

**Gender pay gap annual update**

**Transport for Wales**

**March 2022**



**TRAFNIDIAETH CYMRU**  
**TRANSPORT FOR WALES**



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# 1. Purpose

This report has been produced to provide an overview of the official gender pay gap figures calculated on the public sector snapshot date of 31 March 2022. In April 2017, the UK Government introduced legislation that made it statutory for organisations with 250 or more employees to report annually on their Gender Pay Gap including:

- mean and median gender pay gaps
- mean and median gender bonus gaps
- the proportion of men and women who received bonuses
- proportions of men and women in each pay quartile.

## Mean

The mean gender pay gap demonstrates the difference in the average hourly rate of pay between men and women.

## Median

The median gender pay gap demonstrates the difference between the middle-paid man and the middle-paid woman in an organisation.

While the mean gender pay gap can be skewed by a small number of high earners, the median pay is more representative of the difference in what a man or woman gets paid at TfW.

## Equal pay

The gender pay gap is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

It’s unlawful to pay people unequally because they are a man or a woman.

## Quartile

To examine pay at different levels of the organisation, we’ve divided our colleagues into four more-or-less equal groups with pay graded from lowest to highest.



## 2. Overview

As of 31 March 2022, TfW employed 598 people. Of these, 37.5% were women and 62.5% were men.

The mean hourly pay for men was £21.50. For women, it was £17.39. This represents a gender pay gap of 19.1%.

The median hourly pay for men was £19.08. For women, it was £12.82. This represents a gender pay gap of 32.8%.

While the pay gap remains challenging, it has once again narrowed . The median and mean gender pay gaps for 2021/22 have decreased by 0.4 percentage points and 2.0 percentage points respectively compared to 2020/21.

The decrease can be mainly attributed to the following factors:

- In March 2022, the pay award for April 2021 was announced. This was a hybrid model of incremental and performance related increases. The impact of this model helped narrow the gender pay gap.

- Of our total hires in the period, women have accounted for 47.9%.
- Of internal promotions, women have accounted for 51.3%.
- The number of women promoted to Bands 1 and 2 tripled compared to 2020/21.

The proportion of men and women in the quartiles has changed. This can be partly attributed to the number of new hires in one of the lower salary bands, 24.5% of total recruitment. Of those, 75.0% were women. The increase of women in the bottom quartile of 11 percentage points can also be attributed to men accounting for 53.0% of promotions and leavers in the bottom quartile.

1.8% of women and 2.7% of men received a bonus payment in the 12 months preceding the snapshot date. This bonus payment is commission earned by eligible roles within the Catering function. The mean bonus pay gap is 30.3% and the median bonus pay gap is -83.1%.

## 3. Context

The data in this report relates to the period 1 April 2021 to 31 March 2022. It's compared to data gathered from the last annual update of 2020/21.

Hourly pay figures, on-call and additional payments for all full pay relevant colleagues across the seven payroll groups were calculated using data collected from the pay period that included 31 March 2022.

During the coronavirus pandemic, most front-line colleagues were furloughed. Furlough came to an end on 30 September 2021. All colleagues have since returned to the business.

Bonus pay figures are based on commission earned by eligible roles within the catering function. Due to the coronavirus pandemic, and the subsequent temporary revision of their duties, no commission was earned from 1 April 2021 to 30 September 2021. Only 1 October 2021 to 31 March 2022 bonus data was used for this report.

