



Gender pay gap report

2021 - 2022

Introduction

We are committed to having a diverse, inclusive and enabled workforce, which reflects the communities in which we work and serve. We have taken action to make improvements in our approach to equality, diversity and inclusion (EDI) through data driven evidence. Our commitments to the Public Sector Equality Duty also ensures that EDI is a key business priority.

We are making positive steps to encourage gender balance across the organisation and are committed to maintaining our focus on creating an environment where women are supported and empowered at work.

Our mean gender pay gap is **6.6%** and our median gender pay gap is **4.5%**. Our mean bonus pay gap is **15.6%** and our median bonus pay gap is **6.2%**. We continue to compare favourably to the public sector median benchmark of **15.9%*** and private sector median benchmark of **19.6%***



*Source: Annual Survey of Hours and Earnings, Office for National Statistics.

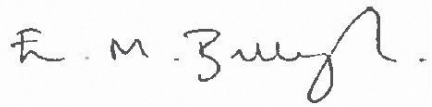
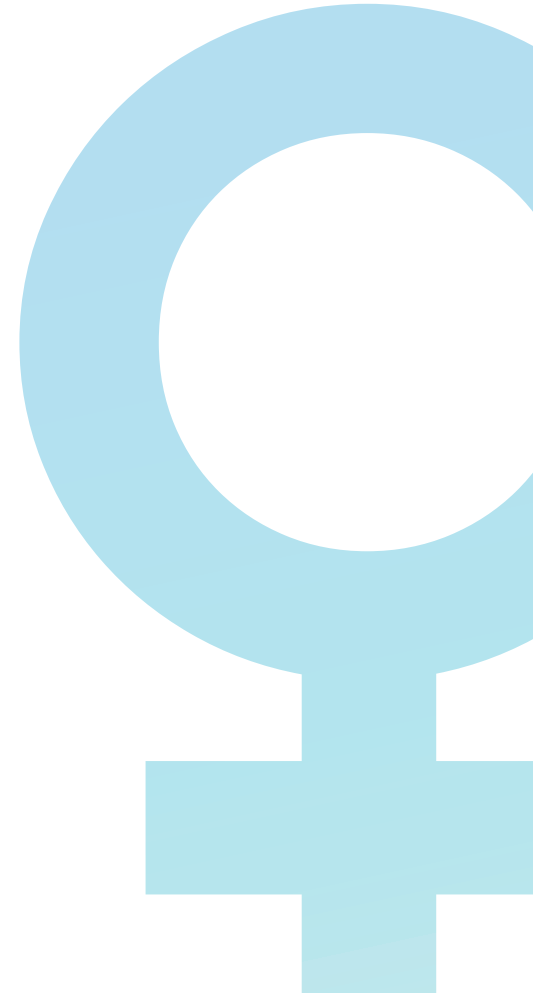
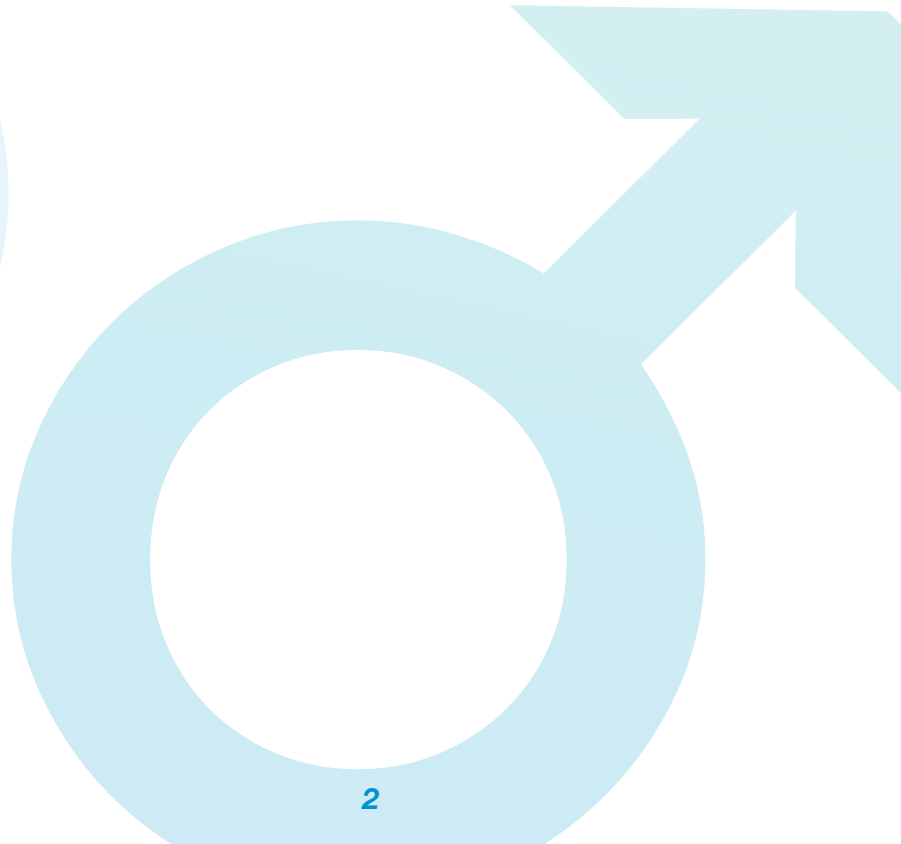
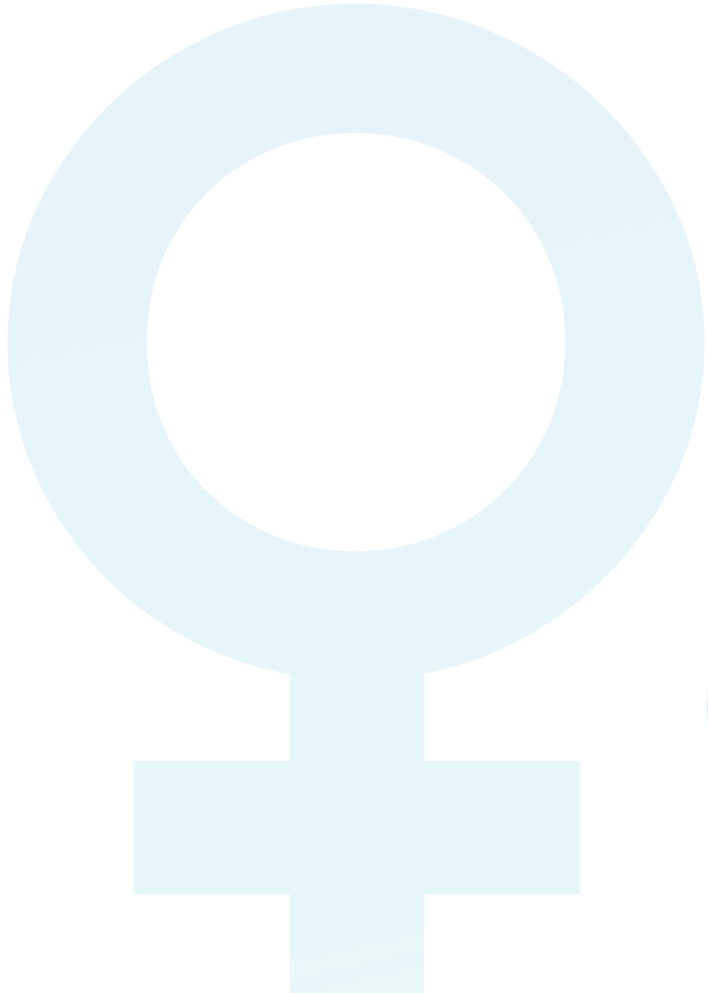
In addition, it is encouraging to see a continuing positive trend in how our female colleagues feel about working for us through our Employee Engagement survey.

