

# **Parliamentary Digital Service pay gap report 2022**

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## Foreword from David Smith

As Chief Information Officer and Managing Director of the Parliamentary Digital Service (PDS), I am pleased to publish the gender and ethnicity pay gap figures for 2022. This is our sixth year reporting our gender pay gap data since statutory requirements were introduced in 2017. We are also publishing our ethnicity pay gap (EPG) on a voluntary basis for the fourth year running.

We are committed to building a team at PDS that is inclusive, diverse and welcoming. We are part of Parliament, and our aim is to be representative of the society that we serve. Transparency and a commitment to publishing our gender and ethnicity pay gap data is key to understanding and tackling inequality. Our pay gap data this year show that, although we have made progress in some areas, there is much more work to do.

The PDS workforce was 456 people during this reporting year, and this relatively small number means that there will always be some variation in our pay gap data each year. But in 2022, our gender pay gap (GPG) figures show a move from gender parity in 2021 to an increased gap in favour of men. And there is still much more to be done to address the continued inequality in our EPG figures which continue to be driven by too few Black, Asian and minority ethnic colleagues in senior positions in PDS.

We therefore have a renewed focus on the range of actions set out in this report that aim to create a diverse inclusive and fair workplace. Key areas we are working on are recruitment, pay and reward, learning and development, and our organisational culture.

My ambition continues to be that PDS is a place where colleagues are valued equally for what they bring to our organisation. This report sets out the action we have taken to address inequalities and what we will do to strengthen and continue this work in the year ahead.

A handwritten signature in black ink, appearing to read 'D Smith', written in a cursive style.

**David Smith**

Chief Information Officer and Managing Director, Parliamentary Digital Service

## **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 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.

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. PDS has published a full report on GPG data for six years now, and this will be fourth time that 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 that GPG and EPG reporting is an important step towards ensuring our workforce is diverse, inclusive and fair for everyone.

### **What is the 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:

- Mean<sup>1</sup> gender pay gap (%)
- Median<sup>2</sup> 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.

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<sup>1</sup> The "mean" is the average of a set of numbers.

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

GPG regulations require PDS to report using data based on a 'snapshot' of relevant employees taken on 5 April 2022. At the time the data below was collected, the gender divide amongst our staff was 40.9% women and 59.1% men.

## What is the Ethnicity pay gap?

The EPG 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 response rates for ethnicity at the time of reporting was 72.5%, so our confidence in the accuracy of our data is growing (an increase on last year's response rate of 68.1%). 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	59.1%	40.9%
Most senior staff (SCS) only	60%	40%

### Proportion of white and BAME employees

	White	BAME
All staff	71.9%	28.1%
Most senior staff (pay bands SCS and A) only <sup>3</sup>	91.5%	8.5%

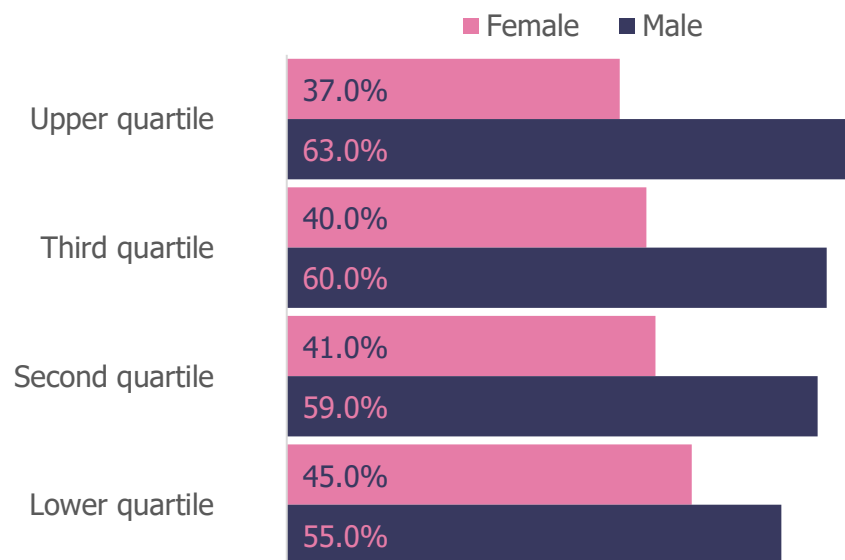
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<sup>3</sup> We have combined pay bands SCS and A so that individuals cannot be identified.

