

ORR Gender Pay Gap and Diversity report 2019/20

Introduction

In 2017, the Government introduced world-leading legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Government 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 relevant organisations to publish their gender pay gap by 30 March annually. This includes the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the 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. 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.

Building a diverse and inclusive workforce that reflects the people we serve is one of the Civil Service's top workforce priorities. Our collective aim is to make the Civil Service the UK's most inclusive employer by 2020. Our Diversity & Inclusion work plan outlines how we plan to achieve this. The Civil Service should create opportunities for all in a truly meritocratic way and reward all civil servants fairly, regardless of gender, ethnicity or any other personal characteristic.

This report analyses our gender pay gap figures in more detail, makes comparisons with our 2018 and 2019 data where relevant, and sets out what we are doing to close the gender pay gap in our department.

Reflections from our Chief Executive

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 we believe that diverse teams deliver the best outcomes. We are committed to having a strong, diverse and inclusive organisation that provides all our employees with equal opportunity to deliver, develop and progress.

The diversity challenge we face is similar to those in the rail and engineering sectors. This report identifies a mean gender pay gap of 18.1%, whilst the median gender pay gap is 23.8%.

These figures are improving gradually across most grades although there is still clear scope for improvement. A primary driver is that a majority of employees in our middle management grades are male, and that these grades represent nearly half of the organisation. Average pay is therefore higher for males than for females.

Policies we are implementing to help reduce the gap include: embedding our flexible working approach; making recruitment more open and inclusive; maintaining and enhancing our inclusive culture; promoting programmes for under-represented groups; and providing appropriate training for our managers (such as unconscious bias and managing inclusive teams). In addition, we are conducting a full review of our Diversity and Inclusion work using independent consultants.

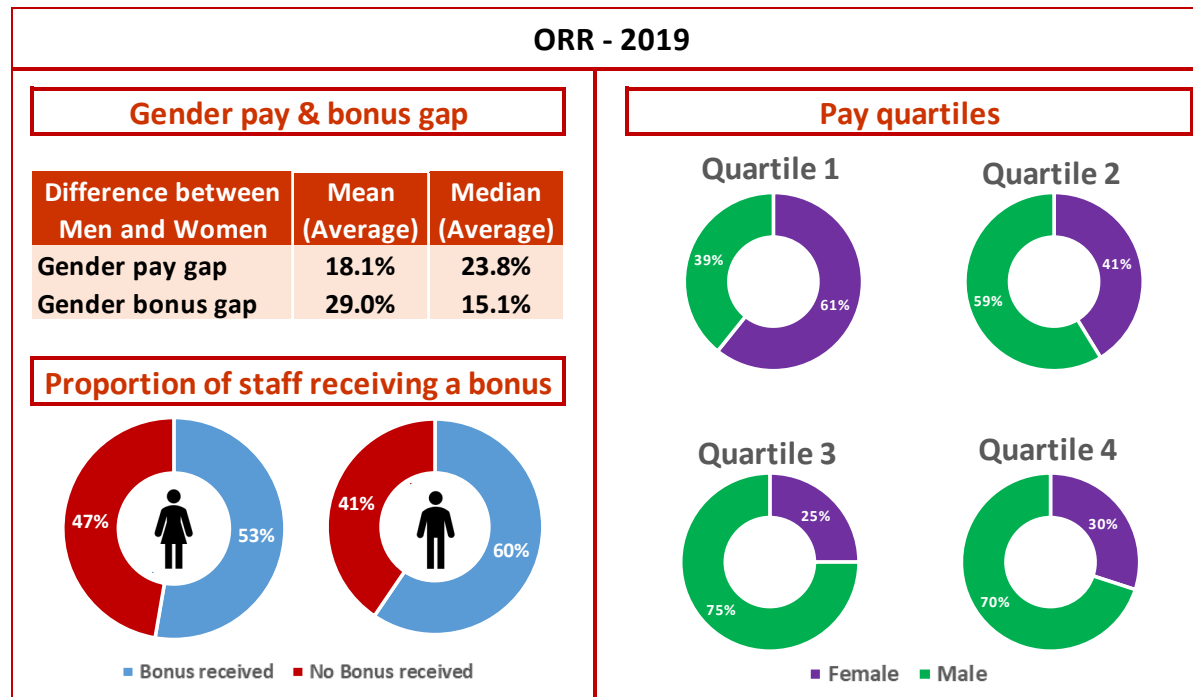
We also recognise that achieving this gap reduction needs a continued commitment and persistent effort over the long term. Two areas that I am particularly keen on working on are: having a different approach to recruitment whereby we look carefully at the skills actually needed for a role; and a commitment to flexible working where we seek to accommodate different individual needs.

