

Gender pay gap annual update

March 2021



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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 2021. 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 2021, the Transport for Wales Group (TfW) employed 471 people. Of these, 36.7% were women and 63.2% were men. The mean hourly pay for men was £20.52. For women, it was £16.19. This represents a gender pay gap of 21.1%.

The median hourly pay for men was £16.88. For women, it was £11.28. This represents a gender pay gap of 33.2%.

While the pay gap remains challenging, it has narrowed since last year. The median and mean gender pay gaps for 2020/21 have decreased by 8.3 percentage points and 1.2 percentage points respectively compared to 2019/20.

This decrease can be mainly attributed to the following factors:

- As part of the new pay and performance process launched in April 2020, a bespoke Job Evaluation system was introduced. This enabled us to evaluate current job roles consistently and ensure they were graded correctly
- Axis Cleaning, which had more men than women in cleaning roles, transferred into TfW in January 2021. This contributed to the overall narrowing in the gender pay gap.

The percentage of women in the top pay quartile has decreased by 3 percentage points to 25%. The percentage of women in the upper middle pay quartile has stabilised at 32%. The percentage of women in the lower middle pay quartile has increased by 4 percentage points. In the bottom pay quartile, the percentage of women has decreased 15 percentage points.

While Transport for Wales doesn't operate a bonus scheme, some employees are eligible for a bonus under a scheme that has transferred to us under TUPE regulations.



3. Context

The data in this report covers the period 1 April 2020 to 31 March 2021. It's compared to data from the last annual update of 2019/20 and to the previous quarterly update from 31 December 2020. Hourly pay figures, on-call and additional payments for all full pay relevant colleagues across the six payroll groups were calculated using data collected from the pay period that included 31 March 2021.

Following the coronavirus pandemic, the majority of front line colleagues were furloughed. Most have since returned to the business, however a small number of colleagues remain on furlough and are included within the data.

Bonus pay figures are based on payments made to eligible former Network Rail colleagues who transferred over to TfW during the Core Valleys Lines transfer. Commission earned by eligible roles within the catering function would normally be included. However, due to the coronavirus pandemic, and the subsequent temporary revision of their duties, no commission was earned during the period from 1 April 2020 to 31 March 2021. It is therefore not included in this report.

Our first Gender Pay Gap Report was published last year, covering the period 2019/20. The report demonstrated our commitment to being open and transparent in acknowledging our challenges. It clearly set out the steps we would take to reduce our gender pay gap.

4. Gender pay gap at 31 December 2020: Interim update

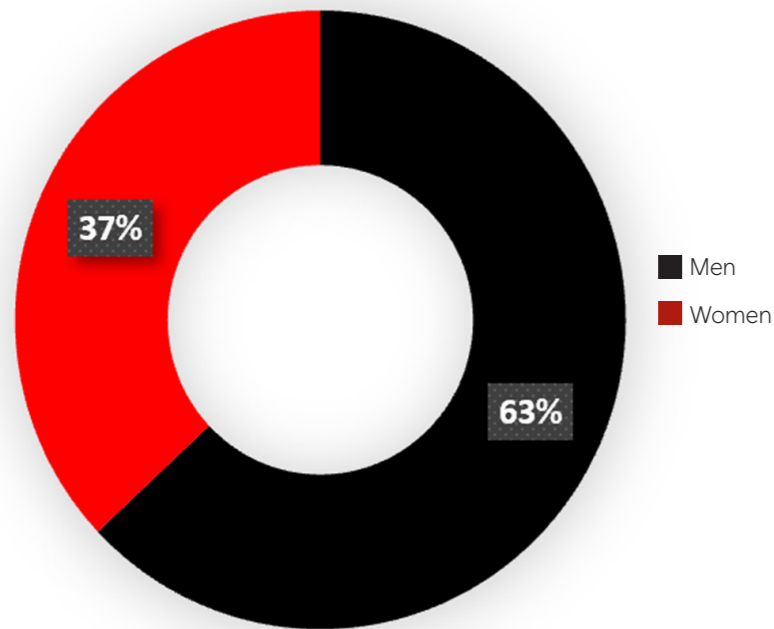
At 31 December 2020:

