



Dounreay Site Restoration Limited (DSRL)

Gender pay gap report 2017



Introduction from Phil Craig Managing Director

Dounreay is Scotland's largest decommissioning project and is recognised as Europe's most complex nuclear closure programme. The site has a history that goes back to the 1950s followed by decades as the UK's centre for fast reactor research. The team is now aiming to be recognised for decommissioning excellence as it delivers a programme expected to last until around 2030.

Our mission: “To responsibly deliver the interim end state within the target cost and time and support the transition of our people”.



It will be successful in achieving this only if we are able to utilise all the talents of all our people to build high performing teams. DSRL is committed to creating a working environment where everyone is respected, included and able to perform at their best regardless of their gender, age, ethnicity, sexual orientation or any form of diversity.

I welcome this opportunity to review and report on our gender pay gap as this will help us to understand better:

- the levels of gender equality in our organisation
- the balance of male and female employees at different levels
- how effectively talent is being maximised and rewarded.

I am authorised by the DSRL board to confirm that the information published in this report is correct in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and has been verified by the Head of Finance.

DSRL has a median gender pay gap of 10.29%. This compares favourably with the UK national gender pay gap of 18.4% and with many other organisations in our industry. However, our aspiration is to reduce this gap further over the coming years.

We have identified a number of priority action areas, as part of our equality, diversity and inclusion (EDI) strategy, highlighted in this report, which will help us make the changes necessary to increase the levels of diversity we need within our organisation and, by doing so, help reduce the gender pay gap.

I am proud to be a member of the recently established Dounreay Women's Network. This group wants Dounreay 'to be recognised as the leading Nuclear Decommissioning Authority site for employing women in leadership roles within the next two years'. This is an ambitious goal but one which directly addresses the key challenge for our business identified in this report.

I am committed to ensuring that our EDI strategy continues to be given the priority it requires and that the action plans we have agreed are implemented with the full support of the management team.

DSRL has a
10.29%
difference in median
gender pay gap

UK national
gender pay gap =
18.40%

Introduction

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all organisations with 250 or more employees to publish and report specific data about their gender pay gap by 4 April 2018 and annually thereafter.

This is DSRL's first gender pay gap report.

This report complies with the requirements of the Equality Act 2010 and has been produced in line with the associated ACAS guidance on 'Managing gender pay reporting', 2017.

This report will be published on DSRL's website and on the Government's website.

What is the gender pay gap?

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. It is not the same as equal pay for men and women who carry out the same job, similar jobs or jobs of equal value. Equal Pay deals with comparing one job with another – the gender pay gap is about the difference in gender pay across the whole organisation.

What information is provided in this report?

We are required to report against 6 prescribed indicators to show the difference between the average earnings of men and women in the organisation, including the:

- mean and median gender pay gaps
- mean and median gender bonus gaps
- proportion of men and women who receive bonuses
- proportions of male and female employees in each pay quartile

We have also included some additional data to help put this information into the organisational context.

The data in this report is based on a 'snapshot' of the pay of all DSRL employees as at 5 April 2017, as well as bonuses paid between 6 April 2016 and 5 April 2017.

This report fulfils DSRL's reporting requirements, analyses the data in more detail and explains what we are doing to close the gender pay gap in the organisation.



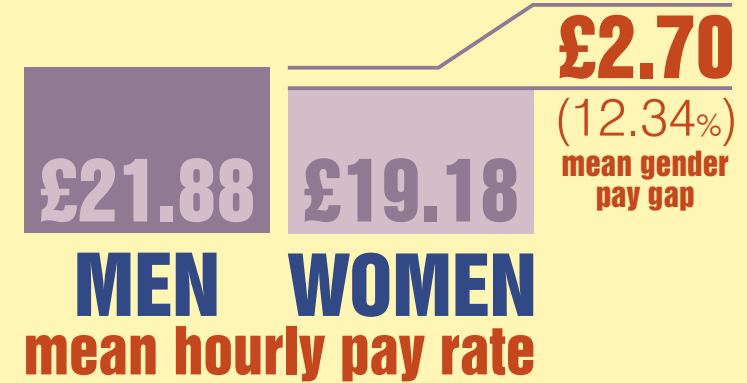
Gender pay gap analysis

1. Mean gender pay gap

This is the difference between the mean (average) hourly rate of pay for all men in the organisation and the mean hourly rate of pay for all women, expressed as a percentage of the mean hourly rate for men.

