



HOUSE OF LORDS

Gender and
Ethnicity Pay Gap
Report 2021

Foreword

The House of Lords Administration 2021 pay gap between men and women is 9.4%. The gap is 2.5% lower than it was in 2020. This reflects the unusual circumstances of the 2020–21 year as we responded to the challenges of COVID with different workforce models. This report includes further details on the circumstances relating to the reduction.

This is the third year we have reported on our ethnicity pay gap which for 2021 is 26.6%. This is a reduction of 0.6% since 2020. As with the gender pay gap, the snapshot date of 5 April 2021 has impacted the ethnicity pay gap but not to the same degree.

The snapshot date of 05 April 2021 reflects a moment where the Administration was still responding to the pandemic. This was during a time of COVID restrictions which saw variable hours colleagues not attending the estate. The hourly rates for our variable hours colleagues are typically within the first (lower) quartile. These colleagues not being included in the calculations has meant that the overall group examined in the gender and ethnicity pay gaps in 2021 is not a comparable group to previous years. Additionally, alongside the wider public sector and Civil Service, there was little job movement within the Administration also impacting on our overall snapshot data.

The use of the term BAME (Black, Asian, and other Ethnic Minorities) has been more publicly scrutinised in recent years for generalising the experiences of the communities it tries to encompass. The Administration only uses the acronym 'BAME' to produce headline data in line with comparative data sets. We use this as a comparison tool between colleague groups, whilst still recognising the breadth of cultural differences and experiences within this grouping. To ensure we are providing comparable data sets we are using BAME as a comparison group but will be consulting colleagues to agree new language and terminology in this area through focus groups, 1-2-1s, and anonymous feedback survey.

There is still much work to be done to reduce our pay gaps. This report includes details on how we will continue to make efforts to tackle our gender and ethnicity pay gaps, including undertaking a wider review of our efforts across the 2022–23 year, with our commitment on inclusion made clear through our Action on Inclusion Strategy.

This strategy outlines our unwavering commitment to harnessing the differences of our people and reap the benefits of our diversity, helping to build an environment where people feel respected, valued and able to contribute as we work together to support and strengthen the work of the House.

Dominic Houlihan
HR Director

Our continued commitment to inclusion and diversity (I&D)

In 2021 the Administration closed its second I&D strategy, 'Focus on Inclusion', having advanced our compliant activity to become best practice and facilitating grass roots innovation from our colleagues. With the launch of our third strategy, we shifted from 'Focus' to 'Action on Inclusion'. This bridges the gap between words and actions, but also commitments and lived experience, both at an Office and Administration level.

2020 to 2021 brought unprecedented change to the way we all live and work with the spread of the COVID-19 pandemic. Additionally, 2020 saw racial injustice brought into sharp focus for organisations globally. The combination of these factors required the Administration to make room for both proactive and reactive work in I&D, maintaining ongoing initiatives to improve representation whilst also speeding up reform and producing tangible culture change.

For example, we have expanded the 12-month 'Press Pause' pilot for vacancies advertised externally in our HL8 grade and above to include HL7 posts. This enables us to further seek greater diversity of applicants for vacancies. We continue to apply this initiative whilst simultaneously adopting the opposite approach for roles graded HLI-6 which we will advertise internally first as standard.

This year we will be producing our first annual Diversity Data Report in order to increase the overall transparency and accessibility of data relating to the make-up of the Administration. This will enable greater application of positive action statements in job descriptions and use in the new Inclusion Analysis process.

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 a legislative requirement for any organisation to publish their ethnicity pay gap, the House of Lords Administration started reporting our Ethnicity Pay Gap from the 2019 Gender and Ethnicity Pay Gap Report, to demonstrate our commitment to addressing the ethnicity pay gap. As specific guidelines for reporting have not yet been written, 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.

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Our 2021 Gender Pay Gap report

As of 5 April 2021, the percentage of colleagues who had declared their gender on our HR system was 100%.

