
Gender Pay Gap Report 2021

Introduction



I am pleased to present our 2021 Gender Pay Gap Report.

FirstGroup is a leading UK transport operator providing easy and convenient mobility, improving quality of life by connecting people and communities. To understand the needs of our customers, and deliver the best possible service, we believe that our workforce must reflect the diversity of the communities we serve. We are committed to making our workplaces inclusive for all our employees, regardless of their gender or any other characteristic.

We recognise that women have traditionally been under-represented in the UK passenger transport sector, and I am pleased that, since our first Report in 2017, FirstGroup has almost doubled the number of women we employ in the UK. In 2020/21, despite lower recruitment activity due to the impact of the coronavirus pandemic, we have still increased our proportion of female hires.

We have also continued to operate our women's development programmes, rapidly moving training events online to ensure participants were still able to attend while remaining COVID-secure. These programmes remain key to our success in increasing the number of women in management roles.

Our median gender pay gap for 2021 shows that at FirstGroup, women's average hourly pay is 1.2% higher than men's, which compares positively to the UK national average of 15.4% in favour of men.

In our first Gender Pay Gap Report in 2017, we set out the following four commitments to increase our gender diversity:

- **Increase the number of female applicants for all roles;**
- **Encourage more women to stay and progress**, through employment policies which make it easier to combine a career with family life;
- **Support and develop** more women to move into higher paying roles;
- **Ensure men are more aware** and equipped to play their part in creating an inclusive workplace which is welcoming to women.

This report provides an update on the actions we are taking against each of these commitments.

Once again we confirm our absolute determination to ensure fairness in pay and progression regardless of gender, and to close gender pay gaps where they do exist in some of our individual businesses. There is, of course, still much more to do, but we are proud of our efforts so far, and the leadership team and I are personally committed to driving further progress in this vital area.

David Martin
Executive Chairman

Our headline figures

Our median gender pay gap is

-1.2%

This means women's average hourly pay is 1.2% higher than men's.

45%

of women participating in our Step Forward programme for managers have been promoted since attending.

The number of UK employees covered by our report at 5 April 2021 is **30,206**.

This comprises 24,426 men and 5,780 women.

82%

of our reporting companies have a gender pay gap better than the UK national average of 15.4%.

The proportion of female hires in has increased for the third consecutive year, from 21.4% to 24.1%.

Understanding our gender pay gap

The gender pay gap shows the difference between the average hourly rate of pay of all men and all women as a percentage of the average hourly rate of pay of men. This is different from 'equal pay' which considers whether men and women receive the same pay for work of equal value.

When calculating our gender pay gap, we look at both the mean and median average. We consider that for our operating companies, some of which have relatively small numbers of women, the median average is the most representative measure, because it prevents high and low outliers distorting the results.

Our 2021 results

On 5 April 2021, FirstGroup employed more than 30,200 employees¹ across 32 companies. Of these, 22 had 250 or more employees and are required to publish their gender pay gap data (shown on page 8).

This year, our overall result shows that women's median hourly pay is 1.2% higher than men's.

Gender Pay Gap	2021	2020
Median	-1.2%	4.4%
Mean	6.4%	9.0%

This is an improvement on 2020, when the median average for men was 4.4% higher than for women.

Over 90% of our employees work in operational roles covered by collective agreements which determine pay rates by job, and which are applied equally to all job holders regardless of gender.

As shown by the pay quartile breakdown in the table below, the change in our gender pay gap since 2020 is due to an increase in the percentage of women in our upper pay quartile, and a reduction in the percentage of women in our lowest pay quartile, compared with last year.

Our 2021 pay quartiles

	2021		2020	
	Female	Male	Female	Male
Upper	13.4%	86.6%	11.6%	88.4%
Upper middle	26.1%	73.9%	26.6%	73.4%
Lower middle	25.2%	74.8%	31.8%	68.2%
Lower	12.0%	88.0%	13.5%	86.5%

Another key factor has been the return of more than 5,000 employees from furlough since the 2020 reporting date. The majority of these employees are male, and work in roles in our lower pay quartiles. In line with guidance from the UK Government Equalities Office, they were excluded from the calculations in 2020; their inclusion in 2021 has had the effect of reducing the average hourly pay for men.

Eighteen (82%) of our 22 reporting companies had a median gender pay gap better than the UK national average of 15.4%². Six of these companies either had a gender pay gap of zero, or women's average pay was higher than that for men. We are pleased that ten of our companies have improved their median gender pay gap since last year.

However, we know there is more to do. The UK transport industry has traditionally attracted more men than women with only 22% of transport workers being women³. Since 2017, we have been steadily increasing the proportion of women we employ, through our recruitment efforts and mobilisation of new rail businesses.

