

House of Commons pay gap report 2022

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Forewords by the Clerk and the Director General (Operations) of the House of Commons

'Building an inclusive environment where everyone can thrive remains our long-term goal. We are committed to continuous improvement and while I am proud of our progress so far, I am aware we need to keep taking meaningful actions. Our new House Service Strategy launching in April and our new Inclusion and Diversity (I&D) Strategy lay out what we need to do, and how we will do it.

The strategies unify our purpose, putting our people at the heart of what we do to make Parliament happen.

This year, we again report one of the lowest gender pay gaps in the public sector. Our median gap is unchanged from last year at 0.9% and remains significantly lower than the civil service at 11.3% and our mean gender pay gap of 1.7%. The mean gender pay gap is now slightly in favour of men.

This is the fourth consecutive year we voluntarily publish our ethnicity pay gap figures alongside our statutorily required gender pay gap data. Transparency drives accountability and this information provides both a benchmark for success and importantly shows us where we need to improve.

I am pleased that the ethnicity pay gap has decreased this year. The small improvement is positive but the ethnicity pay gap figures remain too high. In comparison to last year's published figures, there has been both a decrease in the average (mean) gap of 2.3 percentage points to 16.9% and a decrease in the median gap of 0.6 percentage points to 12.6%.

The new I&D strategy builds on what we have achieved so far and sets out ambitious strategic priorities to achieve by 2027. Our areas of focus are reducing the ethnicity pay gap, improving accessibility and fostering inclusive environments. This work will be driven forward across the organisation and through teams, where we all have a role to play.

Working together across Parliament to co-create a diverse and inclusive workplace where everyone can flourish will always be our goal, and we continue to take action every day to achieve this.'



John BengerClerk of the House of Commons

'Maintaining one of the lowest gender pay gaps in the public service is a real achievement. However, we will not be complacent, our work for parity in this space is ongoing.

We launched our hybrid working policy in January following a successful trial period and we have ensured it is flexible, inclusive and supports people with caring responsibilities. Our career break returner programme continues to support women who have taken time out to bring up children or who care for others.

Our ongoing work to create a fully inclusive environment across Parliament includes significantly improving the experience of our estate based colleagues. We are providing new career development opportunities, continuing to roll out new digital devices with training and we have created new dedicated spaces specifically for this community.

I'm pleased to see that our ethnicity pay gap has improved this year and although incremental, it is an indication that our policies and processes are starting to have an impact. Reducing it further remains a key priority for us, and the new Inclusion and Diversity Strategy sets out in detail how we're going to do this.

Our diversity data informs our strategy. It is vital for providing us with a picture of our workforce and enabling us to continue to make informed decisions to create an inclusive and diverse culture for everyone.'



Marianne CwynarskiDirector General (Operations) House of Commons

Background

At the House of Commons, 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 new Inclusion and Diversity Strategy, 2023-2027 will outline how we plan to achieve this. This includes steps we are taking to improve equality and reduce or eliminate our pay gaps.

This is the sixth time the House of Commons Service has published a full report on our gender pay gap (GPG) data, and the fourth time we have published, on a voluntary basis, our ethnicity pay gap (EPG) data, showing pay gap data between white and Black, Asian and minority ethnic colleagues.

We believe transparency drives accountability, and EPG reporting is an important step towards ensuring our workforce is diverse, inclusive and fair for everyone. We employ over 2,600 people across a huge range of specialisms – from carpentry specialists, cleaners and clerks to researchers, baristas and locksmiths – and are committed to ensuring equality at all levels.

What is the gender pay gap?

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

- Mean¹ gender pay gap (%)
- Median² 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 the House of Commons to report using data based on a 'snapshot' of relevant employees taken on 5 April 2022. At the time the data

¹ The "mean" is the average of a set of numbers.

² The "median" is the middle number in a list of numbers ordered from smallest to largest.

below was collected, the gender divide amongst our staff was 46.5% women and 53.5% men.

What is the ethnicity pay gap?

The ethnicity pay gap is the difference between the average earnings of white and Black, Asian and minority ethnic 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 overall response rates for ethnicity on the 'snapshot' date were high, at 83.2% so we have confidence in the accuracy of our data. However, response rates do vary across teams.

