

RFF LTD

GENDER PAY GAP 2018

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Introduction

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, RFF Ltd is required to carry out Gender Pay Reporting.

This involves carrying out a number of calculations that show the difference between the average earnings of men and women in our organisation based on a snap shot of pay taken for the pay period covering the 5th April 2018.

Company Overview

RFF Ltd is a food services company within the MRH (GB) Ltd Group which, in April 2018, operated at 41 of the Group's 529 motor fuel retail sites. RFF Ltd's sites are spread throughout the UK in areas covering Scotland, Northern England, the Midlands, South East England and Devon. Employees working at these sites provide freshly prepared food and drinks to customers under the Subway, Greggs and Costa franchise brands.

The vast majority of the Company's 322 employees (of which 187 are female and 134 are male), worked at these sites in roles including Team Members, Supervisors and Site Managers. These in turn were supported by a small team of Area Managers, an Operations Manager, Project Manager and a Food Services Manager. During 2018, the Company carried out a project to re-align and harmonise the roles and team structures across the three brands.

RFF Ltd's staff do not carry out tasks more commonly associated with motor fuel retail, such as fuel, shop and car wash sales. This is the responsibility of limited companies or sole traders known as 'Commission Operators' who run the sites independently under licence from the Group and are responsible for the employment and management of staff who carry out the aforementioned duties.

In June 2018, Clayton, Dubilier & Rice, LLC purchased the MRH (GB) Ltd Group (which includes RFF Ltd) and, following a review by the Competition and Mergers Authority (C.M.A), began the process of merging the organisation into Motor Fuel Group Ltd, another motor fuel retail company that it owned.

As part of this process, the decision was made to transfer the responsibility for all RFF Ltd's sites operating under the Subway and Costa franchise into the control of Commission Operators (or Contract Managers as they are now known). This mirrors the Motor Fuel Group operating model.

As a consequence, the employees working at these sites have since transferred to new employers and the supporting managerial structure, dismantled.

At the time of writing, RFF Ltd is undertaking consultations with the remaining staff working under the Greggs franchise regarding a proposal to transfer their employment to the Contact Managers operating their sites. As a consequence, and subject to the consultation process, it is possible that RFF Ltd will no longer exist as an employing company in the coming months.

Gender Pay Gap

Gender Pay Gap analysis identifies the percentage difference between the average (mean or median) earnings and bonuses of men and women. The difference is expressed as a percentage of men's earnings.

Positive percentage figures identify that, overall, female employees have lower pay or bonuses than male employees. By contrast, a negative percentage figure indicates the opposite; namely that male employees have lower pay or bonuses than female employees.

It differs from Equal Pay Analysis in that it measures the difference in pay based on all men and women in a Company or Group irrespective of what working they are undertaking, rather than focusing on the pay of those carrying out the same or similar jobs or work of equal value.

Measurements

Under the legislation, the Group is obliged to undertake the following calculations of employee's pay.

1. The mean gender pay gap:

This calculation identifies the difference between the mean (average) hourly rate of pay (including salary, allowances and other payments) of male and females who received their full pay during the April 2018 pay period.

2. The median gender pay gap:

This calculation identifies the difference between the median (middle) hourly rate of pay (including salary, allowances and other payments) of male and females who received their full pay during the April 2018 pay period.

3. The proportion of males and females receiving a bonus payment:

This calculation shows the percentage males and females who received a bonus in April pay period 2018 or the 12 months leading up to it.

4. The mean bonus pay gap:

This calculation identifies the difference between the mean (average) bonus pay of all males and females employed as at the 5th April 2018 and who received a bonus during April 2018 and/or the preceding 12 months.

5. The median bonus pay gap:

This calculation identifies the difference between the mean (middle) bonus pay of all males and females employed as at the 5th April 2018 and who received a bonus during April 2018 and/or the preceding 12 months.

6. The proportion of males and females in each quartile pay band:

This calculation requires an employer to show the proportions of male and female full-pay relevant employees in four quartile pay bands, which is done by dividing the workforce into four equal parts.

