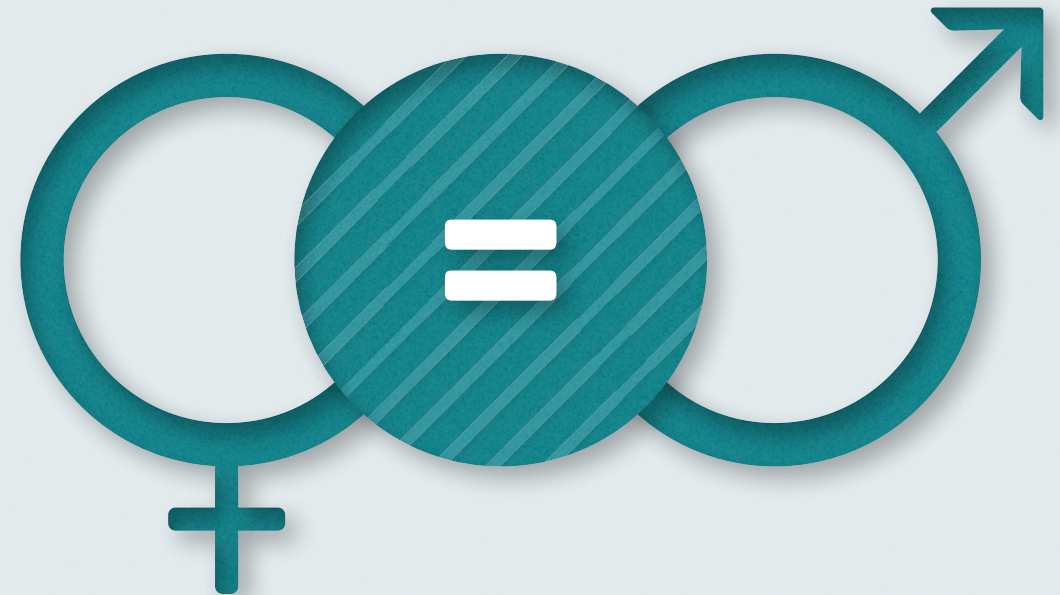


# Gender pay gap report

Network Rail's gender pay gap has been calculated in accordance with Government regulations. The report is based on snapshot data as of 31 March 2021 and covers activities between April 2020 – March 2021.



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2021

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This report is prepared on behalf of Network Rail Infrastructure Limited, a member of the Network Rail Group of companies owned by Network Rail Limited.



**Andrew Haines**

Chief executive

**We are pleased to report that the percentage of women in our workforce continued to increase again between April 2020 and March 2021. It is encouraging that despite the challenges of the pandemic, the railway is still seen as an attractive workplace for women.**

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**Pauline Holroyd**

Group HR director

Despite this encouraging news, our Gender Pay Gap was 12.9 per cent last year, an increase of 0.7 per cent. It is important to note that is still below the national average of 15.5 per cent.

We know that this pay gap exists because women are underrepresented in our higher paid roles across our organisation. This is an area we are working hard to change recognising it will take time to address. Already, we are pleased to see that we are recruiting a higher proportion of women compared to the proportion that are already in the business. This is an important step in the right direction.

Organisations with diverse workforces perform better. Diversity helps increase creativity, innovative thinking and strengthens employee engagement. Therefore, it is vital that we continue to improve the diversity of our organisation across all levels. In doing so, we will better represent the passengers and communities that the railway serves.

For decades the railway has been a male dominated industry, but we are determined to change this. This report showcases some of steps we are taking now to address this imbalance and the industry leading work to encourage greater female representation across all pay grades.



# Gender pay gap figures 2021

This is the fifth year we have published our gender pay gap report and the fourth year we have seen a slight increase in our median gender pay gap. We have always acknowledged that tackling the gender pay gap cannot be solved quickly, it may take years. We recognise too that addressing the gender diversity of the organisation may mean our gender pay gap could go up as well as down. This is because our approach is about changing attitudes towards women in our industry; addressing systemic practices and behaviours, and removing barriers that women face. Increasing the diversity of our workforce through the Gender Matters project and various initiatives to attract, develop and retain top female talent remains our key objective.

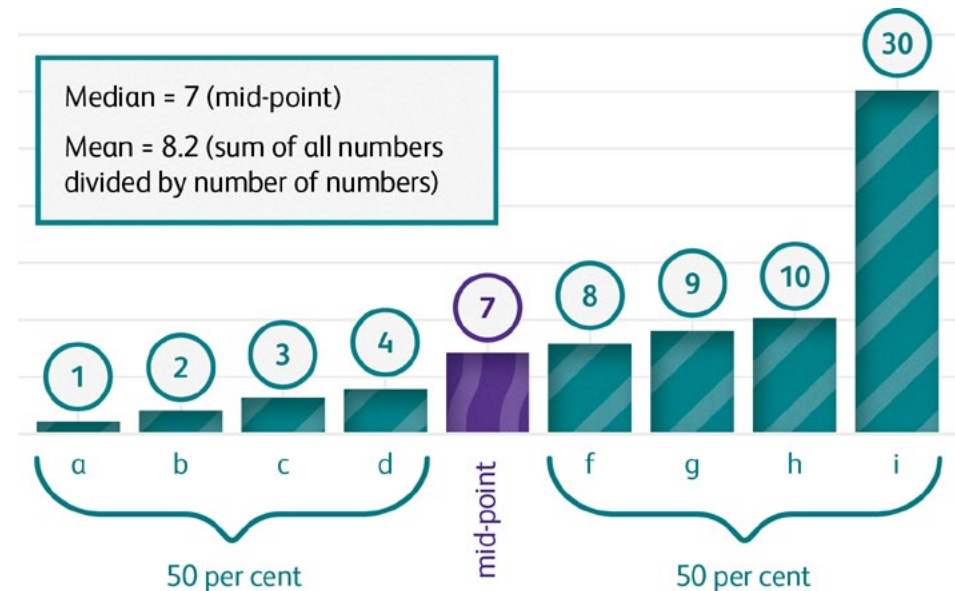
We have continued to increase the proportion of women in our organisation each year. At the time of reporting 19 per cent of our workforce were women, up from 18.4 per cent the previous year.

**Since we began to report our gender pay gap in 2017, our female workforce has increased by 36 per cent which is a growth rate more than twice our male workforce (at 15 per cent).**

We have made positive progress, but we need to do more to achieve our ambitious target of 26 per cent female workforce by 2024.

## Difference between mean and median

We look at both the mean (average) and median (middle) for pay gap reporting. The mean difference is the difference in average hourly pay; adding all pay rates together and dividing by the total number of people. The median difference is the difference in hourly pay between the middle paid (the person at the mid-point if you were to line all employees up from low to high pay) male employee and middle paid female employee.



The median is the most representative measure as it stops a small amount of very high or low salaries skewing the results.