For DSRL:

- The mean hourly pay rate for men is £21.88
- The mean hourly pay rate for women is £19.18
- **The mean gender pay gap is £2.70 per hour or 12.34%**

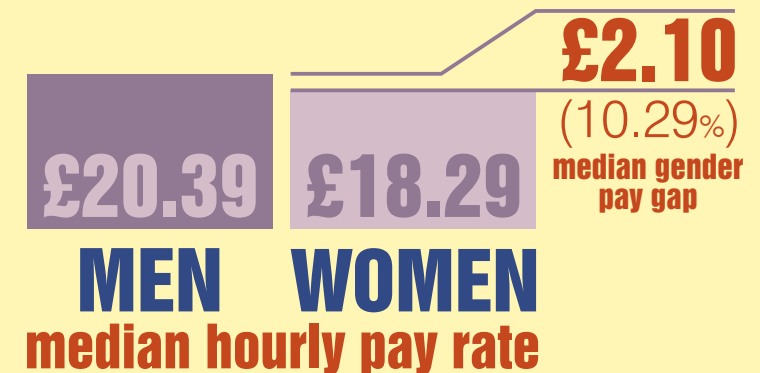


2. Median gender pay gap

This is the difference between the median (middle) value of hourly pay rates (when ordered from lowest to highest) for all men in the organisation and the median value of hourly pay rates for all women, expressed as a percentage of the median hourly rate for men.

For DSRL:

- The median hourly pay rate for men is £20.39
- The median hourly pay rate for women is £18.29
- **The median gender pay gap is £2.10 per hour or 10.29%**

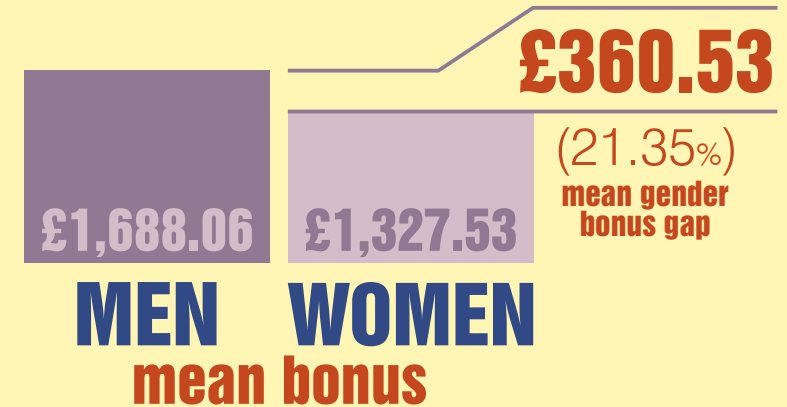


3. Mean gender bonus gap

This is the difference between the mean (average) value of bonuses for all men in the organisation and the mean value of bonuses for all women, expressed as a percentage of the mean bonus for men. This data set is for all employees who received a bonus and does not take into account part time hours.

For DSRL, based on bonus paid in the period 6 April 2016 to 5 April 2017:

- The mean bonus paid to men is £1,688.06
- The mean bonus paid to women is £1,327.53
- **The mean gender bonus gap is £360.53 or 21.35%**

