

Gender pay gap report

5th April 2019

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Introduction

Yorkshire Water Services provides water and sewerage services to around 5 million homes and 140,000 businesses in Yorkshire and we employ around 3600 people to help us do this.

This report looks at our gender pay gap figures for 5 April 2019 and the progress since then that we are making to improve diversity and close the gender pay gap. Like many companies in the water sector, historically we have had a predominantly male workforce and consequently have traditionally had more men than women in senior, better paid, positions. Our pay gap figures are now 0.1% at the median gap and 1.5% at the mean. These figures compare with the previous year's of 6.2% median gap and 4.7% at the mean.

The improvement in the figures result from an increase in the representation of women in higher paid more senior positions and a decrease in the percentage of women in the lowest paid quartile.

Whilst this improvement is welcome we cannot be complacent and will continue our focus on improving the diversity of our workforce. To achieve this we are taking a targeted, data led approach which will see policies and plans delivering results over the coming years. Progress will not be linear and, we may see some years where our gap increases, before it continues to improve.

I am determined to maintain and build on our momentum. Yorkshire Water is an important part of the social, economic and environmental fabric of Yorkshire. Our colleagues work closely with communities across the county every day and we must ensure that our people reflect the rich diversity of the county we serve.



Liz Barber
Chief Executive Officer
Yorkshire Water

Gender pay gap

On the following pages we show Yorkshire Water's overall median and mean gender pay data based on hourly rates of pay as at the snapshot date of 5 April 2019 with a comparison to 2018, our second year of reporting.

We also show median and mean bonus pay data for bonuses paid up to 5 April, plus some additional information to explain our pay data and how we are addressing the gender pay gap.

Yorkshire Water has had a predominantly male and long-serving engineering and technical workforce. This historic workforce balance towards men will take a sustained effort, over many years, to change.

What is the difference between mean and median?

The mean and median are two ways of calculating the average hourly pay and average bonus of women and men at Yorkshire Water. If we created two lines, one with all the women in Yorkshire Water and the other all the men:

The mean is adding up all the data separately for the women and the men and dividing by the number of people in the respective line.

The median is at exactly the half way point on each of the lines.



Gender pay gap

There has been a positive change in both the mean and median gender pay gap numbers between 2018 and 2019 with both figures showing a significant closing of the gap from one year to the next. This is a positive move but there must be continued work undertaken to improve this position and, maintain it on a long-term basis.

The difference between the **MEAN HOURLY RATE OF PAY** of male full-pay relevant employees and that of female full-pay relevant employees;

- 2018
- 2019

1.5%

4.7%



The difference between the **MEDIAN HOURLY RATE OF PAY** of male full-pay relevant employees and that of female full-pay relevant employees;

- 2018
- 2019

0.1%

6.2%



Did you know the National Average Mean Pay Gap (2018 submissions)

14.2%

Our Mean Pay Gap in 2019 is now

1.5%

National Average Median Pay Gap (2018 submissions)

11.9%

*based on figures from 2018 Office National Statistics (ONS) Survey

Our Median Pay Gap is

0.1%



Bonus Pay Gap

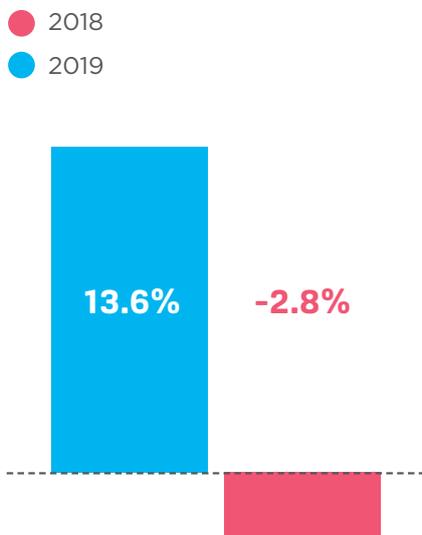
Unlike the gender pay gap numbers, there has been an increase in both the mean and the median bonus pay gaps.

The way in which we calculate pay and bonus gaps means that we do this at a particular point in time (i.e. 5 April 2019). Although the proportion of women in senior positions has increased and this has had an effect on the median (and mean)

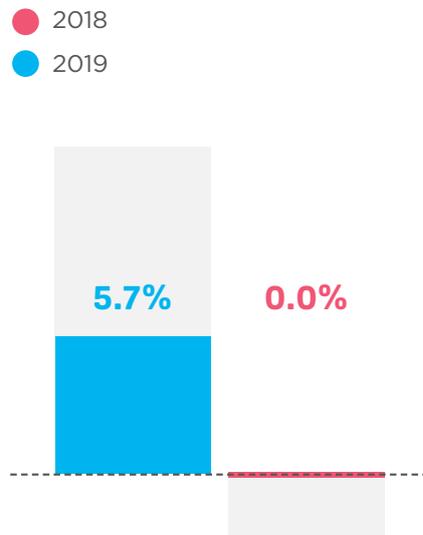
pay gap, this new cohort of senior joiners did not qualify for bonuses in their first year of service. As a result the bonus gap figures show an increase.