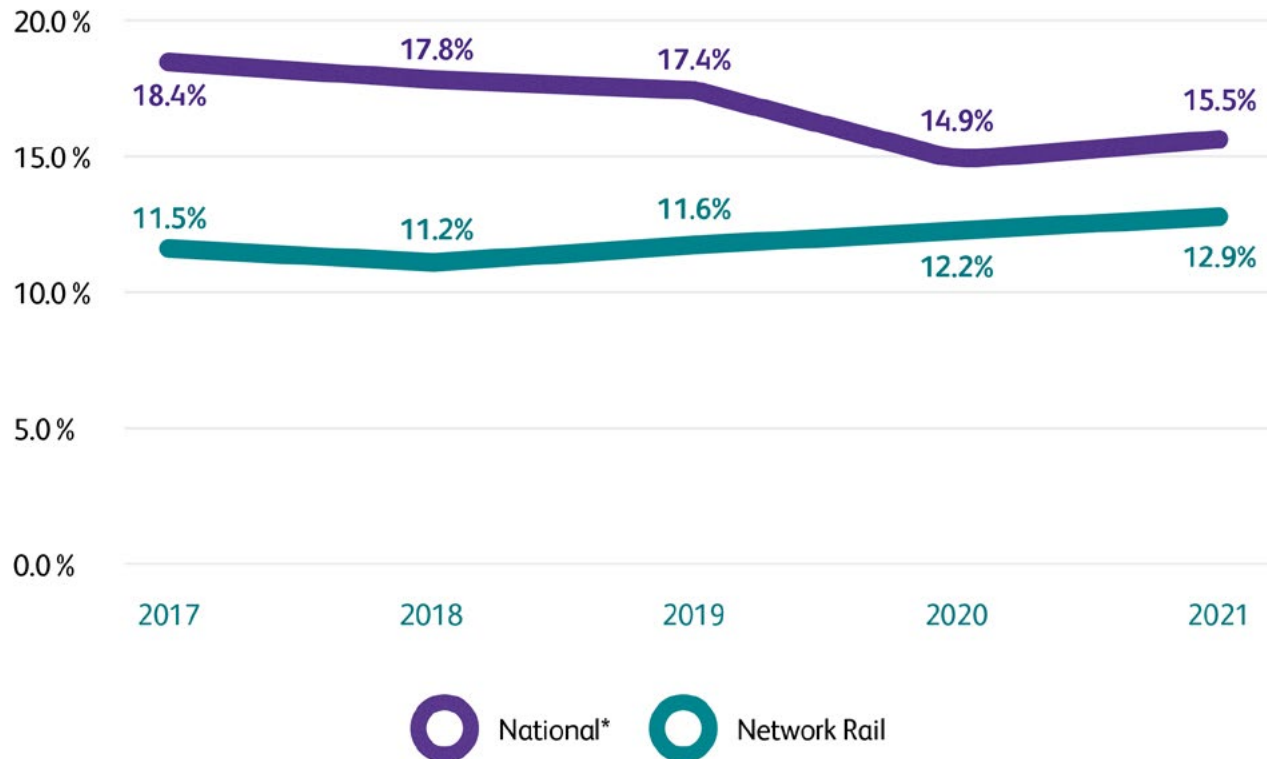
## Understanding our pay gap

Gender pay gap	
Mean (average) 9.9%	Median (middle) 12.9%

This year, our median gender pay gap has increased by 0.7 per cent to 12.9 per cent. This remains below the national average of 15.5 per cent. Our mean pay gap also increased slightly by 0.5 per cent to 9.9 per cent.

A pay gap exists because of an imbalance in the proportion of men and women across all levels of the organisation. At Network Rail, we have a greater proportion of men in higher paid roles. Therefore, the average rate of pay for a man is higher than a woman's, resulting in a pay gap. This is not the same as equal pay where it is the legal requirement for men and women to be paid the same for performing the same work or work of equal value.

### Median pay gap



There are many reasons why there are more men than women in higher paid jobs at Network Rail. To remove the barriers that prevent women from obtaining these roles we must address the associated challenges. Some examples include:

- offering more flexible working opportunities in senior roles, to help everyone have a better work life balance
- making the higher paid frontline roles which have historically been male dominated, such as signallers and mobile operation managers, more appealing to women.

These types of initiatives will help to reduce our pay gap over time but we acknowledge that other initiatives to increase the number of females in our organisation, particularly in lower paid roles, will conversely increase our gender pay gap. Nevertheless, we remain committed to increasing the diversity of our workforce at all levels.

# Gender bonus gap

Gender bonus gap	
Mean (average) 13.1%	Median (middle) 10.9%

## COVID-19 and bonus payments

The APRP scheme has higher bonus payments compared to the GPRP. A higher proportion of our female population sit in management roles (48 per cent) and take part in the APRP scheme compared to 27 per cent of our male employees. So a higher proportion of women are eligible to higher bonus payments, resulting in a negative bonus gap.

However, the 2019/20 scheme that was paid to employees in the third quarter of 2020 (and therefore captured in our pay gap reporting) was impacted by the COVID-19 pandemic. As a result of the wider industry and financial economic situation, we decided it would not be appropriate to pay the APRP scheme in full. No bonus payments were made to senior employees and middle management grades had their maximum bonus opportunity aligned to the GPRP scheme.

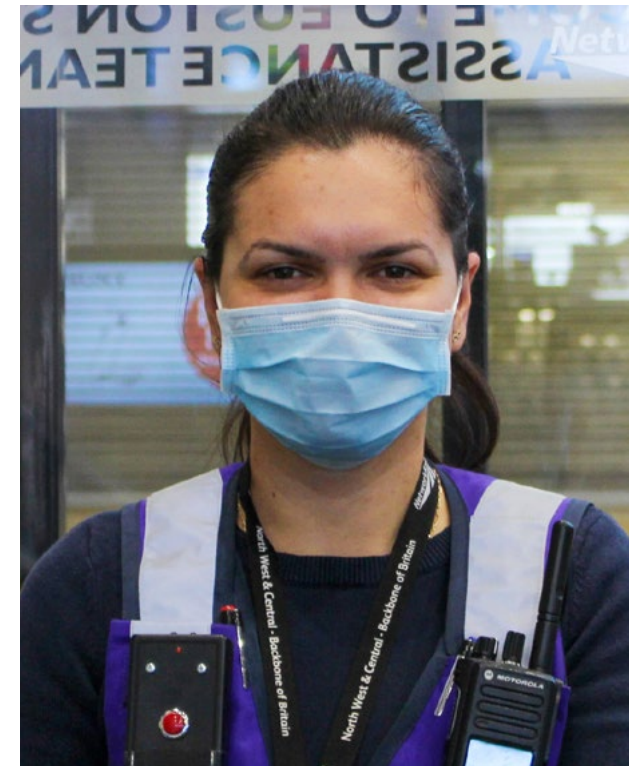
In 2021, we have seen a reversal of the bonus gap. In previous years, both the mean and median bonus gap were negative (in favour of our female colleagues). This was due to our two bonus schemes:

1. the annual performance related pay (APRP) scheme - for management grades
2. the general performance related pay (GPRP) scheme - for technical, clerical, operations and maintenance groups

