

ORR gender pay gap and diversity report 2017

The Office of Rail and Road (ORR) is committed to enhancing the diversity of its people and the inclusiveness of its working arrangements, practices and policies. We aim to reflect the people and communities we serve.

It is essential that ORR has the best people to undertake the important work that we do, and there is overwhelming evidence to indicate that diverse teams deliver the best outcomes. I am therefore committed to ensuring we have a strong, diverse and inclusive organisation that provides all our employees with equal opportunity to deliver, develop and progress. We have policies and practices in place to achieve this aim, but there is more to do.

The diversity challenge we face is similar to those in the rail and engineering sectors. We are committed to drive forward our strategies to achieve greater inclusiveness and diversity, for example further embedding our flexible working approach; inclusive and diverse recruitment practice; maintaining and enhancing our inclusive culture; and by providing appropriate training for our managers (such as unconscious bias and managing inclusive teams).

I am confident that, over time, these strategies will address the current disparity in gender representation at middle management levels and will address our gender pay gap.



Joanna Whittington
Chief Executive
March 2018

Introduction and summary

This report sets out ORR's gender pay gap and diversity profile.

The gender pay gap is calculated at 31 March 2017, whilst our diversity data takes a 'snapshot' of ORR's workforce as at 31 December 2017.

ORR has 310 employees, 61% of whom are male and 39% female (compared to 46% and 54% respectively in the whole Civil Service).

Our mean gender pay gap 12.8%, whilst the median gender pay gap is 27.2%.

The median gender pay gap shows the percentage difference between the middle points of the salary distribution for male and female employees.

The mean gender pay gap shows the difference between the average salaries for male and female employees. This reflects that, in ORR, 74% (94) of our middle management grades (C and B, equivalent to Civil Service grades 7 and 6) are male employees, and that these grades represent over 40% (127) of the organisation. Average pay is therefore higher for males than for females. Our health and safety inspection and engineering teams sit at this level and, historically, these teams have shown a predominance of male employees.

Conversely, at grades G, F and E, there is a higher proportion of female than male colleagues.

The proportion of female employees in ORR has increased by 6 percentage points over the last five years. This improvement coincides with ORR's implementation of 'smarter working', with flexible working supported by mobile technology available to all employees. 16% (49) of employees work part-time hours or a non-standard working pattern. Many staff take advantage of the ability to work from home, to help optimise their work-life balance.

Just under 19% (56) of employees declare a minority ethnic background, compared to 9% in the Civil Service as a whole.

5% (16) of employees have reported a disability, which is lower than the Civil Service average of 7%.

Action being taken on diversity and ORR's gender pay gap

ORR has in place a range of policies and practices to maintain and improve its diversity and inclusion, including the following:

- A flexible employment offer for all employees where people can work where and in a manner that best enables them to deliver their objectives, with mobile technology to support remote working;
- A formal flexi-time system for junior employees, and flexibility in working arrangements and time for all staff;
- Most vacancies are advertised as available on a flexible working, part-time and job share basis, and most vacancies are advertised as being workable in any of ORR's six offices (in Bristol, London, Birmingham, Manchester, York and Glasgow);
- Recruitment is based on the Civil Service Commission's principles of fair and open competition and appointment on merit;
- A recruitment and marketing strategy is adopted for all vacancies with the aim of achieving a broad and diverse pool of applicants;
- Applications for vacancies are anonymised, so that protected characteristics cannot influence sifting decisions, and training is provided to all managers to recognise and mitigate unconscious bias;
- We have a structured pay system with set pay bands for each grade, which limits the potential for inequality in pay, both on appointment and during employment, and the length of each of our pay ranges is being shortened, year on year;
- All decisions on performance and competence related reward are scrutinised by the senior management team to eliminate the potential for bias and inequality;
- We offer a wide-ranging development package to employees at all levels to support development and help enhance career progression.

Our aim is to increase the proportion of women at middle and senior management grades (C, B and A). ORR's actions, outlined above, have helped achieve a 6 percentage point increase in the number of women at both grades C and B since 2013.

In 2017, 3 of the 6 successful candidates for our trainee inspector assistant roles were female and, over time, this change in profile is expected to work up through the organisation as these individuals progress in their career.

Since 31 March 2017, we have seen the number of women increase at Senior Civil Service level by 1 which takes the proportion to 37%. Within the last two years we have also increased the number of women on our board and now have 25% (3) representation.

However, it should be noted that our trainee inspectors and our Senior Civil Servants represent small groups, and so any change in the number of individuals can have a significant impact on these percentages.

Year on year, we have reduced the proportion of employees who are unwilling to report their protected characteristics, although for some protected characteristics the absence of positive declarations remains an issue (for example, on religion where 50.7% (152 people) make no declaration).

Annex 1: Gender pay gap

ORR's gender pay gap

In 2017, the government introduced legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Non-ministerial departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data by 30 March 2018 and then annually, including the:

- mean and median gender pay gaps
- mean and median gender bonus gaps
- proportion of men and women who received bonuses
- proportions of male and female employees in each pay quartile

The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

A pay gap does not indicate that men and women are being paid differently for equal work, but our data analysis shows there is a higher proportion of women in junior and middle grades, and lower representation at senior levels. This has a greater impact on median pay which explains the difference between the mean and median pay gaps.

