



HOUSE OF LORDS

House of Lords  
Ethnicity Pay Gap  
Report 2022





## Introduction

A pay gap only measures one thing, pay. The difference in average hourly rate between our ethnic minority colleagues<sup>1</sup> and White colleagues alone is not an adequate measure of lived experience, nor does it highlight the systemic issues that can lead to pay gaps.

In 2022, one in six ethnic minority colleagues responded negatively to the question 'We are respectful, considerate and polite to others regardless of their grade, position or background' in the House of Lords People Survey. This is compared to one in twenty White colleagues. Ethnic minority colleagues also reported more negative experiences of career development opportunities, workplace culture, and the support available to them when facing unacceptable behaviour.

The action we take in response to our ethnicity pay gap must, therefore, be two pronged. Firstly, we must focus on meaningful and sustainable pay reform. The other aim is to embed activities to address the structural and cultural problems which underpin the pay gaps. To create long lasting, sustainable change to the lives of our ethnic minority colleagues we must address these structural problems head on, accepting that it will take longer for these cultural changes to take hold.

<sup>1</sup> Throughout this report we define ethnic minority colleagues to mean all colleagues who have disclosed their ethnicity as any ethnic group other than White ethnic groups. For the purpose of this report all colleagues who have disclosed their ethnicity as any White ethnic group have been included as White. The Administration recognises the breadth of cultural differences within these groupings.

## Our 2022 pay gap

An ethnicity pay gap show the difference in average pay between ethnic minority colleagues and White colleagues within an organisation. Currently, there is not any legislative requirement for the publication of ethnicity pay gaps or guidance for calculating the ethnicity pay gap. Therefore, we have used the same calculations and boundaries used for gender pay gap calculations.

In this report, we have included the following:

- the mean and median ethnicity gaps in hourly pay & bonus pay
- the proportion of ethnic minority colleagues and White colleagues in each pay quartile

## Headlines

Median Ethnicity Pay Gap:	23.7%
Median Ethnicity Bonus Gap:	0%
Mean Ethnicity Pay Gap:	25.6%
Mean Ethnicity Bonus Gap:	36.3%

## Hourly rates

	Ethnic minority colleagues	White colleagues	Pay gap
Median hourly rate	£12.85	£16.85	23.7%
Mean hourly rate	£14.68	£19.72	25.6%

## Pay quartiles

	Ethnic minority colleagues	White colleagues	Prefer not to say
Lowest quartile	37%	54%	8%
Second quartile	25%	69%	6%
Third quartile	17%	79%	5%
Highest quartile	7%	90%	3%

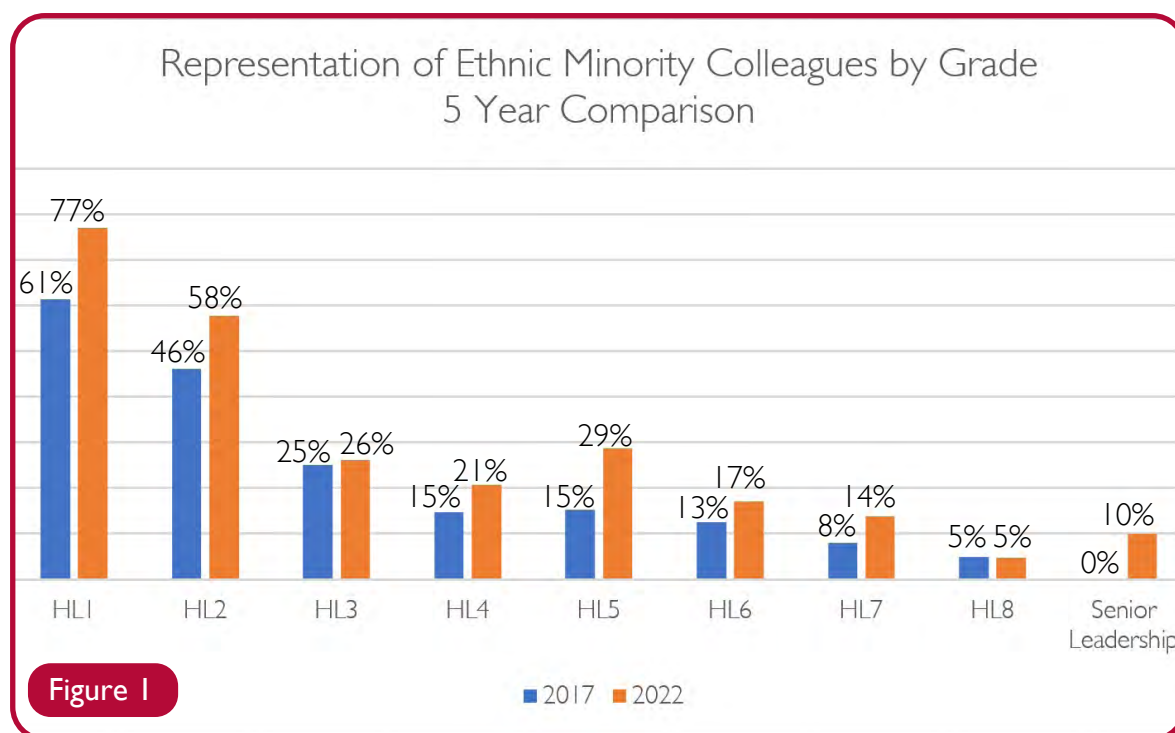
Due to rounding some totals may not add up to 100%

