

Gender Pay Gap Report 2021



Understanding the gender pay gap

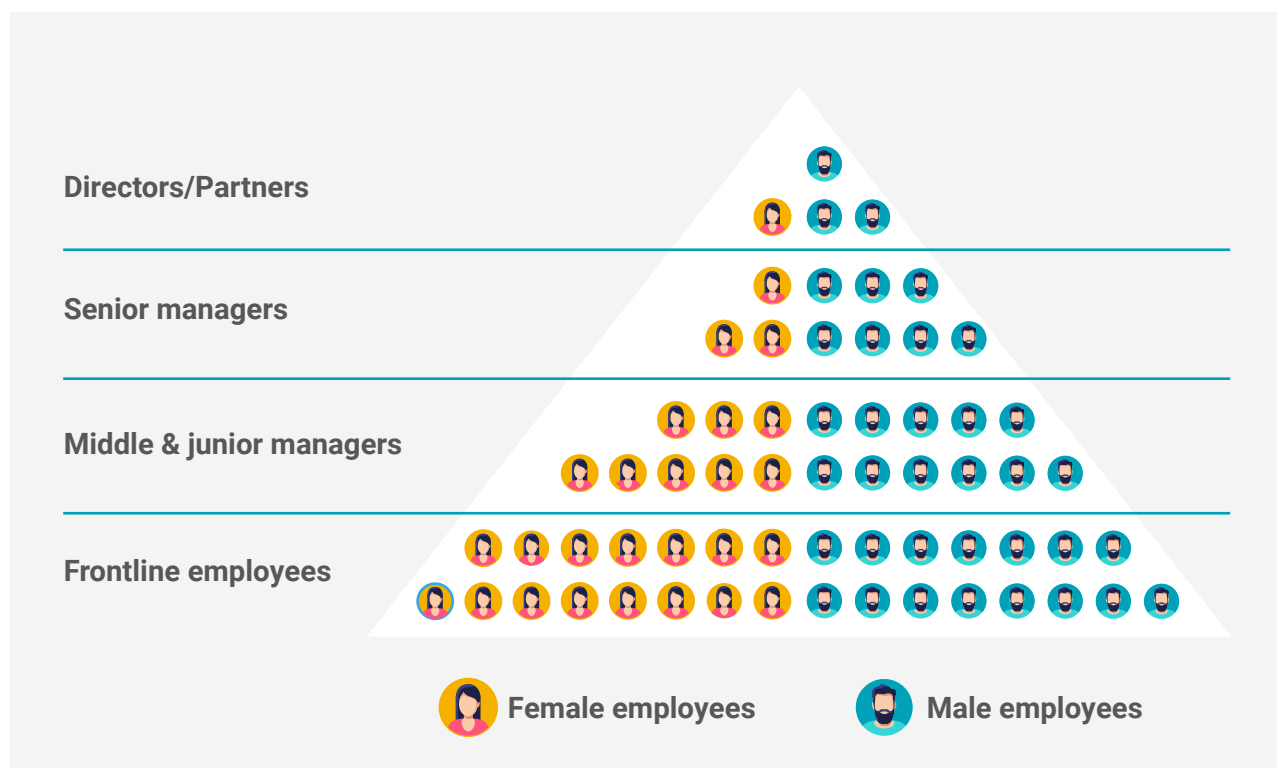
A gender pay gap is the difference in the average paid to an organisation's male and female employees.

It does not take into account the nature of an employee's work or their seniority within an organisation.

It is not the same as an equal pay comparison, which would compare the pay awarded to male employees and female employees doing the same, similar, or equivalent work.

For example, the illustration opposite shows how an organisation paying men and women equally at each level of seniority can still have a gender pay gap, as women are under-represented at higher levels.

Graphic is for illustration purposes, and is not representative of Horwich Farrelly.



Understanding the gender pay gap

How are the median and mean gaps calculated?

We have calculated the median and mean gaps according to the gender pay gap reporting regulations. This means we have taken a snapshot of pay data for all relevant employees (see opposite) on 5 April 2020, then cross referenced this against whether individuals define themselves as male or female.

To calculate the median gap we hypothetically line up all our male employees in one line, and our female employees in another, as illustrated below. The median gender pay gap is the difference in pay between the female employee

in the centre of the line and the male colleague in their line.

The mean gender pay gap is calculated by comparing the average hourly rate of pay between male and female employees.