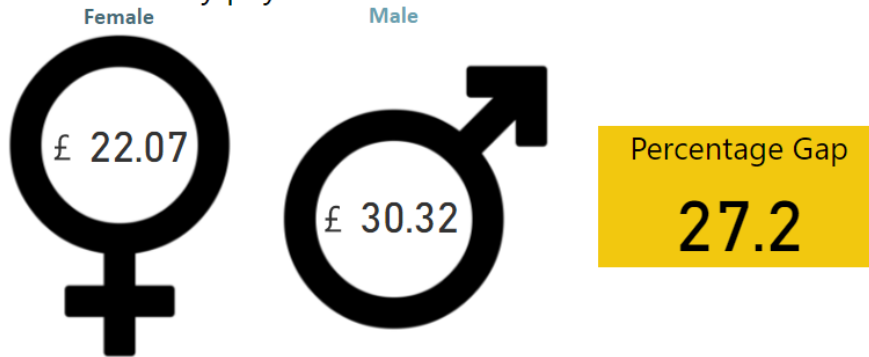
The gender pay gap is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

The mean gender pay gap in ORR is 12.8%. The median gender pay gap is 27.2%. The following report provides further detail and analysis.

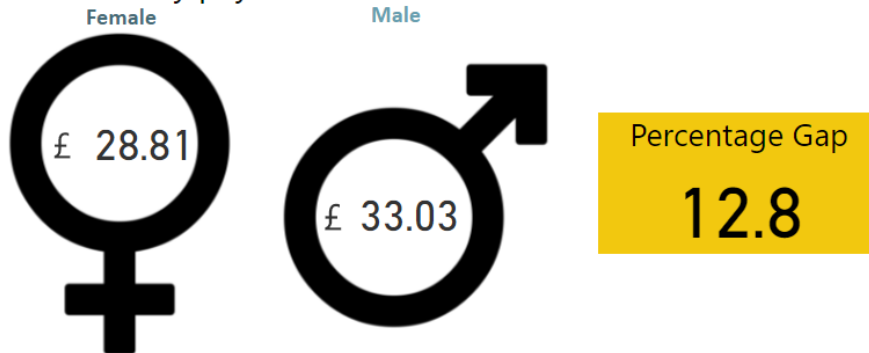
Hourly pay report

We are confident that people at ORR are paid equally for doing equivalent roles, taking into account skills, experience, performance and competence. However, our gender pay gap reflects the fact that we have more male employees in middle and senior positions, and proportionately fewer male employees in junior positions.

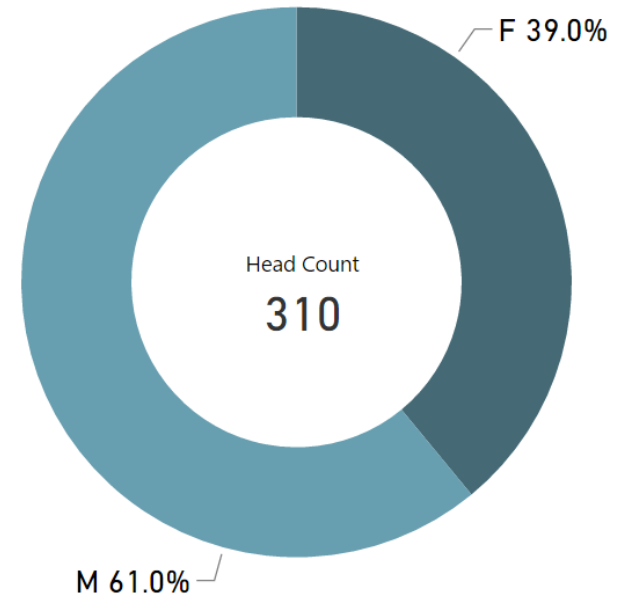
Median hourly pay



Mean hourly pay



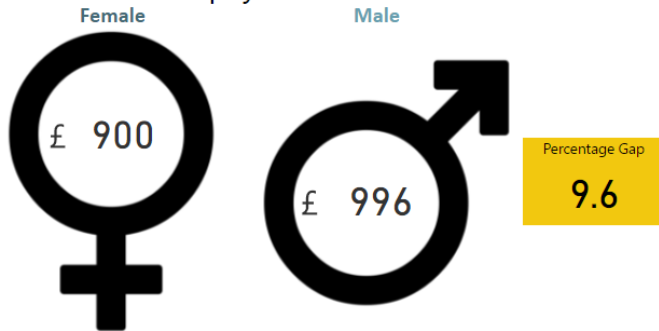
Employees by Gender



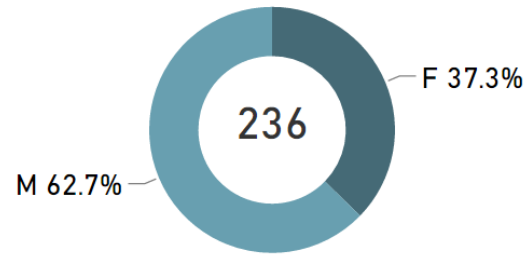
Bonus pay report

People at all levels in ORR are eligible for performance related payments. People who have delivered an outstanding performance across the whole of a reporting year may receive a one off payment.