- Our gender split was 60% men and 40% women
- The mean gender pay gap as a percentage of men's pay was 25%. This was an increase of 1.2 percentage points versus the figure at 30 September 2020 (23.8%)
- The median gender pay gap as a percentage of men's pay was 38.4%. This was an increase of 2.1 percentage points versus the figure at 30 September 2020 (36.3%)

5. Gender pay gap at 31 March 2021

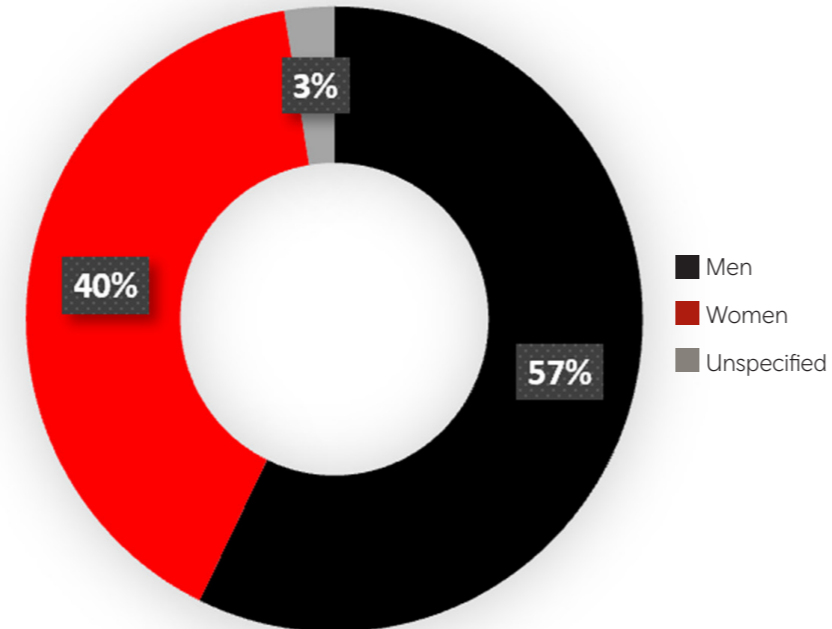
5.1 Gender ratio split

Over the past year 34.6% of new starters were women, this is a decrease of 2.9 percentage points compared to 2019/20 (37.5%). The overall proportion of women in the workforce decreased by 3% over the past year.