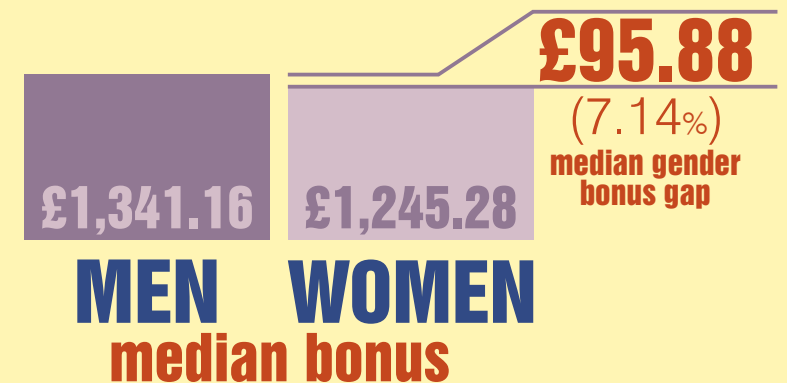


4. Median gender bonus gap

This is the difference between the median bonus paid to all men (when ordered from lowest to highest) in the organisation and the median bonus paid to all women, expressed as a percentage of the median bonus paid to men. This data set is for all employees who received a bonus and does not take into account part time hours.

For DSRL, based on bonus paid in the period 6 April 2016 to 5 April 2017:

- The median bonus paid to men is £1,341.16
- The median bonus paid to women is £1,245.28
- **The median gender bonus gap is £95.88 or 7.14%**

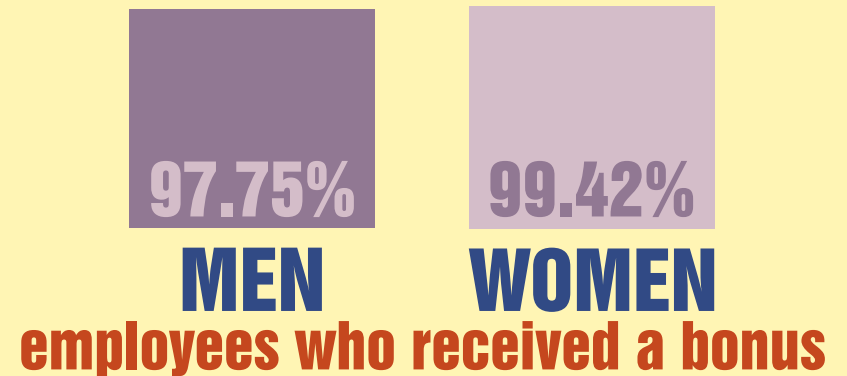


5. The proportions of male and female employees who received a bonus

This shows the extent to which women are paid bonuses in comparison to men.

For DSRL, based on bonus paid in the period 6 April 2016 to 5 April 2017:

- 97.75% of men received a bonus
- 99.42% of women received a bonus

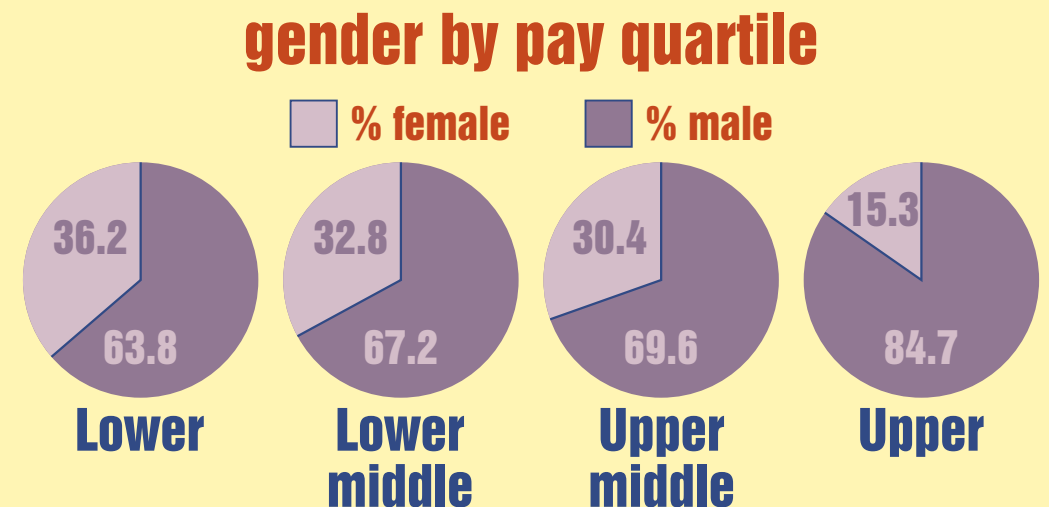


6. The proportion of male and female employees in each pay quartile

This shows the proportion of men and women in each quartile pay band.

