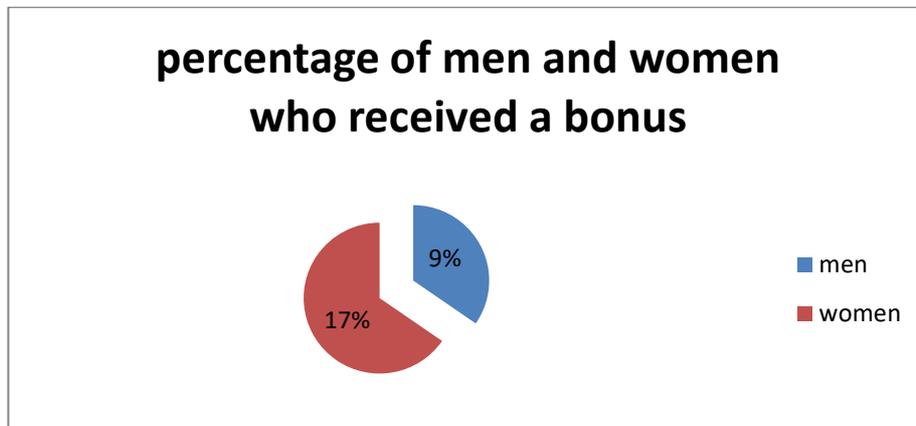
These figures are only slightly higher than the national figures reported by the Office of National Statistics, and than the mean pay gap for the Science and Engineering Sector. This gap is reflective of the fact that men are over-represented within organisations in the Engineering and Transport industries like Fraikin.

2.2. Bonus participation and payments

The bonus payment percentage is intended to reflect the distribution of bonus payments made to men and women who were paid bonus pay in the 12 months that ended on our snapshot date (6 April 2019 to 5 April 2020.)

Due to Covid 19 and the first lockdown taking place in March 2020 management bonuses were paid later than normal in 2020 (in July) and therefore were not present in the data we analysed. This means that the figures presented in this section are not truly representative of the number of men and women overall who participate in a bonus scheme. Data relating to payments received will also not be truly representative.

Though the number of men who received a payment (17) was higher than the number of women (13), the percentage of men is less as the total number of men (181) far exceeds the total number of women (77).



There is a significant gap for the mean (92%) highlighting that females on average are earning less than males in relation to bonus payments. This is predominantly due to women occupying roles which did not include a bonus at the time and to men who are entitled to bonuses occupying higher paid roles. The highest bonus payments were paid to males.

Since management bonuses were not present in the data analysed, this resulted in a high number of smaller bonus payments being made (such as recruitment bonuses) and this has resulted in a median (-0.28%) which is slightly more favourable to women.

Gender pay gap	%
5. Mean (average) gender pay gap using bonus pay	92.00%
6. Median gender pay gap using bonus pay	-0.28%

A performance related bonus has since also been introduced in our contact centre and therefore participation in a bonus scheme as well as the mean and median are likely to be significantly different in the next reporting period.

3. Summary

Our mean and median gender pay gap is in line with the industry and with the Engineering sector, we do however recognise that work is required to try to reduce the gap. In relation to bonuses, we know that the participation of women in a bonus scheme has improved and work remains to be done to reduce the gap in payments made. This is an area that we will actively monitor.

Suzanne Condes

HR Director

5 October 2021