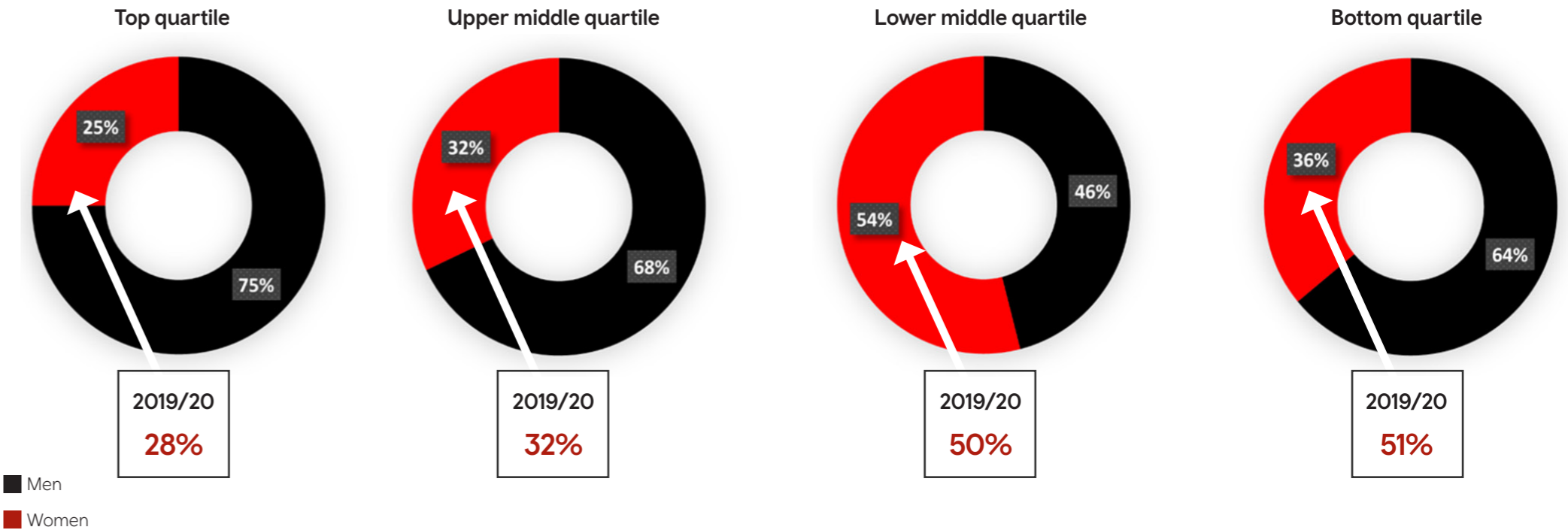


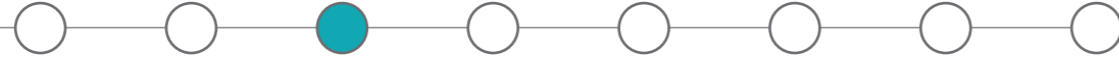
5.2 Recruitment applications

40% of applicants were women, up by 7 percentage points compared to 2019/20.