Women now comprise 19.1% of our UK workforce, up from 12.8% since we first began reporting, but remain under-represented in our higher paid leadership, technical and professional roles in operational management and engineering.

The number of women in these roles is affected by the low proportion of women studying STEM subjects (science, technology, engineering and maths) at school and university, which are required in many of our higher-paid jobs. You can read more about the actions we are taking to increase the number of women moving into these roles, on page 6.

¹ A total of 1,689 employees in Bus operating companies were on furlough at the snapshot date and were therefore excluded from the median and mean pay calculations in accordance with guidance issued by the UK Government Equalities Office.

² Office for National Statistics (ONS), Median Gender pay gap in the UK, 26 October 2021

³ ONS Transportation and storage sector data as at September 2021

Our gender bonus gap

FirstGroup operates bonus, incentive and commission schemes for different job categories across the Group.

Due to the impact of the pandemic on our business, commission payments, bonuses and other incentives were all reduced during the year.

The proportion of both male and female employees who received a bonus also fell, although women were still more likely to receive a bonus than their male colleagues. This is due to a greater proportion of women being in roles which are eligible for commission and bonuses.

		Female	Male
% Receiving	2021	52.0%	34.0%
Bonus by Gender	2020	77.1%	65.3%

In 2020, women's median bonus was 81.2% higher than that for men. This was due to the mobilisation that year of our Avanti West Coast business, where 40% of the workforce were female, with a significant proportion in roles which were eligible for bonus or commission payments.

In 2021, men's median bonus was 8.3% higher than that for women.

	2021	
Median Gender Bonus Gap	8.3%	-81.2%
Mean Gender Bonus Gap	-12.8%	-2.5%

The change was chiefly due to the fact that we did not pay a Christmas bonus in December 2020. Christmas bonuses are relatively small amounts, paid to large numbers of frontline staff, the majority of whom are men. The inclusion of such a large number of small payments, mostly to men, has the effect of reducing the average bonus paid to men. The absence of the Christmas bonus in 2020/21 meant the average bonus paid to men was higher than in the previous year's report.

Women's mean average bonus in 2021 was 12.5% higher than that for men, up from 2.5% higher in 2020.

Actions to address our Gender pay gap

Despite the impact of the pandemic on our businesses during 2021, we have made further progress on the four commitments we set out in 2017 to increase gender diversity. Below is a brief selection of some of the actions being taken by our operating businesses in support of these commitments.

1 Increase the number of female applicants for all roles

Our UK businesses have continued increasing their use of targeted social media campaigns to reach under-represented groups who might not have considered a role within the bus or rail industry. They have also reviewed and updated websites and recruitment materials to include more images and case studies featuring women.

Our Great Western Railway (GWR) business is currently trialling mandating diverse interview panels, prior to rolling them out across all our First Rail operating businesses.

Although recruitment activity was significantly reduced by the pandemic, the proportion of female applicants increased to 20.9% in 2020/21, up from 20.7% in 2019/20; female hires have risen to 24.1%, from 21.4% in the same period.

Since we started reporting in 2017, we have increased the proportion of female applicants by 10.3% and the proportion of female hires by 78.5%.

2 Encouraging more women to stay and progress, through employment policies that make it easier to combine a career with family life

During the year we have extended our trial of part time bus driver roles to include our Glasgow bus companies, building on earlier pilots in West Yorkshire and West of England. Offering part time shifts of 15 to 25 hours per week has made these roles more appealing to candidates who may wish to combine work with caring responsibilities or further education, or who are seeking a better work-life balance.

These part time driver roles have proven particularly popular with women in Glasgow, with

over 50% of our new hires being female, a significant improvement on our previous recruitment rate, of 2%.⁴

3 Support and develop women to move into higher paying roles

We are keen to see more women moving into our higher paid management roles, which will help to close gender pay gaps where they exist in some of our businesses.

Amidst the disruption caused by the pandemic, we remained committed to delivering our women's development programmes, which we moved online so employees could continue to maintain their learning and career progression.

Our 'Step Up' programme, designed for women seeking their first line management position, continues to help us accelerate the number of female managers. Since its launch in 2019, more than 180 women have attended the programme, with 27% already promoted into higher-paying roles.

Our second development programme, Step Forward, is designed to provide support to female managers in preparing for more senior leadership jobs. Following its launch in 2020, 45% of participants have already been promoted.

These programmes have helped us increase the gender diversity of our management teams. Between 2017 and 2021, female managers in our First Bus division have risen from 18% to 26.5%, and in First Rail from 29% to 33.8%.