Quartile Bandings

Lower Quartile

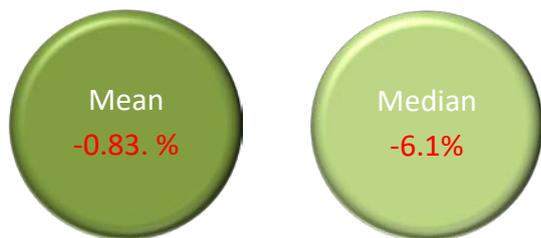
Middle Lower Quartile

Upper Middle Quartile

Upper Quartile

RESULTS

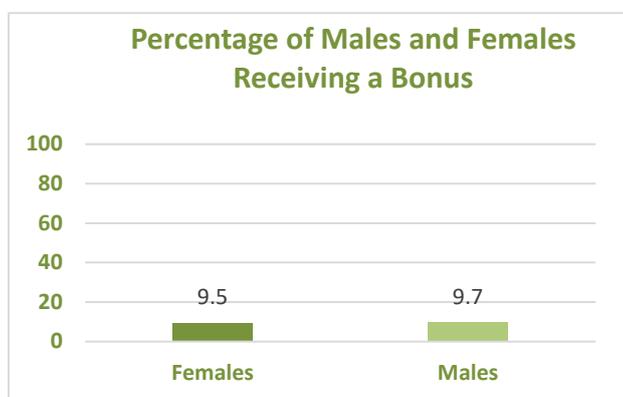
Gender Pay Gap



The percentage of employees receiving the Minimum / Living Wage remained broadly unchanged from 2017. However, an increase in the number of males receiving the highest level of Minimum Wage and occupying senior roles has led to an improvement in the mean and median Gender Pay Gap. However, females generally continue to earn more than males and as a consequence, the calculations have generated negative figures which reflects this.

One of the drivers for the higher level of female pay remains the number of women receiving the Living Wage, the highest statutory pay rate (72 compared to 22 males). This may be explained by the flexible nature of the roles, which may appeal to those wishing to work part time, and these figures are broadly in line with national trends according to the New Policy Institute (1).

Bonus Gap

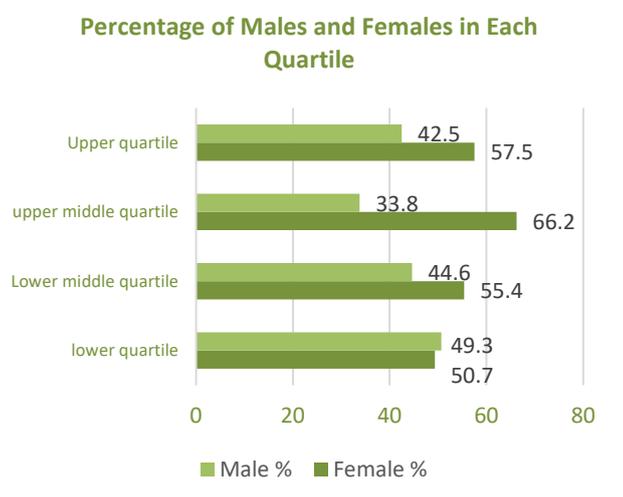


The number of males and females within the Company receiving bonuses has almost reached parity as a result of an increase in the number of males in supervisory or managerial positions (to which bonuses are restricted).



Whilst females continue to be paid higher amounts of bonuses, the disparity has significantly improved thanks to the recruitment of more males to Senior positions. These figures are likely to improve further as newly recruited male managers may have missed out on quarterly bonus payments or did not receive them altogether as a result of their relatively short length of service.

Quartiles



With males only making up 42% of the workforce, and the alignment of the majority of pay with the statutory Minimum / Living Wage rates, it is, perhaps, unsurprising that females have dominated all but the lower quartile in terms of pay.

It is therefore clear that the Company has to do more to attract more males of all ages into both site and above site roles.

Overall Conclusions

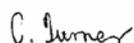
RFF Ltd is unusual in that its Gender Pay Gap measurements are negative, indicating that women generally receive higher pay and bonuses than their male counterparts. The figures indicate an improvement on 2017, largely as a result of more males being appointed to supervisory and managerial positions, combined with the increase in males being paid the highest level of minimum wage. However, it is clear that further work would need to be done before parity is achieved.

Steps RFF Ltd Intends To Take

As detailed at the beginning of this report, it is possible that RFF Ltd will no longer exist as an employing company in the coming months. As a result, the Company will wait for the consultation process relating to the transfer of employees to Contract Managers to be concluded before deciding what steps to take in relation to its Gender Pay Gap.

Declaration

I confirm that the data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Carolyn Turner, HR Director

Sources

1: Adam Tinson A, Aldridge H and Whitham G, New Policy Institute, Women, Work and Wages, October 2016.