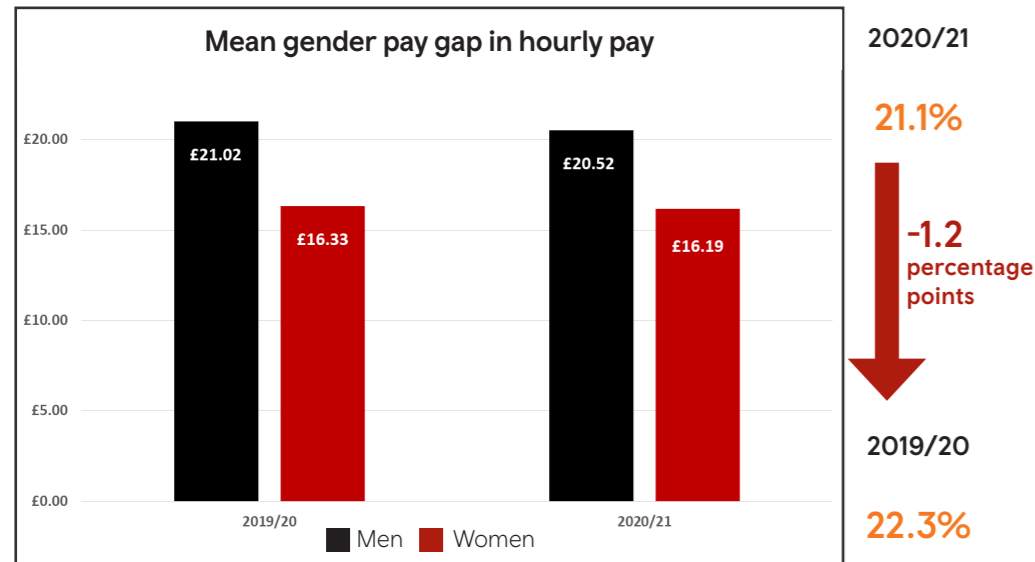


5.3 Quartiles

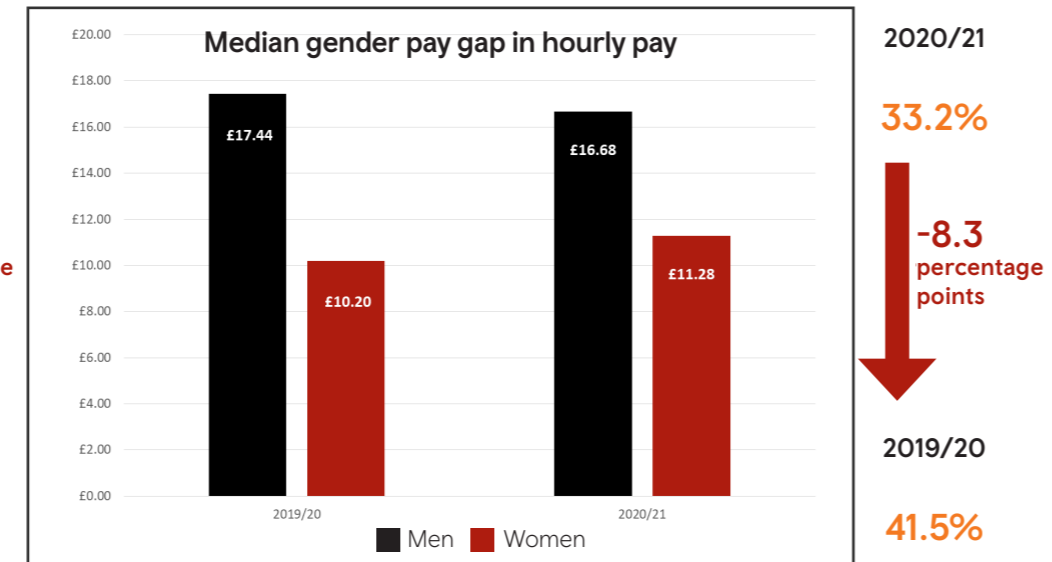


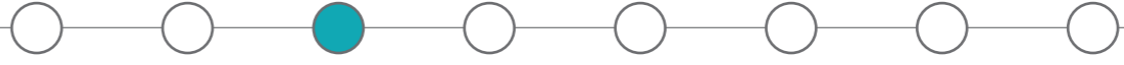


5.4 Mean



5.5 Median





6. Bonus pay

As all eligible colleagues were men and bonus payments were only made to one gender, it is not possible to calculate the mean and median bonus pay gaps.

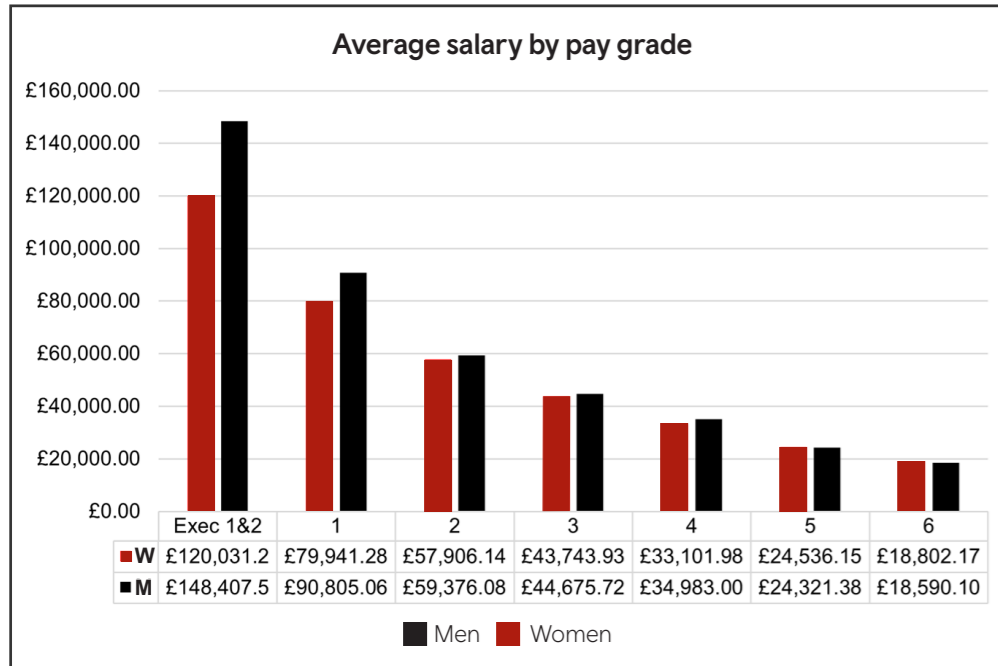


Women
0% of women were paid a bonus



Men
7.5% of men were paid a bonus

7. Breakdown of salary information



The following tables display the proportion of men and women and average salaries of each pay grade.

	Proportion of men and women by pay grade			
	March 2021		December 2020	
	W	M	W	M
Exec 1 and 2	23%	77%	23%	77%
Grade 1	32%	68%	33%	67%
Grade 2	20%	80%	24%	76%
Grade 3	39%	61%	33%	67%
Grade 4	22%	78%	21%	79%
Grade 5	48%	52%	44%	56%
Grade 6	44%	56%	55%	45%

	Average salary			
	March 2021		December 2020	
	W	M	W	M
Exec 1 and 2	£120,031.25	£148,407.54	£120,031.25	£148,147.36
Grade 1	£79,941.28	£90,805.06	£81,839.92	£88,936.48
Grade 2	£57,906.14	£59,376.08	£58,675.66	£59,323.72
Grade 3	£43,743.93	£44,675.72	£44,265.88	£44,518.06
Grade 4	£33,101.98	£34,983.00	£33,752.32	£36,412.90
Grade 5	£24,536.15	£24,321.38	£25,657.50	£25,892.25
Grade 6	£18,802.17	£18,590.10	£18,839.05	£18,390.26

