

# GENDER PAY GAP REPORT 2022

MARCH 2023

BEING YOU  AT LNER

**LNER**  
LONDON NORTH EASTERN RAILWAY



# INTRODUCTION



Our people form the very core of our business; we consider them the beating heart of LNER!

That is why it's so important that we champion our colleagues so they can enjoy a fulfilling and rewarding career with us. Part

of this journey is ensuring we have a truly diverse and inclusive workforce who feel like they have opportunities to progress and grow within the organisation.

To make meaningful and sustainable progress toward true gender equality, we know we must turn the dial and challenge some of the norms that have become inherent in the railway.

Measuring our gender pay gap helps us better understand the barriers and challenges we face in achieving gender balance within the workforce. In 2022, our median gender pay gap was 15.24 per cent.

Balanced representation across all roles, especially the higher paid senior leadership and driver roles, is crucial to closing our pay gap. We know there is a lot of work ahead to ensure our industry is increasingly attractive to females, but we have started to see some successes. In 2018, 35 per cent of our workforce was female and this has jumped up to 42 per cent in 2022.

From our targeted recruitment initiatives to flexible working policies we are actively addressing the gap and have ambitions to increase our percentage of female drivers from 10 per cent to 15 per cent by 2025. Overall, across the business, we want to increase female representation from 42 per cent to 45 per by 2025.

**David Horne, Managing Director**



In 2022, we made great progress in the delivery of our Equality, Diversity and Inclusion strategy to ensure gender representation is addressed and we are working towards reducing our gender pay gap in the long term.

We introduced more governance and rigour around how our pay increases are approved so we can monitor impacts on equal pay. We also undertook a pay audit to better understand our workforce and where the discrepancies lie so that we can start building plans and knocking down barriers for women.

However, we know there is more to do - the next evolution of our EDI Strategy is ready for launch, and we are in the process of recruiting for a new EDI lead to head up its delivery. The revised strategy has a focus on gender and ethnicity representation, particularly into key roles, which will continue to positively shift the direction of our pay gaps across both areas.

**Warrick Dent, Chair Responsible Business Steering Group**

## Fast Facts

3,220  
COLLEAGUES

42% female colleagues

29% women in senior leadership

10% female drivers

20% of female colleagues on apprenticeships

# DEFINITION

## What is the gender pay gap?

The gender pay gap indicates the difference in the average hourly earnings of men and women across an organisation, regardless of their roles. Figures are expressed as a percentage of the average male earnings. The statistics can be affected by a range of factors, for example the different number of men and women in senior roles across the business.

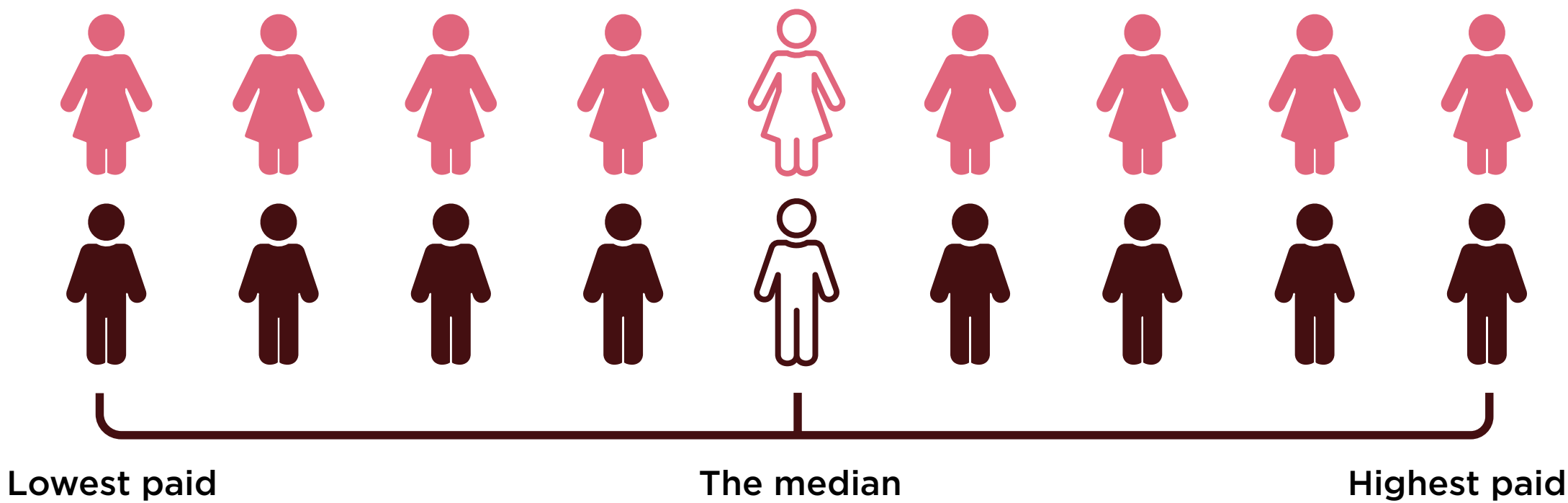
The Government Equalities Office has set out calculation methodology for all organisations to report their mean and median gender pay gap, bonus gap and distribution across pay quarters.