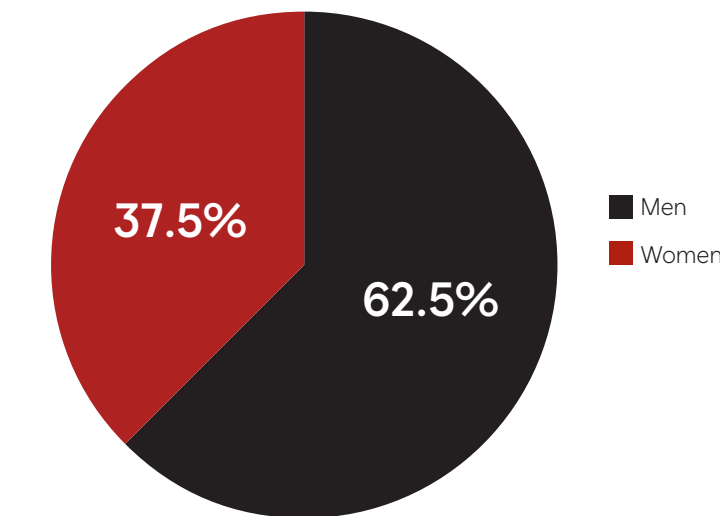
Following the completion of our first iteration of the Annual Performance Review cycle, the pay award for April 2021 was announced in March 2022. This was a hybrid model of incremental and performance related increases. The impact of this model was positive in terms of gender pay gap reduction.

# 4. Gender pay gap, 31 March 2022

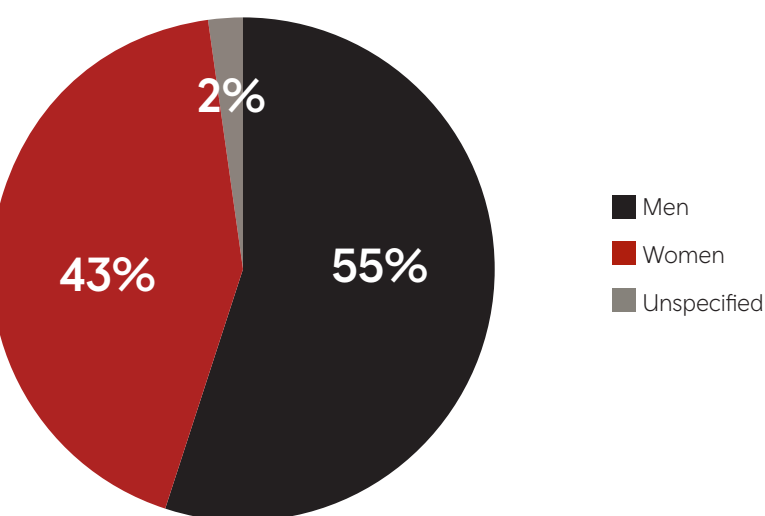
Over the past year, 39.8% of new starters were women. This is an increase of 5.2 percentage points compared to 2020/21 (34.6%). The overall proportion of women in the workforce has slightly increased over the past year by 0.5 percentage points.

43% of applicants were women, up by 3 percentage points compared to 2020/21.