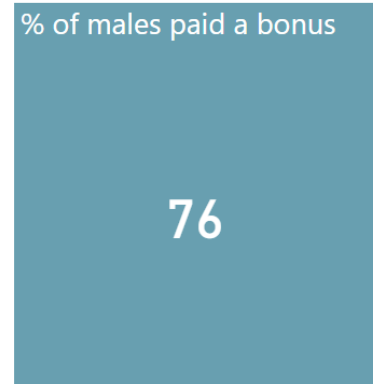
Median bonus pay



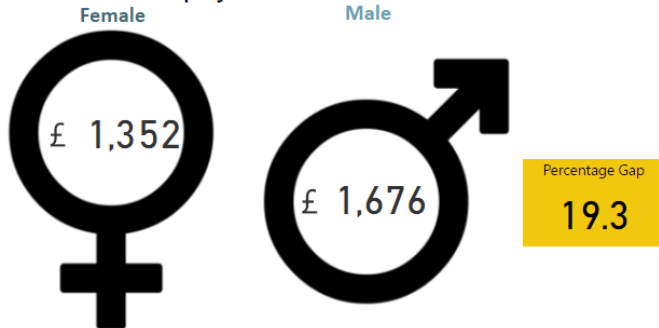
Number of bonuses paid by gender



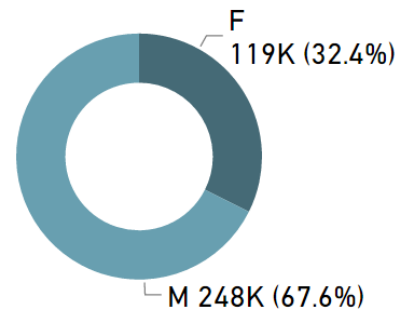
% of males paid a bonus



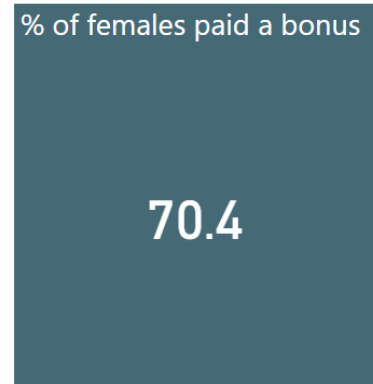
Mean bonus pay



Value of bonuses by gender

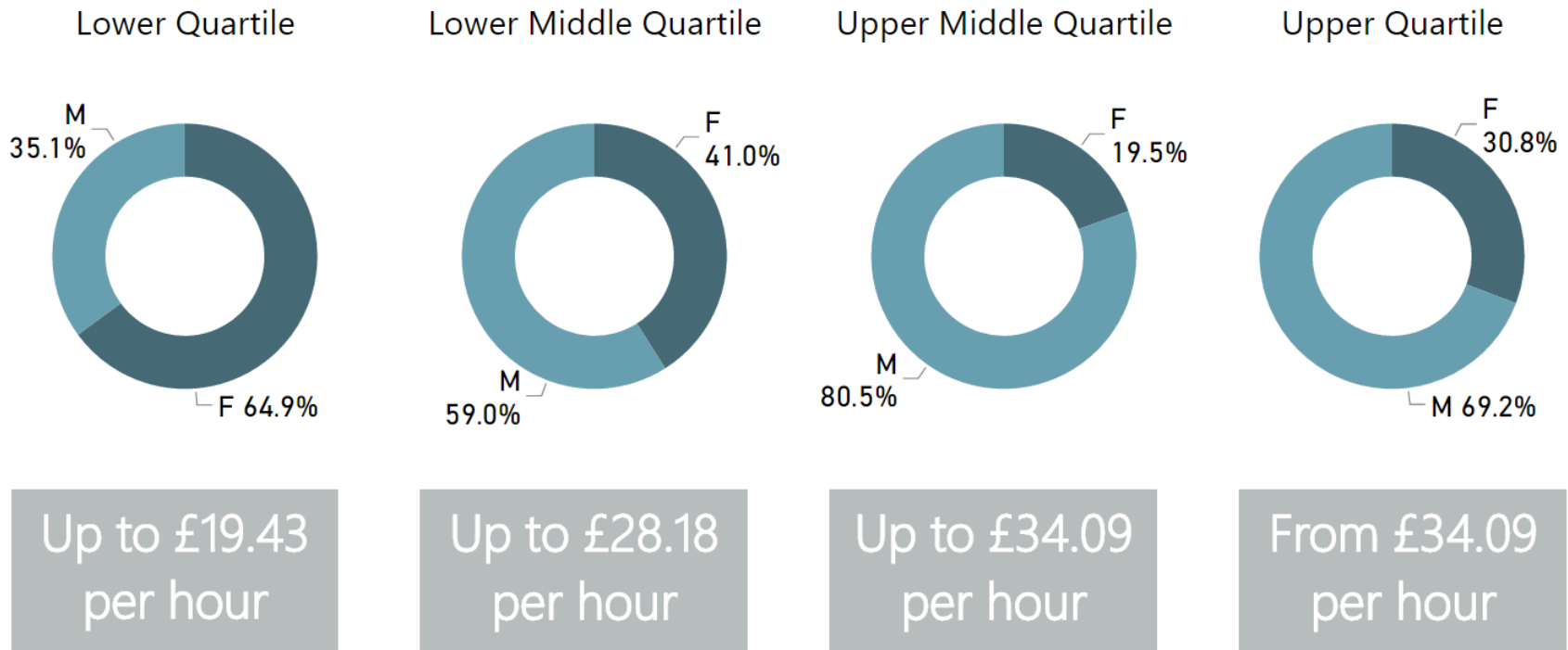


% of females paid a bonus



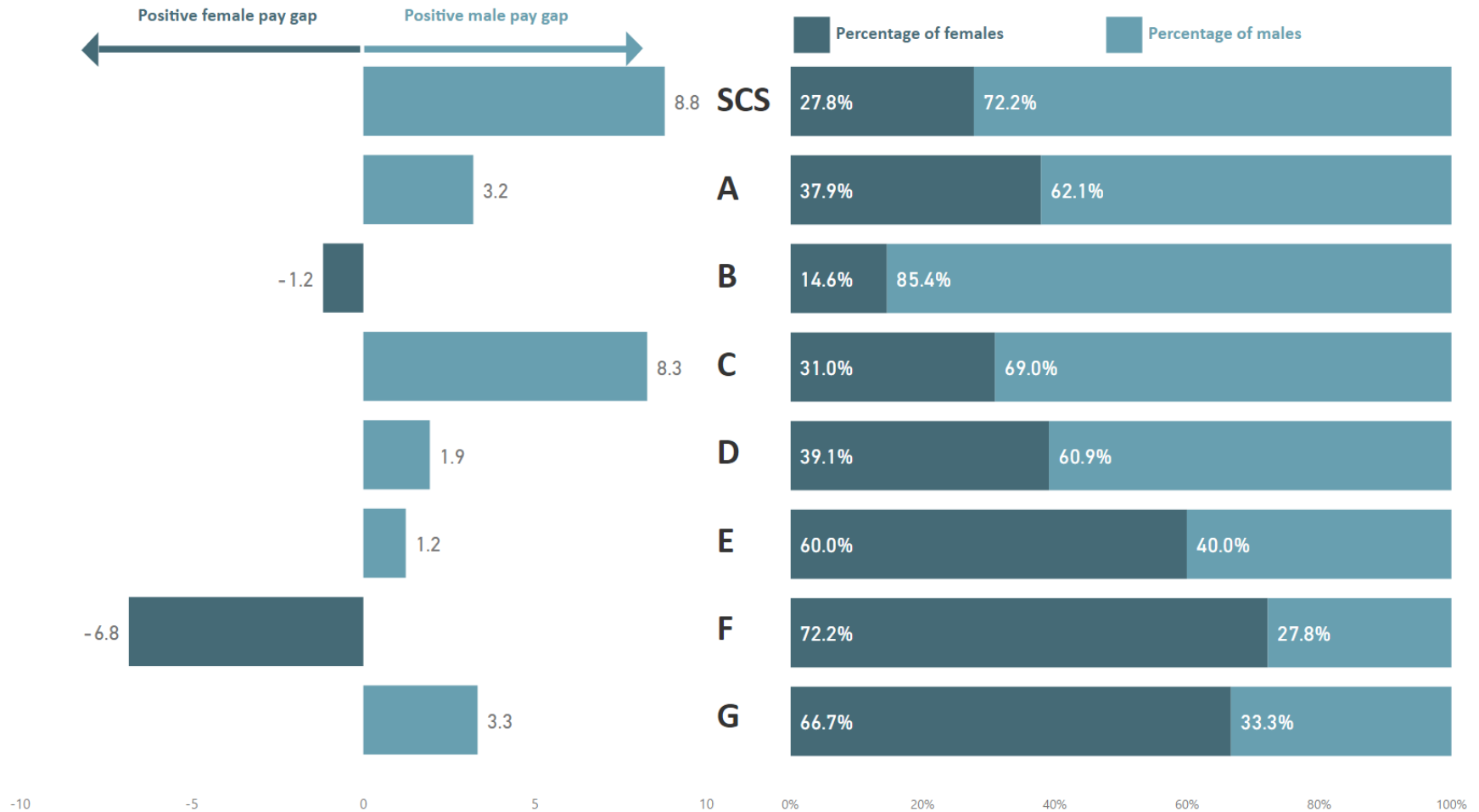
ORR gender profile by pay quartile

The following chart shows the proportion of male and female colleagues in each pay quartile. This shows the variation in gender diversity at our middle management levels (upper middle quartile).



ORR gender pay gap by grade

The following chart shows the pay gap between women and men at the same grade. This is calculated using the basic hourly rate of pay.

