



**DRS GENDER PAY
GAP REPORT
2018**



DEBBIE FRANCIS

MANAGING DIRECTOR

Our 2nd Gender Pay Gap Report only shows a small improvement over the year under scrutiny but we never imagined that it would be easy to achieve the changes. The gender pay gap in simple terms highlights the fact that there are less women in senior positions within the business than men. I do not believe that this is surprising information but the reporting does give us a measure by which to benchmark change and progress. Some of the changes take time to embed in an organisation and so I would hope that over the next year or two that we begin to see a far more significant movement in the DRS gender pay gap.

We will carry on our focus in this area moving forward and we are confident of being able to demonstrate clear improvement in the next report. I expect as these changes happen that everyone will begin to see the benefits that greater diversity bring us in the achievement of our business goals and our satisfaction in our working lives.

Regards

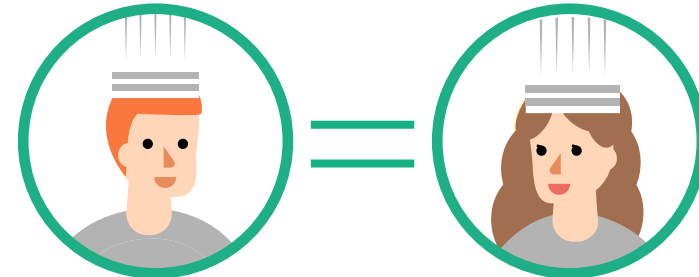
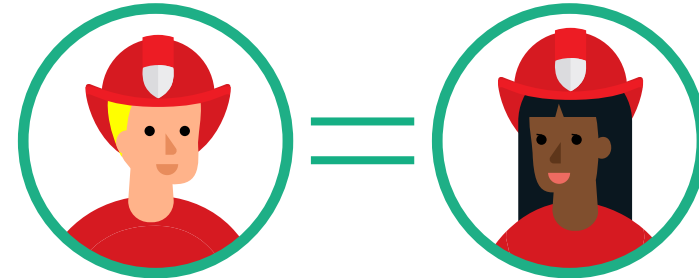
Debbie

What is the difference between the gender pay gap and equal pay?



Gender Pay Gap

This report deals with the gender pay gap. This is the differences in the average hourly rate of pay between male employees and female employees. The gender pay gap is reported on both mean (average) and median (mid-point on a distribution) basis.



Equal Pay

UK law has since 1970s, prohibited paying different amounts to men and women who are doing 'like work', 'work of equal value' or 'work rated as equivalent' unless there is 'genuine material factor' for the difference. This is not the same as a gender pay gap.

The DRS Gender Pay Gap

Number of DRS Employees: 418

The overall gender pay gap for DRS when comparing mean pay, is 20%.

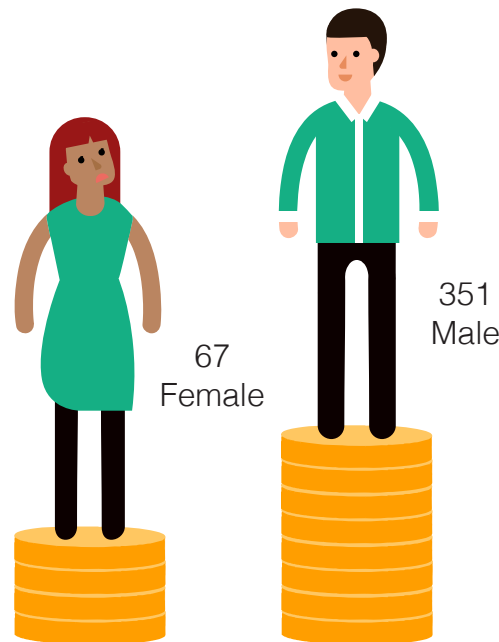
This is more than the national average* of 17.9%.