4.1 Gender by proportion of staff

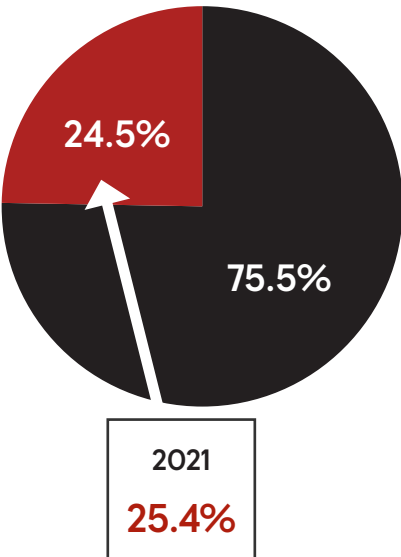


4.2 Proportion of recruitment applications by gender

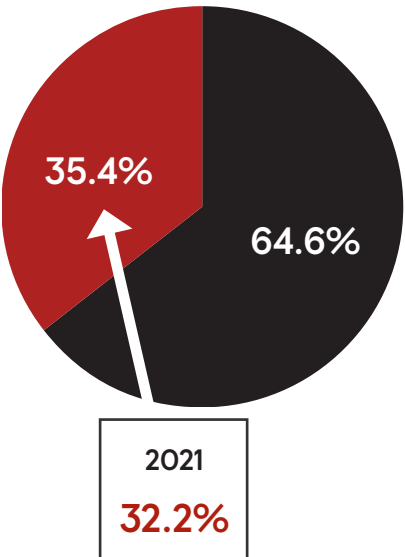


4.3 Pay by quartiles, March 2022

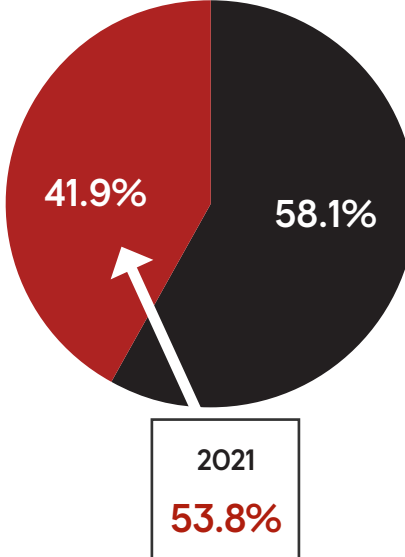
Top quartile



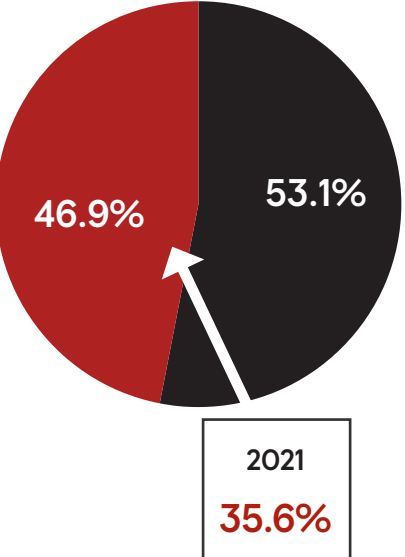
Upper-middle quartile



Lower-middle quartile

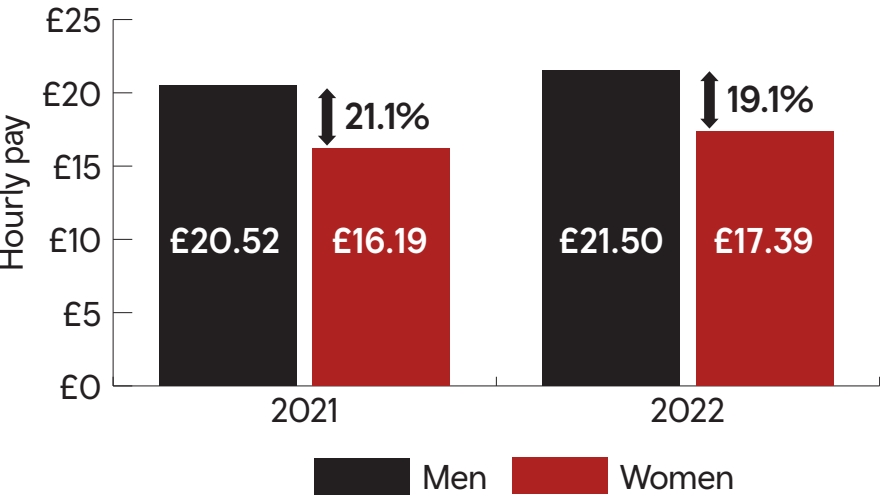


Bottom quartile



The mean gender pay gap in March 2022 was 19.1%, 2.0 percentage points lower than in March 2021.

#### 4.4 Mean gender pay gap in hourly pay



The median gender pay gap in March 2022 was 32.8%, 0.4 percentage points lower than in March 2021.

#### 4.5 Median gender pay gap in hourly pay



## 5. Bonus pay

Bonus pay figures for 2021/22 are based on commission payments made to eligible colleagues in catering. Due to changes in duties relating to the coronavirus pandemic, the data only runs from 1 October 2021.

As the data from the previous year's report is not comparable, we are unable to publish the difference between this year and last year's bonus pay.

At TfW, 2.7% of men and 1.8% of women were paid a bonus.

The mean bonus pay gap was 30.3%. The median bonus pay gap was -83.1%.

The extreme difference in the mean and median pay gap is caused by a large difference in the lowest and highest bonuses for men. For women, the lowest and highest bonuses were closer together.