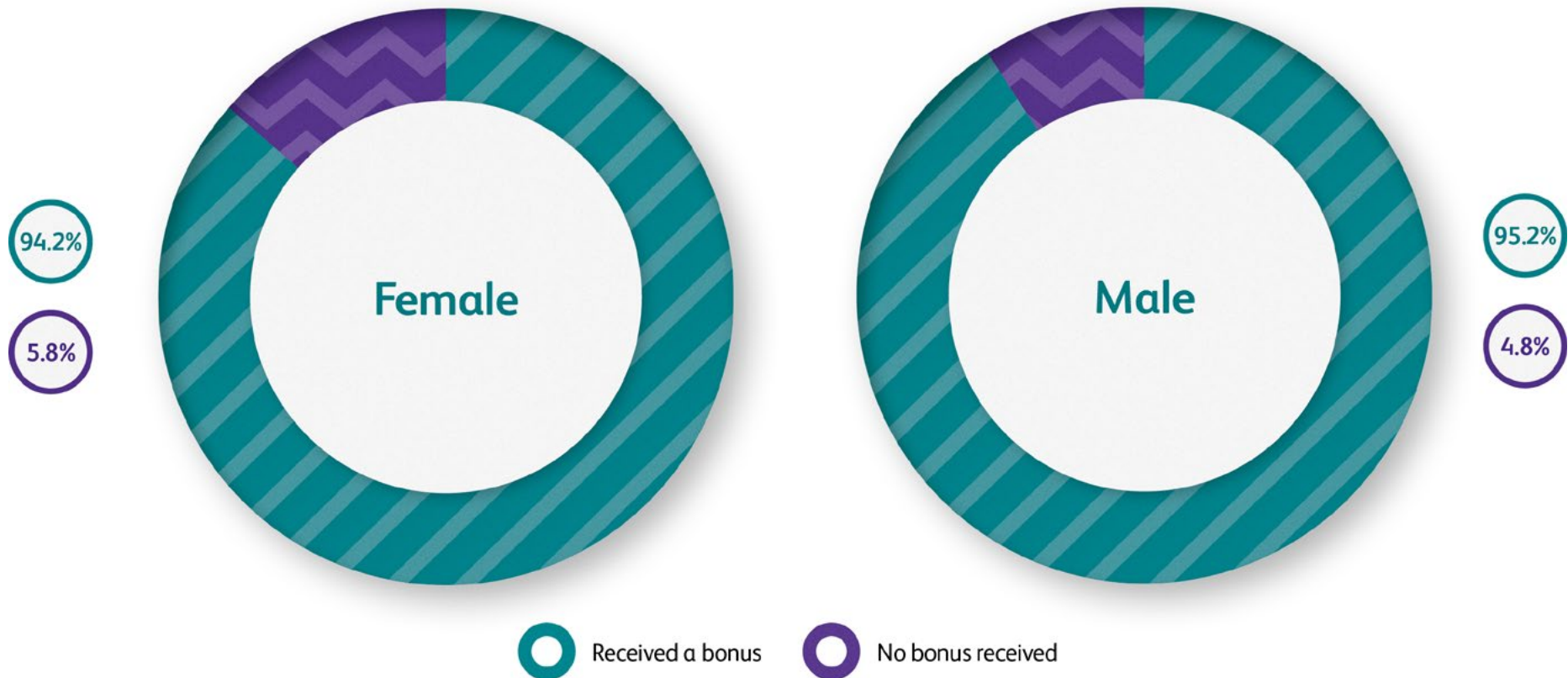
As the structure of the APRP scheme is linked to individual performance, to receive the maximum bonus payment an employee would have to achieve the highest 'outstanding' personal performance rating. This means many employees who received a 'good' rating would have their bonus paid at a lower rate and would receive less than an employee in the GPRP scheme which is not linked to individual performance.

These factors resulted in an average median bonus gap of 13.1 per cent and mean bonus gap of 10.9 per cent in favour of men.

Both APRP and GPRP schemes were also linked to regional and functional performance which can cause variations in payments to individuals in the same scheme.



## Proportion of males and females who received a bonus



As explained previously, senior roles in the APRP scheme did not receive a bonus payment this year which resulted in a higher reported number of people, both male and female, not receiving a bonus payment. Female colleagues were impacted slightly more as a higher proportion of the female workforce are in management roles compared to male colleagues where majority participate in the GPRP scheme and received payments.

Other reasons why an employee may not receive a bonus payment could be due to long term absences, poor personal performance, receiving a disciplinary warning or no performance rating submitted (for APRP scheme).

Women on maternity leave also receive a reduced bonus with payments only paid for the first four weeks of their leave. We are currently reviewing our scheme rules to make these fairer.

# Pay fluctuations across roles

○ Male
 ○ Female

If we split our lowest to highest paid employees into four groups (quartiles):

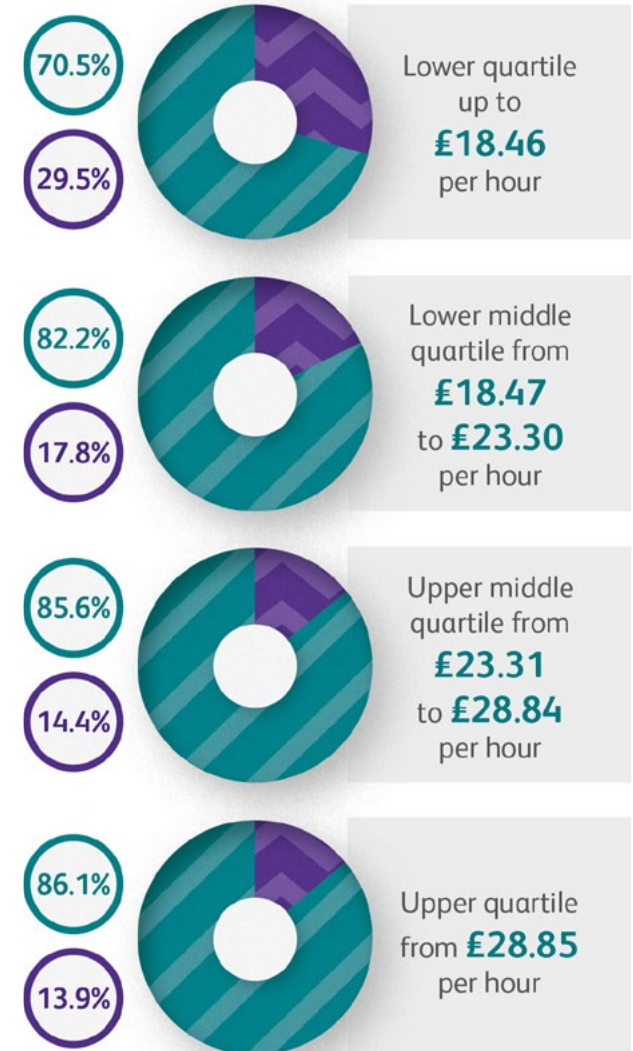
- senior managers and leaders generally sit in the upper quartile
- middle managers mostly sit in the upper middle quartile
- technical and clerical grades are predominantly in the lower and lower middle quartiles
- operations and maintenance roles can span across all four quartiles due to the wide range of roles.

In the 2020/21 reporting year, Network Rail's workforce grew by 3.2 per cent. The proportion of females in the upper quartile increased by 0.1 per cent to 13.9 per cent. There was a decrease in the proportion of females in the upper middle quartile by 0.5 per cent to 14.4 per cent. Coupled with the increases in the proportion of females in the lower and lower middle quartiles (2 per cent and 1 per cent respectively on last year), this has contributed to the increase to our gender pay gap.