### Equal Pay

The gender pay gap is different from equal pay. ‘Equal pay’ is about men and women receiving equal pay for the same jobs, similar jobs or work of equal value.

### How the median pay gap is calculated

If all colleagues in a company were lined up in a female line and a male line, in order of pay from highest to lowest, the median gender pay gap compares the pay of the female in the middle of their line with the pay of the male in the middle of their line.



*The median employee is the middle employee when we rank all our employees' hourly pay from highest to lowest*

### How the mean pay gap is calculated

The mean gender pay gap is the difference between the average hourly rate of pay for female colleagues, compared to the average hourly rate of pay for male colleagues, within a company.

### How the bonus pay gap is calculated

The bonus gap is calculated using actual bonuses paid to colleagues for the 12 months from 1 April 2021 to 31 March 2022. The mean bonus, median bonus and overall gap is calculated using the same formula as hourly pay.



# OUR RESULTS

The data below is taken from a snapshot date of 31 March 2022.

## Understanding our gender pay gap

This year our median and mean pay gaps increased to 15.24 per cent (2021: 11.25 per cent) and 23.43 per cent (2021: 22.03 per cent) respectively.

There are many factors that influence the pay gap each year and our data shows that this year's increase in the median data set is due to representation across key roles. The pay gap is heavily affected by the gender split across all roles, if we look specifically at the driver role which is in the upper quarter for pay, the split is 90 per cent male. This means more males have higher paid driver roles than females which tips the pay gap in favour of men. We are working to understand the barriers for women in entering our driver and senior manager roles. We have ambitions to achieve 15 per cent female driver representation and overall gender representation to 45 per cent female by 2025.

The overall % difference between men and women 2021	Mean (Average)	Median (Middle)
Gender pay gap	22.03%	11.25%
Gender bonus gap	32.91%	19.37%

The overall % difference between men and women 2022	Mean (Average)	Median (Middle)
Gender pay gap	23.43%	15.24%
Gender bonus gap	38.90%	24.12%



## Auditing our pay structures

In 2022, we commissioned an independent pay equity audit to understand more about our gender and ethnicity pay. The audit indicated that overall, our pay arrangements were fair and equitable, with pay reflecting role requirements in terms of skills and experience. However, we discovered our pay gap was higher for female colleagues aged over 60 within the workforce, with 69 per cent of colleagues in this age group male and 31 per cent female. We will use this new insight to strengthen our Ethnicity, Diversity and Inclusion (EDI) strategy going forward.