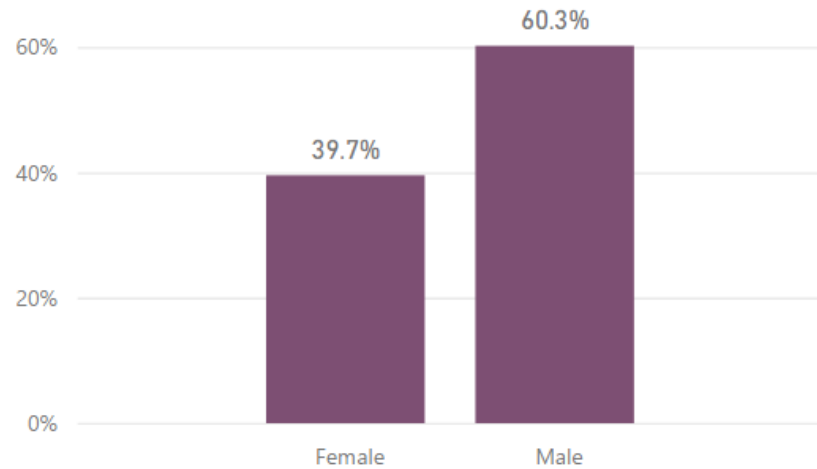


Annex 2: Diversity

Workforce demographics

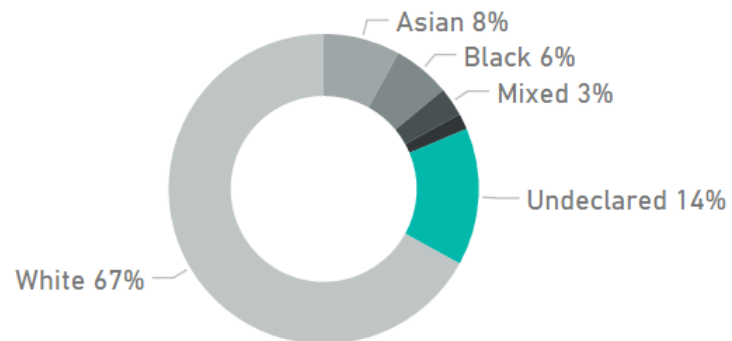
Overall, 60% of colleagues at ORR are male, whilst almost 40% are female.

Employees by gender



Employees by ethnicity (ORR)

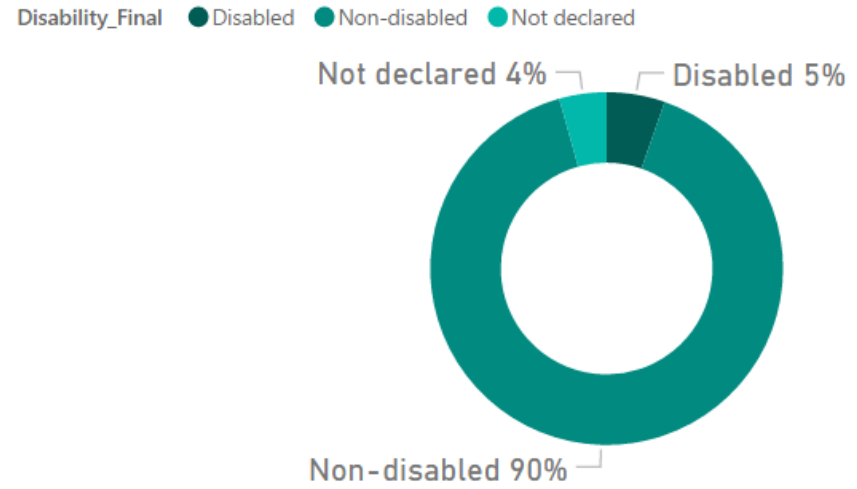
Race_Final ● Asian ● Black ● Mixed ● Other ethnicity ● Undeclared ● White



The majority of colleagues are white (67%), whilst just under 19% are non-white.

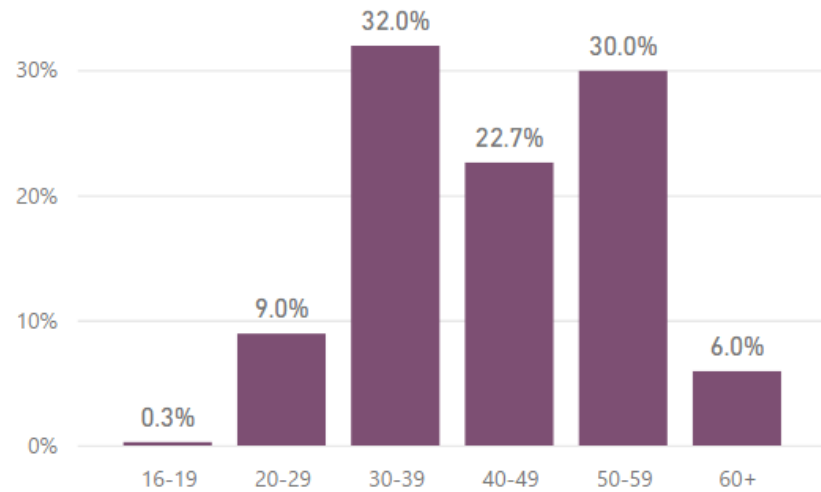
5% of colleagues have reported a disability.