## 6. Performance pay model

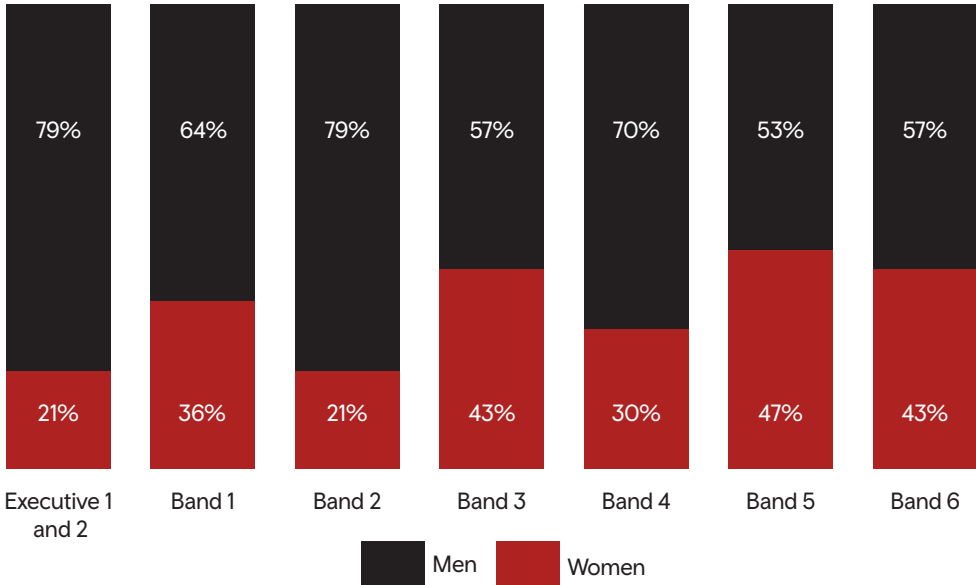
154 colleagues were eligible for our April 2021 pay award. Each person's increase in pay varied depending on their placement within the salary bands and the rating they obtained at their end of year performance review. These were added together to give their total salary increase. Of these eligible colleagues, 68.2% were men.

Other colleagues, such as those in the Catering Department, received a flat 3.3% increase as their pay is collectively bargained.

# 7. Gender gaps by pay bands

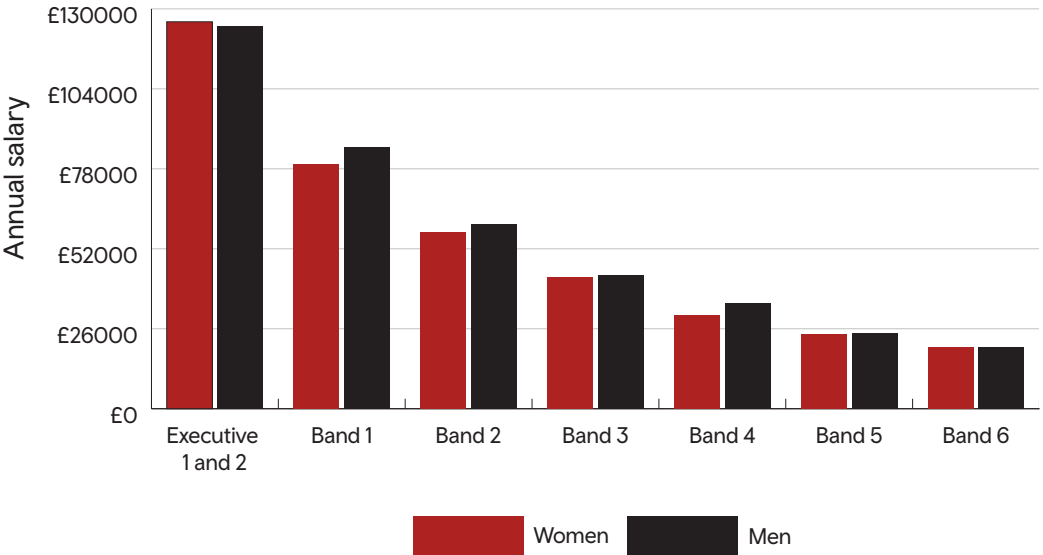
The following chart shows the gender split within each pay band. This shows that women make up a smaller proportion of people in higher pay bands.