## Understanding our bonus pay gap

Under Gender Pay Gap reporting regulations, payments our frontline customer experience team who earn commission based on food and ticket sales and contingency payments (made to managers to cover safety critical front line roles as and when the business requires) are classified as a bonus and reflected in our results. During the snapshot period, no performance bonuses were paid. With passenger numbers still below pre-pandemic levels, ticket and food sales have

been lower meaning less commission for our front line teams, many of which are female.

Last year, 16 females and 52 males received contingency payments to cover safety critical front line roles. We recognise that we have more males trained in safety critical roles than females and are in the process of training more of our female managers so a greater proportion can opt in to provide contingency support going forward.











# OUR RESULTS

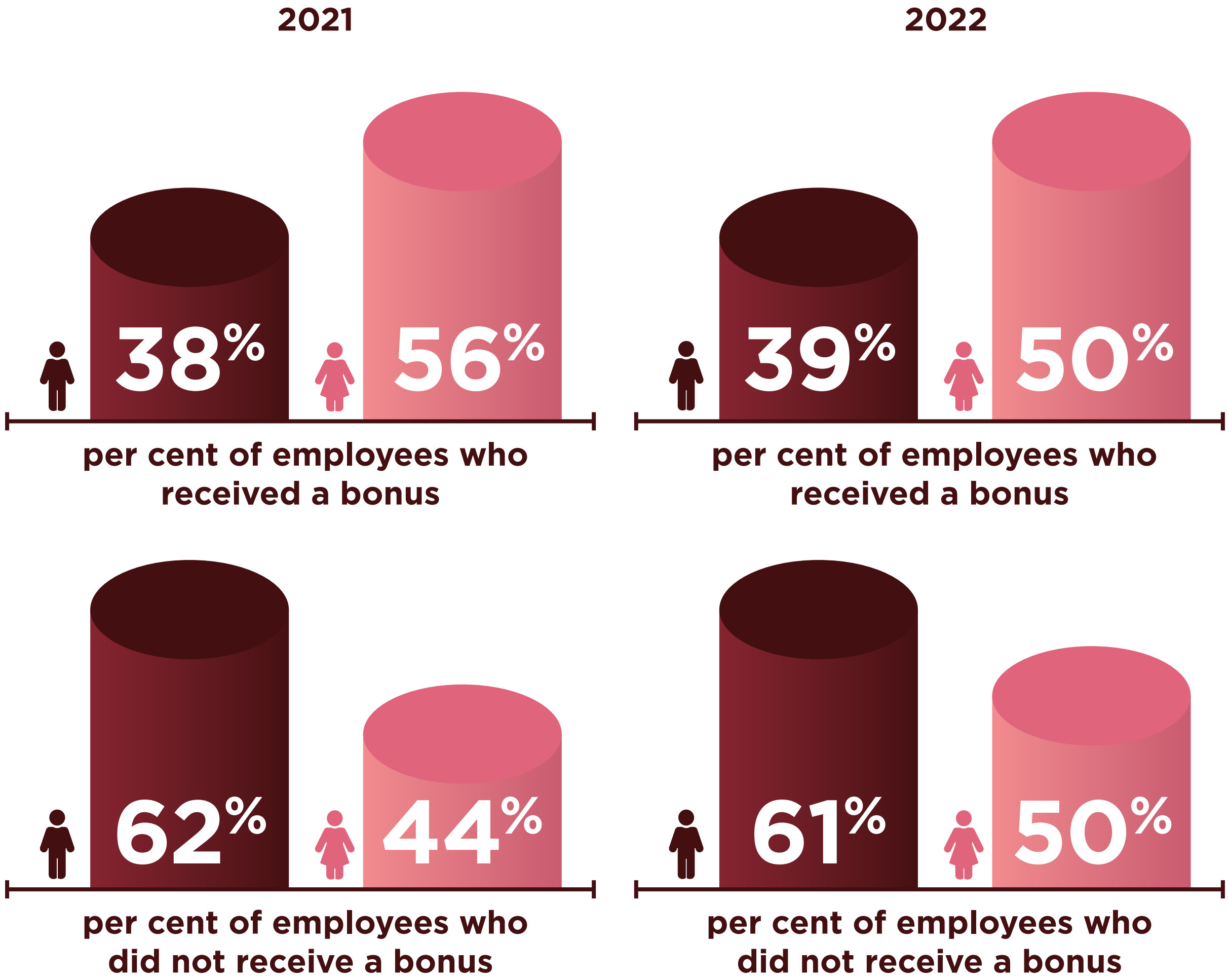
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## Proportion of employees receiving a bonus