We saw an 81% favourable response to the question 'I am treated fairly, equally and with respect' by our female colleagues and a 4% above company average response to 'I would recommend National Highways as a great place to work'. The words 'inclusive, flexible and supportive' were our top responses from female colleagues when asked how they would describe the culture at National Highways. Diversity and Inclusion also remain one of our top company strengths (71%) for the second year running through our survey results.

In 2021 we won a Highly Commended award for Inclusive Culture with the Employers Network for Equality and Inclusion, along with the Chair for our Leading Women's Network receiving an industry award for 'Diversity Excellence' for her work on inclusion and empowering women in the sector.

Looking forward, we continue to maintain our focus on attracting, developing, and retaining diverse talent whilst also creating a workplace where our colleagues are supported and can be the best they can be. This contributes to the success of our organisation and our role in creating an inclusive sector that is seen by everyone, regardless of who they are, as one of choice.

I, Elaine Billington, Human Resources and Organisational Development Director, confirm that information in the report is correct.

A handwritten signature in black ink, appearing to read "E. M. Billington", is placed on a light grey rectangular background.

Methodology

Mean pay gap

The mean pay gap is the difference between National Highways total salary spend per female employee and total salary spend per male employee. The number is then calculated by taking the total wage bill for each and dividing it by the number of women and men employed by National Highways.

Median pay gap

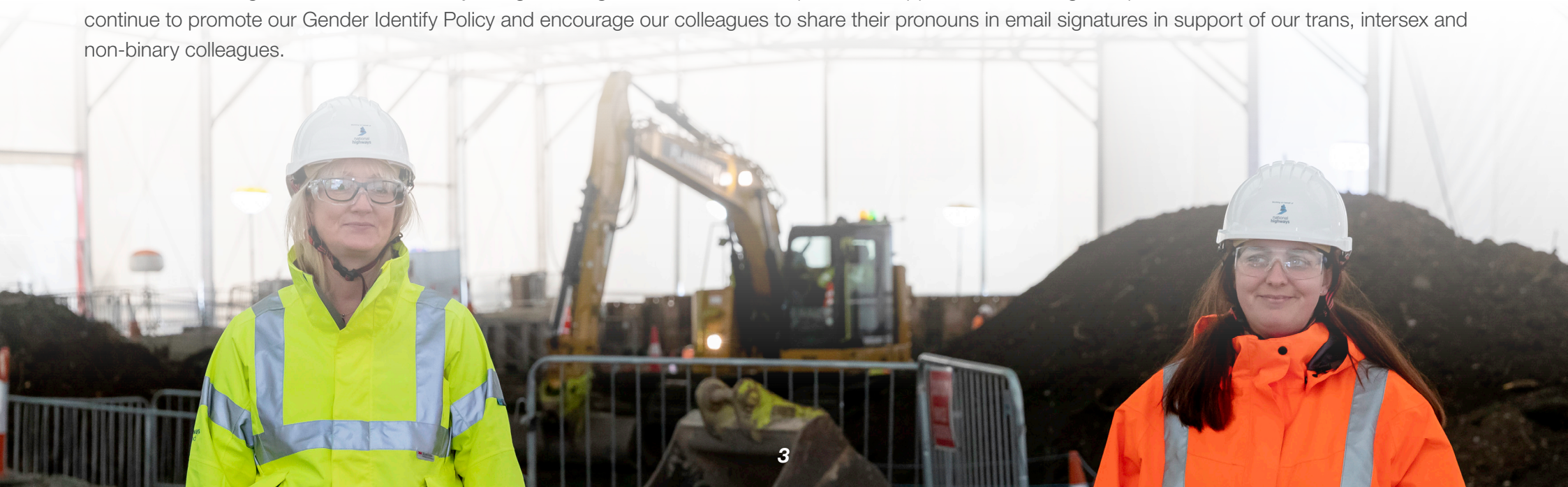
The median pay gap is the difference in salary between the middle ranking female employee and the middle ranking male employee. By placing all the women and men working at National Highways into two lines in order of salary, the median pay gap will be the difference in salary between the woman in the middle of the line and the man in the middle of the respective one.

Pay gap vs equal pay

The gender pay gap and equal pay are often referred to and confused as the same issue. Equal pay is the legal requirement that women and men and women are paid equally for doing the same job under the Equality Act 2010. The Pay Band structure within National Highways ensures we pay our female employees equally to our male employees.

Gender terminology

The Gender Pay Gap reporting guidelines outline the requirement to differentiate pay between men and women. This means we are unable to include statistical data on other genders within National Highways. Whilst we have used the gender terms 'female' and 'male' in a binary way within this report, we recognise that some of our colleagues do not fit into binary categories of gender and/or sex. As part of our approach to creating a respectful, inclusive, and diverse culture we continue to promote our Gender Identify Policy and encourage our colleagues to share their pronouns in email signatures in support of our trans, intersex and non-binary colleagues.