Mean Gender Pay Gap: 9.4%

Median Gender Pay Gap: 3.3%

Mean Bonus Gender Pay Gap: -4.1%

Median Bonus Gender Pay Gap: 0%

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

Quartile	Female %	Male %
First (lower) quartile	54.0%	46.0%
Second quartile	59.3%	40.7%
Third quartile	56.0%	44.0%
Fourth (upper) quartile	46.7%	53.3%

The main reasons for the GPG

(Table 2 – Gender representation in each pay grade or grouping as at 05 April 2021 and 05 April 2020.)

Grade	F		M	
	2021	2020	2021	2020
HL1	57.1%	57.1%	42.9%	42.9%
HL2	65.6%	63.9%	34.4%	36.1%
HL3	37.5%	41.5%	62.5%	58.5%
HL4	45.5%	47.5%	54.5%	52.5%
HL5	62.5%	55.3%	37.5%	44.7%
HL6	64.2%	63.9%	35.8%	36.1%
HL7	52.6%	52.9%	47.4%	47.1%
HL8	54.9%	52.6%	45.1%	47.4%
HL9	22.2%	25.0%	77.8%	75.0%
SCS	33.3%	25.7%	66.7%	74.3%
AFS	42.9%	50.0%	57.1%	50.0%
Other**	80.0%	62.5%	20.0%	37.5%
Grand Total	54.0%	52.8%	46.0%	47.2%

At the snapshot date of 05 April 2021, the House of Lords had a 2.5% reduction in our mean Gender Pay Gap. Our overall female representation has increased again this year, notably in several grades including the SBS grades, which are among the most highly paid in the Administration. Whilst this is good progress towards our goal of gender pay parity, the 2021 gender pay gap should be considered alongside the caveat that the snapshot date fell at an unusual time for the Administration and therefore cannot be truly comparable to previous years.

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In this year's report, as well as the increase in female representation in more highly paid grades, particular attention should be paid to the "Other" grouping of grades in both the Gender and Ethnicity Pay Gaps. This grade group covers employees of the House of Lords that are paid outside of the pay scales, due either to secondment, career break, or those who are on variable hours or freelance contracts.

The largest group represented within "Other" are our variable hours catering colleagues, who's hourly rates are typically within the first (lower) quartile. Whilst female representation within this group has increased, the make-up of the group compared to the previous year is quite different as at the time of the snapshot date. The House of Lords was not utilising variable hours due to a significantly reduced number of events being held, in line with Covid restrictions at the time. This meant that the group fell in size from 56 people in 2020, to 10 people in 2021. Some of the impact of this can be seen in the first quartile, where female representation has fallen from 58.4% in 2020 to 54% in 2021. Whilst this has contributed to a reduction in our gender pay gap this year, it is likely that 2022 onwards will again see an increase in variable hours catering colleagues being required, and therefore this change is unlikely to be sustained.

Additionally, the snapshot date fell in an unusual month for the House of Lords, as it was in this month with considerable transitional change to our senior leadership. Whilst there was no period in which our most senior role (Clerk of the Parliaments) was vacant, the board positions of Clerk Assistant and HR Director were vacant at the snapshot date.

This meant that there were two fewer salaries within the SBS grades for this report, which can be pivotal in the mean gender pay gap. For example, when the hourly rate associated with the Clerk Assistant post is included as a male colleague, our mean gender pay gap jumps from 9.4% to 10%. When it is included as a female colleague, our gender pay gap falls to 8.8%.

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

Gender Bonus Gap

This year, as part of the annual pay award, colleagues within the senior pay bands received performance related amounts determined by the ratings received in their Performance and Development Reviews. These payments fall into the definition of 'bonus' for gender pay gap reporting purposes. The payments were applied consistently across all SBS colleagues – the resultant mean bonus gap arises due to female colleagues receiving, on average, higher ratings than male colleagues.

