

Parliamentary Digital Service pay gap report 2020

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Foreword from Tracey Jessup and David Smith

As Chief Digital Information Officer for Parliament and Managing Director of the Parliamentary Digital Service (PDS) we are pleased to publish our gender pay gap figures for 2020. This is the fourth year of reporting these figures since statutory reporting requirements were introduced in 2017. Alongside our gender pay gap statistics we are also voluntarily publishing our ethnicity pay gap (EPG) figures for the second year running.

As part of Parliament, our aim is to be representative of the society we serve, and we are committed to ensuring a diverse, inclusive and welcoming team in PDS. Our gender and ethnicity pay gap data shows we've made progress towards this goal, but it's only one part of the picture. This data also helps us to understand and address the complexity of inequality, where individuals may be disadvantaged by a combination of gender, ethnicity and other protected characteristics.

Over the last four years we have made positive changes to build and maintain a positive gender balance in PDS. This work is reflected in our gender pay figures which for the second year show close to pay parity in PDS. This year's figures are the result of a gradual increase in number of women working in PDS since 2017, particularly in senior roles, and we also continue to have a much higher proportion of women working here than the technology industry average.

Our second set of EPG data shows that we still have much more work to do to tackle inequality in this area and that progress over the last year has been slow. Although our ethnicity pay gap has improved slightly, it continues to be driven by underrepresentation of BAME people in our more senior pay bands. We are committed to taking action to change this in the coming year, along with our colleagues in the House of Commons and House of Lords.

We want PDS to be a place where all colleagues are equally valued and where diversity is celebrated. While we have made some good progress towards this, we know there is more to do. This report sets out how we will make more positive change in the year ahead.





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Background

At the Parliamentary Digital Service (PDS) we aim to provide a positive, inclusive working environment where people are valued for the skills and experience that they bring to work. Our aim is to be representative of the society we serve. This means making Parliament more accessible, diverse and free from discrimination. Our corporate <u>Diversity and Inclusion Strategy</u> outlines how we plan to achieve this.

PDS is a joint department of both Houses of Parliament. However, as a separate employing body to the House of Commons and House of Lords, we are required to report and publish our own GPG figures. This is the fourth time PDS has published a full report on GPG data, and the second time we have published, on a voluntary basis, our ethnicity pay gap (EPG) data, showing pay gap data between white and BAME¹ colleagues.

We believe transparency drives accountability and that GPG and EPG reporting is an important step towards ensuring our workforce is diverse, inclusive and fair for everyone.

What is a gender pay gap?

The GPG is the difference between the average earnings of men and women, expressed relative to men's earnings. Organisations are required to publish:

- Mean² gender pay gap (%)
- Median³ gender pay gap (%)
- Proportion of males and females in each quartile band (%)
- Mean bonus pay gap (%)
- Median bonus pay gap (%)
- Proportion of males and females receiving a bonus payment (%)

If an organisation has a particularly high GPG, this can indicate a number of concerns, and the individual calculations may help to identify what those issues are. The GPG is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

GPG regulations require PDS to report using data based on a 'snapshot' of relevant employees taken on 5 April 2020. At the time the data below was collected, the gender divide amongst our staff was 38.4% women and 61.6% men.

¹ 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.

² The "mean" is the average of a set of numbers.

³ The "median" is the middle number in a list of numbers ordered from smallest to largest.

What is the ethnicity pay gap?

The ethnicity pay gap is the difference between the average earnings of white and BAME staff, expressed relative to the earnings of white staff.

Our EPG calculations are based on the same methodology as the GPG calculations, however if reporting becomes mandated it may require us to report differently in the future. Our response rates for ethnicity at the same time was 66.6%, so we have only partial confidence in the accuracy of our data, although this is a small increase on last year's response rate of 61.2%. We continue to work with colleagues to improve response rates to ensure next year's figures are more robust, through raising awareness of the importance of this data in driving change.