How is this worked out?

- take all the hourly pay rates, ordered from lowest to highest, for all men and women in an organisation and divide them into four equal groups designated as: lower; lower middle; upper middle and upper quartiles
- next, calculate the number of men and women within each quartile as a percentage of all employees within that quartile. This shows the proportions of men and women in each quartile of the overall pay distribution.



Why we have a gender pay gap?

DSRL has a (mean) gender pay gap of 12.34% and a (mean) gender bonus gap of 21.35%.

The primary reason for the gender pay gap is the under-representation of women in higher earning jobs within the organisation. There are two elements which contribute to this position:

- under-representation of women in more senior job roles, which have higher normal pay and bonus earning potential
- under-representation of women in shift jobs, which attract significant shift pay enhancements

The gender bonus gap is larger than the gender pay gap because bonus payments are paid on a pro-rata basis in accordance with the number of hours worked. As result, part-time workers, of whom the majority in DSRL are women, receive a lower bonus compared to fulltime employees on the same normal pay rate.

12.34% (mean) gender pay gap

21.35% (mean) gender bonus gap

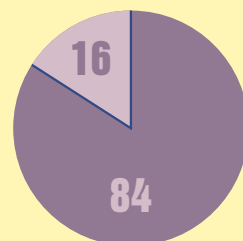
Women in the workforce

The DSRL workforce is 71% male and 29% female. Women are therefore under-represented in the organisation as a whole compared to the proportion of women in the total UK working population (currently around 47%).

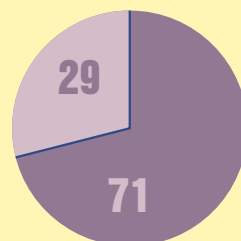
The distribution of women across the pay bands show that women are over-represented in the lower job bands and under-represented in the higher job bands, with no female senior managers.

gender by pay band

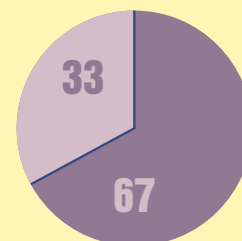
% female % male



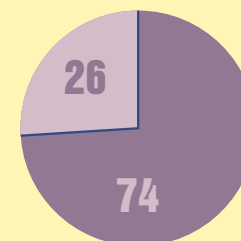
Apprentice



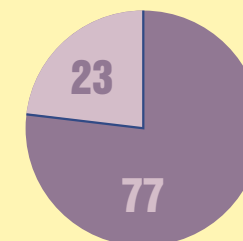
Support



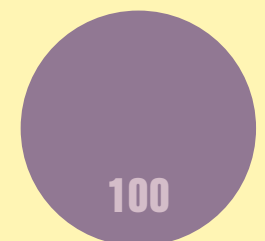
Technician



Professional



Leadership

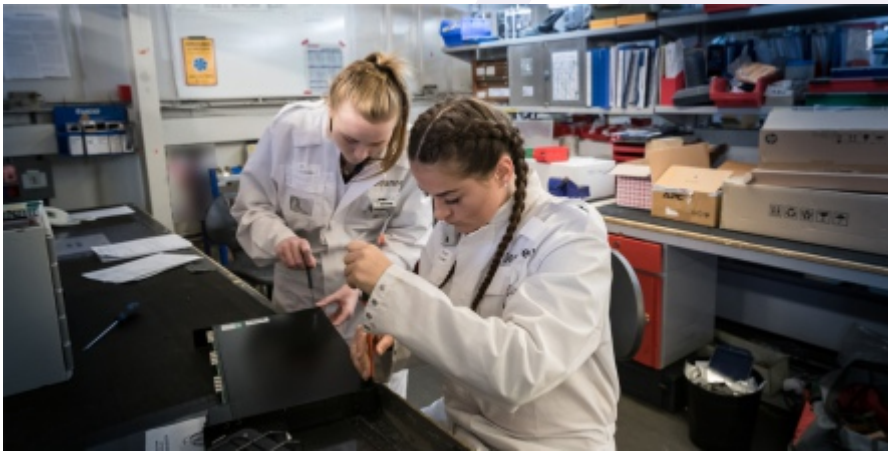


Senior

Women in the workforce

There are clear gender differences in occupational categories of employment which impacts on pay. Men are more likely to be employed in higher earning operational, engineering, technical and managerial roles whilst women are more likely to be employed in lower earning administrative and support functions.