Employees by disability status (ORR)



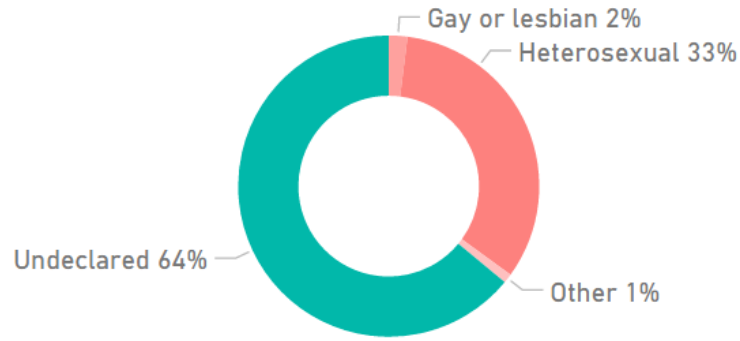
Over 58% of colleagues are aged 40 or over.

Employees by age band

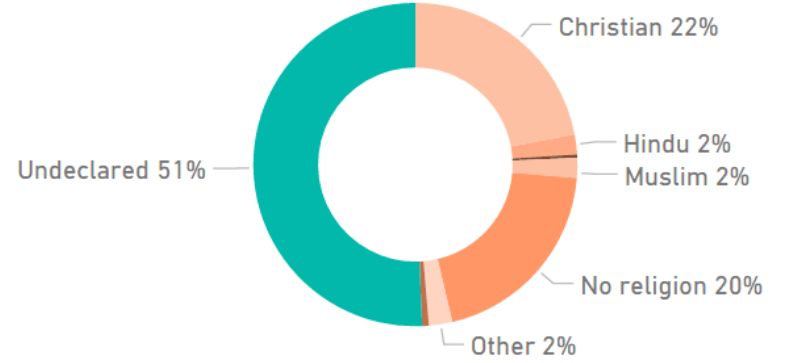


Employees by sexual orientation (ORR)

Orientation_Final ● Gay or lesbian ● Heterosexual ● Other ● Undeclared

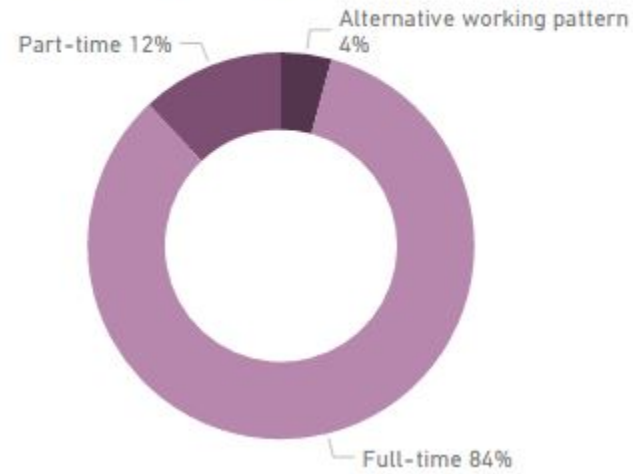


Employees by religion (ORR)



Employees by working pattern (ORR)

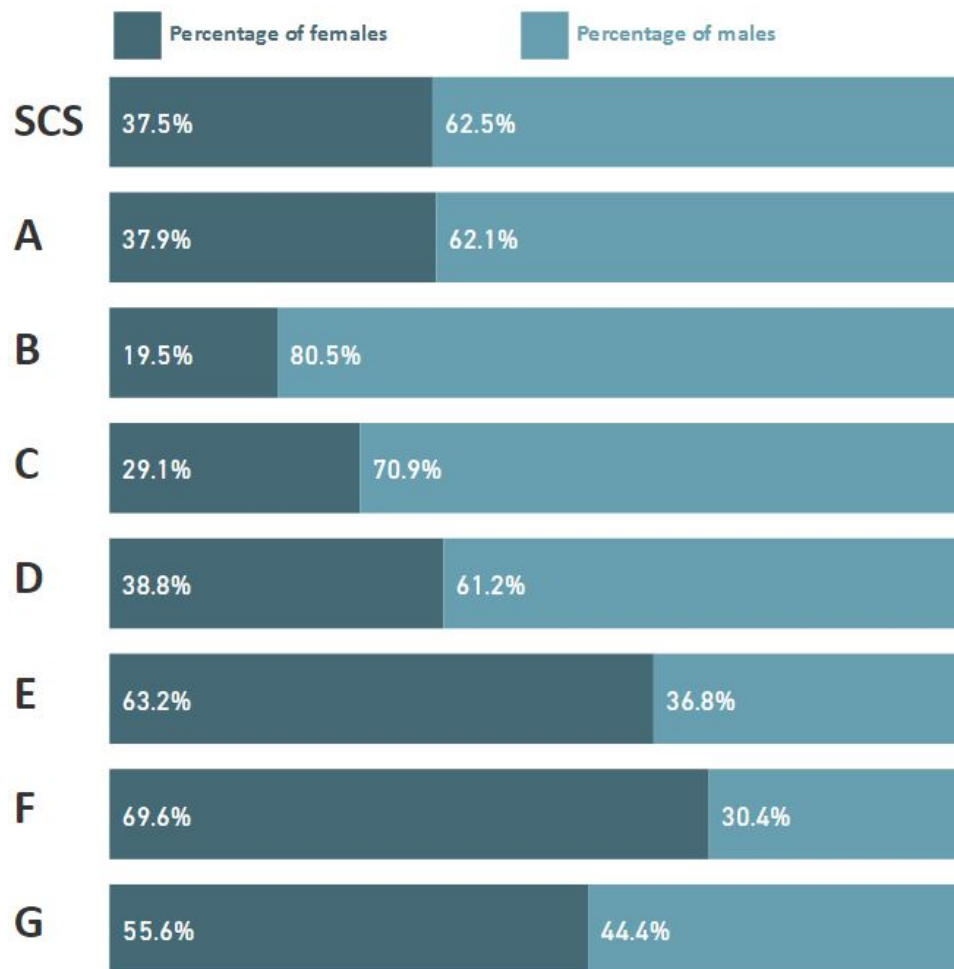
Employment_Final ● Alternative working pattern ● Full-time ● Part-time