This graphic shows the per cent of males and females who received a bonus during the 12 months from 1 April to 31 March 2022.

The majority of bonuses were paid out to the lower quarter roles this year which typically have a higher female to male ratio - women make up 51.6 per cent of the eligible population for bonus payments at the snapshot date

   Male    Female





# OUR RESULTS

## Gender population by pay quarter

Quarters represent the hourly pay rates from the lowest to the highest for our colleagues split into four equal sized groups, with the percentage of men and women in each quarter. Each quarter has 650 employees.

Despite the number of women entering our workforce being higher than men in 2022, the amount they are paid impacts our pay gap. Last year, 185 women were recruited bringing up our total representation to 42 per cent across the business.

Women continue to make up over half of our lower and middle quarters which are lower paid roles. In 2022, we also experienced a slight drop in women occupying upper and upper middle quarter roles, together this has lead to an increase in our overall pay gap.

2021	Male	Female
Lower Quarter	45%	55%
Middle Quarter	52%	48%
Upper Middle Quarter	61%	39%
Upper Quarter	81%	19%

2022	Male	Female
Lower Quarter	46%	54%
Middle Quarter	50%	50%
Upper Middle Quarter	66%	34%
Upper Quarter	82%	18%

### Employees by role type

Role	Male	Female
Senior manager - Executive director	55%	45%
Train driver	90%	10%
Head of department	88%	12%
On train manager	58%	42%





# OUR JOURNEY



## Inspiring the future generation

The rail industry is an exciting, fast paced and dynamic place to work, and we want to ensure we are accurately representing the communities we serve through the people who work at LNER. We believe that LNER, and the railway as a whole, offers fantastic, long-term career opportunities and it's our responsibility to break down the perceived barriers and promote this message to individuals across the breadth of our route.

Our school and educational outreach programme, Tomorrow's Talent, is now in its fourth year and continues to inspire young people from diverse backgrounds to consider a career in rail. To date, more than 500 teenagers living within ten miles of the LNER route have taken part in the programme. In the 2022 programme there was 25 per cent female representation, as well as 37 per cent of participants from an ethnic minority background.

We work closely with our recruitment teams to reach young people from all backgrounds who might not consider a career in rail. This year we have taken part in digital employer engagement

sessions helping to promote employability skills among young people and raise aspirations to help reduce the number of NEETs (Not in Education, Employment, or Training). We also attended job fairs and hosted a careers insight day with national charity, Speakers for Schools.



## Attracting talent

We have ambitions to increase our overall gender representation to 45 per cent female by 2025. We still have a lot of work to do but already we are seeing more females attracted to our business. **In 2022, LNER appointed 185 Women (51.5 per cent) vs 174 Men (48.5 per cent).**

Addressing our representation starts with how talk about the dynamic and rewarding jobs in the railway. In the last year, we have placed significant focus on our EDI themes on our career's website outlining to all potential candidates what our commitments are and how we strive to be an inclusive employer. We also ensure our job adverts reference the key elements of the EDI strategy such as inclusion, diversity and health and wellbeing.

In 2023, we will roll out a new toolkit for hiring managers which outlines the importance of diversity within the business, providing them with guidance for ensuring diversity is considered at all touch points in the hiring process, including interview.