Key Figures

Proportion of female and male employees

	Male	Female
All staff	53.5%	46.5%
Most senior staff (SCS) only	53.2%	46.8%

Proportion of white and BAME employees

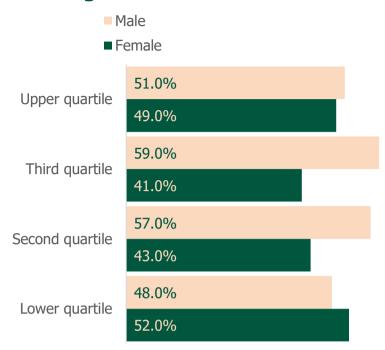
	White	BAME
All staff	76.5%	23.5%
Most senior staff only (pay bands SCS and A) ³	89.2%	10.8%

Hourly pay gap

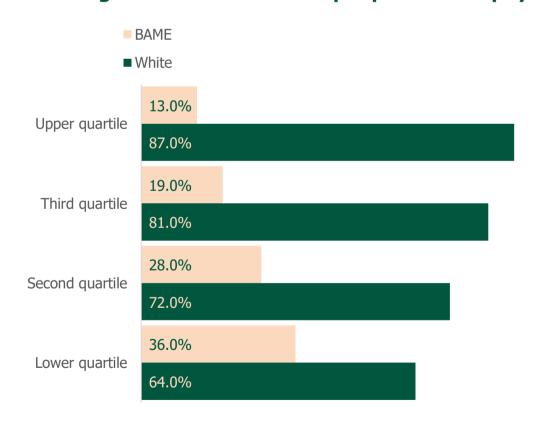
	Mean	Median
GPG	1.7%	0.9%
EPG	16.9%	12.6%

 $^{^{\}rm 3}$ We have combined pay bands SCS and A so that individuals cannot be identified.

Percentage of males and females in each pay quartile



Percentage of white and BAME people in each pay quartile



Bonus pay gaps⁴

	Mean	Median
GPG	67.8%	97.7%
EPG	-45.4%	-185.7%

Proportion receiving a bonus

Male	Female
26.4%	18.5%

White	BAME
21.7%	27.8%

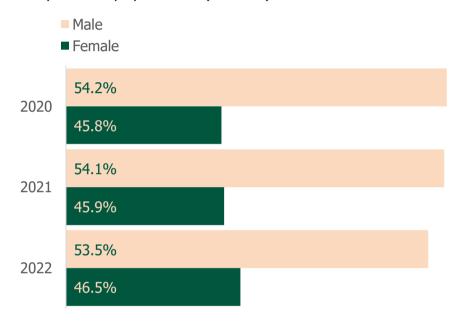
 $^{^4}$ Our bonus figures include a variety of one-off payments which may not traditionally be considered 'bonuses'. These include recognition awards (the £50 STAR vouchers) and other in-year incentive payments. An explanation of our bonus data is given in the 'Explanation of the reason for pay gaps' section below.

House of Commons Pay Gap Data

At 5 April 2022, House of Commons employed a total of 2,534 employees, of which 94 were SCS staff⁵.

Proportion of female and male employees

Compared with 2021 the proportion of female employees has increased slightly from 45.9% to 46.5%. This is slightly lower than the proportion of both the London economically active population (46.7%) and UK economically active population $(47.8\%)^6$.



Proportion of white and BAME employees

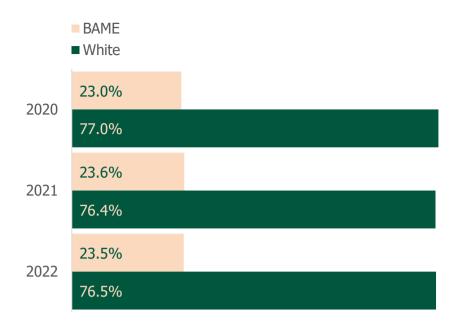
Since 2020 the proportion of Black, Asian and minority ethnic employees has increased slightly by 0.5 ppts⁷ to 23.5% (as a proportion of those who shared their data). This compares with 38.5% of the economically active population in London and 14.8% in the UK⁸.

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 ('full pay relevant employees') and a 'snapshot date' of 5 April means that there is some inconsistencies compared with data in our annual Diversity Monitoring reports.

 $^{^6}$ Source: ONS Annual population survey - regional - occupation (SOC2020) by sex by employment type, Oct 2021-Sep 2022, via Nomis

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

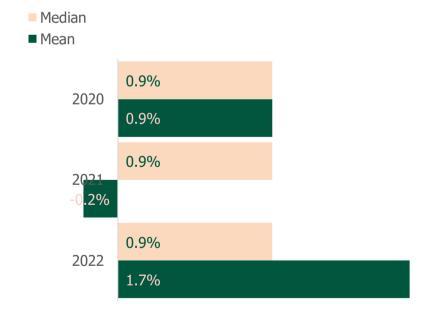
⁸ Source: ONS Annual population survey - regional - occupation (SOC2020) by sex by employment type, Oct 2021-Sep 2022, via Nomis



Hourly pay

Gender Pay Gap

The mean GPG (the difference between men's and women's average hourly pay) is 1.7% and the median GPG is 0.9%.