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

John Larkinson, CEO

January 2020

Gender Pay Gap data



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 more female employees in junior positions.

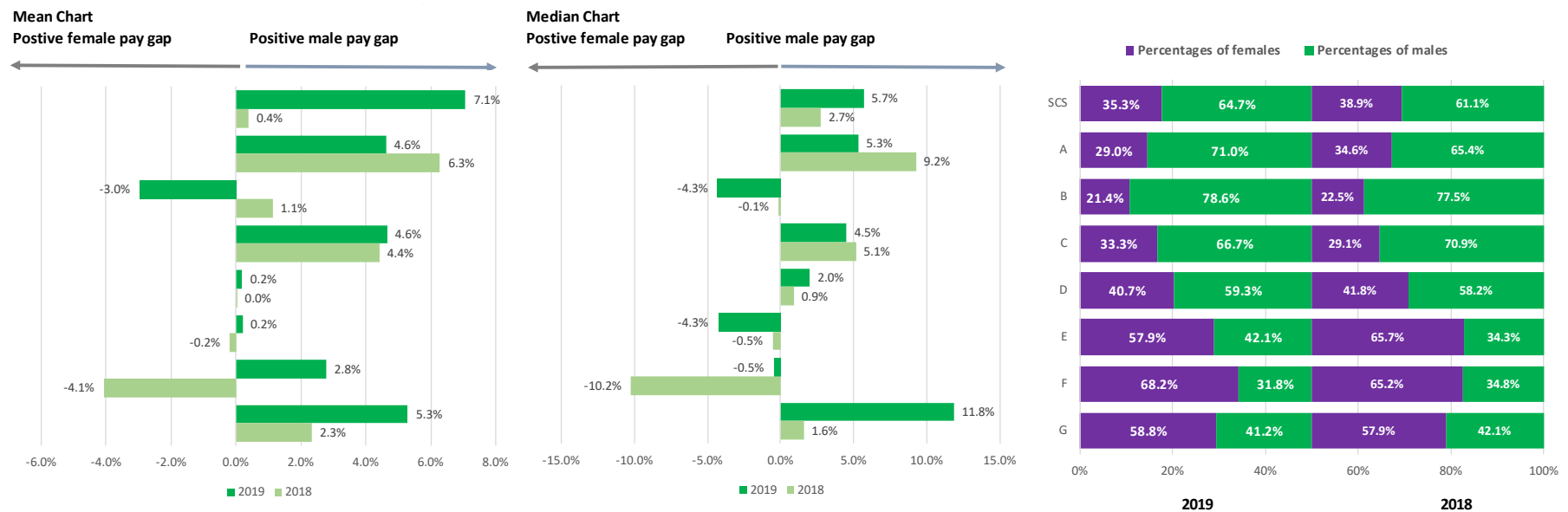
Pay Quartiles are where an organisation is split into four equally sized chunks of employees based on their hourly earnings - and then the gender split is recorded.

Using the quartile percentages from the chart above, in ORR the lower quartile (Up to £20.02 per hour) is made up of 61% women while the upper quartile (From £34.17 per hour) is made up of 30% women.