ORR employee distribution by grade

ORR has an unusual profile of employees by grade, with a high proportion of colleagues at middle management grades of D, C and B.

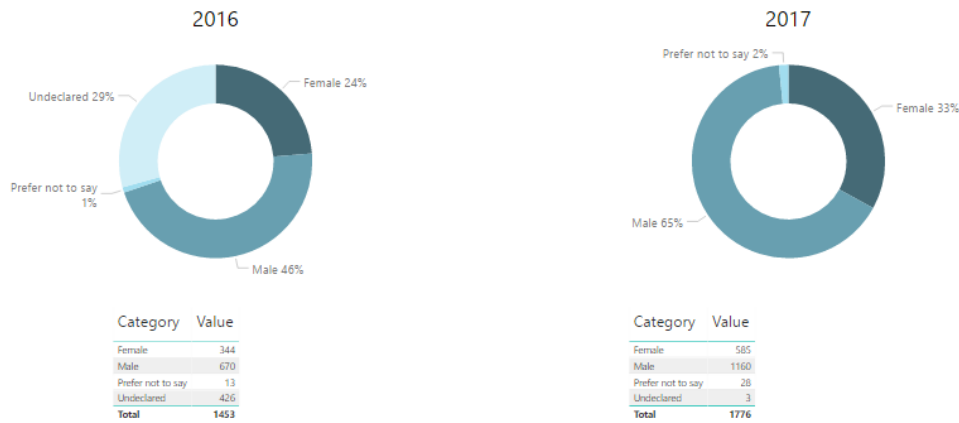
As stated elsewhere in this report, a high proportion of these colleagues are male.



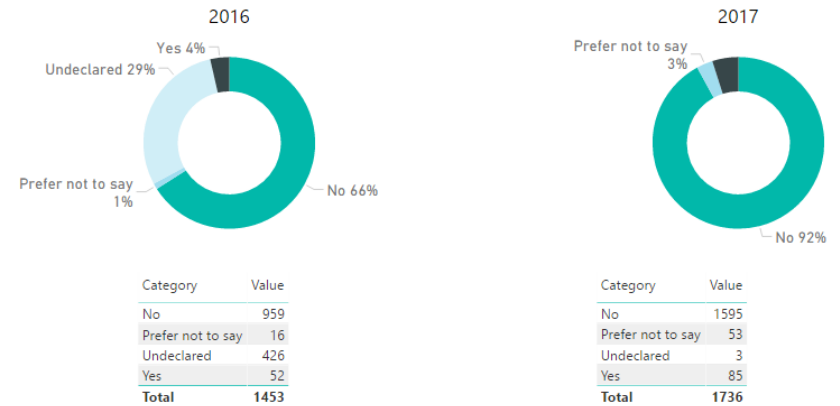
Annex 3 – Recruitment data

These charts show the protected characteristics for applicants (or those who started the application process) for ORR vacancies, advertised externally between 1 January 2017 and 31 December 2017.