Compared with December's quarterly update:

- The proportion of women in grades 3, 4 and 5 has increased. The proportion of women in grades 1, 2 and 6 has decreased
- The average salary of women has decreased across all grades up to Executive level, which has remained the same
- The proportion of men in grades 1, 2 and 6 has increased. The proportion of men in grades 3, 4 and 5 has decreased
- The average salary of men has increased within grades at Executive level, 1, 2, 3 and 6 and has decreased across grades 4 and 5
- The gender proportion at Executive level has remained the same
- TfW is an accredited Real Living Wage (RLW) Employer. The average salary for men in grade 6 appears lower than the RLW due to apprentice roles included within this grade.

8. Other factors

Over the last year, there have been 27 promotions awarded: 18 to men and 9 to women. During this period, salary increases were also awarded to 2 women due to an increase in role responsibilities.

The RLW increased to £9.50 in November 2020, giving an uplift to the hourly rate of 47 men and 52 women.

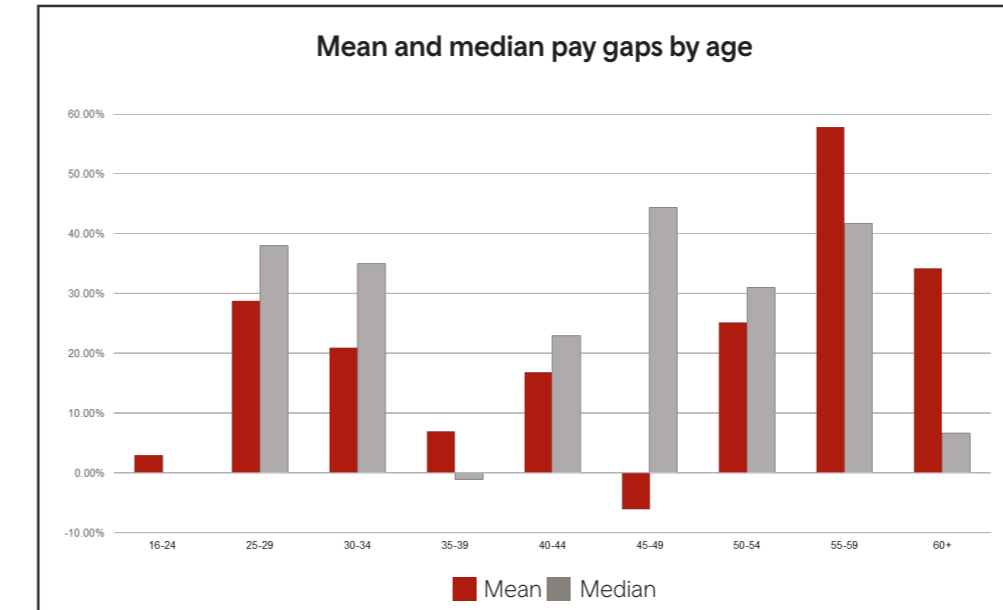
As part of the new pay and performance process launched in April 2020, a bespoke Job Evaluation approach was introduced. This enabled us to evaluate current job roles consistently, and ensure they were graded correctly. This has contributed to more women in the top and upper middle pay quartiles.

Some of our managerial catering colleagues also received contractual annual pay awards in July 2020, resulting in salary increases for 5 men and 2 women.