**7.1 Proportion of men and women by pay band, March 2022**



The following chart shows the average male and female full time equivalent annual salary.

**7.2 Average salary by pay band, March 2022**



Compared with March 2021:

- The proportion of women in bands 1, 2, 3 and 4 has increased. The ratio of women in Executive level 1 and 2 and bands 5 and 6 has decreased.
- The average salary of women has decreased across all bands except for Executive level 1 and 2 and bands 5 and 6, which have increased.
- The proportion of men in bands 5 and Executive 1 and 2 has increased. The proportion of men in all other bands has decreased.
- The average salary of men in bands Executive 1 and 2, 1, 3 and 4 has decreased. The average salary of men in bands 2, 5 and 6 has increased.





# 8. Other factors impacting the pay gap

Between April 2021 and March 2022, there have been 55 promotions awarded to colleagues, 30 to men and 25 to women.

During this period, ad hoc salary increases were also awarded to 27 colleagues. Of these, 15 were awarded to women due to an increase in role responsibilities.

Pay increases were awarded to colleagues in Cleaning and Catering. In November, all Catering colleagues received a pay increase of 3.3% to recognise the rise in the cost of living. Also in November, Cleaning colleagues received a pay increase, after consultation with the Trade Union, RMT, due to an introduction of pay bands 6A, 6B and 6C to recognise the differing levels of work that is completed within the roles.

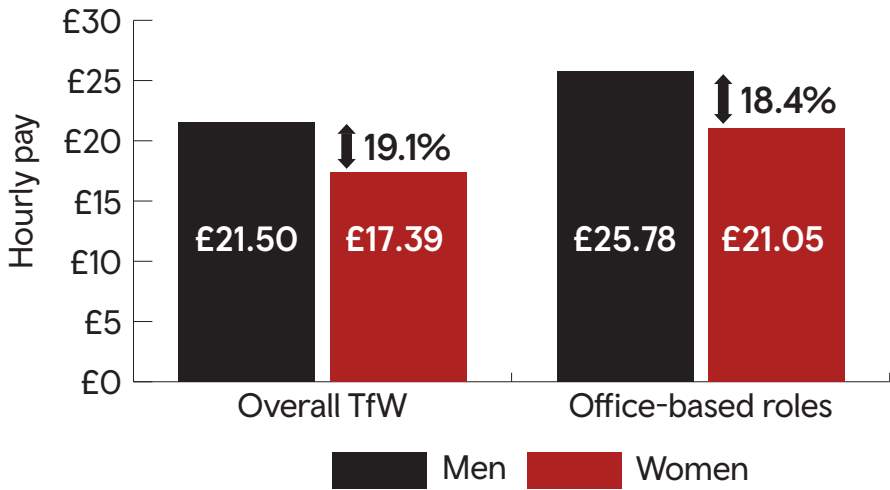




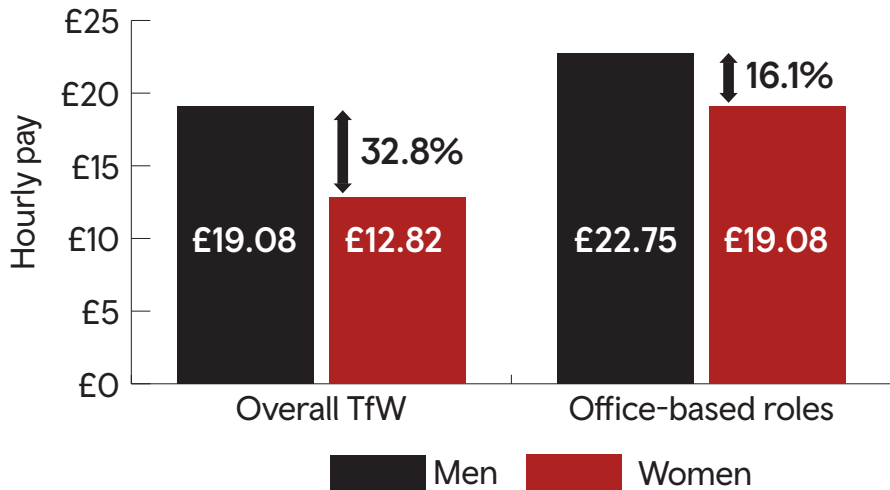
# 9. Gender pay gap in office-based roles

