



HOUSE OF LORDS

Gender and  
Ethnicity Pay Gap  
Report 2019

# Introduction

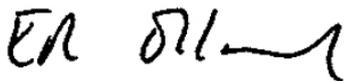
The House of Lords Administration believes that transparent reporting is a necessary step to address any inequalities revealed in the pay of our employees. As an inclusive employer, we embrace our responsibility to identify and eliminate gender and ethnicity pay gaps and this report is one of the ongoing measures which we will use to achieve this goal.

In the 2018 Gender Pay Gap Report we reported that our overall gender pay gap had fallen by 0.6% to 13.1%, and that the pay gap outside the senior bands had risen to 2.4%. The 2019 Gender Pay Gap Report shows small improvements in these figures with the overall pay gap further narrowing to 11.9% and the pay gap for employees outside the senior grades falling to 1.7%, as at 5 April 2019.

The pay gap within our senior bands has also reduced again from 5.1% to 3.2%, however there is still work to be done regarding the ratio of men to women within the senior grades (approx. 3:1), as the low female representation within this grouping is a key contributor to the persistence of the overall pay gap.

In this report we have also taken the decision to start reporting our ethnicity pay gap. This is as a response to the positive steps which have been taken by the Administration regarding the gender pay gap and its slow but gradual reduction since the beginning of reporting in 2017. In this, the first year of reporting, the ethnicity pay gap is 27.8%. We hope that the encouraging changes starting to be seen as a result of gender pay reporting can be mirrored in ethnicity pay, enabling the House of Lords Administration to further achieve its commitment to being an inclusive workplace.

**Ed Ollard**  
**Clerk of the Parliaments**  
**House of Lords Administration**



## Focus on inclusion

Since 2017, the Administration has continued to build its reputation as an inclusive employer by leading in many areas of work that go above and beyond our commitments to the Public Sector Equality Duty. This work has been recognised externally; we were placed at No.23 on the Inclusive Top 50 UK Employers list in 2017 and 2018 and No.28 in 2019. The Administration also became the first organisation in the UK to achieve Gold status in the National Inclusion Standard in September 2019. Our recent staff survey tells us that 75% of respondents believe that the Administration has made progress towards its commitment to being a more diverse and inclusive organisation, as well as an 18% increase in colleagues feeling free to be themselves at work, rising to 73%. We are proud of the progress that has been made to date and the integral part that everyone in the Administration has played in making inclusion an everyday reality.

In 2019 we launched our Focus on Inclusion strategy and action plan 2019-2021. This strategy will continue to be the vehicle through which we move towards a position of pay parity for both gender and ethnicity. Actions include adopting a 'press pause' system in senior grade recruitment processes, creating wider job shadowing opportunities and implementing a spot-checking system for job descriptions to identify opportunities to gain a wider pool of candidates. We are also committed to doing better both on supporting career choices and opportunities and in breaking down barriers.

With a combination of these actions, those included in the Gender Sensitive Parliament Audit, our improved support for, and increased uptake of, flexible working arrangements and the actions within this report, we believe we can close our current pay gaps.

## Gender pay gap reporting – overview

In 2017, the Government introduced legislation that makes it statutory for organisations with 250 or more employees to report annually on their gender pay gap. The legislation required relevant organisations to publish their gender pay gap by 30 March 2018 (and then annually) including:

- the mean and median gender gaps in hourly pay
- the mean and median gender gaps in bonus pay
- the proportion of men and women who received bonuses
- the proportion of men and women employees in each pay quartile.

Gender pay is different to equal pay. Equal pay compares the pay of two people who hold the same or similar jobs within an organisation, or who carry out work of an equal value. It is against the law to pay people unequally because of their gender or any other protected characteristic. Gender pay shows the difference in average pay between men and women within an organisation, it is a group comparison which looks at gender diversity across all levels of an organisation.

While it is not yet a legislative requirement for any organisation to publish their ethnicity pay gap, the House of Lords Administration has taken the decision to start reporting from this year in order to demonstrate our commitment to eradicating the ethnicity pay gap. As specific guidelines for reporting have not yet been written and therefore cannot be adhered to, we have opted to use the guidance for the gender pay gap (as above) to examine the difference in pay between our BAME\* and white employees.

\*BAME – Black, Asian and other Ethnic Minorities. The Administration only uses the acronym 'BAME' to produce headline data in line with comparative data sets. The Administration recognises the breadth of cultural differences within this grouping.

## Our 2019 gender pay gap report

As of 5 April 2019, the percentage of colleagues who had declared their gender on our HR system was 100%.

Mean Gender Pay Gap: 11.9%

Median Gender Pay Gap: 4.0%

Mean Bonus Gender Pay Gap: -36.7%

Median Bonus Gender Pay Gap: 0%<sup>1</sup>

The proportion of male and female employees in each pay quartile:

Quartile	Female %	Male %
First (lower) quartile	54.4%	45.6%
Second quartile	52.7%	47.3%
Third quartile	54.4%	45.6%
Fourth (upper) quartile	45.0%	55.0%

## The main reasons for the gaps

The table below shows the percentage distribution of male and female employees in each grade, compared with 2018. This not only enables us to identify where the biggest gaps are, it also shows where there have been successes within the past year. It should be noted that there has been an increase in the percentage of female employees at HL6 and above, and particularly marked rises at HL8 and HL9. This, paired with the reduction in the percentage of female employees in grades HLI-4, contributes in part to the reduction in the gender pay gap in 2019.