Gender Pay Gap – annual comparison

Gender pay gap	2017	2018	2019
Mean gender pay gap	12.8%	18.3%	18.1%
Median gender pay gap	27.2%	25.1%	23.8%

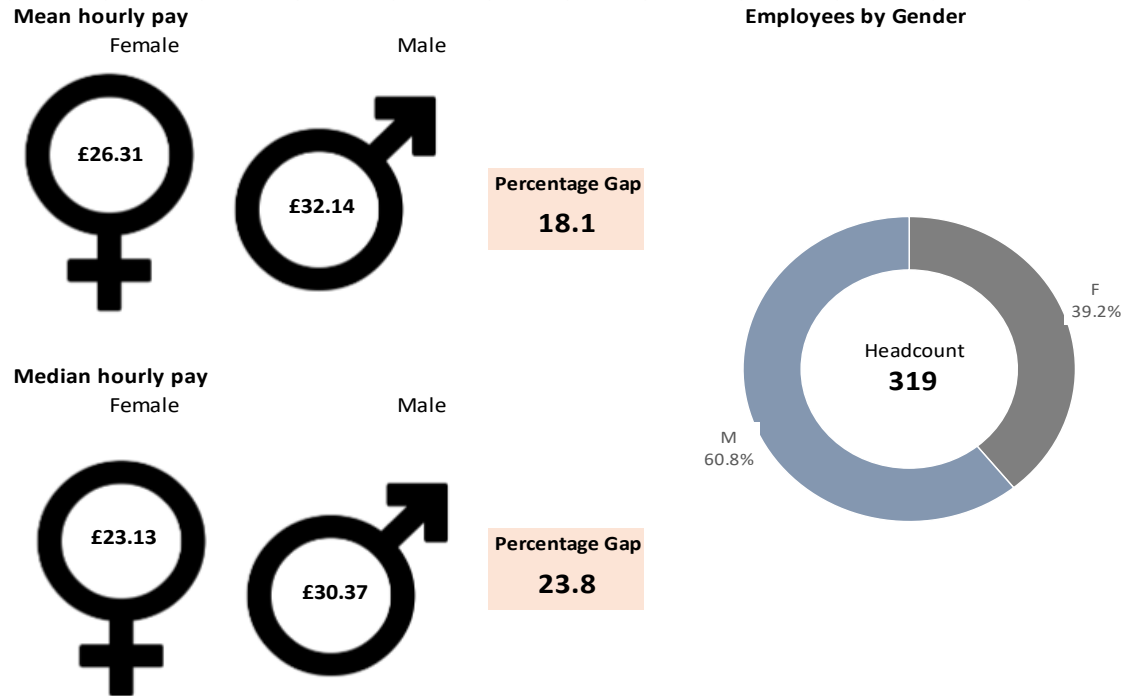
The table above shows a comparison over the last three reporting years. While the median gender pay gap is improving gradually, the mean gender pay gap stepped back in 2018 but has marginally improved over the last year.



The pay gaps reflect a lack of gender diversity at our most prominent grades. Since 2018, there has been a 4.2% increase of the female population at grade C (middle management) and a slight increase at the two lower grades.

From the above chart, the female pay gap has improved at grades A and B. The other grades have gone back slightly.

Hourly Pay report



The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle salary.