## Causes of our pay gap

Across the whole Administration ethnic minority colleagues make up 21% of our workforce. The main cause of our ethnicity pay gap is that this representation of colleagues is not consistent throughout the pay grades.

Less than half of all Administration colleagues are within grades HL1–5. Over 70% of all ethnic minority colleagues are within these grades, compared to only 38% of all White colleagues. Likewise, senior leadership grades make up 9% of our total workforce, 11% of all White colleagues are within these grades compared to just 4% of all ethnic minority colleagues.

Pay gaps only provide a snapshot on a particular date, it is important to also monitor the trends over time. In the five years since 2017, representation of ethnic minority colleagues in the House of Lords Administration has increased from 16% to 21%. Most notably, representation within our senior leadership grades has increased from 0% to 10%. Further detail can be seen on Figure 1. The pace of change is slow; however, progress should be noted whilst acknowledging that more must be done more quickly.



[Annex 1](#) shows the changes in representation for ethnic minority colleagues compared with White colleagues and those who have not declared their ethnicity.

## The bonus gap

Using the definition of “Bonus” under Gender Pay Gap legislation, 84% of House of Lords colleagues were paid a bonus in the 2021–22 year. Only a handful of these payments were related to performance. These amounts were paid to senior colleagues in relation to the performance ratings received in their Performance and Development Reviews.

All other bonus payments, under this definition, were paid at a flat rate to eligible colleagues as part of pay discussions with our Trade Unions.

This results in no median bonus gap as the median figure was £250 in both groups. The mean bonus gap of 36.3% is a result of performance related payments made to senior colleagues, which are typically higher. Colleagues within the senior grades are predominantly White, therefore increasing the mean payment in this group.

## Reducing our pay gap

We are committed to doing better and want to hold ourselves accountable for driving improvements across our ethnicity pay gap.

As mentioned above, we are taking a two pronged approach to make meaningful and sustainable change to our structures and culture. We are reforming our HLI–9 pay structures to provide more opportunities for progression within a grade. We have also introduced an action plan to tackle the cultural barriers which underpin the pay gaps.

## Reforming our pay structure

The 2022 HLI–9 pay award set the tone for pay reform moving forward. The House of Lords Management Board committed to key principles, including;

- The removal of spinal column points, simplifying pay progression within grades
- Merging grades HLI, HL2, and HL3. HLI and HL2 were previously “spot rates” meaning that colleagues in these grades had no pay progression available to them. HL3 is a wider pay range, providing more opportunity for colleagues to progress through the grade

Additionally, this pay award was focused on ensuring that colleagues in our lowest paid grades received the greatest proportional increase to their take home pay.

A key consideration in discussions with the Management Board and with our Trade Unions was our ethnicity pay gap. Figure 2 shows the representation of ethnic minority colleagues by grade. The Pay Gaps Action Plan is focusing on increasing representation across all grades, particularly senior grades. Whilst this work progresses, pay reform must continue, and our ethnicity pay gap will continue to be a driver of this reform.

