

Gender pay gap report

5th April 2019



Service, a fresh direction

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Introduction

Loop Customer Management Limited provides customer service and billing for our sister company, Yorkshire Water and, we employ around 700 people to help us do this.

This report looks at our gender pay gap figures for 5 April 2019 and the progress since then that we are making to improve diversity and close the gender pay gap.

Our pay gap figures are -2.05 at the median and 7.1% at the mean. In the previous year the median figure was -0.9 and the mean was 6.2% Loop has a good record of supporting diversity and the stable position of these figures, well below the national average is evidence of that.

We are committed to continuing that performance and remain focused on ensuring that we have an evidence led approach which targets sustainable improvements in the longer term.

I am determined to maintain and build on our momentum. Our colleagues in Loop speak to our customers in Yorkshire on a daily basis. It is really important for us to ensure that our workforce reflects the communities we serve.



Liz Barber
Chief Executive Officer
Kelda Group Limited

Gender pay gap

On the following pages we show Loop's overall median and mean gender pay data based on hourly rates of pay as at the snapshot date of 5 April 2019 with a comparison to 2018, our second year of reporting.

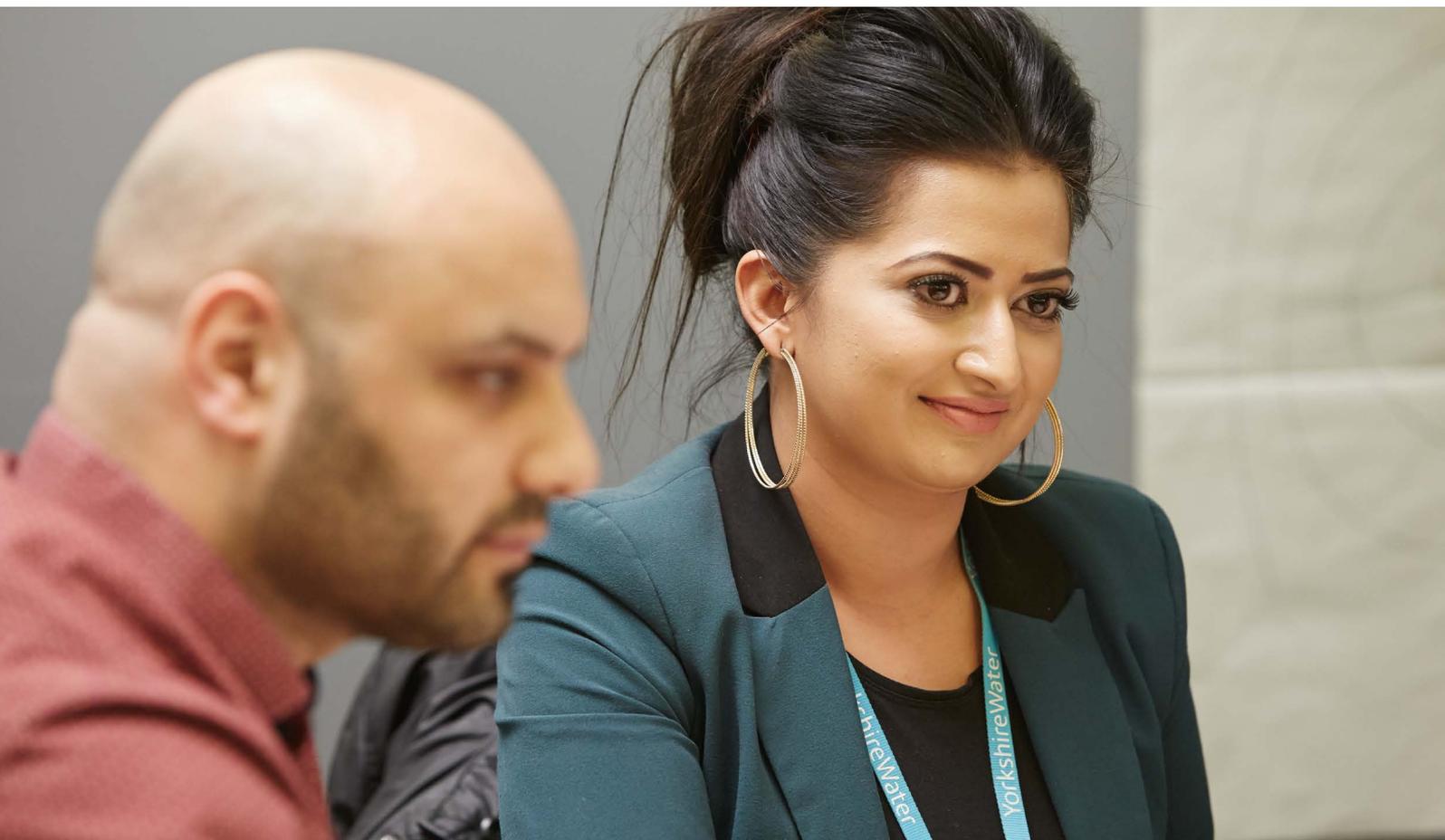
We also show median and mean bonus pay data for bonuses paid up to 5 April, plus some additional information to explain our pay data and how we are addressing the gender pay gap.