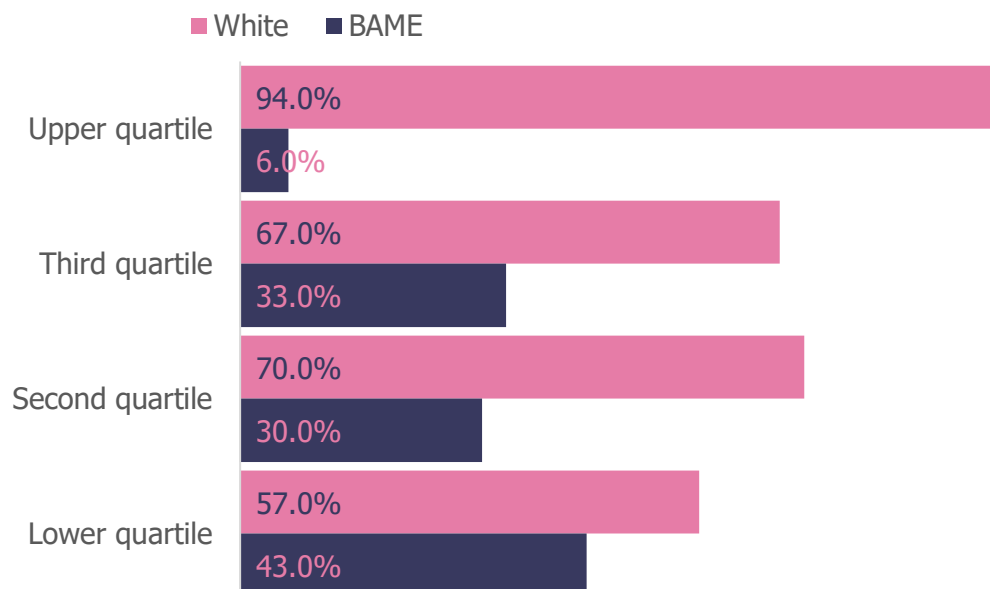
## Hourly pay gap

	Mean	Median
GPG	5.3%	3.8%
EPG	19.1%	15.8%

## Percentage of males and females in each pay quartile



## Percentage of white and BAME people in each pay quartile



## Bonus pay gaps

	<b>Mean</b>	<b>Median</b>
GPG	4.8%	0.0%
EPG	-7.5%	-33.3%

## Proportion receiving a bonus

<b>Male</b>	<b>Female</b>
7.3%	11.7%

<b>White</b>	<b>BAME</b>
8.5%	9.7%

# Parliamentary Digital Service Pay Gap

## Data

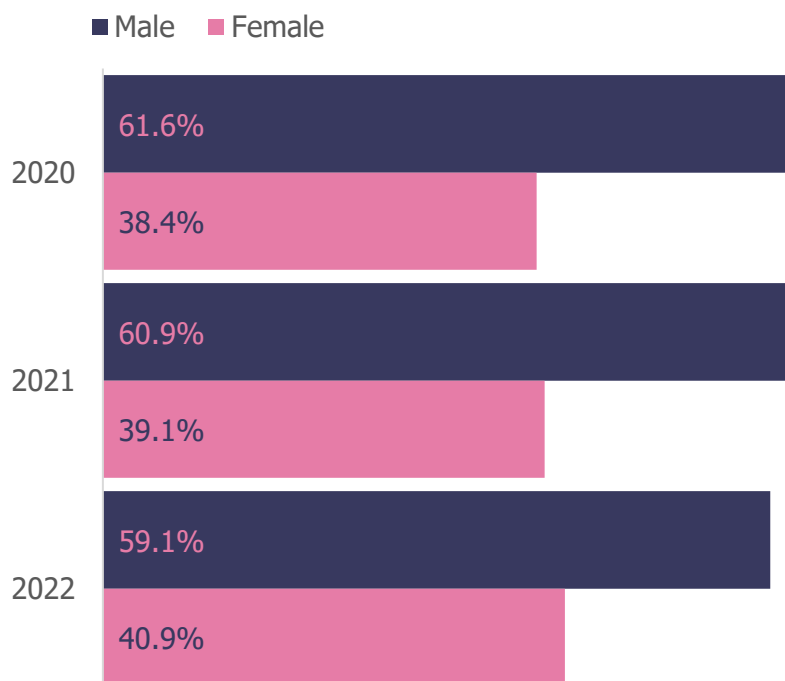
At 5 April 2022, PDS employed a total of 456 employees, of which 10 were SCS staff<sup>4</sup>.

### **Proportion of female and male employees**

The proportion of staff who are women in PDS (40.9%) is much higher than the proportion of women working in an IT occupation in the UK (22%)<sup>5</sup>. However, this is lower than the proportion of both the London economically active population (46.7%) and UK economically active population (47.8%)<sup>6</sup>.