Key Figures

Proportion of female and male employees

	Male	Female
All staff	61.6%	38.4%
Most senior staff (SCS) only	80.0%	20.0%

Proportion of white and BAME employees

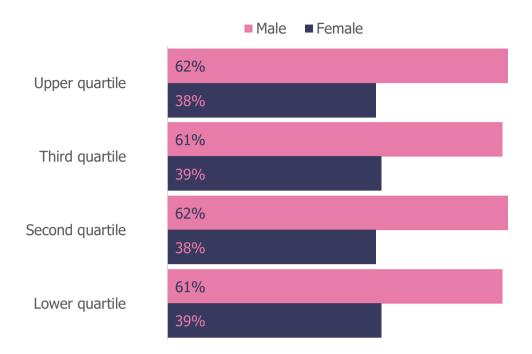
	White	BAME
All staff	72.6%	27.4%
Most senior staff (pay bands SCS and A) only *		

^{*}Percentages not shown as we do not publish data which may identify individuals.

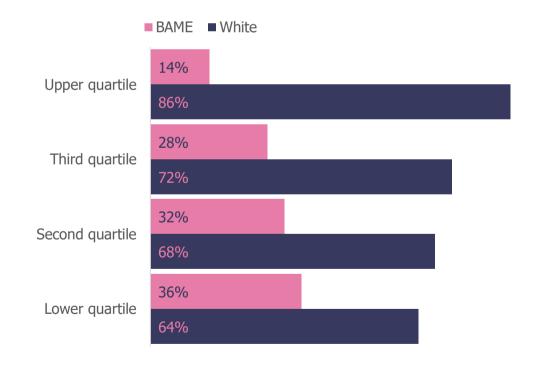
Hourly pay gap

	Mean	Median
GPG	0.8%	0.0%
EPG	13.2%	8.8%

Percentage of males and females in each pay quartile



Percentage of white and BAME people in each pay quartile



Bonus pay gaps

	Mean	Median
GPG	19.3%	0.0%
EPG	-22.8%	0.0%

Proportion receiving a bonus⁴

Male	Female
86.9%	87.9%

White	BAME
93.4%	92.4%

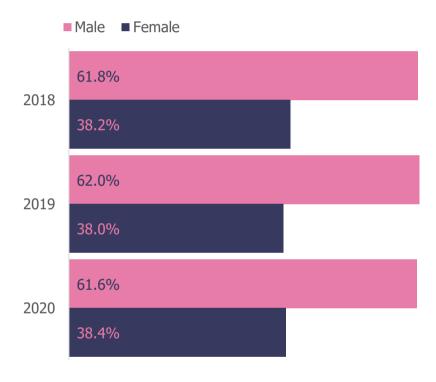
 $^{^4}$ An explanation of the high proportion of bonuses is given in the 'Parliamentary Digital Service Pay Gap Data' section below.

Parliamentary Digital Service Pay Gap Data

At 5 April 2020, PDS employed a total of 437 employees, of which 10 were SCS staff⁵.

Proportion of female and male employees

The proportion of staff who are women in PDS (38.4%) is much higher than the proportion of women working in STEM (Science, Technology, Engineering and Mathematics) roles across the UK⁶ (24%) and represents a 0.2 ppt increase since 2018. Compared to employers in non-technology sectors, particularly our closest comparators the House of Commons and House of Lords, we employ significantly more men, with 61.6% compared to 54.2% for the House of Commons and 47.2% for the House of Lords.



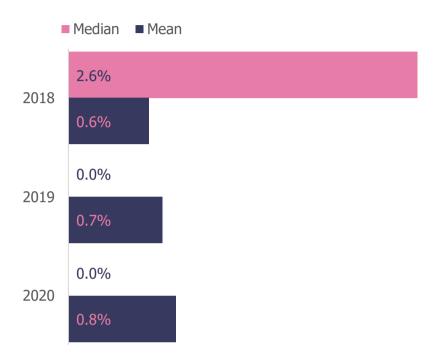
⁵ For the purposes of gender pay reporting, the definition of who counts as an employee is defined in The Equality Act 2010. Using this 'extended' definition and a 'snapshot date' means that there is some inconsistencies compared with data in our annual Diversity Monitoring reports.

⁶Women comprised 24% of the core-STEM workforce in 2019/20, WISE.

Hourly pay

Gender Pay Gap

The mean GPG (the difference between men's and women's average hourly pay) is 0.8% (0.7% in 2019 report) and the median GPG is 0.0% (0% in 2019 report).