What is the difference between mean and median?

The mean and median are two ways of calculating the average hourly pay and average bonus of women and men at Loop. If we created two lines, one with all the women in Loop and the other all the men:

The mean is adding up all the data separately for the women and the men and dividing by the number of people in the respective line.

The median is at exactly the half way point on each of the lines.



Gender pay gap

There has been a very slight increase in the mean gender pay gap number between 2018 and 2019.

In contrast, the median figure shows an increase from the figure in 2018 which showed the hourly rate of pay for females being slightly above that for males.

Part of the reason for this change in the mean figure, from 2018 to 2019, is the slightly higher number of males, included in the gender pay gap

calculations, in the more senior grades in the business. However, the increase in female representation in both the upper middle quartile and the upper quartile (see page 8) helped to create the slight change in the median number from 2018 and 2019.

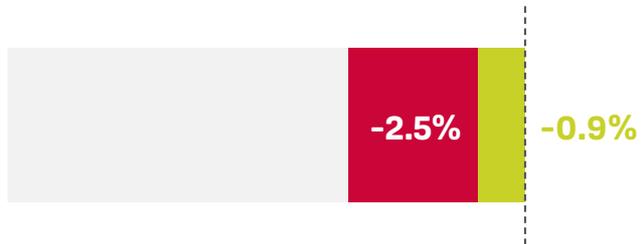
The difference between the **MEAN HOURLY RATE OF PAY** of male full-pay relevant employees and that of female full-pay relevant employees;

- 2018
- 2019



The difference between the **MEDIAN HOURLY RATE OF PAY** of male full-pay relevant employees and that of female full-pay relevant employees;

- 2018
- 2019



Did you know the National Average Mean Pay Gap (2018 submissions)

