



Gender Pay Gap Report 2020

This report details our gender pay gap results for April 2019 to April 2020



[westernpower.co.uk](https://www.westernpower.co.uk)

WESTERN POWER
DISTRIBUTION



Serving the Midlands, South West and Wales



Introduction

Western Power Distribution is the Distribution Network Operator responsible for the delivery of electricity to 8 million homes and businesses across the Midlands, South Wales and the South West of England.

Western Power Distribution is delighted to present its fourth gender pay report with information effective as at 05 April 2020.

We remain committed to an inclusive working environment and understand that our people are at the heart of our business success. We are committed to addressing gender representation in the workplace, and continually review our recruitment and retention policies to ensure we have a diverse workforce which reflects the customers and communities where we operate.



**Delivery of electricity to
8 million
homes and businesses**



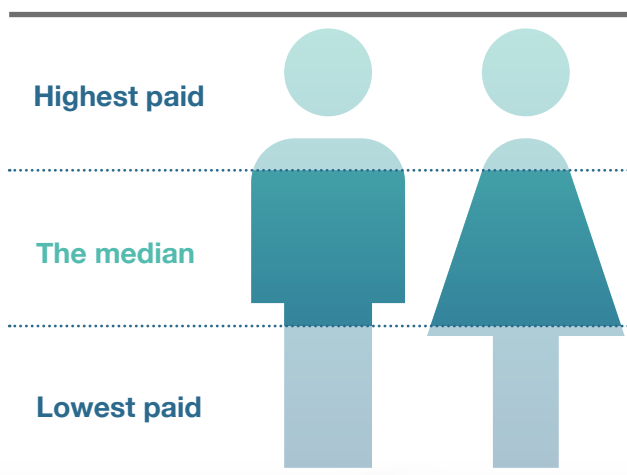
What is the gender pay gap and how is it calculated

The gender pay gap is a measure that shows the difference in the median earnings between men and women.

To calculate the median gender pay gap, the hourly pay rate of all male employees were arranged highest to lowest and the one in the middle was selected.

This was repeated for female employees. The hourly pay of these two employees were then compared. This is different from 'equal pay', which is the difference in pay between men and women who carry out the same or similar jobs.

The mean gender pay gap shows the difference in the average hourly pay rate between men and women in the company.





WPD Results

The vast majority of WPD's workforce (93%) is aligned to the distribution business area. This particular segment largely comprises male employees (87%) and is similar to overall UK labour market demographics for this industry.



Male employees: **5,438** Female employees: **1,104**
Total employees: **6,542** (as at 5th April 2020)

Over the
past 3 years
our female
workforce
has increased
by more than

9.5%

With the male workforce remaining relatively stable this is resulting in higher female representation across our business.



WPD's Gender Pay Statistics

Independent analysis has determined the primary factors that contribute to WPD's hourly pay gap are as follows:

- ✓ Currently, more men than women occupy more senior roles within the business.
- ✓ While more women are entering the workforce, these are typically in roles that attract a lower rate of pay relative to specialist electrical.
- ✓ These field based engineering roles also attract specific job related pay premiums such as shift and standby allowances.
- ✓ Female employees typically have slightly shorter length of service relative to men. The first five years of service is a key feature in the mechanics of the Electricity Business Agreement pay structure; reflecting experience in post.
- ✓ Our female workforce has increase by more than 9.5% over the past 3 years. Women now represents 17% of our workforce compared to 15% in 2017. This increase is attributed to the considerable efforts by the recruitment team to attract more females to our organisation.
- ✓ Whilst our hourly gender pay gap increased this year, we expected this to be the case as the job roles where we see more females being employed are largely in trainee and lower graded posts - it will take some time for these female employees, especially the female trainees to reach a pay level that will impact the gender pay gap, but it is a positive marker for the future.
- ✓ Attracting a greater female population is echoed in the Women in Engineering report (WES) where it is identified from a survey conducted in 2017 by Women in Science and Engineering (WISE), that 11% of the engineering workforce are female - a shift from 9% in 2015. 2019 statistics from WISE indicate that the percentage of women in the STEM workforce has dropped whilst WPD are bucking this trend by showing a steady increase.