The median pay gap is 42% compared to the national average* of 17.4%

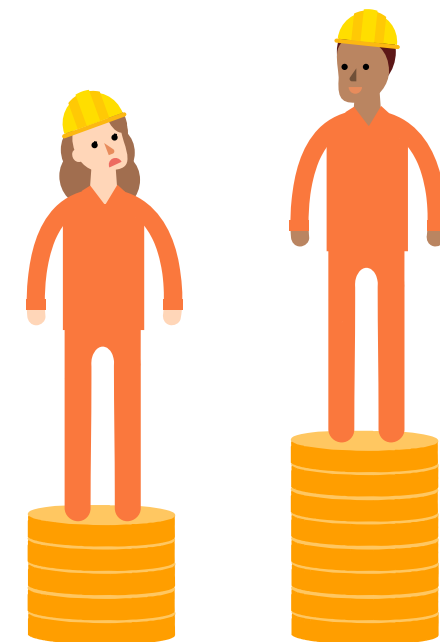
(*according to the October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures).

20%
DRS Gender Pay Gap

Reduction of 1% since 2017



17.9%
Pay Gap in the UK*



Gender Breakdown Per Quartile:

LOWER
59% Male
41% Female

LOWER MIDDLE
88% Male
12% Female

UPPER MIDDLE
96% Male
4% Female

UPPER
92% Male
8% Female

Period 6th April 2017 to 5th April 2018

2017 GAP 21%

v 2018 REDUCED TO 20%

Explaining the Gap

The number of females in manager roles has increased by 2%, with the number of females at director level maintained. There has been a slight increase in females employed across the company but this has not changed the fact that DRS still employs considerably more males than females, with 82% of females employed still being employed in the lower quartiles.

Distribution of bonuses across males and females

100% of DRS employees do receive some form of bonus. The under representation of females in senior roles impacts on our gender bonus pay gap. The mean bonus gap is 20% and the median bonus gap is 40%. This gap has improved since 2017 where the mean gap was 21% and the median gap was 45%.

Positive actions taken to reduce the gap

It is recognised that changes will be at a slow pace but focus has been placed across all levels:

- All colleagues - implementation of a new appraisal process to identify career aspirations and development needs. Roll out of an employee engagement survey and equality, inclusion and diversity survey which obtained feedback on ways to improve leadership and enhance development opportunities.
- Senior managers – launch of a leadership conference and leadership development programme where 12 of the 42 participants were females and included coaching and mentoring opportunities.
- Designed apprentice leaflet with inclusive imagery/case studies to attract diverse applications and began to advertise in diverse ways using social media channels and radio.
- Relunched the traincrew progression programme to grow our own train drivers – enabling opportunity to attract a more diverse workforce.
- Introduced a suite of flexible working policies which has resulted in an increase in requests from male colleagues in engineering and traincrew roles. Creating backfill vacancies with opportunity to develop a more diverse workforce.
- Implemented an appraisal process that focusses on career aspirations and development needs. One female has applied for an engineering apprenticeship and one female has applied for a trainee train driver position (salary protection during traineeship offered)
- Our female MD was Chair of the Northwest Women in Rail charity throughout 2018 and placed focus on both male and female DRS colleagues attending both WiR and women in nuclear events.

Our Mid-term Plan:

- In 2018 DRS senior leaders committed to providing unconscious bias training to all employees. Increased understanding of this area will improve employee awareness of any bias' towards other colleagues and assist in addressing any bias decisions made during our recruitment and selection; performance and development processes. All supporting DRS in being a great place to work.
- Launch a professional management development programme to support and develop middle managers
- Set up the peoples voice group that offers a voice to all colleagues to develop a plan that captures our EDI, Employee Engagement and Gender Pay actions and responsibilities.

Direct Rail Services

communications@drsl.co.uk

tel. 01228 406600

Communications
Direct Rail Services Ltd
Regents Court
Baron Way
Carlisle
CA6 4SJ

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