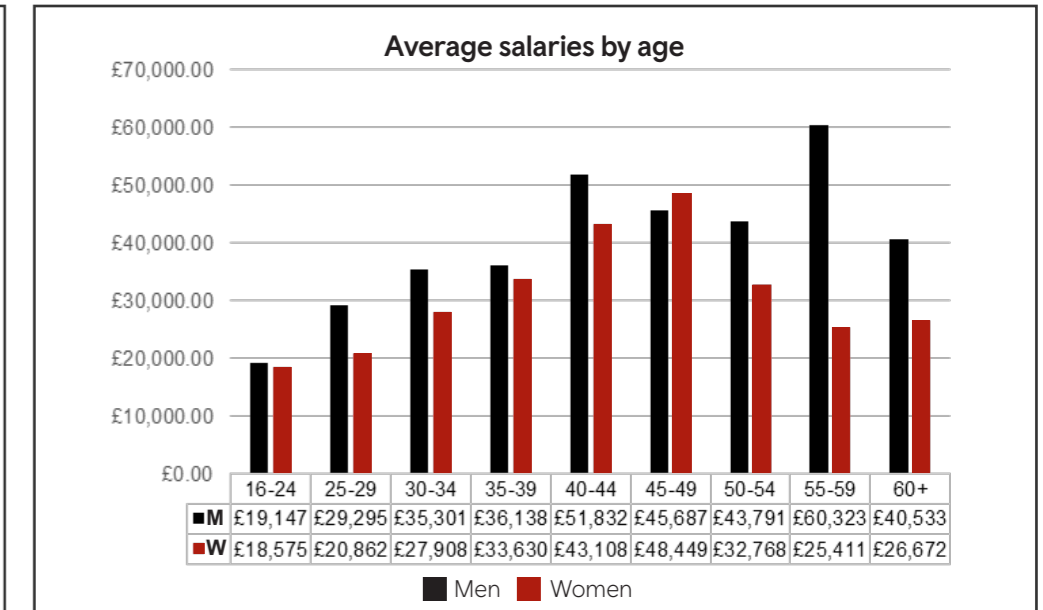
9. Age pay gap

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 median pay gap is at its highest in the 25-29, and 55-59 age brackets. As above, a negative pay gap can be seen in the 35-39 (-1%) and 45-49 (-44%) groups.



The mean pay gap is at its highest in the 55-59 and 60+ age brackets. Women's hourly earnings are higher than men's within the 45-49 group resulting in a negative pay gap of -6%.



On average, men's salaries are higher than women's across all age brackets apart from the 45-49 group where women earn slightly more than men. The largest difference in average salary is within the 55-59 age range (£34,912).



10. Progress since the last annual update

Introducing performance-related pay

In April 2020, we introduced a performance-related pay system. It seeks to ensure that in the future the only differences in pay are based on contribution and performance, removing gender bias. Objectives were set for all colleagues and the first cycle of Annual Performance Reviews took place during March and April 2021.

Transport Diversity Working Group

Following the creation of the Transport Diversity Working Group by Ken Stakes (former Minister of Economy and Transport, Welsh Government), Emma Eccles, (Head of HR Transformation at TfW) has chaired the group on a monthly basis. Although not limited to gender, the group focuses on diversity and inclusion as a whole in the transport sector. Being part of the group has enabled us to collaborate with other organisations to share best practice and our internal expertise in relation to Equality, Diversity and Inclusion (EDI). The group has a two-tier focus: it aims to improve the representation of women the transport sector in general and in senior posts specifically.

Strategic Equality Plan

In line with our obligations of the public sector equality duty, we wrote and published our first Strategic Equality Plan (SEP). It documents the steps we need to take to fulfil our specific legal duties and outlines our equality objectives and the parallels that can be drawn from them with regards to the Welsh Government Equality Plan and the Well-being of Future Generations (Wales) Act 2015. In line with our SEP we've a strong focus on EDI training and development. To date, we've trained our EDI champions, HR

and Recruitment teams and the Senior Leadership Team. We're currently in the process of rolling the training out to line managers. We will then offer the training to the wider workforce.

Equality, Diversity and Inclusion Working Group

Our EDI Working Group was formed in July 2020. The purpose of it is to enable colleagues from TfW to work collaboratively, share best practice and jointly work on initiatives that are focused across the protected characteristics. The aim was for it to have a positive impact for everyone who works for TfW, including suppliers and subcontractors. One of the working groups is the gender strand. The focus for this group is to promote gender equality across the business.

Our first equality objective is to close the pay gap for protected characteristics and improve representation of underrepresented groups within the transport sector. Over the past year, led by the gender strand of the EDI Working Group, we've partnered with Chwarae Teg, Wales' leading gender equality charity. Their mission is to achieve a fairer Wales where women prosper, are visible and influential and are empowered to achieve their potential. Their FairPlay Employer Award is an innovative programme that supports, connects and recognises organisations that are leading on inclusive growth. We're extremely proud to have been awarded Silver Status. Following the FairPlay Employer 'Employee Diversity Survey', we've taken some learnings on board and are working with Chwarae Teg to explore how we can further address gender equality with their help and support.