14.2%

Our Mean Pay Gap in 2019 is now

7.1%

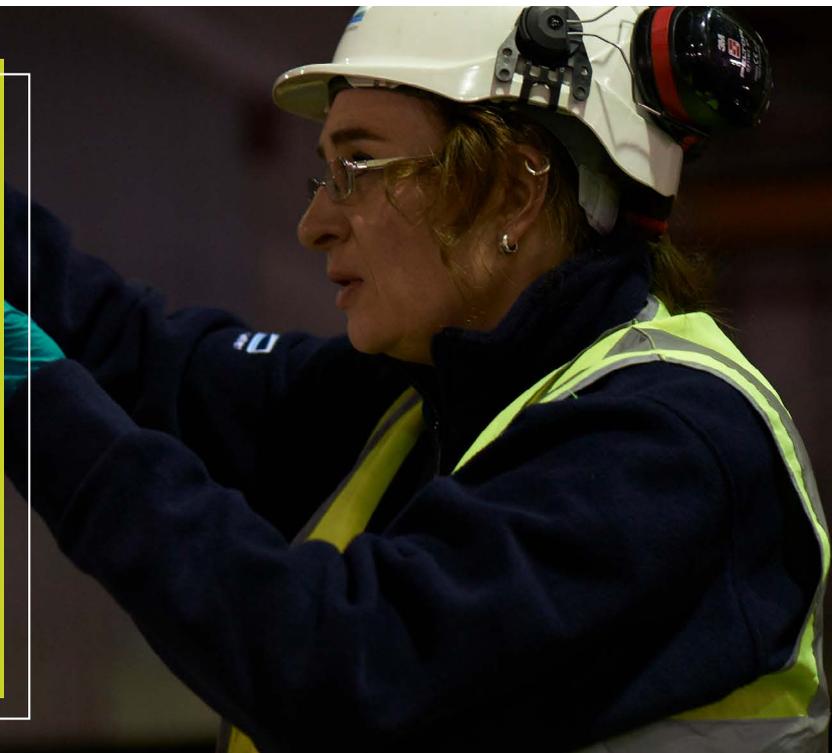
National Average Median Pay Gap (2018 submissions)

11.9%

*based on figures from 2018 Office National Statistics (ONS) Survey

Our Median Pay Gap is

-2.5%



Bonus Pay Gap

There has been a significant decrease in the mean bonus pay gap number between 2018 and 2019. This was caused by a reduction in the level of bonus payment, at the most senior level of the business, between 2018 and 2019.

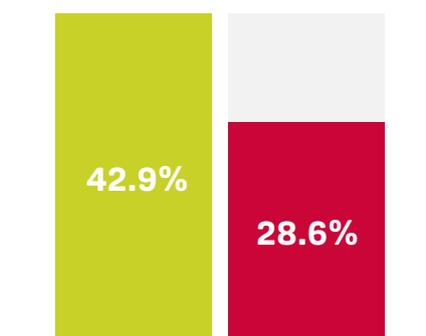
Despite the decrease, the mean bonus pay gap number remained relatively high in 2019 and this was a reflection of most of the senior roles in the business being undertaken by male colleagues. In contrast, the median bonus pay gap number has increased slightly between 2018 and 2019 but at a level lower than the mean.

However, for both the mean and the median, the calculation of these, as determined through regulation, does not take into account part-time working.

We have a much greater proportion of female colleagues undertaking part-time working than their male counterparts which impacts on the resultant gender pay gap. If this was taken into account the resultant bonus pay gap would be much less than the published numbers with the median figure, on this basis, expected to be very close to 0%.

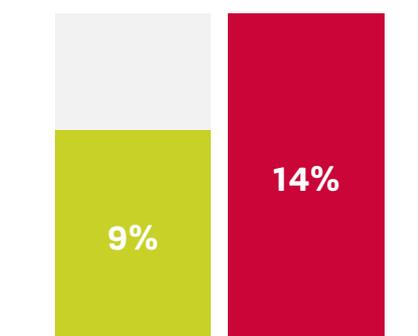
The difference between the **MEAN BONUS PAY** paid to male relevant employees and that paid to female relevant employees;

- 2018
- 2019



The difference between the **MEDIAN BONUS PAY** paid to male relevant employees and that paid to female relevant employees;