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 59.1% compared to 54.1% for the House of Commons and 47.0% for the House of Lords respectively.

There has been a 1.8 ppt<sup>7</sup> increase of women working in PDS since 2021.



<sup>4</sup> 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.

<sup>5</sup> Source: ONS Annual population survey - regional - occupation (SOC2020) by sex by employment type, via Nomis.

<sup>6</sup> As per above footnote.

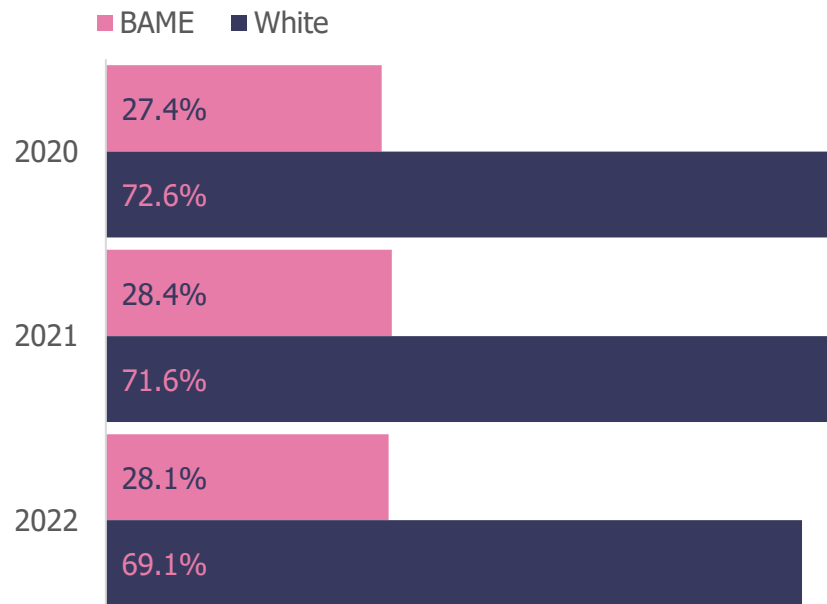
<sup>7</sup> A percentage point (ppt) is the unit for the arithmetic difference of two percentages.



## Proportion of white and BAME employees

Since 2021 the proportion of Black, Asian and minority ethnic employees has decreased slightly by 0.3 ppts to 28.1% (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 UK<sup>8</sup>.



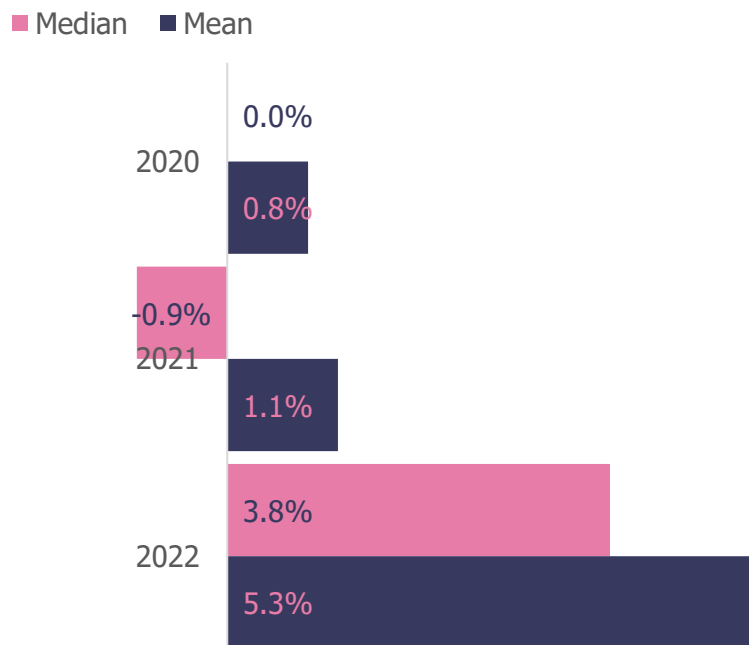
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<sup>8</sup> As per footnote 5.

# Hourly pay

## Gender Pay Gap

The mean GPG (the difference between men's and women's average hourly pay) is 5.3% (1.1% in 2021 report) and the median GPG is 3.8% (-0.9% in 2021 report).



In comparison to last year's published figures, there has been an increase in the mean GPG (4.2 ppt movement in favour of men) and an increase to the median GPG (4.7 ppt movement in favour of men).