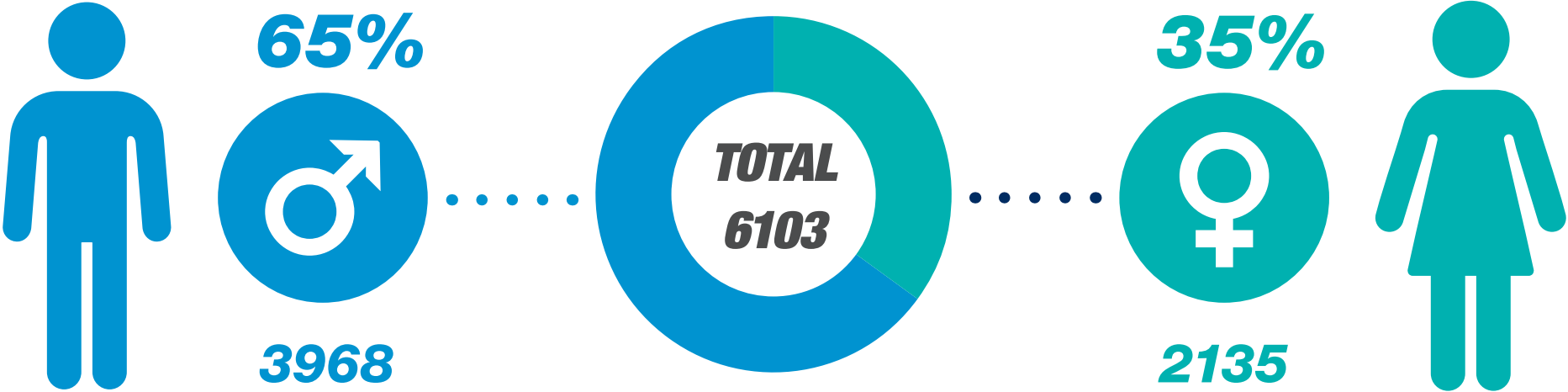


Our pay gap data

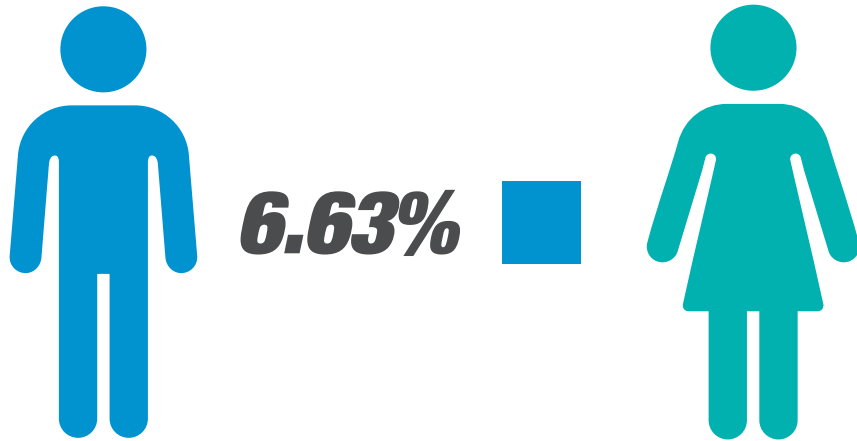
Number of relevant employees by gender

Gender	Percentage	Number
Female	35.40%	2191
Male	64.60%	3996
Grand Total	100.00%	6187

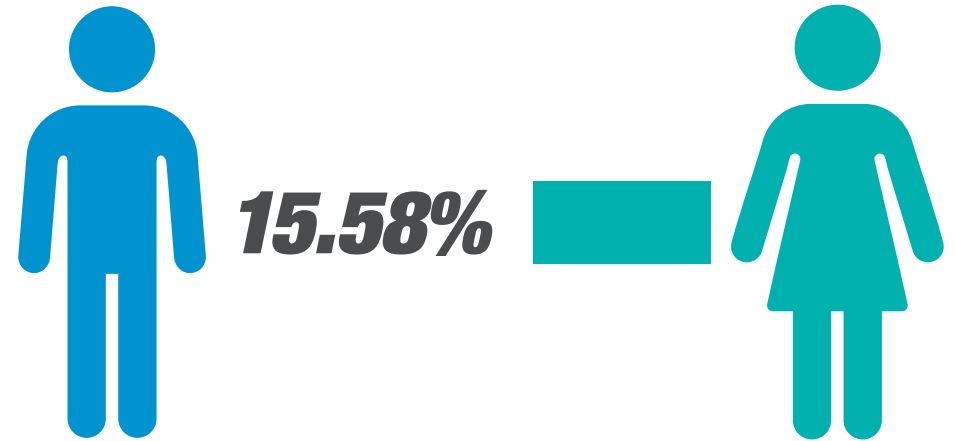
Number of full pay relevant employees by gender