To demonstrate the impact on the gender pay band of Catering, Core Valley Lines, Community Rail and Cleaning functions transferring into TfW, we have calculated the gender pay gap for office based roles.

## 9.1 Mean gender pay gap in hourly pay, March 2022



## 9.2 Median gender pay gap in hourly pay, March 2022



The inclusion of transferred colleagues in the annual data meant the:

- Average pay of men and women decreased by £4.28 and £3.66 respectively
- Median pay of men and women decreased by £3.67 and £6.26 respectively
- Mean gender pay gap increased by 0.7 percentage points as the average difference in pay between men and women in office-based roles alone is smaller than that when transferred colleagues are included
- Median gender pay gap increased by 16.7 percentage points.



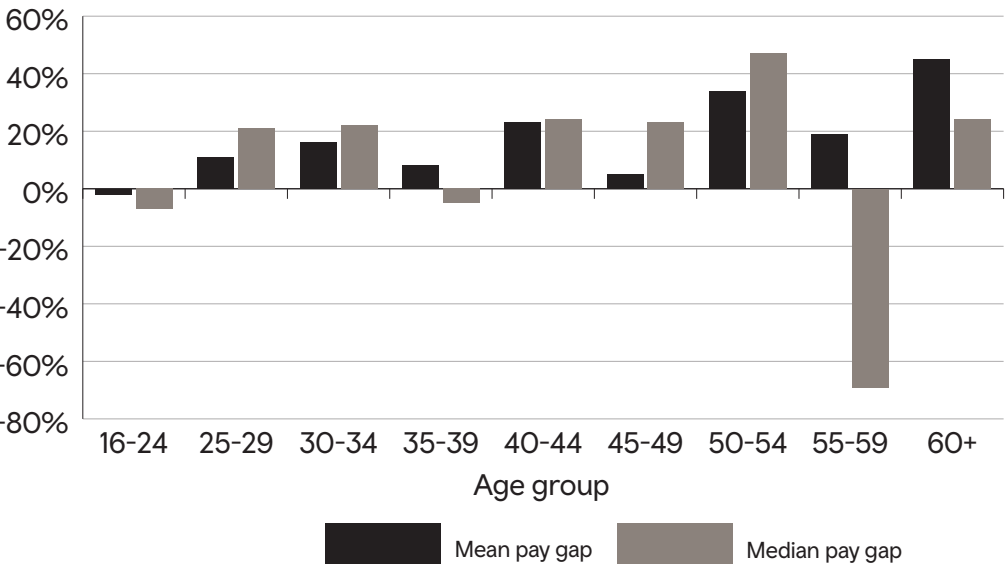
# 10. Age pay gap

The following charts show the mean and median gender pay gaps and the average salary of men and women across each age bracket of the workforce.