The PDS median GPG figure compares very favourably with the UK 2022 median GPG of 14.9% and the Civil Service's overall median GPG of 11.3%<sup>9</sup>.

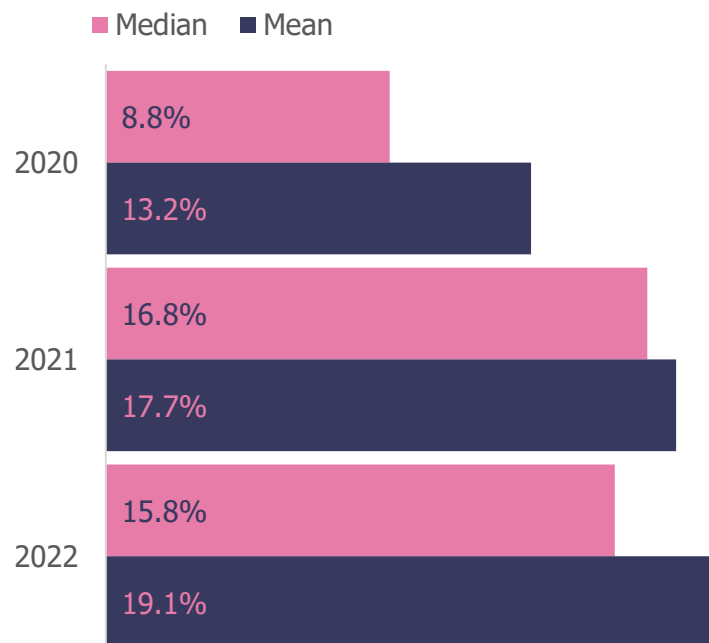
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<sup>9</sup> Source: ONS, Annual Survey of Hours and Earnings, Table 7.12 and 13.12

## 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 19.1% (17.7% in 2021 report) and the median EPG is 15.8% (16.8% in 2021 report), an increase of 1.4 ppts of the mean and a decrease of and 1.0 ppts for the median.

In comparison, London has a median EPG of 19.6% and the UK has a median EPG of 3.5%<sup>10</sup>.



<sup>10</sup> Annual Population Survey microdata, year to June 2022.

## Hourly pay quartiles

The hourly pay quartiles data shows the proportion of: i) male and female; 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.

### **Gender**

There is a fall in the representation of women in the upper quartile (3 ppt decrease) compared with 2021 and an increase of women in the other quartiles over the same period. These variations across the quartiles may have resulted in the large increase regarding the mean and median hourly pay gap figures in favour of men.

### **% point change of females in each pay quartile: 2021 to 2022**

<b>Quartile</b>	<b>% point change</b>
Upper quartile	-3%
Third quartile	2%
Second quartile	3%
Lower quartile	8%

### **Ethnicity**

The EPG figures shows that there is significant under-representation of Black, Asian and minority ethnic people in the upper quartile.

There is a lower proportion of Black, Asian and minority ethnic staff in the upper quartile (3 ppt decrease) compared with 2021. This change is likely to have resulted in the increases in the mean hourly pay gap figures.

### **% point change of BAME in each pay quartile: 2021 to 2022**

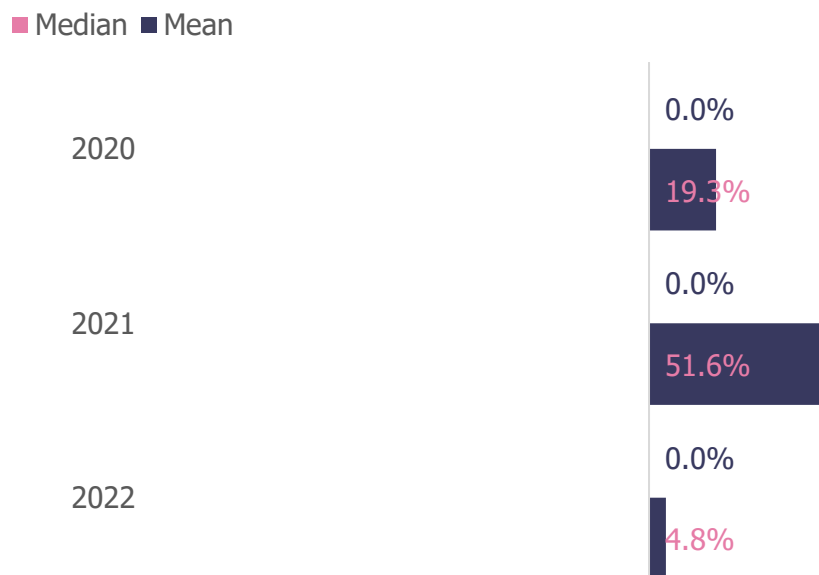
<b>Quartile</b>	<b>% point change</b>
Upper quartile	-3%
Third quartile	2%
Second quartile	0%
Lower quartile	0%

## **Bonus Pay**

The bonus gap is based on the gross bonus paid in the period from 1st April 2021 to 31st March 2022.