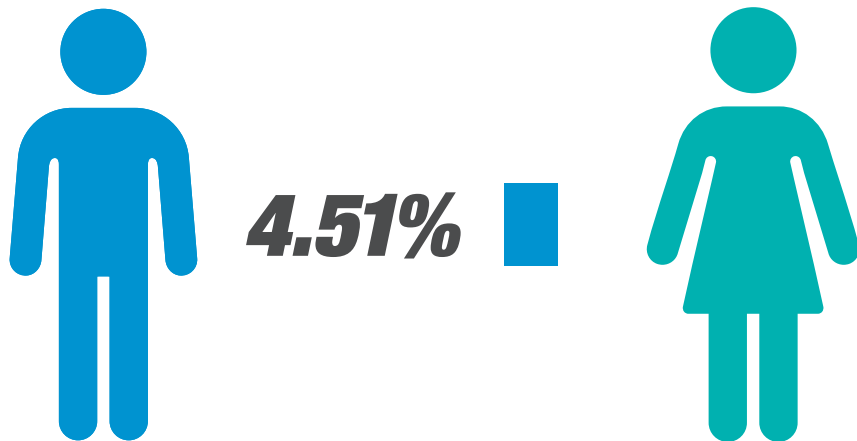
Mean gender pay gap



Mean gender bonus gap



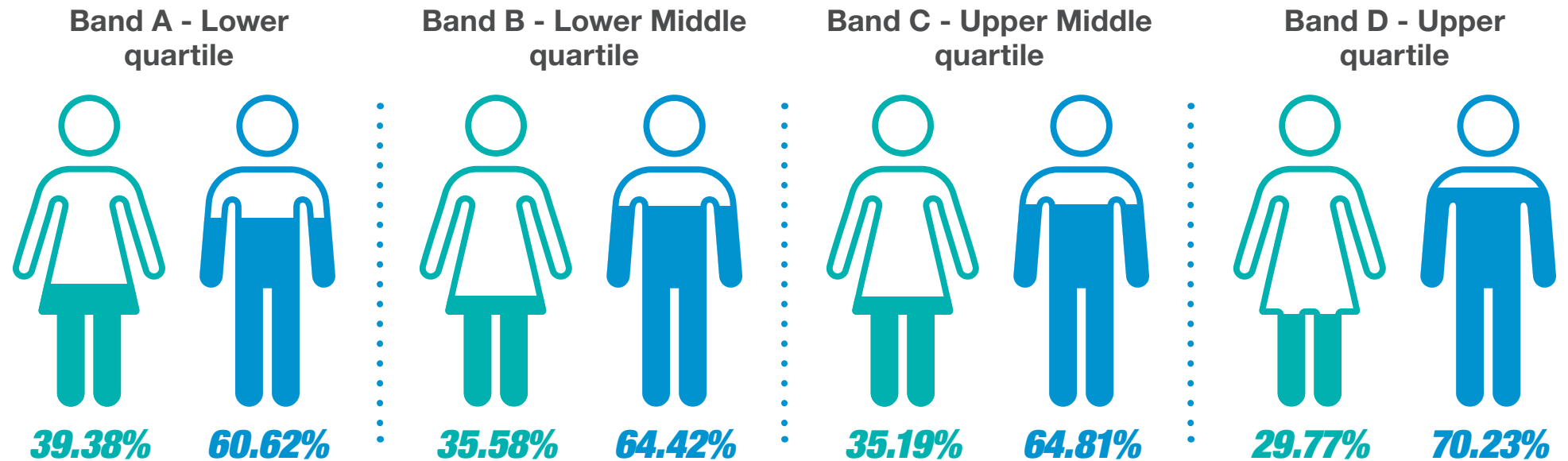
Median gender pay gap



Median gender bonus gap



Pay quartiles



Proportion of employees receiving bonus

Gender	Number of employees who received bonus	Number of all relevant employees as at 31 March 2022	Grand total
Female	1940	2191	88.54%
Male	3514	3996	87.94%
Grand Total	5454	6187	88.15%

What we focused on to address our pay gap

Diversity and inclusion in the workplace

We have a 50:50 male/female gender split on our Board and our Executive team has a 70:30 male/female gender split. We are proud to have female role models at all levels of the organisation, including within our senior leadership, as well as our Executive team and our Board. We want to create a workplace where women are encouraged to develop their careers and act as role models to others looking to join our sector.