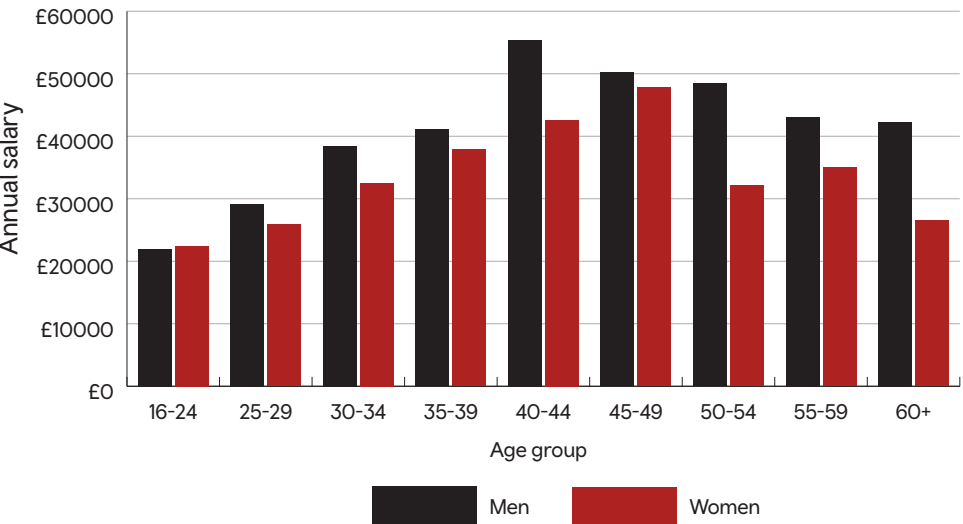
The mean pay gap is at its highest in the 60+ age bracket. Women's hourly earnings are higher than men's within the 16-24 group, resulting in a negative pay gap of -2.1%.

The median pay gap is at its highest in the 50-54 age bracket. As above, a negative pay gap can be seen in the 16-24 (-7.1%), 35-39 (-4.8%) and 55-59 (-69.3%) groups.

**10.1 Mean and median pay gap in hourly pay by age, March 2022**



**10.2 Average salary by age and gender, March 2022**



Men's average salaries are higher than women's across all age brackets aside from the 16-24 age group where women earn slightly more than men. The two largest differences in average salary is within the 50-54 (with men earning on average £16,343.39 more than women) and 60+ (with men earning on average £15,769.60 more than women) age ranges.

## 11. Our progress since last year

Our median gender pay gap as of 31 March 2021 was 33.2%. This has reduced to 32.8% over the past year. This narrowing is a reflection of our commitment to reducing the gender pay gap.

With regard to recruitment, we've increased the proportion of women hired, with women making up 47.9% of total hires. Women accounted for 51.3% of the total internal promotions compared to 32.1% in the previous year. It is also encouraging that the number of women promoted to band 1 and 2 roles has more than tripled compared with 2020/21. Women now make up 47% of our apprentices, graduates and people on placements.

We've continued our commitment to the Armed Forces Covenant, using this as a pathway to improve the gender pay gap and the representation of women in science technology, engineering and mathematics (STEM) positions. Female STEM candidates who meet the essential criteria for one of our roles will be guaranteed an interview under our Guaranteed Interview Scheme. As part of our standard recruitment procedure, we aim to have a gender balance on all of our interview panels to minimise bias in recruitment.

We're continuing to work on our strategic equality plan. We've delivered equality, diversity and inclusion (EDI) training for the HR department, senior leadership team and people managers. We've developed a cohort of Fairness, Inclusion and Respect ambassadors. Together with our external EDI partner Delsion, we've completed a review of our policies to determine where improvements need to be made to ensure they are meeting the objectives of our strategic equality plan.

We've sponsored the Chwarae Teg LeadHerShip programme for a second year. LeadHerShip aims to ensure that women become better represented in decision-making roles. It provides women with a platform so that their voices are heard and they are inspired to see themselves as future leaders. The programme helps promote us as an employer to young women and will therefore aid recruitment in the longer term. We've also partnered with Chwarae Teg on their programme Step to Non-Exec which gives women the opportunity to join a board as a shadow non-executive director.

## 12. Our commitment to reducing the gender pay gap

Since March 2022, we've made changes to our business model. In the next reporting period, we'll be reporting TfW and TfW Rail Ltd as one organisation.

Working alongside TfW Rail Limited and PTI Cymru, we've reviewed our EDI working groups. We've created an EDI forum that aims to support internal and external activities. The structure offers a holistic approach, linking the group to the accessibility and inclusion panel, employee resource groups and the EDI forum working groups.

In collaboration with the Welsh Government and PTI Cymru, funding has been agreed upon for the Women in Transport Wales Hub. The Hub will provide a central point of support and professional development for women already working in transport and for those considering a career in the sector.