Despite the proportion of females across the whole organisation increasing in 2021, their rate of pay will influence our pay gap. In 2021, 28 per cent of new starters from outside the organisation were women. This has contributed to the overall increase in female representation. However, 80 per cent of these women are in

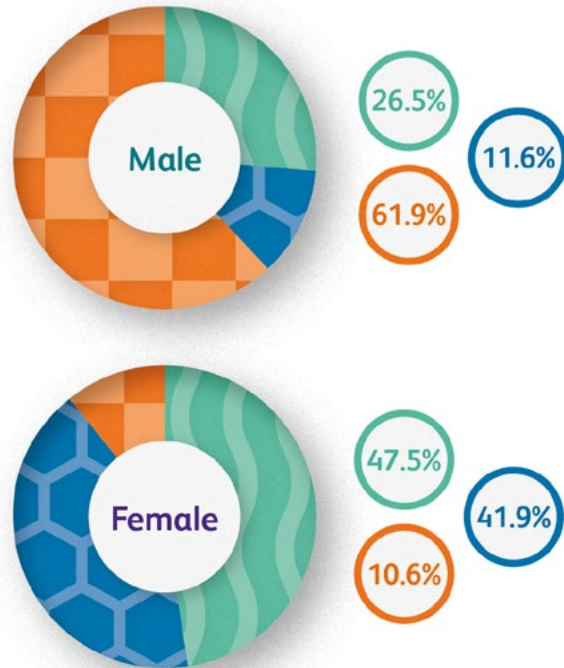
the lower and lower middle quartile which has positively increased female representation in the lower paid roles. Our data shows that female representation of new starters across each of the quartiles is consistent with males and not skewed towards the lower quartiles. However, as a big majority of new starters are in the lower paid roles, we see more of a material difference in the lower quartiles.

Easter bank holiday weekend also featured in our reporting period in this report. When looking at pay slip data for the 31 March 2021, Good Friday and Easter Monday were included. Approximately five thousand maintenance employees received an enhanced shift premium for working these two bank holidays. This resulted in an increased rate of pay for this period that did not feature in the previous year's reporting. As most of our maintenance employees are male, this has pushed some male employees up the quartiles increasing male representation in the higher quartiles and contributing to the increase in our gender pay gap this year.



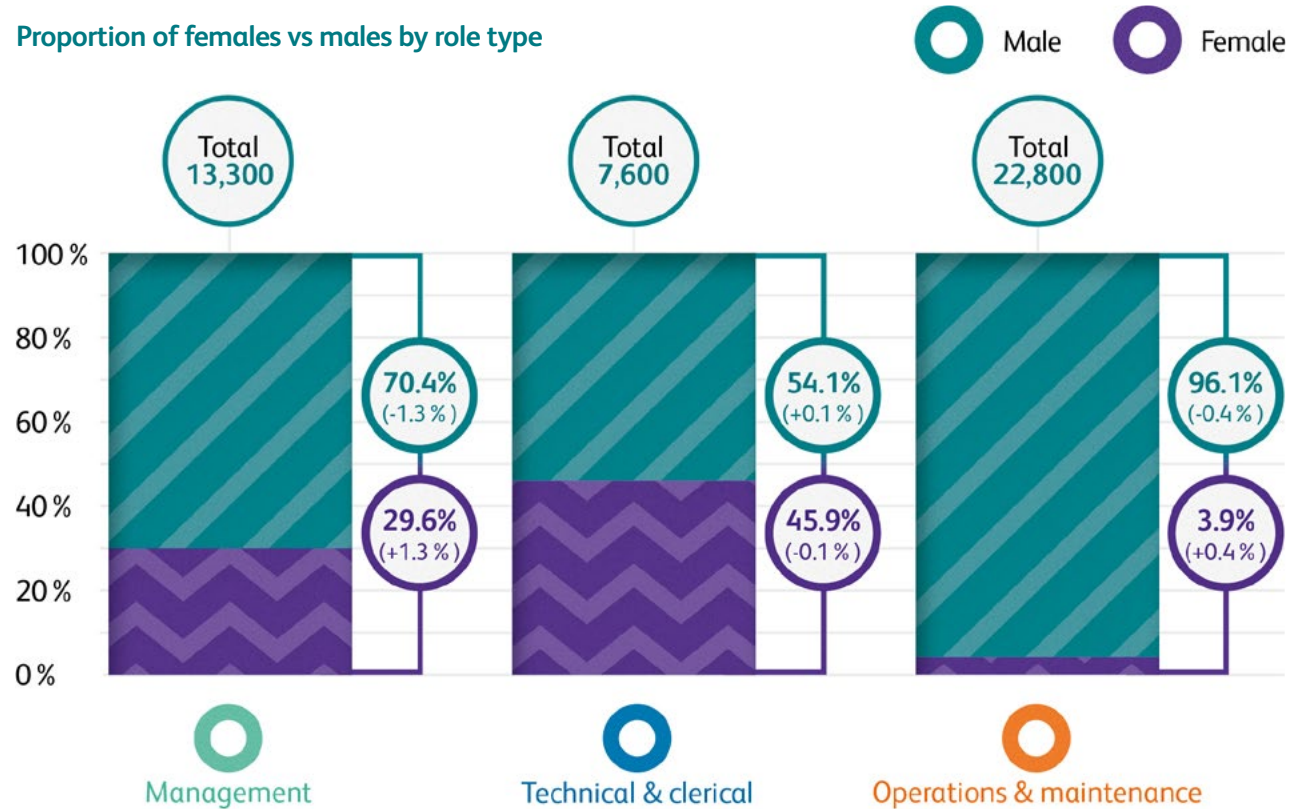


# Gender distribution by role type



The proportion of men in management, technical, clerical, operations and maintenance roles remain broadly the same this year. However, there was a 1.1 per cent increase in the proportion of females in management positions and a 0.5 per cent increase in women in operations and maintenance. These increases were offset by a 1.6 per cent reduction in the proportion of females in technical and clerical roles.

Proportion of females vs males by role type



Slight changes in the makeup of our female workforce, resulted in a slight decrease (0.1 per cent) in the proportion of females in technical and clerical roles compared to males. Encouragingly, the proportion of females in management roles continues to increase, up 1.3 per cent to 29.6 per cent. Likewise, the proportion of our female operations and maintenance workforce also increased by 0.4 per cent to 3.9 per cent. This represents an 11 per cent increase in the number of frontline women, further evidence our initiatives to remove barriers is working. However, there is much more to do.

# Intersectionality

Intersectionality means looking at how various social identities (protected characteristics) are interconnected. Looking at the intersectionality between race and gender, we can see that there are differences in the median rates of pay between white male and female employees and those from a black, Asian and minority ethnic background.

	Median hourly rate of pay	Pay gap versus 'white - male'
White - male	£24.33	-
White - female	£21.14	13.1 %
Black, Asian and minority ethnic - male	£22.63	7.0 %
Black, Asian and minority ethnic - female	£20.61	15.3 %

## White males compared to all females

The overall increase in the gender pay gap is also reflected in the increased pay gap between white males and females from white and black, Asian and minority ethnic backgrounds. The pay gap is greatest for female employees from a black, Asian and minority ethnic background at 15.3 per cent, up 2.2 per cent on last year. This is still greater than the pay gap for white female employees of 13.1 per cent which has increased by 0.5 per cent. The pay gap between white male and black male employees also increased slightly up 0.4 per cent to 7 per cent. This continues to show that the relationship between race and gender could disadvantage females more if they are from a black, Asian and minority ethnic background. However, gender still appears to be the biggest contributing factor.