In comparison to last year's published figures, there has been a small increase in the mean GPG (0.1 percentage point⁷) and no change to the 0.0% median GPG, showing pay parity.

The PDS median GPG compares favourably with the UK 2020 GPG of 15.5% and the Public Sector overall median GPG of 15.8%⁸.

The median pay gap reduction may be primarily attributed to an increased representation of women in the upper quartile, particularly at the Band A level since 2018.

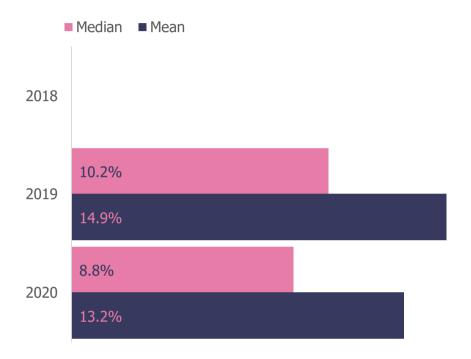
⁷ A percentage point (ppt) is the unit for the arithmetic difference of two percentages.

⁸ Source: Annual Survey of Hours and Earnings, Office for National Statistics.

Ethnicity Pay Gap

The EPG mean pay gap (the difference in average (mean) hourly pay of Black, Asian and Minority Ethnic and white people) is 13.2% (14.9% in 2019 report) and the median EPG is 8.8% (10.2% in 2019 report), a fall of 1.7 ppts and 1.4 ppts for mean and median figures respectively.

2019 ONS figures⁹ shows London to have a median EPG of 23.8% and England and Wales to have a median EPG of 2.3%.



Our EPG is driven by an imbalance of BAME and white staff across different levels of the organisation, including an underrepresentation of BAME staff at the more senior pay bands.

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⁹ Source: ONS Ethnicity pay gaps: 2019, 12 October 2020 (the headline measure for the ethnicity pay gap uses Annual Population Survey data).

Hourly pay quartiles

The hourly pay quartiles data shows the proportion of: i) male and female; and ii) white and BAME people that are in each pay quartile, when we arrange staff in order of hourly pay rate.

Gender

There is a higher proportion of women in the lower (6 ppt increase) and third (5 ppt increase) quartiles compared with 2019 and a lower proportion of females in the second quartile (7 ppt decrease) and upper quartile (4 ppt decrease) over the same period. These variations across the quartiles may have resulted in a broadly neutral impact on the hourly pay gap figures.

% point change of females in each pay quartile: 2019 to 2020

Quartile	% point change
Upper quartile	-4%
Third quartile	5%
Second quartile	-7%
Lower quartile	6%

Ethnicity

The EPG figures shows that the under-representation of BAME people progressively increases – quartile to quartile - from the lowest to the highest quartile.

There is a higher proportion of BAME staff in the upper (2 ppt increase) and third (1 ppt increase) quartiles compared with 2019. These changes may have resulted in the decreases in the hourly pay gap figures.

% point change of BAME in each pay quartile: 2019 to 2020

Quartile	% point change
Upper quartile	2%
Third quartile	1%
Second quartile	-1%
Lower quartile	-1%

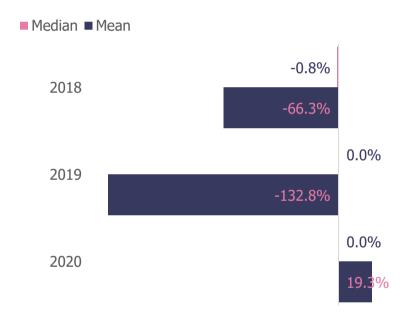
Bonus Pay

The bonus gap is based on the gross bonus paid in the period from 1st April 2019 to 31st March 2020.

Our data on bonus payments is more complex as the data includes a variety of one-off payments which may not traditionally be considered 'bonuses'. These include recognition awards (including £25 vouchers awarded to staff for good work) as well as performance bonuses paid to staff in the Senior Commons Service (SCS) pay bands.

Bonus gender pay gap

Our mean gender bonus gap is 19.3% and the median gap is 0%. The large discrepancy between mean and median bonus percentages is because the mean figure has been significantly affected by outliers, specifically the allocation of bonuses to a small group of senior (SCS) staff.