We know that social media plays a huge part in job search for many of our candidates and that's why we have created attraction content which focuses on diversity, demonstrating our values as an inclusive employer. For example, the latest campaign for *National Apprenticeship Week* featured two of our newest colleagues who are on our apprenticeship scheme. Later this year we will be exploring how we can target underrepresented groups through paid for media content and advertising.

Over the past year, as part of our *East Coast Partnership*, we have created a Never Mind the Gap work placement, in collaboration with *Women in Rail*, for women who are currently on a career break. This programme will involve individuals spending a week at Network Rail and LNER to promote careers in our industry.

**52%**  
of all  
**appointments in 2022**  
were women



# OUR JOURNEY

## Continued



### Developing talent

We understand the importance of creating robust development pipelines and to ensure our people, especially women, feel supported to progress into more senior and higher paid roles.

The diversity of our apprenticeship pool is a core component of developing our future pipelines. We continue to roll out campaigns and initiatives focused on increasing gender diversity throughout our apprenticeship schemes. Currently, one third of employees on apprenticeships are female and we strive to increase this number.

To help address the gender imbalance in our train driver population we created a Train Driver Apprenticeship scheme. In the 2021/2022 academic year, we welcomed 19 apprentice train drivers and 28 train managers, of which 26 per cent were female.

In partnership with *Women in Rail* we supported our female talent to attend the *Elevating Women in Leadership* sessions which covered topics including career development, leading with presence, adding strategic value and mentoring for women.



### Creating a great place to work

We want to build a culture that makes our people proud to work for LNER.

Last year, we created and embedded our Equality Impact Assessment (EQIA) process to ensure all new project work was began with an EDI lens. We want to be proactive about our inclusion agenda.

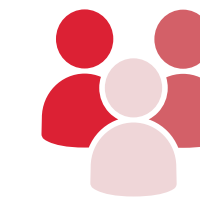
There is now a regular panel meeting of trained EQIA assessors which is made up of senior internal stakeholders and relevant SMEs, who meet to review any change programmes or initiatives that are not deemed business as usual. Changes are submitted and supported by the relevant areas of the business before being reviewed by the EQIA Review Group.

Each year we run our *Speak from the Heart* employee engagement survey to gauge how employees feel about working for LNER. Over the last 12 months we have been working on initiatives to help foster an inclusive culture across our business, with a specific focus on female colleagues. Our success can be measured through the survey results which highlights areas we are focused on improving through our EDI strategy, including the use of inclusive language and behaviour. This year, 77 per cent of female respondents agreed 'I can be myself at work' and

100% of our females in senior positions (Head of) agreed that LNER values diversity.

Listening to our colleagues is an essential part of any strategy and is ever more important for our EDI approach. In 2022 we set out to understand the views of colleagues and hear what could be done to improve inclusion at LNER. As a result, we developed a Parents and Carers network and implemented a menopause policy to guide our line managers and provide reassurance to our colleagues that there is support available. Our flexible working policy enables all employees to request reasonable adjustments to their working schedule. While each request is reviewed individually, we strive to be as flexible as possible providing, for example, condensed hours or part-time contracts to allow colleagues to fit work around childcare and other commitments. Initiatives like these are critical in creating the right environment for female colleagues to speak up about experiences that might be impacting them at work, enabling us to ensure we are supporting them appropriately and building a great place to work.

**77%**  
of females agree  
**'I can be myself at work'**



### Beyond Gender

At LNER, we have a mantra that puts our colleagues at the heart of the business and supports everyone to feel comfortable Being You. It's all part of our commitment to ensure we are representative of the communities we serve and that our culture is truly inclusive, enabling all colleagues to bring their true selves to work and reach their full potential.

In 2022, we developed a toolkit to support colleagues who identify as transgender, and may be in the process of transitioning, or are non-binary. The toolkit covered topics including key terminology and language around gender variance and gender transition, guidance on transition in the workplace for line managers and how all colleagues can be supportive.





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