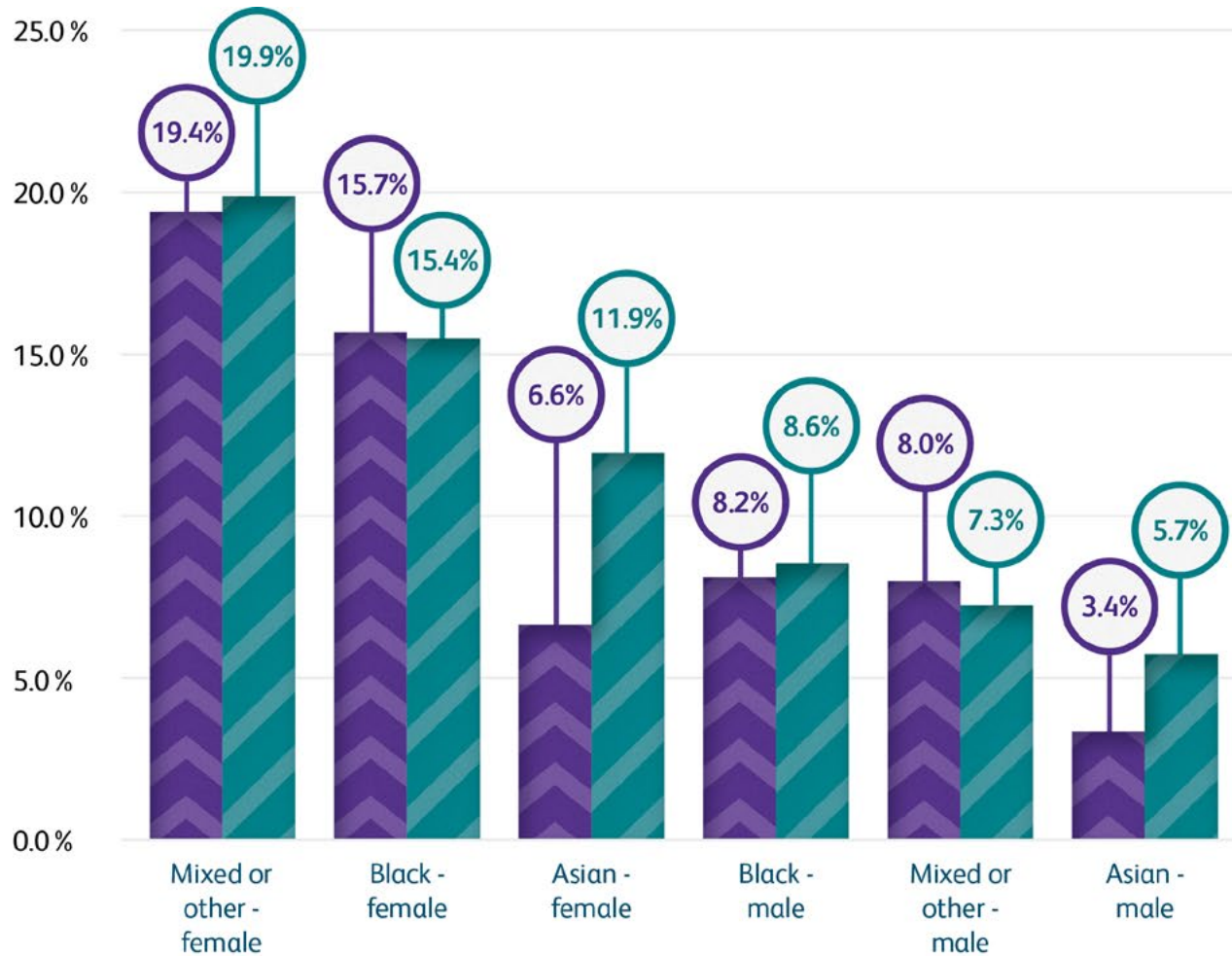
## Pay gap within black, Asian and minority ethnic employees

Dividing our male and female black, Asian and minority ethnic employees further, we can see more differences in the pay gap compared to white male employees.

	Median hourly rate of pay		Pay gap versus 'white - male'	
	Male	Female	Male	Female
Mixed or other	£22.56	£19.49	7.3 %	19.9 %
Black	£22.23	£20.57	8.6 %	15.4 %
Asian	£22.95	£21.44	5.7 %	11.9 %

Female employees categorised as ‘mixed or other’ continue to have the greatest pay gap compare to white males. However, the population of employees in this group is very small so sensitive to large fluctuations. Overall, all female categories have a greater pay gap compared to their male equivalent groups.

### Pay gap by ethnicity and gender versus white male



Compared to the previous year, the biggest increases in the pay gap were for Asian women and Asian men, 5.3 per cent and 2.3 per cent increases respectively. Part of the increase in the pay gap for Asian employees is down to higher than normal pay due to bank holiday shift premiums in this year’s reporting period which were paid to approximately 5,000 maintenance employees. Asian employees are not as well represented as white or other ethnic groups in our maintenance workforce, Asian women even less so and therefore they benefited less proportionally. With an increase in the average hourly rate of pay for white employees as a result of a lack of ethnicity data for lower paid 2020 apprenticeship and graduate cohorts (which traditionally are mostly white), we see an increase in the pay gap between Asian and white employees also.

There were also slight variances in other intersectionality groups, however in some cases these are smaller sample sizes therefore sensitive to fluctuations.

- 2020 median pay gap to ‘white - male’
- 2021 median pay gap to ‘white - male’

# Gender and age comparison

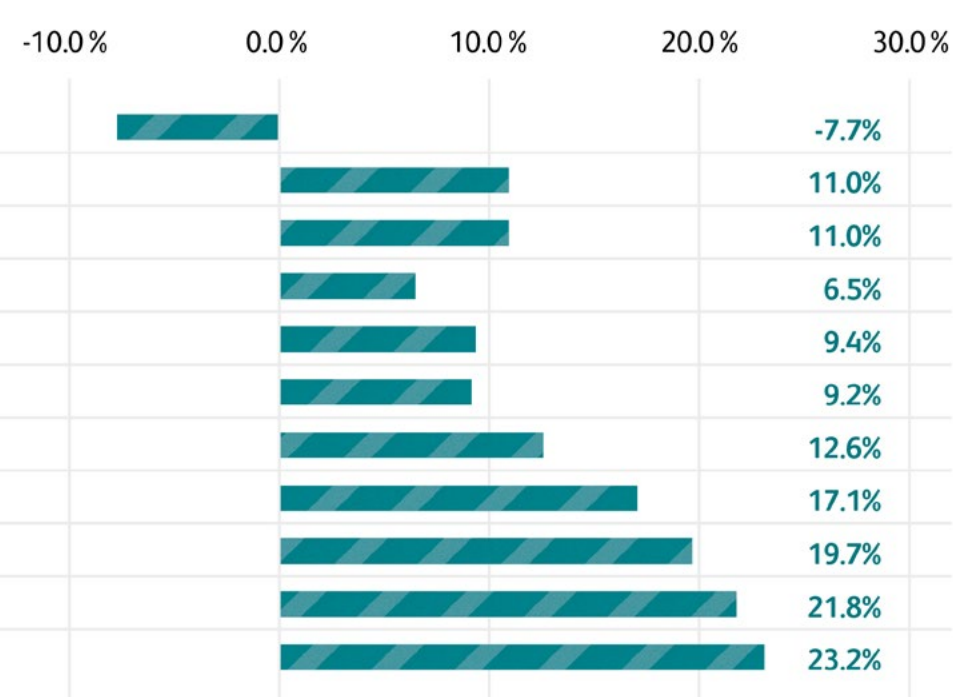
This year, we examined the pay gaps between male and female colleagues of a similar age. Several factors could influence this. For example, women traditionally taking time out to start a family in their late twenties or early thirties, whilst their male counterparts stay in work and may continue to progress.