In comparison to last year's published figures, there has been no change in the median pay gap with the mean pay gap now in favour of men – a swing of 1.9% from the previous year.

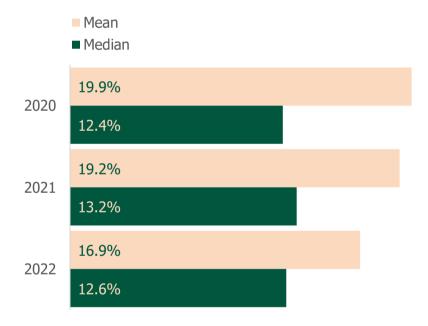
The House of Commons median GPG figure (0.9%) compares very favourably with the UK 2022 median GPG of 13.6% and the Civil Service's overall median GPG of 11.3%⁹.

Ethnicity Pay Gap

The EPG mean pay gap (the difference in average hourly pay of Black, Asian and minority ethnic and white people) is 16.9% (19.2% in 2021) and the median EPG is 12.6%. (13.2% in 2021).

In comparison to last year's published figures, there has been a decrease in the average (mean) gap of 2.3 ppts and a decrease in the median gap of 0.6% ppts.

London has a median EPG of 19.6% and the UK has a median EPG of $3.5\%^{10}$.



Hourly pay quartiles

The hourly pay quartiles data shows the proportion of: i) men and women; and ii) white and Black, Asian and minority ethnic people that are in each pay quartile, when we arrange staff in order of hourly pay rate.

⁹ Source: ONS, Annual Survey of Hours and Earnings, Table 7.12 and 13.12

 $^{^{\}rm 10}$ Annual Population Survey microdata, year to June 2022.

Gender

There is a slight increase (2%) in the percentage share of women in the lower quartile compared with 2021 and a smaller increase (1%) in the percentage share of women in the second quartile. This is no change in the percentage share of women in the upper two quarters.

Percentage point change of females in each pay quartile: 2021 to 2022

Quartile	% point change
Upper quartile	0%
Third quartile	0%
Second quartile	1%
Lower quartile	2%

Ethnicity

The EPG figures shows that the under-representation of Black, Asian and minority ethnic people progressively increases – quartile to quartile - from the lowest to the highest quartile.

There is an increase in the percentage share of Black, Asian and minority ethnic staff in the upper quartile and third quartiles compared with 2021.

Percentage point change of BAME employees in each pay quartile: 2021 to 2022

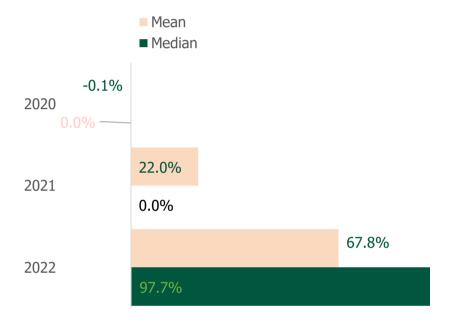
Quartile	% point change
Upper quartile	2%
Third quartile	1%
Second quartile	0%
Lower quartile	-1%

Bonus Pay

The bonus gap is based on the gross bonus paid in the period from 1st April 2020 to 31st March 2021.

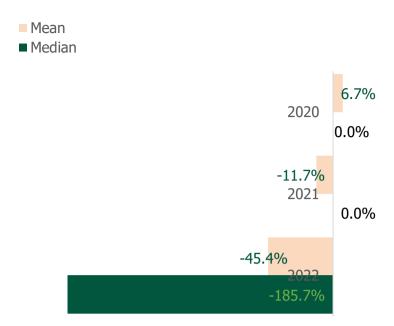
Our mean gender bonus gap is 67.8% in favour of men and the median gap is 97.7%, both significant increases compared with the 2021 figures.

Our data on bonus payments includes a variety of one-off payments which may not traditionally be considered 'bonuses'. These include recognition awards and other in-year incentive payments. With effect from 2019/20 bonuses have not been a feature of our pay systems. A further explanation appears later in the report.