Ethnicity Pay Gap Report

As of 5 April 2021, the percentage of colleagues who had declared their ethnicity on our HR system was 91.7% (White 72.4%, BAME* 19.3%).

Mean Ethnicity Pay Gap: 26.6%

Median Ethnicity Pay Gap: 23.1%

Mean Bonus Ethnicity Pay Gap: -8.5%

Median Bonus Ethnicity Pay Gap: 10.0%

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

Quartile	BAME %	Not stated % ***	White %
First (lower) quartile	38.0%	12.7%	49.3%
Second quartile	20.0%	6.7%	73.3%
Third quartile	16.7%	3.3%	80.0%
Fourth (upper) quartile	5.3%	5.3%	89.3%

At the snapshot date of 05 April 2021, our Ethnicity Pay Gap had fallen by 0.6% on the previous year. Some of this reduction is, in part, due to a change in representation levels throughout the pay quartiles. There is an increase in BAME* representation in the second, third and fourth quartiles.

We want to achieve pay parity between BAME* and white colleagues pay, and whilst our progress is a step in the right direction, we must be cautious that the pay averages are not a true comparison with previous years. This is due to the reduction in the group of variable hours colleagues captured within the "Other" grade grouping, as mentioned above. Whilst the representation of white colleagues within variable hours is greater than that of BAME* colleagues, the lower number of BAME* colleagues across the Administration means the reduction of the lower paid colleagues within this group will have more influence on the averages.

There have been positive steps to greater BAME* representation throughout the grades, which has also reduced the gap, however without a comparative group to the previous year it is hard to get an objective picture of what the actual progress against the baseline has been.

Ethnicity Bonus Gap

This year, as part of the annual pay award, colleagues within the senior pay bands received performance related amounts determined by the ratings received in their Performance and Development Reviews. These payments fall into the definition of 'bonus' for pay gap reporting purposes. The payments were applied consistently across all SBS colleagues. Due to the low number of recipients of performance related non-consolidated payments, and the even lower number of BAME* recipients, the averages within this area are easily influenced. Whilst the mean average for BAME* bonus figures is much higher than that of white colleagues, the median is much lower as the number of payments made to BAME* colleagues was much fewer. This demonstrates some of the volatility of these averages when calculated on such a small group.

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Our plans to address the pay gaps

There are a variety of initiatives and activities that have been implemented since the start of pay gap reporting that we will continue to undertake.

In previous years we have implemented:

- 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 and evaluated the initiative, extending it wider than just to senior grades.
- Introduced diversity targets such as seeking 50% applications from women and that offers of employment made to women 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.
- Launched our leadership development programme aimed at equipping all current and potential leaders with the skills they need to operate successfully at Senior Band Service 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' service which 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.
- Signed up to the 'Business in the Community – Race at Work Charter' and completed the annual survey.
- Regularly reporting on diversity data disclosure rates and encouraging higher 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.

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

- Engaging with underrepresented communities through new and existing outreach programmes including our social mobility work experience programme.
- Review our assessment & interview processes and guidance to ensure a consistent and robust process for all recruitment activities including competencies.
- Creating wider job shadowing opportunities, to ensure colleagues are aware of career opportunities within the Administration.
- Review our flexible working provisions and offerings, ensuring as far as possible that all roles have equal opportunities to work flexibly.
- Implement a policy of 'promote in post' considering how colleague development is supported for those who may benefit from this new approach.
- Improve guidance for colleagues who wish to move between career pathways and offer support for those who may want to progress in this way.
- Building on spot checking review & implement findings from review.
- Reviewing press pause.

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In addition to these measures, across the 2022–23 financial year we will undertake a wider review of our approach to tackle our Gender and Ethnicity Pay Gaps, conducting an equal pay audit and reviewing our wider approach to pay and reward. These discussions will help ensure we continue to have a strategic, connected approach to eradicating our pay gaps aligned to our Action on Inclusion Strategy and supporting and strengthening the work of the Administration.

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