Network Rail pay gaps by age

Age	Number of employees	% of females	% of males
20 & under	402	20%	80%
21 - 25	3,052	23%	77%
26 - 30	5,147	24%	76%
31 - 35	5,549	22%	78%
36 - 40	5,334	24%	76%
41 - 45	4,617	23%	77%
46 - 50	5,522	18%	82%
51 - 55	5,846	14%	86%
56 - 60	4,608	11%	89%
61 - 65	2,321	9%	91%
66 & over	571	9%	91%

Our own employee data shows a similar trend with the pay gap narrowest at 6.5 per cent in the 31-35 age bracket and widening to over 20 per cent in the 61 to 65, and 65 and over bracket. Interestingly, there is a negative pay gap in our 20 and under age group. This is largely due to our apprentices who are our lowest paid employees and mostly made up of young men which results in a -7.7 per cent pay gap in the 20 and under bracket.

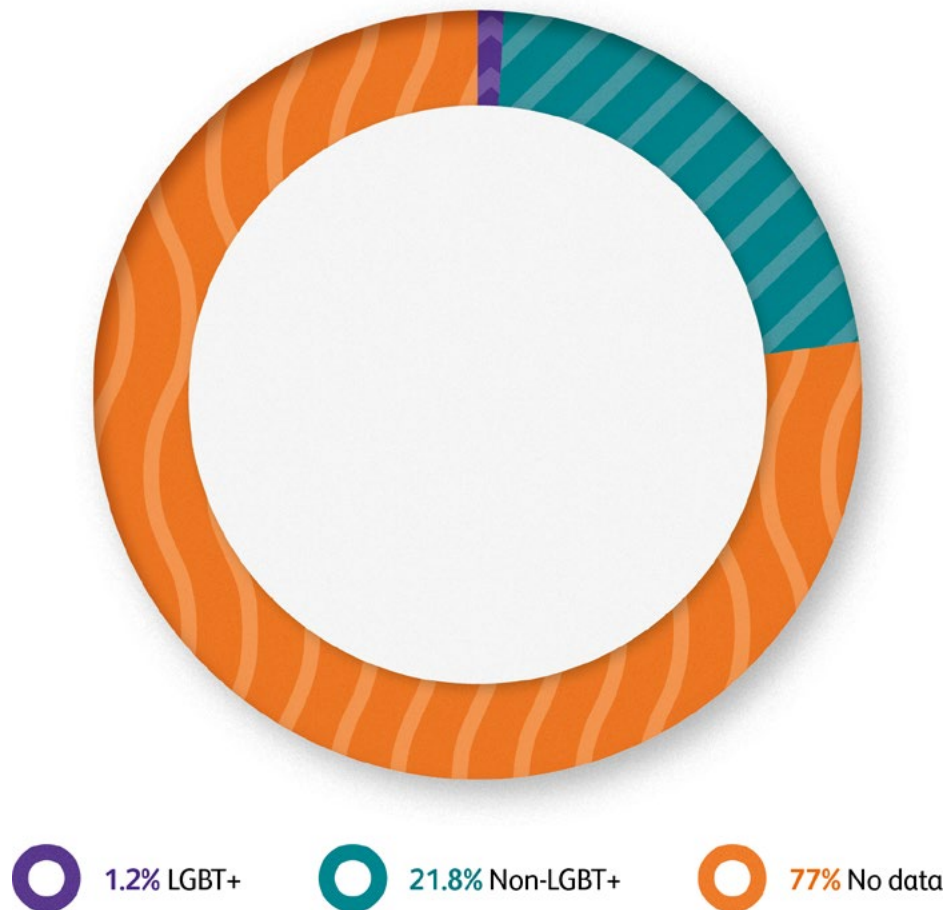
Gender pay gap by age



Over the next year we will launch our Age Matters project, which will look at how we can remove barriers for colleagues of all ages in our organisation. Part of this work will involve looking at how we can better support older women. We have already started work on this through our menopause project.

# LGBT+

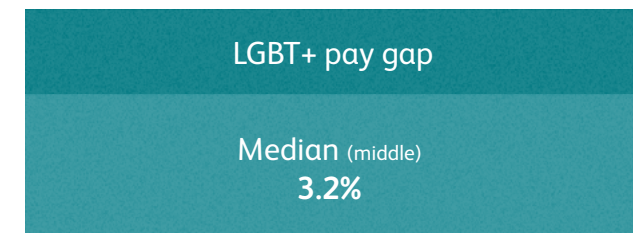
This year, we are also examining our lesbian, gay, bi-sexual and trans plus (LGBT+) workforce, to see how much representative data we have and what the pay gap is between LGBT+ employees and non-LGBT+ employees.



Not surprisingly, as with many organisations, we have very little information:

- only 1.2 per cent of our work force have shared that they are LGBT+
- 21.8 per cent have confirmed they are non-LGBT+
- 77 per cent have not shared any information at all.

This makes pay gap reporting less accurate, yet with the data held, our LGBT+ pay gap is 3.2%. There is little comparative external LGBT+ pay gap data published but we hope by reporting our LGBT+ pay gap, more employees will be encouraged to share their personal diversity information to increase the accuracy of our reporting in future years.



# Gender Matters

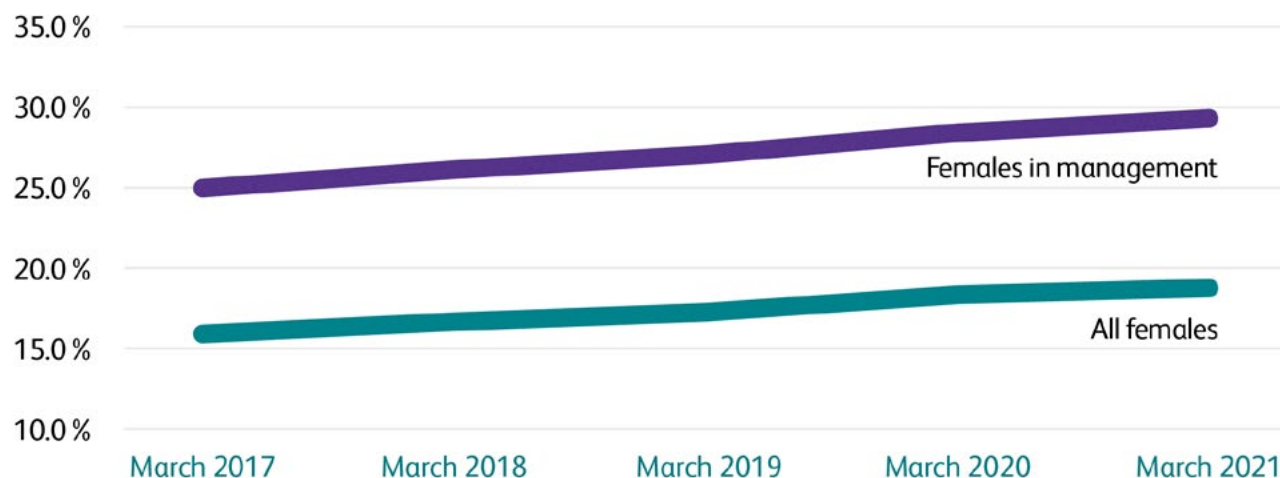


## Loraine Martins OBE

Director of diversity and inclusion

In 2017 we launched the 20by20 project which set a target for 20 per cent of our workforce to be female by the end of 2020. We did not achieve this target and by the end of 2020 around 18.9 per cent of our workforce were female. This has now evolved into the Gender Matters project which aims to increase the number of women working in the business to 26 per cent and the number of women in leadership and management roles to 32 per cent by 2024.