This is illustrated by the gender distribution for two specific occupational categories of operational shift workers and administrators.



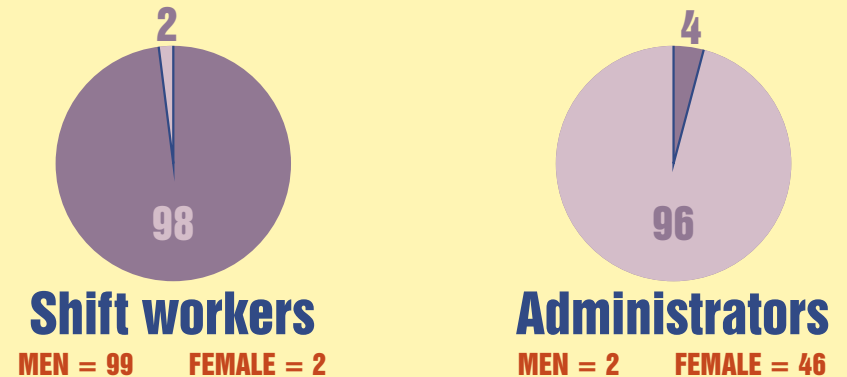
This position reflects the historic patterns of recruitment at Dounreay, and the rest of the nuclear industry, where men have predominated in the science, technology, engineering and mathematics (STEM) subjects, as well as operational and skilled trade jobs.

Almost 10% of people in the organisation work part-time: 75% are women (accounting for 25% of the total number of female employees) and 25% are men (representing 3% of the total number of male employees).

Women who work part-time tend to be younger and predominantly have asked for flexible working arrangements on return to work after maternity leave. The number of men who work part-time has increased since the removal of the default retirement age. The majority of men who work part-time have reached their normal retirement age (60) and wish a phased transition to retirement.

workers by gender

■ % female ■ % male



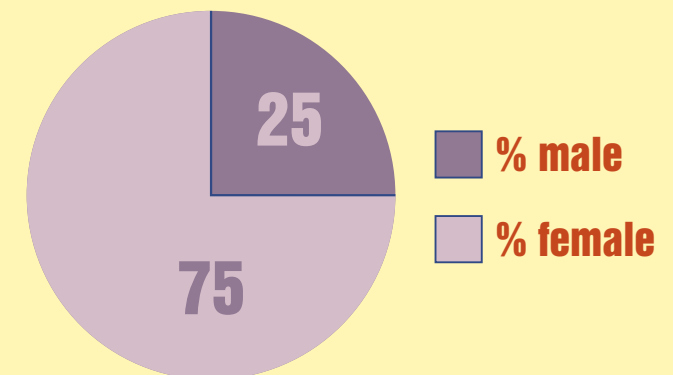
Shift workers

MEN = 99 FEMALE = 2

Administrators

MEN = 2 FEMALE = 46

part-time workers by gender (10% of the workforce are part-time)



■ % male

■ % female

What are we doing to address our gender pay gap?

The gender pay gap analysis has identified that under-representation of women in higher earning jobs is the principal reason for the gap. We also recognise that increasing diversity and inclusion generally is an important contributor to the future success of the business. We have developed an equality, diversity and inclusion (EDI) strategy and associated action plan which is central to our focus on how we increase diversity at all levels.

Improving representation of women in our workforce

To close the current gender pay gap (and improve the level of diversity more generally) we will need to continue to improve our ability to attract and appoint females into higher earning jobs.