We have continued to develop our talent management and attraction plans which are helping to close the gender pay gap over time. We have made our talent assessment a more inclusive process by extending it to all employees. This is positive for female employees as the gender split is generally more balanced below the senior levels of the organisation. It has resulted in 26% of our female employees being assessed as having potential to progress to the next level of role, compared to 23% of male employees. We are already seeing a stronger pipeline of female talent progressing into more senior roles as a result.

We are also using targeted campaigns to attract female talent. Our returners programme has been in place for over four years and targets people who have been out of the workplace for a period of two or more years and are looking to return to a professional or technical role with the right support. Over this period, we have recruited 33 returners into the six-month programme, which includes training, networking and coaching support. We aim to retain people in roles post programme. 94% of our returners are female, and 21% are from an ethnic minority. 90% have stayed with us post programme in roles right across the business, including lawyers, accountancy, communications, strategy development and project management. Of those that have stayed with us 13% have subsequently been promoted.

Our Roads Academy was created to develop sector leadership and capability. It is a shared learning programme led by National Highways and 57 supply chain partners. The Academy drives a learning programme focused on the strategic challenges we face together as an industry and the changes we need to make to overcome them. This approach enables us to develop talent at all levels of the sector, across multiple organisations and encourages the development of future leaders. In the last year 44% of the National Highways learners on the programme were female.

Building an inclusive culture

We launched our EDI Champions programme across the organisation with an initial intake of 54 champions who assist the EDI team in communicating inclusion messages across their directorates. The EDI Champions also act as a point of contact for respect at work conversations and can sign post colleagues to further support.

We created a new Flexible Working policy and launched this with a supporting e-learning module for managers. This is helping us grow awareness of the benefits of flexible working internally. We have included the right to request flexible working as an option from day one of joining the company, implementing this ahead of UK legislation.

We hope by creating a truly flexible working environment, we can attract a wider talent pool to join the organisation. We share flexible working messages in our job adverts and on our careers website, enabling our roles to appeal to candidates seeking flexibility.

We also have family friendly policies in place to support colleagues regardless of gender. This entitles employees to enhanced maternity, paternity and adoption leave and pay, and additional parental and shared parental leave. Carers are also entitled to up to 5 days re-order to paid special leave.

We have nine active employee network groups representing a number of groups including Women, the Menopause, LGBTQ+, Ethnicity, and Disability. Each network is sponsored by an Executive team member and has a voluntary employee Chair.

We launched a programme of Menopause awareness sessions to help promote a supportive and open conversations around menopause at work. This has created a safe space for colleagues to discuss their symptoms and the support they need.

Our Leading Women's Network continue to host supportive events including health awareness, the 'Power of your Brand' (to build confidence in advancing careers) and partnering with the Susie Lamplugh charity on safety.

As an organisation we support of the #MyNameIs campaign and encourage individuals to add the phonetic spelling of colleague's names to email signatures. This aims to ensure everyone pronounces names correctly supporting our people to feel valued, included and above all respected.

Our female colleagues responded more favourably to questions in comparison to company averages across all of areas of employee engagement. We saw 89% favourable response to the questions 'I am satisfied with the flexibility I have in my work schedule' and 'I feel safe at work' from our female participants.

Working in partnership

We undertook our annual assessment as part of Women in Science and Engineering and their Ten Steps Framework. This gives us insight into focus areas where we can improve gender balance across the organisation.

We continue to partner and collaborate with our industry peer group and conducted our first EDI Roundtable event hosted by respective EDI leads. This was attended by over 200 of our supply chain. The event was centred around shared successes, challenges, and future focus and working together in creating a diverse and inclusive sector.

Our focus for the future

- We have developed a 'How to be Respectful at Work' training session that will highlight the use of unacceptable banter and the detrimental impact it has on others. This is a face-to-face session to facilitate meaningful and honest conversations around how harmful banter can be and the consequences it has.
- We are launching an Education Strategy to ensure our approach to engaging with early talent is cohesive across the organisation and enables us to monitor progress and focus on the diversity of our applicants.
- A new Equality Impact Assessment (EqIA) e-learning module will be launched to assist colleagues completing an EqIA with the most inclusive outcomes and help remove barriers when business changes are made and implemented.
- Our exit interview process will be revised to enable more in-depth data to be gathered on reasons for leaving to action evidence-based improvements where needed amongst underrepresented groups.
- An EDI Dashboard will be developed to provide live people data to further support our evidenced based decision making on diversity and inclusion.



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