The same approach is used to compare the difference in median and mean bonus pay. However, rather than taking a snapshot of a single day, this is based on bonus pay in the 12 month period to 5 April 2020. The percentage of male and female employees awarded bonus pay over the same period is also recorded.

Lowest paid

The median

Highest paid



How are the pay quartiles calculated?

This report also includes details of the percentage of male and female employees in each pay quartile e.g. the gender split of those in the highest paid quarter of employees, the second highest quarter, and so on.

What's included in our calculations?

In line with Government guidance, our median and mean pay calculations, and quartile pay bands, are based on data from April 2020 only, including ordinary pay and bonus pay.

Ordinary pay includes basic pay, and pay for leave. It does not include pay given in lieu of leave, overtime, pay relating to redundancy/termination of employment, or benefits which are not in the form of money.

Bonus pay includes any additional pay awarded to individuals for exceptional performance. In our case the bulk of bonus pay is

awarded under the firm's annual bonus scheme.

What is a relevant employee?

Relevant employees are individuals employed by Horwich Farrelly on the snapshot date of 5 April 2020, including Directors and Salaried Partners. Any individual employed on the snapshot date and paid their usual full basic pay during the relevant pay period is a full-pay relevant employee.

If an individual was paid less than their usual basic pay during the relevant pay period for reasons other than leave, they still count as a full-pay relevant employee.

If an individual was paid less than their usual basic pay, or nil, during the relevant pay period as a result of being on leave, then they are not a full pay relevant employee. It does not matter whether the leave was taken during the relevant pay period – what matters is whether the pay is reduced during that relevant pay period due to the leave.

Our results

Our median pay gap has fallen from 3.1% in 2019, to 2.6% in 2020. This compares to 15.9% across all UK companies in 2020. Our mean pay gap has increased from 22.4% in 2019, to 25.6% in 2020.

Whilst the snapshot date was only several weeks into the COVID-19 pandemic, a number of colleagues had been placed on furloughed leave through the Government's Coronavirus Job Retention Scheme (CJRS). As in many law firms Furlough has disproportionately affected women, as the type of roles that were furloughed during the pandemic were more likely to be undertaken by women. As they were paid a reduced rate whilst on furlough, furloughed colleagues do not meet the definition of full pay relevant employees, which has adversely distorted the gender pay gap figures.

Our median bonus gap has decreased from 7.1% in 2019, to zero in 2020, with our mean bonus gap falling by 6.9% to 39.2%. Whilst the mean bonus gap does show a higher average bonus payment to men, it should be noted that this is primarily due to the higher proportion of women in part-time roles. In April 2020, 85% of part-time colleagues were women, which impacted the mean bonus figure substantially.

Pay – Hourly Rate

Difference between male and female employees.

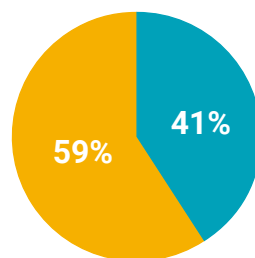
	Horwich Farrelly	UK Average*		Horwich Farrelly	UK Average*
Median	2.6%	15.9%	Mean	25.6%	6.5%

gov.uk, Dec 2020

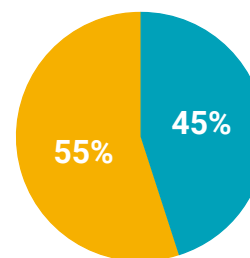
Pay quartiles

Percentages are rounded to nearest whole number

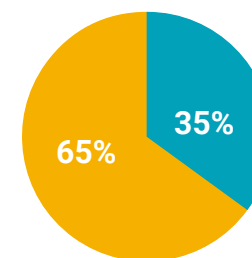
● Female employees ● Male employees



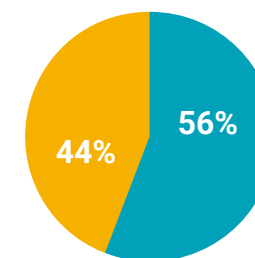
Lower quartile



Lower middle quartile



Upper middle quartile



Upper quartile

Bonus pay
Male employees
73% received
bonus pay



Female employees
63% received
bonus pay



Bonus pay difference between male & female employees

Median

0%

Mean

39.2%

I confirm that the data contained within this report is accurate and meets the requirements of the gender pay gap reporting regulations.

A handwritten signature in white ink that reads "T. Reynard". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas Reynard
Chief Operating Officer

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