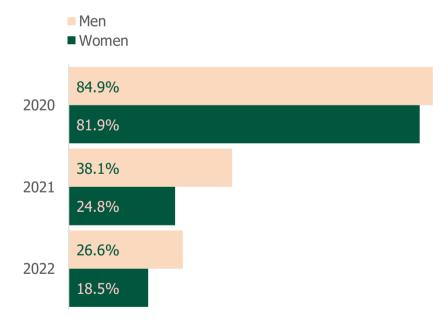
Bonus ethnicity pay gap

Our mean ethnicity bonus gap is 45.4% in favour of Black, Asian and minority ethnic colleagues and the median gap is 185.7% in favour of Black, Asian and minority ethnic colleagues, both significant differences compared with the 2021 figures (this is explained later in the report).

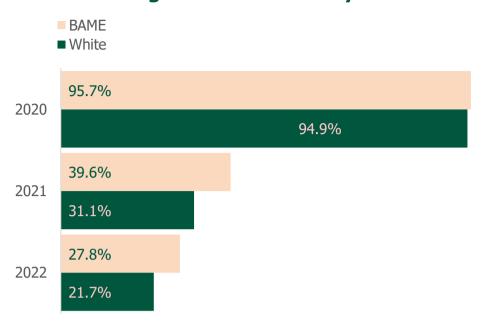


Proportion receiving a bonus: Gender

In the 12 months prior to the snapshot date, 18.5% of women received a bonus compared to 26.6% of men. This represented a noticeable decrease in the number receiving a bonus for both genders, 6.3 ppts fewer for women and 11.5 ppts fewer for men compared with the previous 12 months.



Proportion receiving a bonus: Ethnicity



In the 12 months prior to the snapshot date 27.8% of Black, Asian and minority ethnic staff received a bonus compared to 21.7% of white staff. There was a decrease in the number receiving a bonus for both groups, 11.8 ppts fewer for Black, Asian and minority ethnic staff and 9.4 ppts fewer for white staff compared with the previous 12 months.

Explanation of the reason for pay gaps

Ordinary Pay

GPG figures show that broad parity in pay between men and women continues, with the House having one of the lowest gender pay gaps in public service. In terms of workforce distribution, women continue to be well represented across more senior grades, but there are intra-team differences which need further exploration. A significant driver of the **EPG** is a structural reason: we still have too few Black, Asian and minority ethnic colleagues in senior roles.

There has been a relative lack of movement in our pay gaps over the past three years. This trend appears to have been driven by:

- policy decision to align pay awards across pay structures/ groups;
- a relatively static workforce during the COVID-19 pandemic;
- inclusion-related initiatives may take several years to achieve the desired outcomes.

However, increasing demand for pay flexibilities (higher starting pay, market sector allowances and retention payments) may impact upon our pay gap figures in the future; for example those professional and technical specialist roles that are subject to market pay pressure and that have higher representation of male than female staff.

Gathering ethnicity data relies upon self-reporting, although overall ethnicity declaration response rates are high (83.2%) there are differences across teams, and we may need to further encourage responses in some areas to maintain the quality of data.

Bonuses

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 (the £50 STAR vouchers) and other in-year incentive payments¹¹. With effect from 2019/20 bonuses were no longer a feature of SCS pay, which impacted upon bonus pay gap figures until April 2021.

In advance of 2023 reporting we will review what is included in our bonus pay figures in line with our reward policies, whilst insuring adherence with the regulations.

¹¹ The bonus figures for 2022 has been greatly distorted by the ex-gratia payments made to PSD staff as part of introduction of an interim roster in November 2021.

What steps are being taken to address these figures?

Introduction

The House of Commons is committed to building a diverse and inclusive culture where everyone can thrive. As part of this commitment, we have published our pay gap reports for gender and ethnicity to increase transparency and accountability and drive the necessary change to achieve our goals.

Transparency and a commitment to reporting all pay gaps within the House is a first step to tackling pay gaps. This will help us to deliver a culture that is "diverse, inclusive and fair" and the following activities are key:

- Evaluating the various reasons why we have pay gaps
- Using data insights to inform action and drive better outcomes
- Targeting actions throughout the employee lifecycle (recruitment, induction, development, progression and exit (supported by transparency over pay and cultural change)
- Leadership oversight/sponsorship to maintain accountability and momentum

Our forthcoming Inclusion and Diversity (I&D) strategy (2023- 2027) will outline our plans over the next four years and build on our diversity and inclusion work. It focuses on three key areas: decreasing the ethnicity pay gap; improving accessibility; and fostering inclusive environments. Our I&D strategy sits alongside our People Strategy 2022-2025 and plans to implement the recommendations from Lord Morse's independent review of financial management in the House of Commons.