### % of females in the workplace



In December 2020 we held a virtual event to look back at the progress we had made with 20by20, celebrate our successes, and reflect on our challenges. The Gender Matters steering group remains in place, holding the business to account for progress against its targets. This year we were listed for the first time in the prestigious Times Top 50 Employers for Women Awards. We were also shortlisted for the WorkingMums Awards for 'Best for D&I' for our work during the pandemic. Both commended us for our focus on intersectionality in the gender matters project.

Therefore, this year we are continuing to be transparent and open by publishing intersectionality pay gap figures in this report with the addition of the pay gap data for women of different ages and sexual orientations.

# Engagement, attraction and recruitment

To address the gender imbalance in our organisation, we need to attract and recruit more female candidates.

## Attracting female applicants

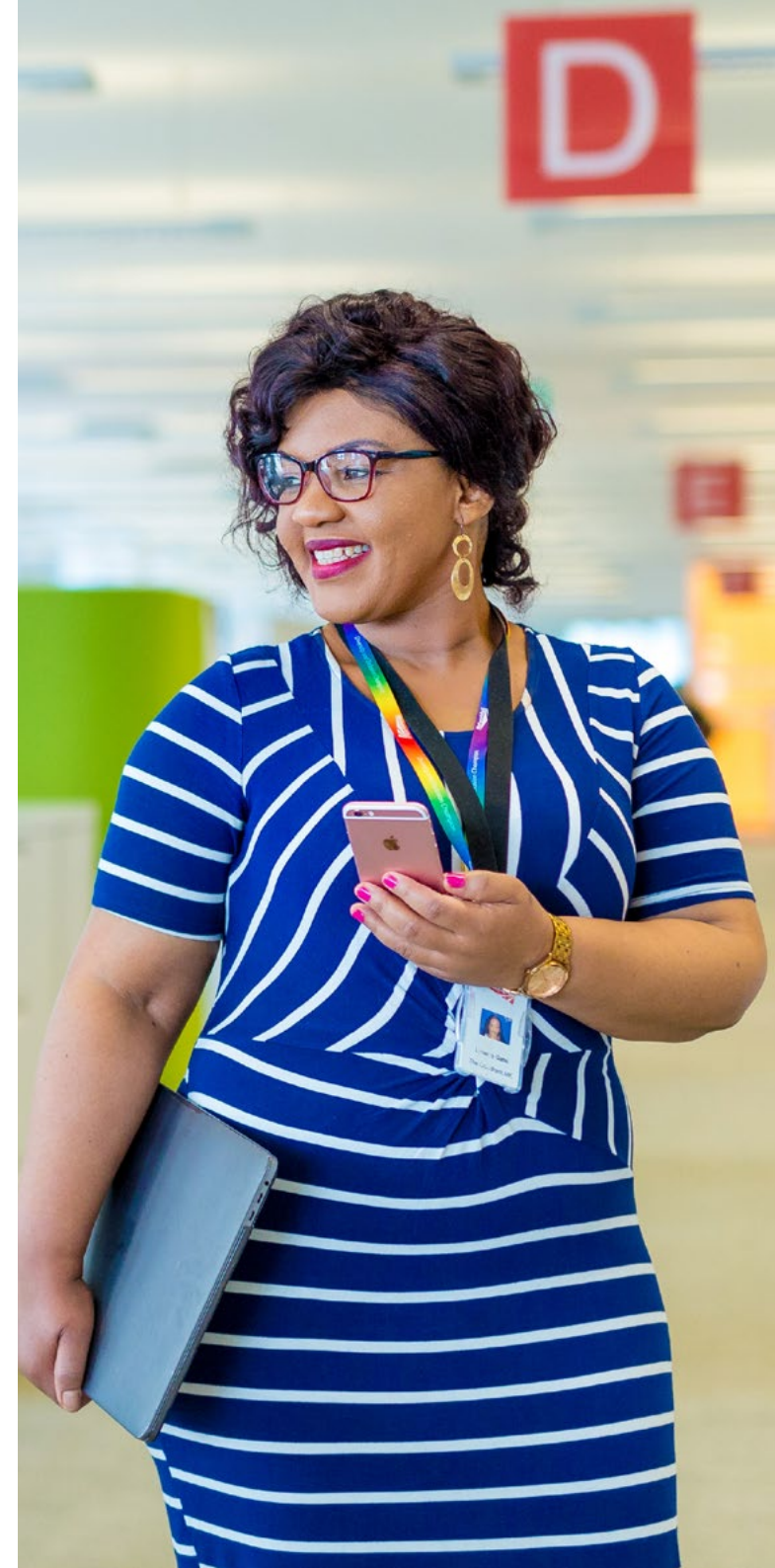
The number of women progressing to the interview and offer stage has increased over recent years but the number of women applying for roles at Network Rail is largely unchanged. So, attraction remains an area of focus for us. We have engaged in several activities including:

- running a returners programmes
- collaborating with industry on the 'Never Mind the Gap' programme lead by Women in Rail (which offers work experience placements to women looking to move into rail)
- providing candidates with a better understanding of what it is like to work for us through our 'We Matter to Millions' campaign which showcases diverse talent working in a variety of roles.

Early engagement work continues to be an essential part of our strategy as we aim to inspire a diverse pool of future employees and we have set diversity targets for our early engagement activities to help us achieve this ambition.

## Recruitment

We have introduced 'inclusive recruitment by design' guidance which challenges hiring managers at each stage of the recruitment process to act inclusively. This will be accompanied by an updated hiring manager e-learning which emphasises diversity and inclusion throughout the recruitment process.





## Virtual Big Bang Fair

Over the last few years Network Rail colleagues have represented the rail industry at the annual Big Bang Fair, UK's largest celebration of STEM subjects for seven to 19-year-olds. Due to the pandemic and Government restrictions, the event was held virtually in 2020. Network Rail also supported the Innovation in Collaboration competition. Here, entrants must think of a project where a collaborative approach was taken using innovative thinking, within the fields of transportation, environment and digital technology. All the finalist submissions and judging were done online. Finalists were asked to submit a video presentation of their ideas, and 50 STEM professionals, including representatives from Network Rail, were judges.

The winning entry was from Tapton School, Sheffield. The students impressed the judges with their project, Modulus. As part of the project, the team are aiming to produce a satellite which could be used for big data collection for a citizen science Institute of Research in Schools (IRIS) project or even repurpose for governmental, military or commercial uses. They received £500 and a framed certificate.

## Routes into Rail

Network Rail worked with the National Skills Academy for Rail (NSAR) and other partners to attract the next generation of colleagues into the railway. Together we launched a new website, [Routes into Rail](#) that showcases the varied types of jobs across the industry. The website includes role-models working in the sector, to help change perceptions of what a career in rail looks like. It will also have a jobs portal with more than 1,000 vacancies from across the sector, alongside the latest news and opportunities.