	Hourly Pay Gap	Bonus Pay Gap
Mean	9.1%	20.6%
Median	11.8%	2.3%

% of Bonus Receivers



Male
7.1%



Female
4.9%



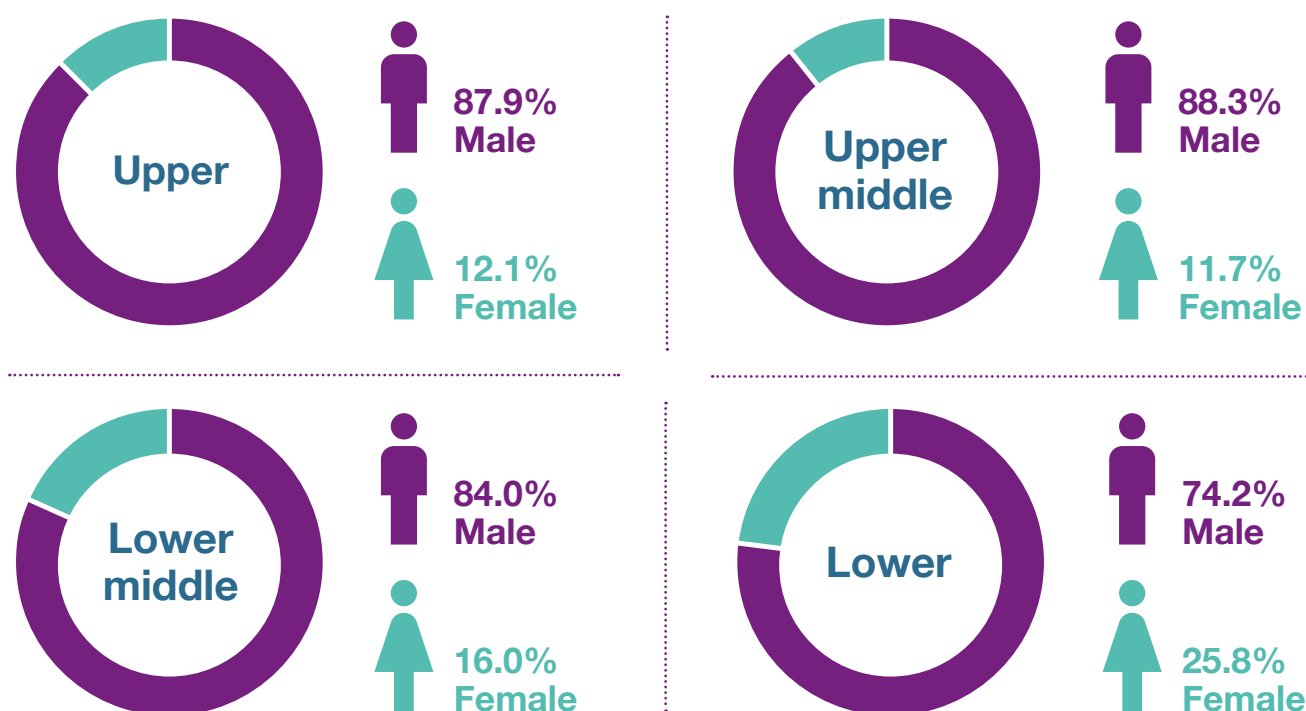


WPD Pay structure

The analysis of WPD's allowances were specifically linked to additional responsibilities and/or working patterns required to deliver a service 24/7, 365 days a year.

Shift and standby allowances were the most significant allowances, and will, to some extent impact the overall hourly pay gap within the business. WPD apply this allowance policy and opportunity fairly across the business irrespective of gender.

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



Electricity Business Agreement

WPD has policies in place to ensure all its employees are paid fairly. One such policy is the Electricity Business Agreement. This agreement covers more than 98% of all employees. Salaries are allocated one of nine different pay grades, depending upon the roles. Within each grade there are five incremental steps that employees can progress through, dependent upon satisfactory performance.



Industry Segment

WPD's median gender pay gap of



11.8%



In 2018 and 2019, WPD's median gender pay gap was ranked 5th, relative to its industry peer group

* Based on a consistent peer group of 14 organisations listed with SIC code 35130 - Distribution of Electricity. Due to the government delaying the gender pay gap reporting deadline this year, 2019 represents the most robust data set when comparing to our specific industry peer group.