We are also committed to increasing gender diversity in our higher paid engineering roles. In 2021 our First Bus and First Rail divisions pledged their support for the Tomorrow's Engineers Code, a campaign which brings together employers, education and professional bodies to increase the number and diversity of young people choosing careers in engineering.

⁴ First Bus female application rate for all roles advertised externally (2018 to Oct 2021)

It aims to do this in a variety of ways, showcasing the wide range of job opportunities available, and how engineers use their skills to build a better world. By targeting inspiring activities at under-served and underrepresented groups, including women, the Code seeks to ensure all young people have the opportunity to consider a career in engineering.

First Bus is also a founding sponsor of a new Equal Engineers' Pathways Programme, designed to connect engineering students from diverse backgrounds with employment opportunities across the UK. Three First Bus senior engineering managers are now part of the Equal Engineers' mentoring programme.

4 Ensure men are more aware and equipped to play their part in creating an inclusive workplace that is welcoming to women.

All of our divisions have policies in place that aim to eliminate any form of discrimination or inappropriate behaviour, but we recognise there is still more to do. We continue to ensure that our leadership teams are reinforcing appropriate standards throughout their organisations.

During the year, Avanti West Coast provided training to 200 senior managers on how to create an inclusive workplace. This was supported by an awareness campaign and a diversity and inclusion e-learning module for all employees.

Our operating companies have also been reviewing how they can provide support to women going through menopause. South Western Railway has trained 20 Menopause Advocates from across the business to raise awareness and provide support both to those who are going through menopause, and their line managers.

GWR supported Menopause Awareness Month with a communications and awareness campaign aimed at men and women, which travelled across the network, sharing stories and removing stigma.

Looking forward

During 2022 we will continue to drive further action against all four commitments, and in doing so, play our part in addressing the longstanding underrepresentation of women in the passenger transport industry.

Our gender pay gap: data as at 5 April 2021

Employing company with more than 250 people	% difference in Hourly Rates		% difference in Bonus Pay		% receiving a Bonus		% in Top Quartile		% in Upper Middle Quartile		% in Lower Middle Quartile		% in Lower Quartile	
	Mean	Median	Mean	Median	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
First Aberdeen Ltd														
First Bristol Ltd														
First Cymru Buses Ltd														
First Eastern Counties Buses Ltd														
First Essex Buses Ltd														
First Glasgow (No.1) Ltd														
First Glasgow (No.2) Ltd														
First Hampshire & Dorset Ltd														
First Manchester Ltd														
First Potteries Ltd														
First Scotland East Ltd														
First South West Ltd														
First South Yorkshire Ltd														
First West of England Ltd														
First West Yorkshire Ltd														
Midland Bluebird Ltd														
First York Ltd														
First Bus Central Services Ltd														
Great Western Railway Ltd														
TransPennine Express Ltd														
First MTR South Western Trains Ltd														
First Trenitalia West Coast Rail Ltd														

Gender pay gap trend data

Aggregated results for FirstGroup businesses in the UK

Pay and bonus gap					
YEAR	2017	2018	2019	2020	2021
FEMALE	12.8%	14.2%	14.7%	19.0%	19.1%
MALE	12.8%	14.2%	14.7%	19.0%	19.1%
TOTAL	12.8%	14.2%	14.7%	19.0%	19.1%
% FEMALE	12.8%	14.2%	14.7%	19.0%	19.1%
					2021
					6.4%
					-12.9%

Proportion of employees receiving a bonus

	2017	2018	2019	2020	2021
FEMALE	37.6%	54.6%	61.2%	77.1%	52.0%
MALE	34.0%	47.3%	46.0%	65.3%	34.0%

Proportion of employees in each pay quartile band

FEMALE					
YEAR	2017	2018	2019	2020	2021
Upper	13.9%	11.5%	12.5%	11.6%	13.4%
Upper middle	17.5%	19.9%	24.9%	26.6%	26.1%
Lower middle	8.5%	12.0%	9.7%	31.8%	25.2%
Lower	11.0%	12.5%	11.3%	13.5%	12.0%
MALE					
YEAR	2017	2018	2019	2020	2021
Upper	86.1%	88.5%	87.5%	88.4%	86.6%
Upper middle	82.5%	80.1%	75.1%	73.4%	73.9%
Lower middle	91.5%	88.0%	90.3%	68.2%	74.8%
Lower	89.0%	87.5%	88.7%	86.5%	88.0%

Number of employees*

	2017	2018	2019	2020	2021
FEMALE	2,937	3,994	4,081	5,903	5,780
MALE	20,062	24,074	23,591	25,158	24,426
TOTAL	22,999	28,068	27,672	31,061	30,206
% FEMALE	12.8%	14.2%	14.7%	19.0%	19.1%

* - employing entities with more than 250 employees