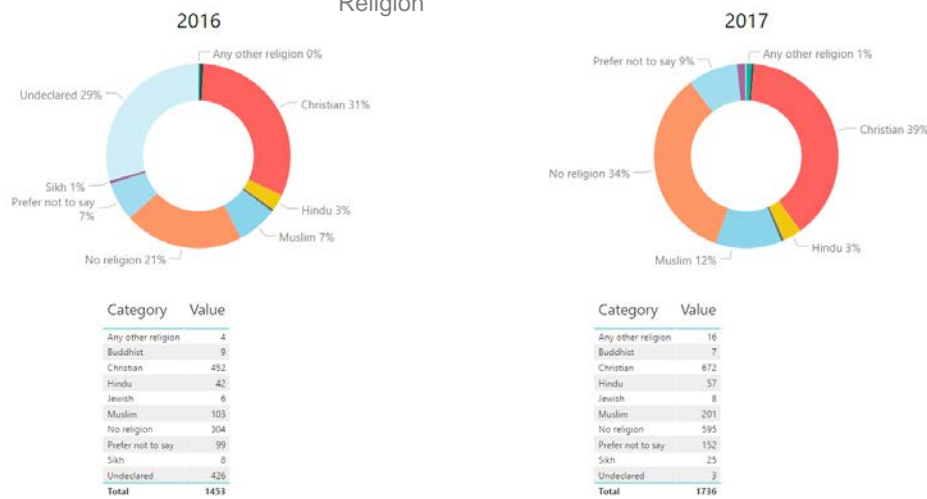
Gender



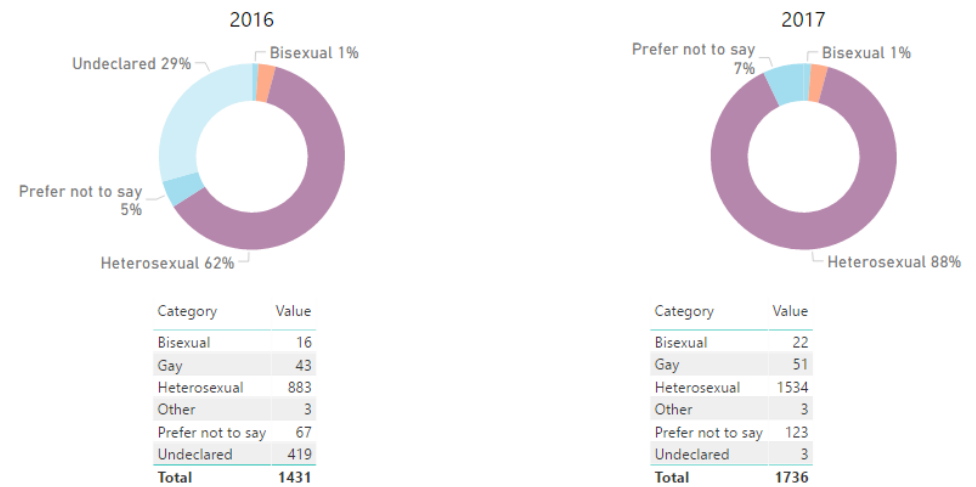
Disability



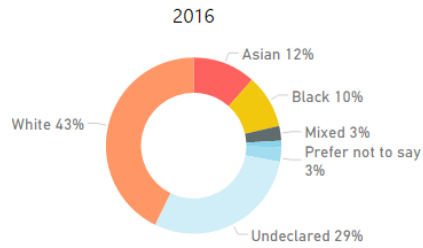
Religion



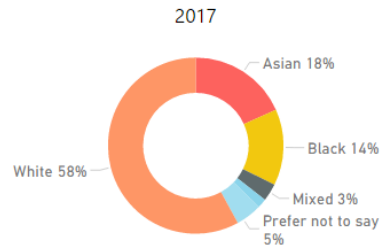
Sexual Orientation



Ethnicity

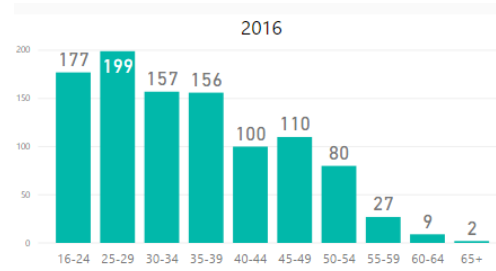


Category	Value
Asian	168
Black	143
Mixed	39
Other	17
Prefer not to say	39
Undeclared	426
White	621
Total	1453

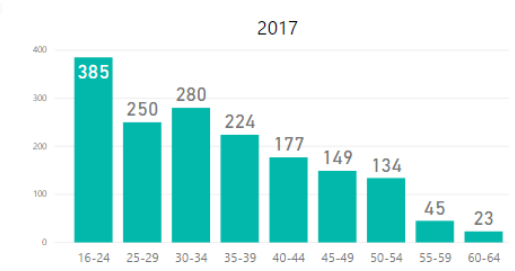


Category	Value
Asian	318
Black	243
Mixed	56
Other	29
Prefer not to say	84
Undeclared	3
White	1006
Total	1739

Age



Category	Value
16-24	177
25-29	199
30-34	157
35-39	156
40-44	100
45-49	110
50-54	80
55-59	27
60-64	9
65+	2
Prefer not to say	49
Undeclared	426
Total	1492



Category	Value
16-24	385
25-29	250
30-34	280
35-39	224
40-44	177
45-49	149
50-54	134
55-59	45
60-64	23
Prefer not to say	65
Undeclared	3
Total	1735

NB: Please note that a change in approach in our recruitment practice between 2016 and 2017 resulted in fewer applicants providing no information on their protected characteristics, but an increase in those who positively 'preferred not to say'.