

Hill & Smith Ltd

Gender Pay Report 2018

The Gender Pay Gap

From April 2017 annual gender pay reporting is mandatory for all UK entities employing over 250 employees. The gender pay gap is defined as the difference in the average earnings of men and women in the relevant entity over a standard period of time, regardless of their role or seniority. It is not the same as equality of pay.

The Company

Hill & Smith Ltd is a leading manufacturer of vehicle restraint systems. With approved products we can offer the complete safety solution to errant vehicles leaving the roadside. When used with our tested transitions we ensure that when different safety products are required we can safely connect them together, whilst redirecting and containing an impacting vehicle safely. The range is complemented with crash worthy end terminals providing complete end-to-end solutions. Hill and Smith Ltd also offer a range of Variable Message Signs and Multiplate Structures. We employ 311 colleagues in the manufacture, testing and installation of these products and the company is a wholly-owned subsidiary of Hill & Smith Holdings PLC.

The Gender Pay Gap vs Equal Pay

Equal pay means that men and women performing equivalent work should receive equal pay. Hill & Smith Ltd is committed to providing equal pay for equivalent work, not just because it's a legal requirement but because it's the right thing to do and our policies on equal opportunities and diversity support this.

A gender pay gap does not mean that there are equal pay issues, rather it identifies an unequal distribution of men and women at different grades across the business with an underrepresentation of women or men in certain roles.

The mean pay gap - The mean gender pay gap is the difference in the Ordinary Pay rate for women compared to men taken at a single point in time.

The median pay gap - The median represents the mid-point of a population. If you separately lined up all the women and men, the median pay gap is the difference between the Ordinary Pay rate of the middle women compared to that of the middle man.

The mean bonus gap - The mean bonus gap is the difference in the average bonus paid to women and the average bonus paid to a man.

The median bonus gap - The median represents the mid-point of a population. If you separately lined up all the women and men, the median bonus gap is the difference between the bonus paid to the middle women compared to that of the middle man.

Proportion of males and females receiving a bonus payment - The number of men or women receiving bonus pay as a percentage of the total number of men or women in a company

Proportion of males and females in each pay quartile - If you line up all men and women in the company from smallest hourly pay rate to largest hourly pay rate and then divide them into 4 equal populations, the percentage of men and women in each population, or quartile

In the tables below we set out the gender pay gap information noting that within the businesses the ratio of male and female is:

	Board Level Staff		Senior Management		Other	
	Male	Female	Male	Female	Male	Female
Hill & Smith	7	0	17	3	222	30

Gender Pay 2017 amended data

In comparing the 2018 Gender Pay statement with last year's, readers will note that the 2017 comparative data is different. Last year we engaged with an advisor who supported us to calculate our reportable gender pay gap figures. Since this time we have been committed to analysing our data in much more detail for both 2017 and 2018 with the aim of understanding the true drivers of the gender pay gap within our organisation. This deeper analysis has highlighted issues with the approach adopted in our 2017 calculations, and unfortunately, the gender pay gap figures that we reported were not a true representation of the gender pay gaps that existed within the organisation at the time. As such, as a responsible business we have made the necessary amendments to our 2017 disclosures.

Our 2017 and 2018 calculations now adopt a consistent and compliant methodology, which means that meaningful comparisons can be made between the two sets of data.

The disclosable mean pay gap for Hill & Smith Ltd is 21.1%. Whilst this is disappointing when compared with to the average mean pay gap for all UK companies, we acknowledge that we have a large number of males in senior managerial positions and when we remove these from the statistics the gap drops to 15.2% comparing favourable average mean pay gap for all UK companies published by the Office for National Statistics ('ONS') Great Britain of 17.1%. Our median pay gap of 21.0% compares with the ONS Great Britain median pay gap of 17.9%.

Hourly pay gap	2018	2017	Change	Hourly pay quartiles	2018		2017	
					Male	Female	Male	Female
Mean hourly pay gap	21.1%	14.1%	+7%	Upper (highest paid)	95.1%	4.9%	93.8%	6.2%
Median hourly pay gap	21.0%	18.5%	+2.5%	Upper middle	88.3%	11.7%	88.0%	14.0%
				Lower middle	88.3%	11.7%	92.2%	7.8%
				Lower (lowest paid)	73.8%	26.2%	73.8%	26.2%
Bonus pay gap	2018	2017	Change	Proportion of employees who received bonus pay	2018		2017	
Mean bonus pay gap	70.3%	70.5%	-0.2%	Male	45.5%		46.1%	
Median bonus pay gap	-28.8%	-4.7%	-24.1%	Female	76.6%		85.7%	

2018 - 276 relevant employees
2017 - 304 relevant employees

The amended pay gaps reported for 2017 are generally higher than we originally anticipated, with the exception of our median bonus pay gap, which was actually in favour of women (-4%). However, these figures are in fact lower than the national average in the manufacturing industry at that time (mean: 17.0%, median: 20.9% - based on ONS data collated from taxable earnings) and are being driven by the fact that we have more males in senior roles.

We are committed to understanding our pay gaps in more detail and taking action to address the gender diversity issues we face across our organisation and the sector in which we operate.

We confirm that the data reported is accurate.

James Thomas
Director




Alex Henderson
Group Company Secretary