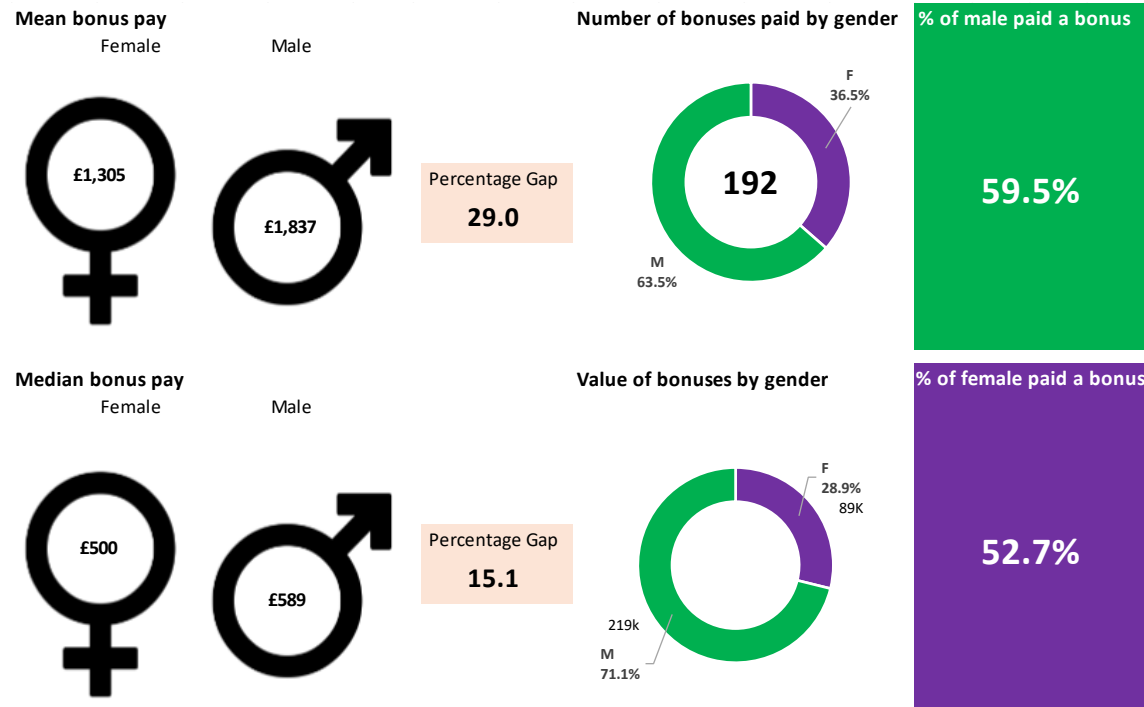
The mean gender pay gap is the difference between the average hourly earnings of men and women.

Our mean gender pay gap is 18.1%, whilst the median gender pay gap is 23.8%.

The mean gender pay gap shows the difference between the average salaries for male and female employees. This reflects that, in ORR, 71% (109) of our middle management grades (C, B and A, equivalent to Civil Service grades 7 and 6) are male employees, and that these grades represent over 48% (154) of the organisation. Average pay is therefore higher for males than for females.

Conversely, at grades G, F and E (equivalent to Civil Service grades AO to HEO), there is a higher proportion of female than male colleagues.

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 at the end of the year, whilst people who have made a special one-off contribution during the year may receive an in year award at any point during the year.

The proportion of men and women in receipt of a bonus payment has remained the same over the last 2 years. The mean pay gap is 29.0%, whilst the median pay gap is 15.1%. Out of the 200 male population, 59.5% received a bonus whilst 52.7% of the total female population of 129 received a bonus this year.

Actions to close the gender pay gap

ORR continues to build on the actions outlined in the 2018 report. Last year we sought to achieve a 50/50 gender split outcome for feeder grades for Inspector roles. We also had a number of work streams in our 2018/19 diversity and inclusion programme to tackle the under-representation of certain groups, including women, in senior management positions. ORR also ensures that interview panel members undertake unconscious bias training and that wherever possible all interview panels are gender mixed.

ORR will continue to review these initiatives as part of its Diversity & Inclusion plan, working closely with our Diversity and Inclusion Network and SCS Diversity Champion.

We are also carrying out, with the assistance of external Diversity & Inclusion consultants, a full review of our Diversity & Inclusion plan, and will be looking at the gender pay gap as one part of this, so that we can identify further actions that we can take to improve this.