There a 0.8 ppt decrease in the median bonus gap and a 85.6 ppt swing in the mean bonus gap compared with 2018 figures.

Proportion receiving a bonus: Gender

In the 12 months prior to the snapshot date, 87.9% of women received a bonus compared to 86.9% of men, this was a significant increase in the number receiving a bonus for both genders, 78.6 ppts more for women and 77.2 ppts more for men. The increase in the proportion of staff receiving a bonus attributed to the impact of the across-the-board £250 one-off payment for staff at the end of April 2019.



Bonus ethnicity pay gap

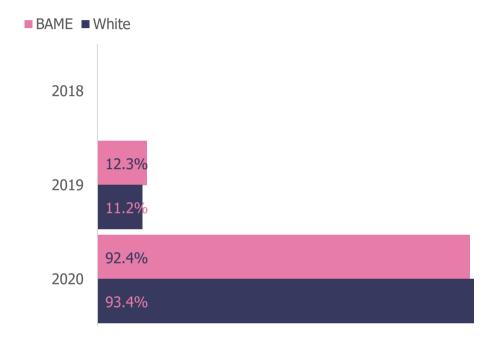
Our mean ethnicity bonus gap is -22.8% and the median gap is 0.0%. The large discrepancy between mean and median bonus percentages is because the mean figure has been significantly affected by outliers, specifically the allocation of bonuses to a small group of senior (SCS) staff.



There a -110.9 ppt swing in the mean bonus ethnicity pay gap compared with 2019 figures whilst the median bonus gap of 0.0% remains unchanged. The large swing of the mean bonus ethnicity gap figures is mainly attributable to changes in the distribution of SCS bonuses.

Proportion receiving a bonus: Ethnicity

In the 12 months prior to the snapshot date, 92.4% of BAME staff received a bonus compared to 93.4% of white colleagues, this was a significant increase in the number receiving a bonus for both groups, 80.1 ppts more for BAME staff and 82.3 ppts more for white colleagues. The increase in the proportion of staff receiving a bonus is attributed to the impact of the across-the-board £250 one-off payment paid for staff at the end of April 2019.



The Executive Board at the House of Commons has taken the decision that bonuses should no longer be a feature of SCS pay with effect from the 2019/20 financial year, which will be a contributory factor regarding bonus figures from 2021 onwards.

SCS bonuses

To give a more accurate picture of the GPG relating to bonuses paid as a result of good performance, we have disclosed information about the gender bonus pay gap for senior (SCS) staff. This voluntary disclosure includes bonus payments made to the most senior (SCS) staff of the House of Commons Service. PDS uses the same pay policies as the House of Commons and decisions about senior pay for both employers are made by the Senior Remuneration Committee of the House of Commons Commission.

The combined SCS mean data shows that our mean SCS gender bonus gap is 1.2% in favour of women and the median bonus gap is 0%. The discrepancy between the SCS mean bonus and the median bonus is as a result of the way the averages are

calculated – median figures tend to be less affected by outliers, which may result in a very different picture.

SCS gender bonus gap: House of Commons and PDS



What steps are being taken to address these figures?

The action we have taken over the last four years have resulted in this year's gender pay gap figures showing close to pay parity in PDS. While in comparison with the national median average of 15.5%, the PDS gender pay gap is small, we cannot be complacent. The small improvement on our EPG data shows there is still much more to be done to address the inequality experienced by BAME colleagues. PDS is committed to providing a positive, inclusive working environment, in which people are valued for the skills and experiences that they bring to work. In partnership with the House of Commons, we are a London Living Wage employer, rated in the top 100 best employers in the Stonewall workplace equality index, have achieved the Action on Hearing Loss 'Louder than Words' Charter Mark and are accredited as a disability confidence leader.