Priority areas of Focus

Our aim is to reduce our pay gaps and create an environment where everyone feels valued and is treated fairly and equitably, and we have already identified a number of actions in our <u>Diversity and Inclusion (D&I)</u> <u>Priorities Plan 2022</u>. Within the last year we have completed and planned further actions to reduce our pay gaps in the most impactful areas. These are detailed below:

To ensure that everyone in our organisation will have opportunity to reach their full potential within their career and to thrive

• **Inclusive Recruitment Review** - We have recently conducted an inclusive recruitment review, examining our recruitment processes. The report will be released soon with recommendations and actions

to be taken over the next 18 months. This will ensure that our recruitment and progression processes are both accessible and inclusive for all candidates, whilst delivering innovative and best practice solutions.

- Employer Brand Proposition (EVP) We are developing our EVP through a dedicated project. This represents an exciting opportunity for the House to develop its employer brand and articulate clearly who we are and our role in supporting Parliament. The project aims to improve attraction including more diverse candidates to work at the House, raise awareness of the roles and opportunities we offer, and bring to life what it is like to work here. This will be supported by the launch of a new careers microsite.
- Bicameral reciprocal mentoring programme The House of Lords, House of Commons and Parliamentary Digital Service have launched a bicameral reciprocal mentoring programme. The programme builds on the work of ParliREACH (our workplace equality network for Race Ethnicity and Cultural Heritage) and our work representatives on the project team are led by the inclusion teams of each House. Colleagues are now starting the nine-month programme with close support from the project team.
- CLEAR Pathways Development Programme (Cultivating Leadership across Ethnicities to Accelerate Representation) –
 Clear Pathways is Strategic Estates shared services programme for the development of Black Asian and minority ethnic colleagues.
 Interventions in CLEAR Pathways aim to provide staff with a mindset, skillset, and toolset for development, allowing them to overcome internal and external hurdles to their progression.
 Alongside this, CLEAR Pathways aims to create organisational readiness by equipping teams to support staff through addressing unconscious cultural barriers to progression. Thirteen Black Asian and minority ethnic colleagues have taken part in the 12-month pilot programme.
- **Disability Confident Scheme** The House of Commons and Parliamentary Digital Service (PDS) have recently been reaccredited as a Disability Confident Leader as part of the Disability Confident Scheme. Recognising that we are continuing our commitment to advance our progress to recruit, retain and develop disabled people.
- **Apprenticeship programmes** We will expand our apprenticeship programmes to offer a range of qualifications, including under graduate and post graduate degrees and develop a cohort model of learning for peer to peer support and networking opportunities.

Leadership

- **Inclusion for leaders** We have a launched a dedicated Inclusive Leaders (*Inclusive Leadership Focus on Race*) programme for our Commons Leadership Group. The programme is sponsored by the Clerk of the House and aims to provide leaders with the skills and knowledge to improve inclusion within their teams and the administration with a focus on reducing our ethnicity pay gap. This work is part of the ongoing commitment to race inclusion and supports the priorities set out in our new House Strategy and upcoming Inclusion and Diversity Strategy 2023- 2027.
- **Connected Leadership** Our <u>Connected Leadership</u> programme was completed by 107 senior leaders, including our pay band A (62% of participants were women and 20% Black, Asian and minority ethnic leaders).

Building Inclusive Environments

- Inclusion Analysis We have revised our Inclusion Analysis
 process to make it more robust and to include an online framework
 when developing our policies, procedures, and practices. This
 enables us to consistently consider any impact on equality from the
 outset particularly on people with protected characteristics ensuring
 that all policies and practices and processes are inclusive and
 equitable.
- Hybrid Working Policy and Career Break Returner
 Programme We implemented a hybrid working policy in January
 and ensured that it is inclusive and supports gender equality for
 women. Our career break returner programme can especially help
 women who have taken time out to bring up children or for other
 caring responsibilities.
- Health and Wellbeing We will continue ensure the health and wellbeing of all our colleagues is our priority. In the last year we have introduced "Supporting Menopause at Work" toolkits and we remain an active member the Employer's Initiative on Domestic Abuse Network supporting victims of domestic violence and sexual abuse within the workplace.
- Workplace Equality Networks We have reviewed the operating model for our workplace equality networks to ensure that those involved have the time and right skills to be able to support colleagues and our wider organisational aims of inclusion and diversity.