WPD's gender pay gap relative to its industry segment



15.5%

the median UK gender pay gap for all employees in 2020.*



22.8%

the median gender pay gap for WPD's industry segment, 'Electricity, gas, steam and air conditioning supply'.*

* Office of National Statistics 2020 – provisional data



Company breakdown

Business Entity		WPD East Midlands	WPD West Midlands	WPD South West	WPD South Wales	Overall
Number of relevant employees in entity	No.	1,960	1,814	1,708	1,060	6,542
Proportion of male and female employees in business entity	M%	80%	86%	81%	87%	83%
	F%	20%	14%	19%	13%	17%
Mean hourly pay difference between male and female employees	%	6.7%	5.0%	14.0%	14.3%	9.1%
Median hourly pay difference between male and female employees	%	6.0%	5.3%	12.8%	13.2%	11.8%
Proportion of men/women in lower quartile pay band	M%	73.3%	76.9%	70.5%	79.3%	74.2%
	F%	26.7%	23.1%	29.5%	20.7%	25.8%
Proportion of men/women in lower middle quartile pay band	M%	82.0%	91.3%	77.0%	81.7%	84.0%
	F%	18.0%	8.7%	23.0%	18.3%	16.0%
Proportion of men/women in upper middle quartile pay band	M%	80.2%	90.4%	91.7%	93.5%	88.3%
	F%	19.8%	9.6%	8.3%	6.5%	11.7%
Proportion of men/women in upper quartile pay band	M%	87.0%	85.8%	88.9%	93.9%	87.9%
	F%	13.0%	14.2%	11.1%	6.1%	12.1%
Mean difference in bonus payment between male and female employees	%	40.3%	59.4%	16.8%	34.1%	20.6%
Median difference in bonus payment between male and female employees	%	28.2%	0.0%	11.5%	-33.3%	2.3%
Proportion of men/women receiving bonus pay	M%	5.5%	7.3%	8.9%	6.6%	7.1%
	F%	3.6%	5.4%	6.3%	4.3%	4.9%



2020 Progress

Our median gender pay gap increased marginally in 2020, at 11.8%.

These numbers don't represent the real progress made in a number of areas, including:

Our female workforce has grown 9.5% since reporting began in 2017 while our male workforce has declined marginally at 3%. This has resulted in higher female representation across our business.

While we are pleased to report the company is increasingly becoming more gender balanced, there is still a challenge to attract women into specialist electrical engineering roles within the company.

Our median bonus gap has increased marginally by 2.3 percentage points, while our mean bonus gap increased from 13.8% to 20.6% year over year in part due to greater female representation in senior roles.

Whilst our median Gender Pay Gap increased by 1.3 percentage points to 11.8%, our comparator industry's median gender pay gap increased by 4.5% to 18.2%*

*Gov.UK data, effective 07 August 2021

Our mean gender pay gap has increased marginally year over year at 9.1%.

Whilst our mean gender pay gap increased by 0.4%, our comparator industry's mean gender pay gap increased by 3.3 percentage point to 16.3% 18.2%*

*Gov.UK data, effective 07 August 2021



Ethnicity Analysis

In 2020 we conducted for the first time analysis on our ethnicity pay gap. Here we summarise our key findings:

Summary

We are delighted to report that more than 89% employees of employees have declared their ethnicity.

This information will support WPD to focus its attention on attracting more people from our ethnic communities.

Currently just over 3% of our workforce, based on those that reported their ethnicity, are from a non-white background.

Despite this, in 2020 we are pleased to report our mean and median ethnicity pay gap at 0.6% and 1.4%, respectively.

We have made strong progress in gathering information on the ethnicity profile of our workforce. In April 2015 we had 1,008 employees where no information was disclosed falling to 688 employees in April 2020.

Progress

We recognise that some of the changes in the makeup of our workforce could be seen as small with no real positive direction of travel

The electricity distribution industry continues to fall short of other more diverse sectors such as retail and Information Technology. We are not complacent however and are committed to make significant changes to see a real and sustained difference.

Our apprenticeship and trainee intakes will continue to be a major part of our recruitment strategy for the future to attract and retain more people from our ethnic communities.

Ethnicity information is important in order for us to further develop our recruitment and retention strategy to create an even more diverse workforce.



Conclusion

Here at WPD we're living in exciting times. As an electricity distribution network we're at the forefront of meeting the requirements of Net Zero while keeping the power on for our customers. However, we recognise that diversity within our workforce falls short of representing minority groups. As a result, WPD has a Diversity, Equity and Inclusion (DEI) strategy led by our CEO and all directors and senior managers to increase diversity across all business areas going forward.