Additionally, the numbers published, as determined through regulation, do not consider part-time working and, we have a greater proportion of female colleagues undertaking part-time working than their male counterparts.

The difference between the **MEAN BONUS PAY** paid to male relevant employees and that paid to female relevant employees;



The difference between the **MEDIAN BONUS PAY** paid to male relevant employees and that paid to female relevant employees;

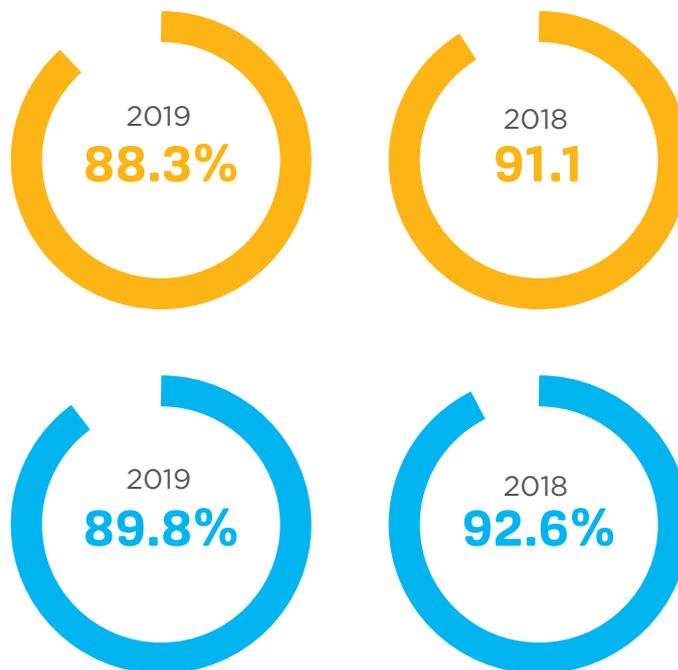


Percentage Receiving Bonus

The proportion of both female and male colleagues receiving a bonus in 2019 decreased slightly from 2018 to 2019.

The proportions of male and female relevant employees who were paid bonus pay;

- Males
- Females



FACT

The percentage of females receiving a bonus is higher than that for males.

Distribution of Employees by Quartile

Gender pay gap numbers are often a reflection of a greater proportion of one gender in more senior and, therefore, better paid roles.

Between 2018 and 2019 there was a positive move in that there was a greater proportion of females in the upper quartile and, therefore, the higher paid roles in the business. Conversely, the number of females in the lower quartile and, lower paid roles, decreased between 2018 and 2019.

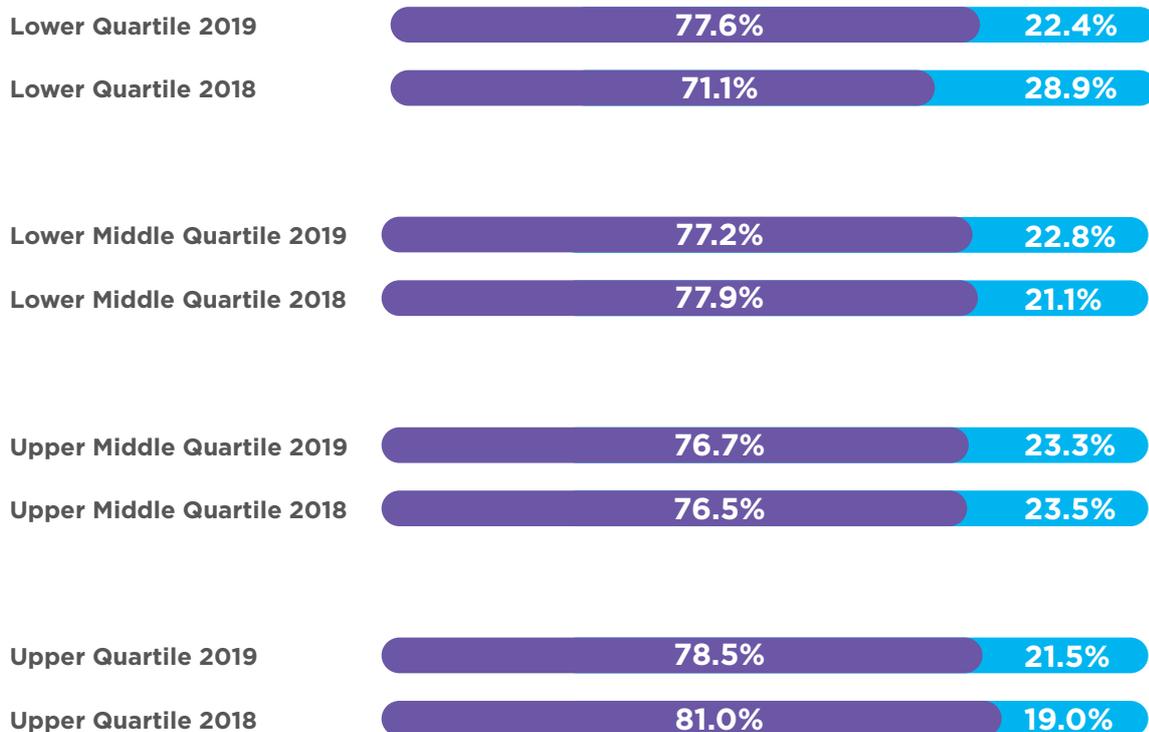
Both of these changes underpin and, in part explains the improved gender pay gap numbers between 2018 and 2019. From our 2019 gender pay gap number submission, just under 30% of colleagues in roles at Band 2 and above were female. Just prior to the submission of this report there were 35% of our colleagues in roles at Band 2 and above were female. This shows a positive change to creating a more balanced representation of males and females in our more senior and, better paid, roles.