- 2018
- 2019

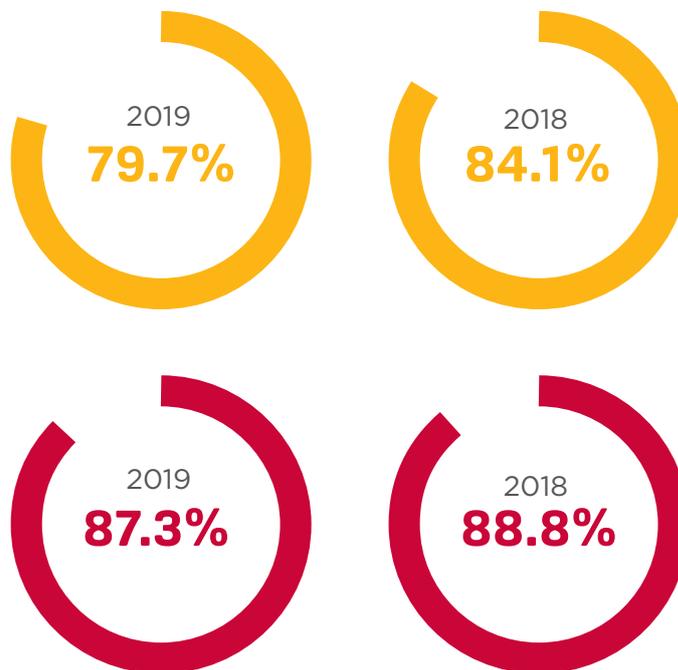


Percentage Receiving Bonus

The proportion of female colleagues receiving a bonus in 2019 remained similar to that for 2018. The proportion of males receiving a bonus decreased from 2018 to 2019.

The proportions of male and female relevant employees who were paid bonus pay;

- Males
- Females



FACT

The percentage of females receiving a bonus is higher than that for males.

Distribution of Employees by Quartile

Gender pay gap numbers are often a reflection of a greater proportion of one gender in more senior and, therefore, better paid roles.

Between 2018 and 2019 there was a positive move in that there was a greater proportion of females in the upper quartile and, therefore, the higher paid roles in the business.

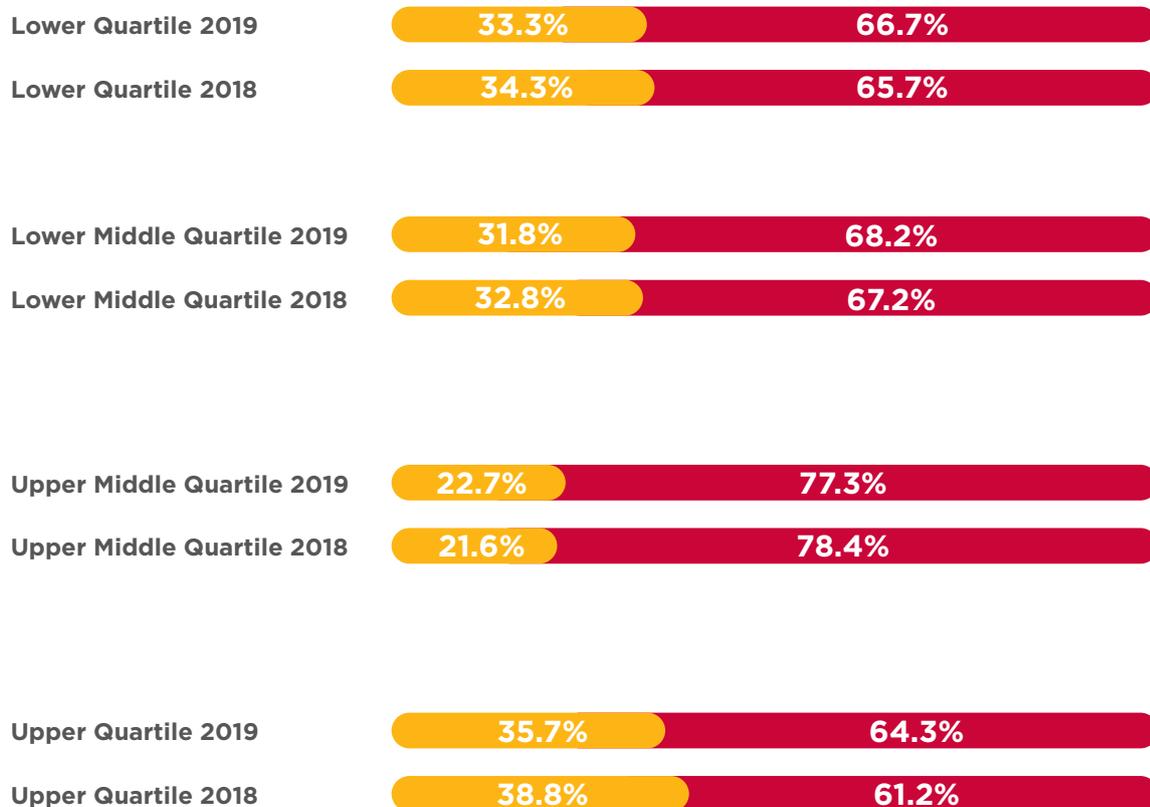
Representation in the other quartiles remained very similar between 2018 and 2019 which included strong female representation in the upper middle quartile.