Further details can be found here: <https://tfw.wales/strategic-equality-plan-and-objectives-2020-2024>

Recruitment

Our Recruitment Policy ensures that part-time and flexible working options are considered for every new role. We've also published flexibility and diversity statements. These demonstrate to applicants and colleagues that we're committed to supporting flexible working and diversity across the company. With the assistance of First Military, we also recruited women to roles that are typically dominated by men, helping us to increase representation of women across all departments and disciplines.

We partnered with EDI specialists, Delsion, who have supported us on our strategic journey, carrying out HR policy reviews, champion training as detailed above and a gap analysis on our recruitment process. Their audit of our recruitment process made several key recommendations, enabling us to make the process more accessible in terms of candidate journey and information available. Delsion also helped us to establish our own Guaranteed Interview Scheme for people with disabilities, veterans and women in STEM roles (Science, Technology, Engineering and Mathematics).

Inspiring young people

As part of our Strategic Equality Plan, our Community Engagement team has focused on igniting passion for STEM opportunities for children and young people. They delivered online workshops to teachers and STEM Ambassadors in collaboration with our delivery partners and See Science. These sessions highlighted to girls and young people employment opportunities available and gave insight into our work and that of our partners. The team has also attended numerous careers fairs across North Wales and Rhondda Cynon Taf and have participated in Careers Wales' Welsh Language in Employment programme for STEM, a virtual careers fair highlighting to pupils the variety of roles where Welsh language skills can be utilised.



11. Our commitment to reducing our pay gap

Our Strategic Equality Plan sets our objectives and success criteria enabling us to report on achievements over the next few years. Specifically, from 2020 to 2024 our success criteria for gender equality in TfW will be to:

- establish a pay and performance model which supports reducing the gender pay differential and working towards pay parity
- develop a talent management approach which delivers a 50/50 gender split at Executive and grades 1 and 2 whilst paying regard to the other protected characteristics
- have no equal pay claims.

In collaboration with the Welsh Government and PTI Cymru, we're proposing to bring a regional hub of Women in Transport to Wales. We know, from the International Women's Day Event held in The Senedd in 2020 and from the EDI Working Group, that there is an appetite for corporate and individual memberships.

There is already a wealth of talented women working and training in the transport industry in Wales. We're keen to increase these numbers and the diversity of their roles. The Women in Transport Wales 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. It will provide an opportunity to support women already working in the industry to reach more senior positions.

With Chwarae Teg, we're a partner of the Step to Non-Exec programme. This programme provides opportunities for women in senior roles to shadow members of our board and Senior Leadership Team for twelve months. This will support women to gain more Non-Executive Board positions.

We're sponsoring two of their campaigns: LeadHerShip, a programme that provides women aged between 16-25 with the opportunity to shadow senior leaders, and Not Just for Boys, an alternative Careers Fair for women and girls highlighting different career options across a variety of industries and sectors.

With Delsion, we'll continue to focus on our EDI roadmap over the next 12 months. Following the transfer of the rail franchise in February 2021, we're aiming to extend this roadmap across the whole of the TfW Group. This will help us gain more influence within the transport sector in improving the representation of women.

Our Community Engagement team is also engaging with schools within South Wales on a pilot 'Bridge to Schools' programme which will be delivered later this year. This will involve pupils from Years 7 and 8 creating a Severn Crossing model helping to test and build their engineering skills, with an aim to roll this out across Wales and the borders later in 2021.

Following on from the women we've hired with the assistance of First Military, we're now procuring a military recruitment partner to provide us with positive action support, including encouraging military veterans to apply with a particular focus on women. They will also provide CV writing and interview support for those seeking employment opportunities within the sector. We'll continue to take positive action when recruiting roles, proactively speaking to female veterans in the market to diversify the applicant pool. We'll continue to look at the barriers women face at shortlisting and at interview, to ensure as much gender diversity as possible at both stages.

We'll work to develop the skills of women in our workforce at all levels. Using funds from the Welsh Government's commitment to apprenticeships, we'll seek to market them to women.. Through investing in leadership courses, we'll seek to encourage women to management positions. We're developing a Women in Leadership programme which will provide a clear pathway of development for women at all grades within the organisation to encourage promotion and retention.



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