	Ethnic minorities (excluding White minorities)	White (including White minorities)
HL1	91%	9%
HL2	63%	38%
HL3	29%	71%
HL4	23%	77%
HL5	30%	70%
HL6	18%	82%
HL7	14%	86%
HL8	5%	95%
Senior Leadership	10%	90%

Figure 2



## Timeliness of reports

To ensure that our responses to our pay gaps are timely and appropriate, we are committing to publishing our pay gap reports within the three months following the snapshot date. The legislation underpinning pay gap reporting allows almost a full year to pass between the snapshot date and publication, meaning that data underpinning the report is 12 months out of date before discussions take place about how to respond to the gaps. This means that often it can be three years before we measure the efficacy of actions identified in previous reports. This is an inadequate timeframe.

For example: for the snapshot date of 5 April 2022, the publication date of the report is 31 March 2023, at which point actions are proposed and work will commence.

The snapshot date for the 2023 report falls five days after the publication deadline of the previous year's report, too small a timeframe for any meaningful work to have taken place.

The impact of work taking place in response to the 2022 report will be captured, at the earliest, on the 2024 snapshot date. The report resulting from the 2024 snapshot is not required to be published until 31 March 2025, at which point the efficacy of actions proposed based on data from 5 April 2022 can be assessed.

The report for 5 April 2023 will be published before summer recess 2023.

## Targeted Inclusion & Diversity activities

The Administration has launched a new multi-year action plan with the focus of reducing our pay gaps through targeted and sustainable measures. Working in partnership with our Workplace Equality Networks and following best practice from industry leading organisations, this action plan will address the underlying issues that cause pay gaps.

The Action Plan broadly divides activity into three pillars:

- Outreach & recruitment activity
- Developing & retaining our people
- Reviewing internal processes & procedures

Under each pillar we have identified specific activities we will be delivering over the next 12 months. This work aims to specifically address our ethnicity and gender pay gaps, however we believe these activities will also contribute to improve the Administration's wider culture. Within the outreach and recruitment pillar we will be introducing an ethnic minority focused internship programme that provides individuals with a short-term internship within the House of Lords, conduct a review of our Employer Brand that creates a consistent and inclusive brand

aligned to the House of Lords values and behaviours, align our existing outreach programmes and develop resources that promote career opportunities across the House of Lords. All of these activities aim to raise awareness of the breadth of opportunities available and allow us to promote the House of Lords as an employer of choice to communities that are currently underrepresented within certain teams or grades.

We have already begun a Bicameral Reciprocal Mentoring Programme, initially focused on race and ethnicity. This programme aims to enable open discussions about what it is like to work in Parliament, and how to be part of creating and maintaining a more inclusive culture. We have launched a new Shadow Board, to help to bring different and new perspectives to the management of the organisation and to nurture talent by providing exposure to senior leadership and strategic management. We will also introduce tailored development opportunities for colleagues within our Facilities Department, who are predominantly within HLI–HL6, and ethnic minority colleagues between HL5–HL7 to focus on the potential of our emerging leaders.

The final area of focus over the next 12 months is reviewing our processes and procedures, this will include a review of our recruitment practices and policies to ensure we are in line with external best practice and to be confident that we are mitigating any potential ethnicity related biases within our recruitment processes. We will also be introducing a bespoke learning opportunity to support colleagues and leaders to talk about race.

## Annex I

### Change in Representation of Ethnic Minority Colleagues since 2018

	2017	2022
HL1	61%	77%
HL2	46%	58%
HL3	25%	26%
HL4	15%	21%
HL5	15%	29%
HL6	13%	17%
HL7	8%	14%
HL8	5%	5%
Senior Leadership	0%	10%

### Change in Representation of White Colleagues since 2017

	2017	2022
HL1	19%	8%
HL2	50%	35%
HL3	68%	64%
HL4	78%	71%
HL5	83%	68%
HL6	84%	80%
HL7	85%	81%
HL8	94%	92%
Senior Leadership	100%	88%

### Change in proportion of Prefer not to say/ Blank responses since 2017

	2017	2022
HL1	19%	15%
HL2	4%	8%
HL3	7%	10%
HL4	7%	8%
HL5	2%	3%
HL6	3%	3%
HL7	7%	5%
HL8	2%	4%
Senior Leadership	0%	2%