Using the 2019 gender pay gap numbers, across the whole of the business, 77% of colleagues were male and 23% female.

The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

● Males

● Females



Proportion of males and females when divided into four groups (quartiles) ordered from lowest to highest paid.

The last 12 months

D&I Action Plan (Supporting a better representation of the communities we serve)



During the last year, we ran a further cohort of the Women's Leadership programme. Of all of the cohorts, at least 60% of those participating have progressed their career either in an upward or lateral manner. Additionally, we have run, for the first time, a BAME leadership programme with positive participant feedback.

Review of our Recruitment processes to support our aim of further inclusion



A review was undertaken that allowed us to look at where we could make our recruitment processes more inclusive. From this, specific areas of improvement were identified including the need to have a more targeted approach when engaging with communities around us as well as ensuring that all recruitment exercises are more inclusive and diverse.

Social Mobility



Within the last year, the business signed up to Water UK's call for action regarding the Social mobility pledge.

Diversity and Inclusion Streams



We have 4 Diversity and Inclusion streams that have continued to be active within Yorkshire Water – Gender, Ethnicity, LGBTQ+ and Disability. The leads of each stream are voluntary and are taken from across the broader business and are supported with an Executive sponsor.

Working with External organisations



We continued to work with several external organisations to share best practice and support each other. This included the Energy Utility and Skills Partnership and we engaged with the #energisinginclusion – an industry wide commitment that we have been part of all year that encourages companies to share positive initiatives in support of inclusion.

We also engage with both the Lighthouse trust and Barnardo's who support us in offering internships and work experience to young people with varying challenges.

Reporting



We have continued to produce the gender pay gap and, voluntarily will continue to produce, ethnicity pay gap reports as part of our broader drive for greater inclusion.

As part of this gender pay gap reporting process we provided our pay data for our employees to Ernst & Young to provide external verification of the calculations and reporting of the required numbers.

The next 12 months

D&I Action Plan (Supporting a better representation of the communities we serve)



We will review the impact of our targeted leadership initiatives over the course of the next year and will apply relevant improvements to ensure the maximum impact is achieved on an ongoing basis and, for all future initiatives.

Social Mobility



We will work to define how the Social Mobility pledge will be applied by Yorkshire and how it will be included in our future Diversity and Inclusion action plans.

Working with External organisations



We will continue to work with external organisations both to provide support to others and to learn from the best practice of other businesses. We will also continue to review which external organisations we work with to ensure we are getting the best insight into which initiatives will help us with our broader diversity and inclusion aims.

Review of our Recruitment processes to support our aim of further inclusion



We will continue with implementing the improvements to our recruitment processes. Specific actions will include the targeted advertising to specific groups, the adaption of our advertising language, giving a clearer indication of role expectations and the emphasis on the flexible working opportunities offered within the business.

We will also continuously review and improve our recruitment processes to ensure that inclusion is a central part of all recruitment exercises.

Diversity and Inclusion Streams



We will continue the active engagement of all of our diversity and inclusion streams. Activities within this will include the running of a Diversity and Development event that will support the continued engagement colleagues and senior leaders in how we will create more balanced representation across the business. In addition, and, through the disability stream we will continue to improve how we meet the needs of colleagues who are disabled.

Reporting



We will be producing our second 'Workforce Diversity Report' before the end of the 2020 calendar year. This report, as well as providing an overview of broader diversity and inclusion data also summarises the initiatives that will be undertaken in order to continue to progress the positioning of inclusion as central to everything we do in Yorkshire Water.

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