Our 2019/20 Diversity & Inclusion plan will be focussing on the following areas over the coming year:



Recruitment, retaining and developing a diverse workforce

- An increase in the number of vacancies advertised as available on flexible working, part-time, job share basis and the option to be based in any of ORR's six office locations across the country;
- A flexible employment offer for all employees allowing regional and occasional home working supported by mobile technology;
- A requirement that all people involved in recruitment to undertake unconscious bias training;
- A move to make our recruitment adverts more generic and inclusive;
- A continuation of 'blind' recruitment where all personal information including gender is redacted and not visible to those making decisions until the interview stage; and
- A strong policy that mixed gender selection panels are in place for interview panels.



Progression and career paths

- ORR participated in a 'Positive Action Pathways' programme for all grades, which aimed to tackle the under-representation of certain groups, including women, in middle and senior management positions
- ORR runs an annual talent and succession planning round, which provides a source of data that helps monitor diversity with a view to informing development opportunities.



Performance management

- All employees will continue to be offered access to various talent programmes, aimed at supporting the right people into the right roles. These include: Future Leaders Scheme; Positive Action Pathway; and various apprenticeships.

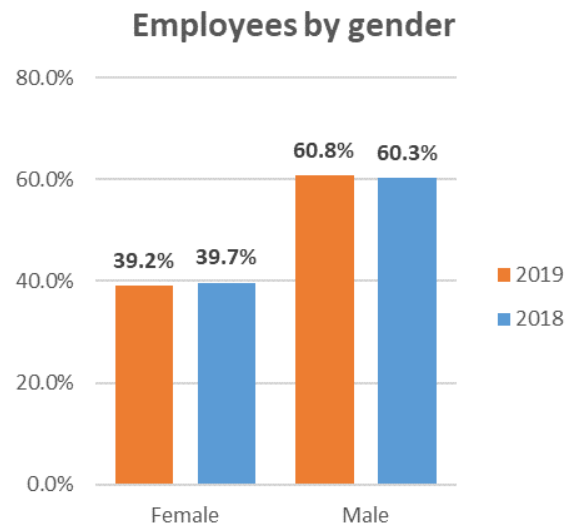
Annex 1 - ORR workforce demographics

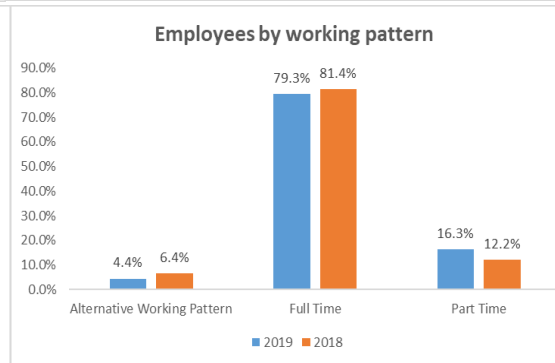
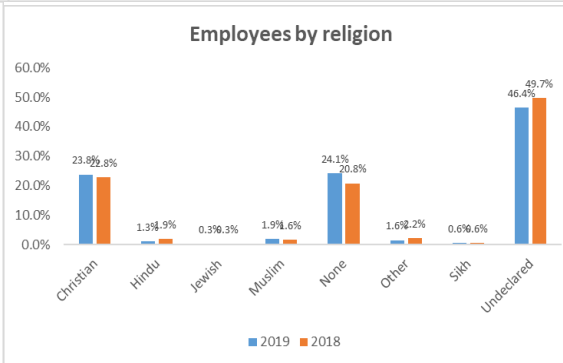
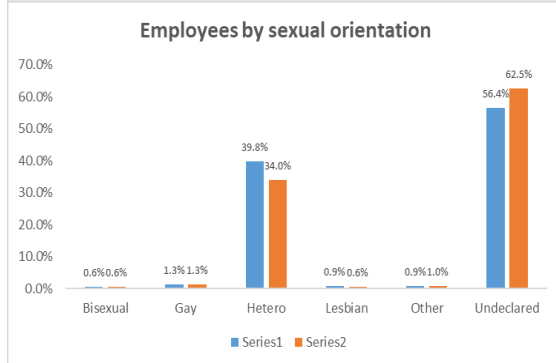
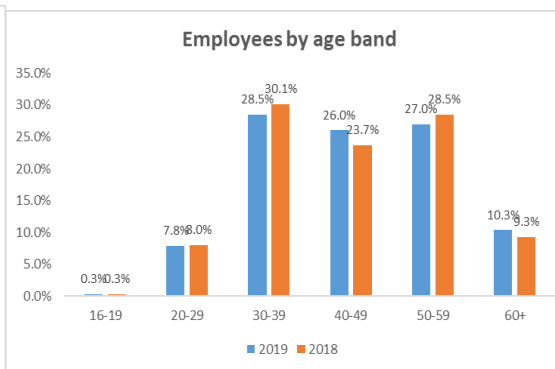
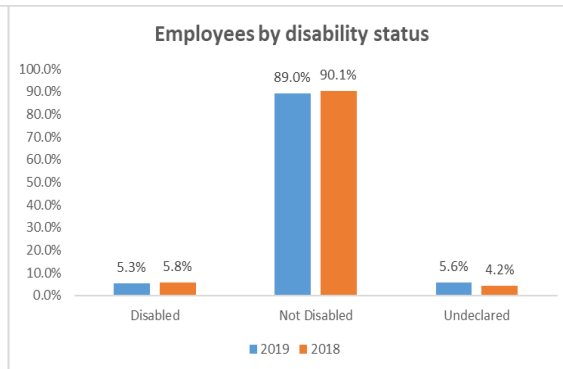
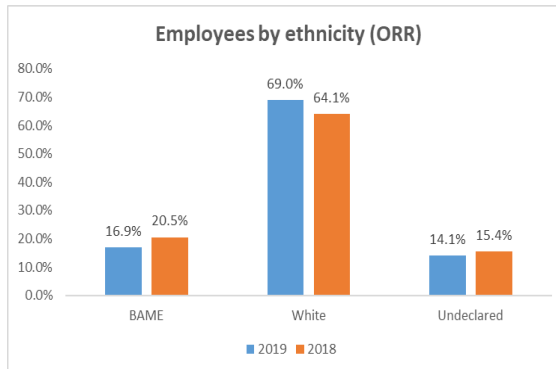
ORR has 319 employees, 60.8% of whom are male and 39.2% female (compared to 46.1% and 53.9% respectively in the whole Civil Service).

The proportion of female employees in ORR has increased by 2 percentage points over the last five years. 21% (67) 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 17% (54) of employees declared a minority ethnic background, compared to 12.7% in the Civil Service as a whole. 5% (17) of employees have reported a disability, which is lower than the Civil Service average of 11.7%.

The majority of colleagues are white (69%), whilst 16.9% are non-white, a decrease of 3.6% compared to the previous year. Over 63.3% of colleagues are aged 40 or over.