- Improving the experience of our Estate Based Community (EBC) A significant amount of work is taking place to improve experiences of EBC colleagues. We are providing new career development opportunities, continuing to roll out new digital devices with training for greater engagement (iPads used to access resources and training); and we have created new dedicated community spaces improving our wellbeing provision. There is also a programme to ensure that EBC colleagues have protected time for engaging with organisational activities and development opportunities.
- **Behavioural Code** A new 'Behavioural Code' seminar mandated for all new starters, including line managers. In June 2023, an awareness programme will be launched for existing members of the Parliamentary community who have previously completed training.
- **Recruitment training** Recruitment training refreshed in November 2022; now has a focus on inclusive recruitment and our House values.
- Manager Insight programme Our Manager Insight programme provides 1:1 coaching for every line manager following feedback from their team. In 2022, a new group of coaches were recruited to support this programme, with specific targeting to increase diversity in the coaching pool (27% of our coaches have a Black, Asian or minority ethnic background and 77% are female).
- **D&I Training** Our suite of D&I training has been reviewed and refreshed. Workshops are available on different inclusion topics, including 'understanding effective allyship', 'conversations about race', 'domestic abuse'. 'Behaviour code' training is also mandated for all new staff.

Managing our Pay Systems

- Overview We are continuing to take action to ensure that our pay and reward systems and structure have equality and inclusion at their core. This includes conducting regular equal pay reviews and ensures our job evaluation system and pay structures are simple and unbiased.
- **Pay Structures** The introduction of open pay zones in 2022 delivers the possibility of progression that reflects an individual's position on the pay range with greater focus on progressing staff more quickly within the lower and middle zones towards the

maximum of the pay range. Having shorter pay ranges, if possible, will also reduce the journey time through a pay range.

- **Pay reform** The House's pay and reward policies will be progressively modernised, simplified and harmonised by 2025, including planned reform of our allowance and overtime regime.
- **Pay transparency** We will continue to take steps to ensure that our staff understand their pay and how the pay system works, supported by planned simplification of our pay systems and how they operate improving transparency of these and the basis upon which decisions are made.
- Pay flexibilities Improved access to third party impartial pay benchmarking data to gauge our competitiveness with the external marketplace and to inform pay flexibilities we may need to implement.
- **Job evaluation** We will develop our internal job evaluation expertise; aiding pay parity and cross-organisational awareness of job evaluation processes.
- Benefits We launched an online employee benefits framework in December 2022. This will provide greater flexibility in how we deliver our benefits. Staff now have access to the platform and can choose from a number of discounts on a variety of goods and services. Our offering will continue to be expanded over the next three years.

Monitoring and Measuring our Progress

- More detailed pay gap analysis Publication of the high level pay comparison figures provide a focus on the issue and helps to drive more detailed analysis to address the causes of any gaps. However, we will need to consider what additional analysis is required to understand the nature and location of any pay gaps more fully across different groups, and how we publish this in the future.
- Monitoring our Hybrid and Estate Based Working Policy We are committed to continuing to monitor our hybrid and estate based policy in relation to impacts on women and Black, Asian and minority ethnic colleagues.
- Diversity& Inclusion Steering Group Chaired by the Clerk of the House and provides the mechanism for monitoring and measuring our progress and gives action owners and WENs the

opportunity to understand and to share achievements in their teams.

- **People Boards** Quarterly People Boards take place for all of our House teams to review the people data in their teams, including the outcomes of the Working Lives surveys. This information is used at team level to monitor and measure in terms of diversity and inclusivity and to develop and take actions where required.
- Diversity Data Catch up exercise We have recently conducted a
 data catch up exercise to encourage our people to share their
 diversity information. Using diversity data to make informed
 decisions, develop fair and equitable policies and to measure and
 monitor our progress with inclusion and diversity remains our top
 priority

Moving Forward - Inclusion and Diversity Strategy 2023-2027

The Commons Executive Board (CEB) has recognised the negative effects of pay gaps on our people and our culture and the impact that this will have on achieving a diverse and inclusive organisation.

We therefore aligned our commitment to reduce our ethnicity pay gap as one of the three priorities of our Inclusion and Diversity Strategy 2023-27 and our individual House teams will develop their action plans to build inclusive environments that will encourage, enhance, and improve the recruitment, retention, and progression of Black, Asian and minority ethnic people. Progress on addressing our pay gaps will be tracked, monitored and reported regularly to CEB.

We believe that by taking these actions and continuing to focus on improving our culture, we will create a workplace where everyone can thrive and reach their full potential.