This distribution underpins the generally positive gender pay gap numbers including the very low median gender pay gap number.

Using the 2019 gender pay gap numbers, across the whole of the business, 31% of colleagues were male and 69% female.

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

- Males
- Females



Proportion of males and females when divided into four groups (quartiles) ordered from lowest to highest paid.

The last 12 months

D&I Action Plan (Supporting a better representation of the communities we serve)



During the last year, we ran a further cohort of the Women's Leadership programme. Of all of the cohorts, at least 60% of those participating have progressed their career either in an upward or lateral manner. Additionally, we have run, for the first time, a BAME leadership programme with positive participant feedback.

Review of our Recruitment processes to support our aim of further inclusion



A review was undertaken that allowed us to look at where we could make our recruitment processes more inclusive. From this, specific areas of improvement were identified including the need to have a more targeted approach when engaging with communities around us as well as ensuring that all recruitment exercises are more inclusive and diverse.

Social Mobility



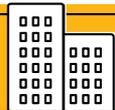
Within the last year, the business signed up to Water UK's call for action regarding the Social mobility pledge.

Diversity and Inclusion Streams



We have 4 Diversity and Inclusion streams that have continued to be active within Loop – Gender, Ethnicity, LGBTQ+ and Disability. The leads of each stream are voluntary and are taken from across the broader business and are supported with an Executive sponsor.

Working with External organisations



We continued to work with several external organisations to share best practice and support each other. This included the Energy Utility and Skills Partnership and we engaged with the #energisinginclusion – an industry wide commitment that we have been part of all year that encourages companies to share positive initiatives in support of inclusion.

Reporting



We have continued to produce the gender pay gap and, voluntarily will continue to produce, ethnicity pay gap reports as part of our broader drive for greater inclusion.

As part of this gender pay gap reporting process we provided our pay data for our employees to Ernst & Young to provide external verification of the calculations and reporting of the required numbers.

The next 12 months

D&I Action Plan (Supporting a better representation of the communities we serve)



We will review the impact of our targeted leadership initiatives over the course of the next year and will apply relevant improvements to ensure the maximum impact is achieved on an ongoing basis and, for all future initiatives.

Social Mobility



We will work to define how the Social Mobility pledge will be applied by Yorkshire and how it will be included in our future Diversity and Inclusion action plans.

Working with External organisations



We will continue to work with external organisations both to provide support to others and to learn from the best practice of other businesses. We will also continue to review which external organisations we work with to ensure we are getting the best insight into which initiatives will help us with our broader diversity and inclusion aims.

Review of our Recruitment processes to support our aim of further inclusion



We will continue with implementing the improvements to our recruitment processes. Specific actions will include the targeted advertising to specific groups, the adaption of our advertising language, giving a clearer indication of role expectations and the emphasis on the flexible working opportunities offered within the business.

We will also continuously review and improve our recruitment processes to ensure that inclusion is a central part of all recruitment exercises.

Diversity and Inclusion Streams



We will continue the active engagement of all of our diversity and inclusion streams. Activities within this will include the running of a Diversity and Development event that will support the continued engagement colleagues and senior leaders in how we will create more balanced representation across the business. In addition, and, through the disability stream we will continue to improve how we meet the needs of colleagues who are disabled.

Reporting



We will be producing our second 'Workforce Diversity Report' before the end of the 2020 calendar year. This report, as well as providing an overview of broader diversity and inclusion data also summarises the initiatives that will be undertaken in order to continue to progress the positioning of inclusion as central to everything we do in Loop.

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Service, a fresh direction