Over the past three years, working with the House of Commons and House of Lords, we have made significant policy decisions around the recruitment of senior staff and delivering representation targets at senior levels, including:

- Starting to tackle the barriers for women and BAME people into senior roles through the Diversifying Leadership Programme. Since the last report, targets have now been set for increased representation as part of the new Diversity and Inclusion strategy.
- In June 2019, signing up to the Race at Work Charter with its actions designed to ensure ethnic minority employees are represented at all levels.
- Making significant policy decisions around the recruitment of senior staff, specifically to require both diverse panellists and shortlists when recruiting for a group of the most senior roles. A default commitment to external recruitment will also ensure that we are targeting a diverse recruitment market to appoint to these key roles.
- Using a "pressing pause" approach after each stage of the recruitment cycle
 (application deadline, long list, short list) to help ensure that our recruitment
 campaigns for senior roles have the best chance of reaching diverse
 audiences and continue to be fair and open. This allows any stages of the
 cycle to be revisited following the pause to help deliver this objective.
- Introducing the Reverse Mentoring (ParliREACH) initiative. This allows staff
 from minority ethnic backgrounds to act as reverse mentors to more senior
 staff, in which they share their experiences of being an ethnic minority with
 senior figures to help inform policy and leadership decisions in an effective
 and mutually beneficial way.
- A Talent Management Programme with ring-fenced places for women and BAME staff.

- Launching a pilot sponsorship programme for BAME staff to help them progress from pay band A into SCS posts.
- Regular succession planning discussions to help identify potential successors from non-traditional internal pathways.
- Implementing the BAME Internship and Graduate recruitment programmes.

Other recruitment actions specific to PDS are taking place. For example, we continue to review adverts, job descriptions and recruitment literature to ensure gender neutral language. We ensure that all recruitment panel members are trained in unconscious bias.

This work on advertising and gender neutrality has resulted in the proportion of women in PDS increasing year-on-year and we continue to do well with the number of women at senior roles, with our most senior grades (SCS and A1) showing a 55/45 % gender split in favour of men. We continue to work hard to attract more women to work in teams and in roles which have been traditionally dominated by men on our service desk, in engineering roles and to our more specialised technical roles. Over the last year 40% of our successful job candidates have been women, with 18 women and 25 men starting new jobs with us.

Our Diversity and Inclusion Working Group aims to foster a more diverse and inclusive workplace, The group has members drawn from a variety of different teams and roles and aims to deliver tangible progress by amplifying voices, connecting with diversity and inclusion initiatives across Parliament and identifying local actions to address issues specific to PDS.

We are also taking action to build an inclusive culture:

- Embedding our shared values of Care, Community, Curiosity and Confidence throughout PDS, led by a Culture and Values group including staff from different roles and areas of PDS.
- Using our PDS blog to share stories from staff about working in PDS and Parliament and the impact and benefits of our diversity initiatives.
- Continuing with our Team Health initiative a regular snapshot survey of how teams and functioning and feeling which empowering managers and teams to work together to act on the findings to make positive change.
- Taking action on the results of Commons and PDS-wide surveys including the recent Culture survey focusing on culture and behaviours, a Wellbeing and Stress survey, and a standalone survey on bullying and harassment experienced by staff in the House of Lords and PDS.

Sharing terms and conditions of service with the House of Commons, we annually review pay for staff, focusing on what steps might be taken to reduce identified disparities.

Internally, we have also introduced unconscious bias training and developed a new workplace adjustment process. PDS also champions workplace equality initiatives – including shared parental leave, flexible working and flexitime – and our excellent Workplace Equality Networks (WENs) mean we have taken significant strides to achieving a more equal work environment.

Our completion rates for diversity monitoring data need significant improvement to meet our targets. We regularly encourage staff to complete their diversity monitoring forms and this is captured through the induction and followed up throughout the employee lifecycle. We are also currently running and awareness and education campaign to drive awareness of the importance of disclosing this information.

Our <u>Diversity and Inclusion Strategy</u> has set ambitious objectives for the next three years for ensuring equality within both the House of Commons and PDS. In delivering this, we will continue to collaborate with the House of Lords on D&I activities as well as working with expert stakeholders. A steering group will be monitoring the action plan to ensure progress is made.

While reporting pay gap figures is important, we recognise the need to look behind the numbers, and form clear, targeted action plans to address them. The EPG figures and our expectations to deliver on cultural transformation, in particular, illustrate the extent of the work still to be undertaken to address the inequality that many BAME colleagues experience in their everyday working lives at Parliament.