Grade	F		M	
	2019	2018	2019	2018
HL1	59.3%	60.0%	40.7%	40.0%
HL2	54.8%	60.0%	45.2%	40.0%
HL3	41.5%	42.9%	58.5%	57.1%
HL4	43.1%	47.1%	56.9%	52.9%
HL5	56.3%	57.3%	43.7%	42.7%
HL6	64.4%	60.0%	35.6%	40.0%
HL7	52.6%	50.0%	47.4%	50.0%
HL8	50.0%	43.3%	50.0%	56.7%
HL9	25.0%	16.7%	75.0%	83.3%
SCS	25.6%	24.2%	74.36%	75.8%
AFS	20.0%	37.5%	80.0%	62.5%
OTHER**	66.7%	59.6%	33.3%	40.4%
Grand Total	51.6%	50.4%	48.4%	49.6%

<sup>1</sup> These bonus pay gap figures are the same as those reported as at 5 April 2018. Given the greater clarity on the reporting period in which the payment of bonuses should be captured (bonuses being included in the calculations if they have actually been received within the relevant period — the period to which a bonus is attributed is not relevant for these purposes), we are aligning our reporting to when bonuses have been received.

The pay gap for the non-senior HLI-9 grades has fallen from 2.4% to 1.7%, with the average female employee's hourly salary rising by 43p, and the average male employee's hourly salary rising by 30p.

Whilst the gap is gradually reducing, disparity can be identified when looking at the HLI-9 grades and SCS group individually. For example, HL8, HL9 and the SCS group all have a positive gender pay gap (favouring male employees), the three lowest paid grades (HLI-3) have a negative gender pay gap, (favouring female employees).

\*\* Variable hours employees and employees on secondment, not paid on House of Lords pay scales.

## The bonus gap

No non-consolidated performance-related payments were paid during 2018. However, a handful of staff (<10) who were at the maximum of their pay scales received a non-consolidated award as part of the 2018 pay award. Such awards fall within the definition of 'bonus' for gender pay gap reporting purposes. As the numbers involved are so small, this skews the mean bonus pay gap figure in the way shown.

## Our 2019 Ethnicity Pay Gap

As of 5 April 2019, the percentage of colleagues who had declared their ethnicity on our HR system was 93.3%.

Mean Ethnicity Pay Gap: 27.8%

Median Ethnicity Pay Gap: 26.5%

Mean Bonus Ethnicity Pay Gap: 100%

Median Bonus Ethnicity Pay Gap: 100%

The proportion of BAME and white employees in each pay quartile:

Quartile	BAME %	Not stated % ***	White %
First (lower) quartile	36.9%	8.1%	55.0%
Second quartile	16.7%	9.3%	74.0%
Third quartile	12.1%	4.0%	83.9%
Fourth (upper) quartile	6.0%	5.4%	88.6%

\*\*\* This is the collective title for the employees who have given responses of 'Prefer not to say' or declined to disclose their ethnicity data.

## The main reasons for the ethnicity pay gap

The most prominent reason for the gap is the representation of BAME employees throughout the pay grades.

66.4% of employees within HLI-5 are BAME, only 20.5% in HL6-9 and 1.9% in the SCS grades. Overall in the House of Lords Administration, 17.9% of employees (who have declared their ethnicity) are BAME. The representation of BAME employees in HLI-3 and HL5 exceeds this proportion and the percentage of white employees in this grade is consequentially lower than the average percentage of white representation\*\*\*\*.

\*\*\*\* At the snapshot date, the disclosure rates for those included in the pay gap calculations were as follows; 17.9% BAME, 75.4% white, and 6.7% not stated.

## The bonus gap

No non-consolidated performance-related payments were paid during 2018. However, a handful of staff (<10) who were at the maximum of their pay scales received a non-consolidated award as part of the 2018 pay award. Such awards fall within the definition of 'bonus' for gender pay gap reporting purposes. As the numbers involved are so small, this skews the mean bonus pay gap figure in the way shown, particularly as in this instance no BAME employees received the non-consolidated award.

## Working towards eradicating the gender and ethnicity pay gaps

The House of Lords Administration is committed to advancing equality, continuing to build a more inclusive culture, and valuing all forms of diversity. We have set as a strategic priority the need to 'embrace diversity and improve our culture' and inclusivity is one of the Administration's core values. The Administration strives to provide opportunities for all of our people, including prospective candidates, and to help them to succeed, regardless of gender, ethnicity or any protected characteristic, by removing barriers to ensure that diverse or under-represented groups have equal opportunities. We do recognise that progress has been slower in some areas than others – with progress towards more diverse senior leadership being amongst them.

During 2019 we:

- introduced a 12 month 'Press Pause' pilot for vacancies advertised externally in our HL8 grade and above to enable us to seek to achieve greater diversity of applicants for vacancies
- introduced diversity targets such as seeking a 50/50 application rate between genders and that offers of employment made to female candidates are at least proportional to the applications received
- introduced diversity targets for ethnicity in recruitment such as seeking proportional applications and offers of employment for BAME candidates

- agreed a leadership development programme aimed at equipping all current and potential leaders with the skills they need to operate successfully at SCS level in the House of Lords Administration
- introduced practical arrangements to assist colleagues in forming job-share pairings as part of a wider 'flexible working hub brokerage' service which will also encompass an active 'keeping in touch' network for those colleagues out of the organisation for a period of time
- in tandem with the House of Commons, implemented the relevant recommendations from the Gender Sensitive Parliament Audit.

In 2020 we aim to continue building on our progress through:

- launching our Leadership Development Programme
- creating wider job shadowing opportunities, to ensure colleagues are aware of career opportunities within the Administration
- evaluating the 'Press Pause' initiative, with a view to extending it wider than just to senior grades
- developing an inclusive sponsorship programme for our existing colleagues
- signing up to the 'Business in the Community - Race at Work Charter' and implement relevant recommendations
- continuing to improve diversity data disclosure rates to further understand the make-up of our organisation
- looking across a wide range of sectors at how other organisations have successfully closed their gender and ethnicity pay gaps

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