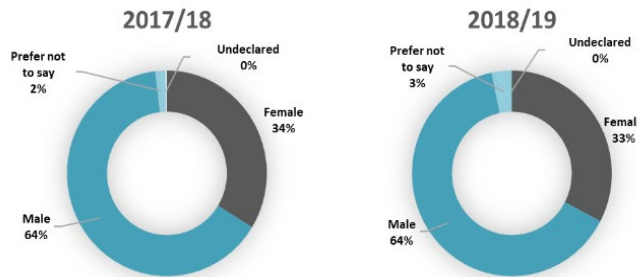




Annex 2 - Recruitment data

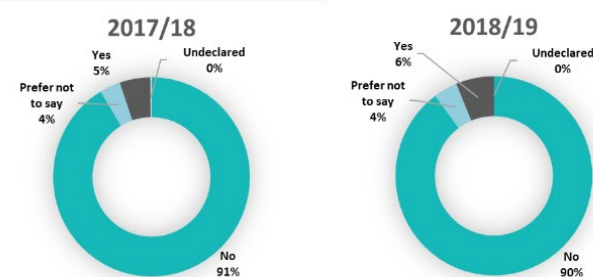
These charts show the protected characteristics for applicants (or those who started the application process) for ORR vacancies, advertised externally between 1 April 2018 and 31 March 2019.

Gender



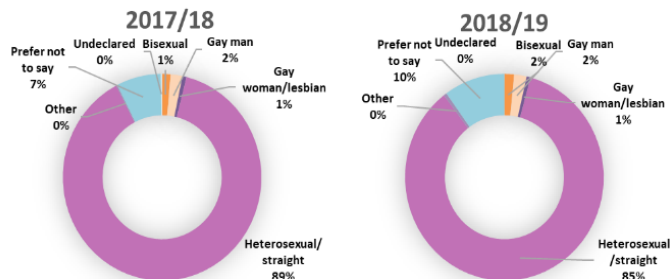
The gender split of applicants have remained the same over the last 2 years.

Disability



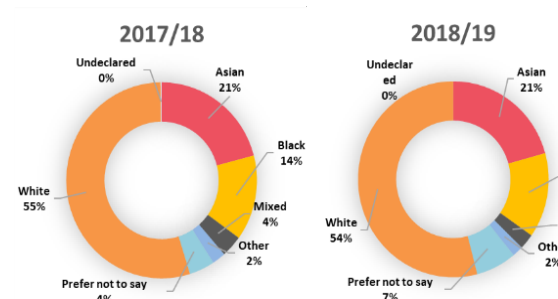
There is a 1% increase in the number of applicants declaring a disability this year.

Sexual Orientation



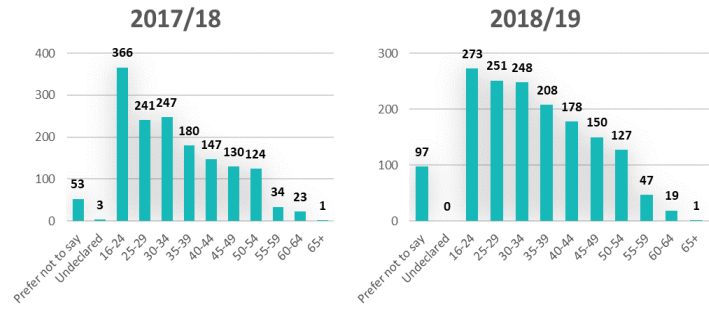
In 2018/19, there was an increase of 1% in LGBT applicants.

Ethnicity



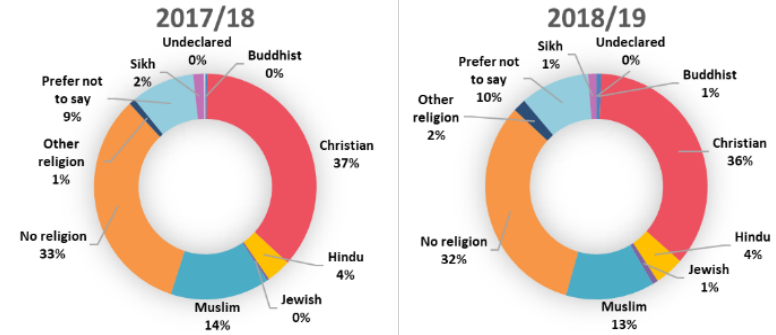
There are no changes over the last two years. However, the number of applicants not willing to declare their ethnicity has slightly increased.

Age



There is a slight decrease in the number of applicants under 40 years of age compared to the

Religion



We continue to attract applicants from different faiths