DSRL has a stable workforce with a low turnover rate (<3%). The size of the workforce will also start to reduce as the decommissioning programme progresses towards the interim end state date in 2030. As a result, recruitment levels will be relatively modest which will restrict the opportunities to make significant changes to the balance of men and women in the workforce as a whole. However, we will continue to recruit to specialist engineering, project management and technical roles and to invest in new talent through our graduate, apprentice and other training schemes.

Our recruitment strategies aim to increase the diversity of new people joining the organisation.

Recruitment processes

- DSRL introduced 'name blind' shortlisting for all external recruitment in 2017, in a move to remove unconscious bias at that stage.
- All selection panels have an HR professional involved as a panel member or advisor.
- All recruiting managers will attend mandatory unconscious bias training as part of our wider EDI action plan during 2018.

Promoting STEM career opportunities for women

- Graduate and apprentice recruitment campaigns have focused on increasing applications from females. This has been successful in seeing a significant increase in the number of female graduates appointed. The position for engineering apprentices has been less successful more recently and will continue to be a priority.



Promoting STEM career opportunities for women

- DSRL is actively involved in supporting Developing the Young Workforce (DYW) activities in local schools through the STEM and Business Ambassadors programmes.

Increasing diversity within occupational categories of employment

The gender pay gap analysis identified gender differences between occupational categories which contribute to the gap.

As the decommissioning programme progresses there is likely to be an increase in the number of opportunities in higher earning roles, such as shift working, which are male dominated. If there is no change to the gender distribution in these roles this may have the effect of increasing the gender pay gap.

We will investigate what factors influence this gender segregation to identify what action needs to be taken to remove potential barriers to achieving greater diversity across occupational categories.

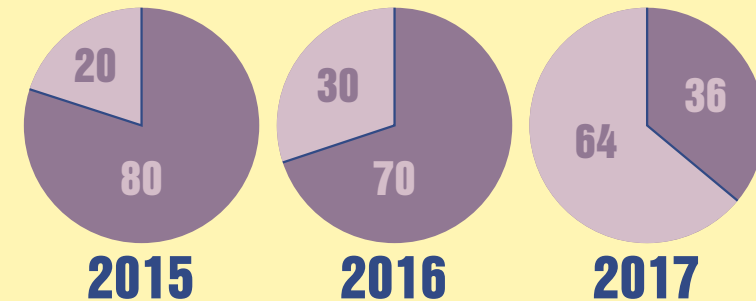
EDI strategy and action plans

We have already developed an EDI strategy for DSRL and implemented a number of actions:

- We have set up new governance arrangements through the appointment of an EDI champion, who sits on the DSRL executive committee, and established an EDI forum
- We have carried out an EDI workforce survey to increase our understanding of perceptions of EDI issues across the organisation and we are currently reviewing the results from this to inform our future strategy
- We have carried out EDI awareness training across the organisation and EDI is now a standard feature of our staff communications
- We have signed the Women in Nuclear Charter and established a Dounreay Women's Network

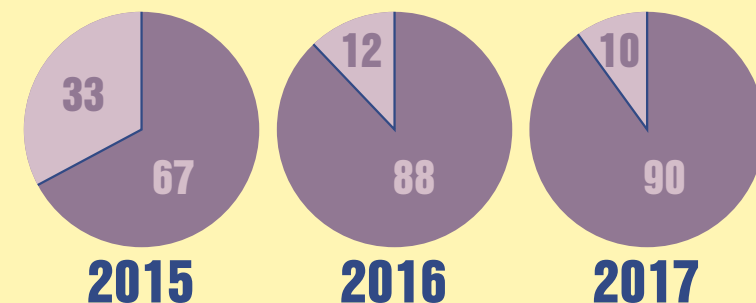
graduates appointed

■ % female ■ % male



apprentices appointed

■ % female ■ % male



EDI strategy and action plans

Our forward action plans include:

- Reviewing our flexible working arrangements to identify what barriers may exist preventing mobility across the workforce
- Review focus of performance management
- Adopt an inclusive approach to talent and leadership development
- Increase career development support, for example through increased use of mentoring

These actions have been incorporated into the Dounreay Improvement Plan which is used as a tool for monitoring and reporting on actions across the organisation.