Routes into Rail supports the work to increase diversity in the rail industry to better represent the communities it serves. As well as encouraging more women and black, Asian and minority ethnic people to consider a career in rail, particularly in engineering and technical roles, Routes into Rail reaches out to all communities, including disadvantaged groups demonstrating there is a career in rail for everyone.

## Awesome Railways

Network Rail launched a new [resource](#) for schools to excite future engineers about the railway and teach all young people about the different types of careers on the network. It also educates students on why railways are vital to Britain and why science, technology, engineering and mathematics (STEM) are so important to their development.





## International Women in Engineering Day

In June 2020, Network Rail celebrated International Women in Engineering Day (INWED). Women in Engineering Society (WES) led the annual event which aimed to raise the profile of female engineers and encourage more women to consider engineering as a profession. Within our Route Services team, women represent nearly 30 per cent of the workforce which is higher than Network Rail overall and already exceeds our target of 26 per cent by 2024.

To support International Women in Engineering Day, female engineers across Route Services, from heads of departments to graduates, described what their job involves and shared their view on what needs to change to encourage more women into engineering.

## Shortlisted for Best Apprenticeship Scheme

Network Rail was shortlisted in the Best Apprenticeship Scheme category for the 2020 Women in Rail Awards. We are proud to be a member of Women in Rail, which was created to improve diversity in the UK rail industry. It does this by providing networking opportunities and support for all women in the sector.

Network Rail funded 600 apprenticeships for the Level 3 Rail Engineering Scheme alone. 25 per cent of these apprentices were women, making Network Rail one of the pioneering contributors to the industry's growth in female technical apprentices, rising from 10 per cent to 14 per cent over the last three years.

# Progression and retention

Developing and progressing our existing female workforce into senior roles is a crucial part of reducing the gender pay gap at Network Rail.

As well as attracting and recruiting more women, we want to retain and develop the women who already work for us. Of those who have started our Women in Leadership programme (which is aimed at supporting women in middle management roles into senior leadership roles), 33 per cent have progressed their career in Network Rail. We also participate in the Women in Rail mentoring programme and are taking part in the Women in Transport's 'Lead' pilot programme. Of those on the flagship junior acceleration leadership programme, 33 per cent are women and 36 per cent of people on more senior flagship programmes are women. All these programmes are evaluated for impact,

so we can continually improve our offering. This year we worked with an external organisation to research barriers to progression faced by women at Network Rail and the findings have been integrated into the Gender Matters project plan.

The number of women in leadership and management positions is increasing and we have also seen a positive increase in the number of women receiving secondment opportunities and promotions. In 2013 20.7 per cent of leadership and management positions were occupied by women but in 2020 29.0 per cent of these roles are filled by women. This shows we are making positive strides to improve gender diversity at all levels.

## Family friendly employer

Women are still disproportionately leaving the business, but we have seen the number of women leaving within 12 months of their maternity leave finishing decrease which is a trend we aim to continue. This year we introduced several new Everyone Matters guides on supporting parents in the workplace, baby loss and fertility. We also launched our parental buddying programme which offers support to colleagues of any gender who are about to go on, are on, or are returning from any kind of parental leave. We have introduced the first room for parents to express milk in and to rest in if pregnant. This will be used as an example of best practice for other offices and depots.



## Agile working

The COVID-19 pandemic has meant our workforce has been working in ways that some people previously thought impossible, such as working exclusively from home. We have introduced some new working from home guidelines providing employees with useful information to assist them. These new guides sit alongside our agile working guidance which focuses on when, where, and how outcomes are delivered. We hope this will help us attract, retrain, and develop an increasingly diverse workforce which should be reflected in future reports.

## Domestic abuse

Our focus on supporting those experiencing domestic abuse has increased due to the COVID-19 pandemic. We have updated our policies and guidance and run webinars which have been attended by over two hundred colleagues to raise awareness about domestic abuse, what colleagues and managers can do to support and what help is available. Building on this, we are now a White Ribbon accredited employer, which means we are an organisation that is contributing to ending violence against women. A steering group has been formed and there is an action plan in place.

## Leadership

We have also introduced a reverse mentoring programme for our Executive Leadership Team and board members. Many leaders have been reverse mentored on the topic of what it is like to be a black, Asian or minority ethnic woman or frontline woman at Network Rail and what they as leaders can do to be more supportive.

We have also seen more leaders proactively asking women about their experiences of working in the business, with a leader in the Southern region holding listening sessions. We also saw many female leaders take part in panel discussions on International Women's Day 2021.





## Inspire

Inspire is our gender equality employee network. Its vision is that Network Rail employees of all genders are treated equally and can pursue the careers they choose. It is a growing network with over 1,000 members. This year the network has hosted a virtual development day for its members and run regular tea break calls on a variety of topics ranging from returning to the office to women's safety.

## Sexual Orientation Matters

Whilst the gender pay gap looks at pay disparities in a binary way (male/female), at Network Rail we want to create an environment for colleagues of all gender identities. That's why we've published an Everyone Matters guide to support trans, non-binary, gender fluid and gender-neutral colleagues. It provides guidance on how to deal with gender related issues, for those affected directly as employees, or indirectly (such as line managers and colleagues). Our aim is to create an environment where trans employees and employees of all gender identities are treated fairly and can continue to enjoy working at Network Rail without fear of harassment, bullying or discrimination.

We've launched our very first gender-neutral toilets at our headquarters. This will help our transgender and non-binary colleagues feel comfortable and safe when accessing toilets. Our long-term ambition is to align other main offices with this standard and to guarantee gender-neutral facilities are considered when planning new workspaces and redeveloping existing depots.

In July 2021 we joined up with 32 other organisations to deliver a virtual Rail Industry Pride Festival. The virtual festival was held in place of cancelled Pride events due to COVID-19. Bringing the railway together with several events focusing on LGBT+ equality, intersectionality and allyship. We encouraged discussion around inclusion to make the rail industry a more welcoming place for all passengers and colleagues.



## Archway

Archway is our employee network for LGBT+ people and allies. Over the last two years it has supported its 1000 members with events and training.

Including the information on the pay gap for lesbian, gay and bisexual colleagues this year is another way in which we are trying to better understand the different needs of our people in the business.



## What's to come in next year's report

Moving forward we will be taking a rigorous approach to reviewing our systems and processes. Why? To get to the root cause of any inequality and make systemic changes that will positively influence diversity and inclusion.

Our analysis shows us that we need to continue focusing on:

- attracting more women to work at Network Rail
- increasing the number of women in our most senior leadership roles
- improving our understanding of why women are leaving Network Rail.

We also know that using mobile wellbeing units and improved personal protective equipment (PPE) and facilities has enhanced our frontline working experience for women.

However, there is more we can do to improve this environment for everyone. The Inspire network has surveyed their members on their experiences in our organisation overall, as well as surveying them specifically on safety in the workplace. The findings of these surveys will help us better understand what's working well and what areas we need to improve on. We also want to increase our focus on intersectionality, which we started to explore through our 2021 gender and ethnicity pay gap reporting. We will be launching our Age Matters project, which will consider the higher pay gap we have seen this year for older women by looking at how we better support returners and women going through the menopause.

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