At WPD we are continuing to build on our diversity, equity and inclusion action plan to develop a more inclusive and diverse culture in all areas of our business.

Women and ethnic communities have a vital role to play in the working landscape of the future and I am determined that WPD will be recognised as a good employer for all. Firstly because it is the right thing to do and secondly because, as a company, we face a number of challenges.

To support our DEI strategy, we have made alliances with external organisations to work alongside and promote our desire to have more diversity in senior, middle and junior management roles as well as in all other roles within the business. These alliances are with WISE, the Institute of Electrical Technicians (Women's Branch), Disability Confident, Change 100, Career Transition Partnership, Stonewall, and Age at Work Programme (part of the Business in Industry Initiative). We will continue to expand our partnerships and strive to include other organisations in the future, through Employee Networking Groups.

We confirm that the WPD Gender Pay Gap calculations are accurate and meet the requirements of the regulations. We have made a few changes during the period this report covers to ensure we continue to apply equal treatment to all of our employees – both existing and future.



During 2020, we produced a video of our female STEM employees and trainees, in an effort to promote our desire to be a more diverse workforce. This is being shown on our careers website to reinforce our message - that we welcome women from a diverse pool of applicants to join our Company. We have achieved success as demonstrated by the increase in our female trainee cohort in the last two years whereby we attracted more applications, and appointed 12 new female trainees.



We have signed up to a new initiative – 10,000 Black Interns. An ambitious programme to help transform the prospects of young black people in the UK offering training and development and mentoring for paid internships to black students over 5 years.

In July 2020 our CEO confirmed his lead in supporting our diversity, equity and inclusion initiatives, and launched our Respect Charter affirming WPDs commitment to working together by being professional and acting with integrity, promoting and championing fairness, respecting and valuing differences and treating everyone with courtesy and respect. We now plan to build on expressing our messages in all our communications that all creeds, colour, age, sexuality and genders are welcome and valued at WPD. Personally I am committed to ensuring that WPD be an organisation where our workforce feel they have a voice and a future and we shall keep working to ensure we meet our own high standards.

Alison Sleightholm

Resources and External Affairs Director

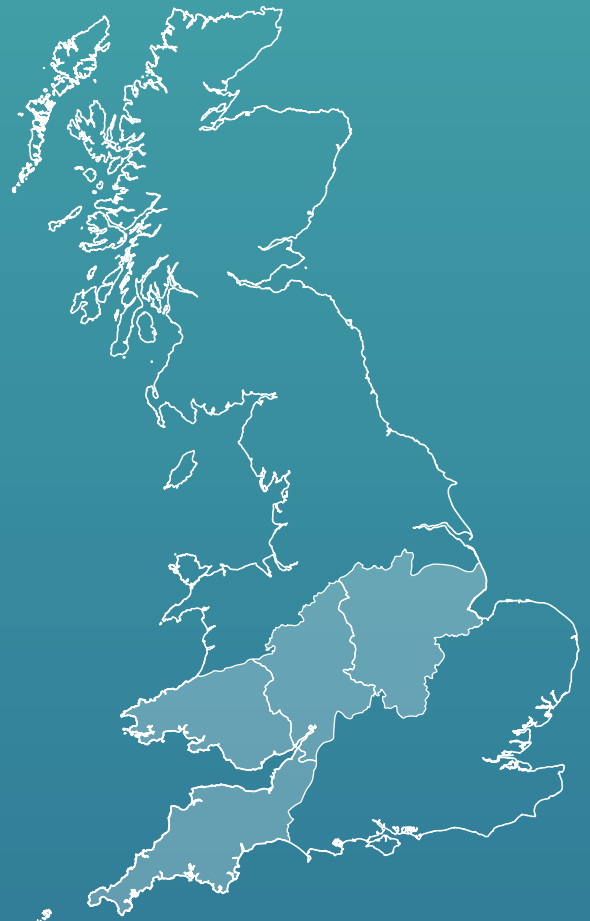


We are pleased to report that we are making progress in becoming more gender balanced, but acknowledge we have much more to do in this area.



Alison Sleightholm

Resources and External Affairs Director



Western Power Distribution (East Midlands) plc, No2366923
Western Power Distribution (West Midlands) plc, No3600574
Western Power Distribution (South West) plc, No2366894
Western Power Distribution (South Wales) plc, No2366985

Registered in England and Wales
Registered Office: Avonbank, Feeder Road, Bristol BS2 0TB

www.westernpower.co.uk