### **Bonus gender pay gap**

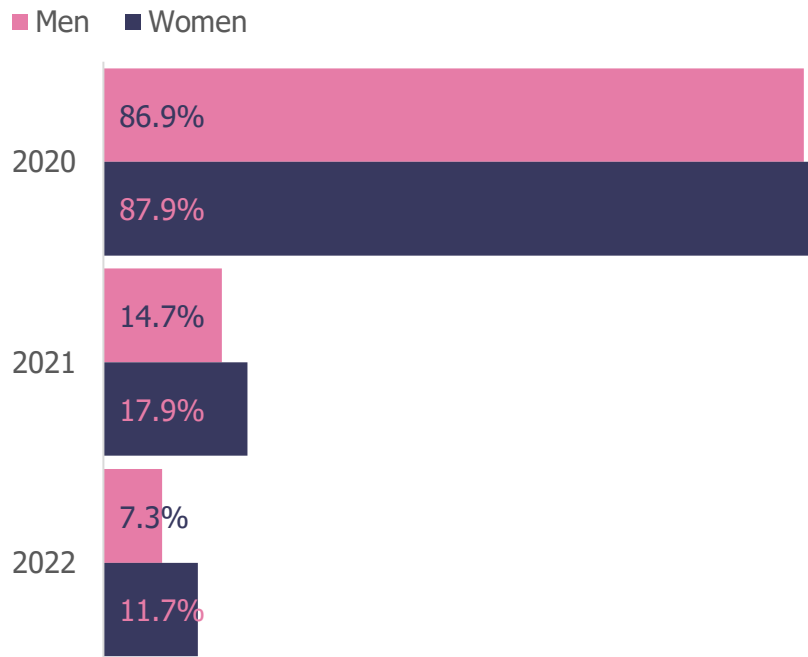
Our mean gender bonus gap is 4.8% and the median gap is 0%.



There is no change to the median bonus gap (0.0%) compared with 2021 and a 46.8 ppt decrease in the mean bonus gap compared with 2021 figures.

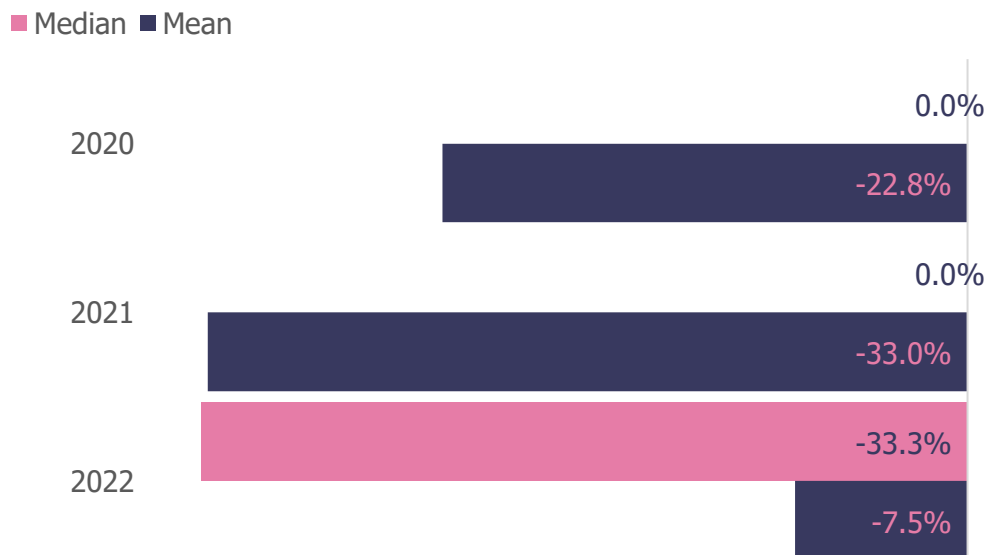
### **Proportion receiving a bonus: Gender**

In the 12 months prior to the snapshot date, 11.7% of women received a bonus compared to 7.3% of men. This was a decrease in the number receiving a bonus for both genders, from 17.9% ppts for women and 14.7 ppts for men in the previous 12-month period.



### Bonus Ethnicity pay gap

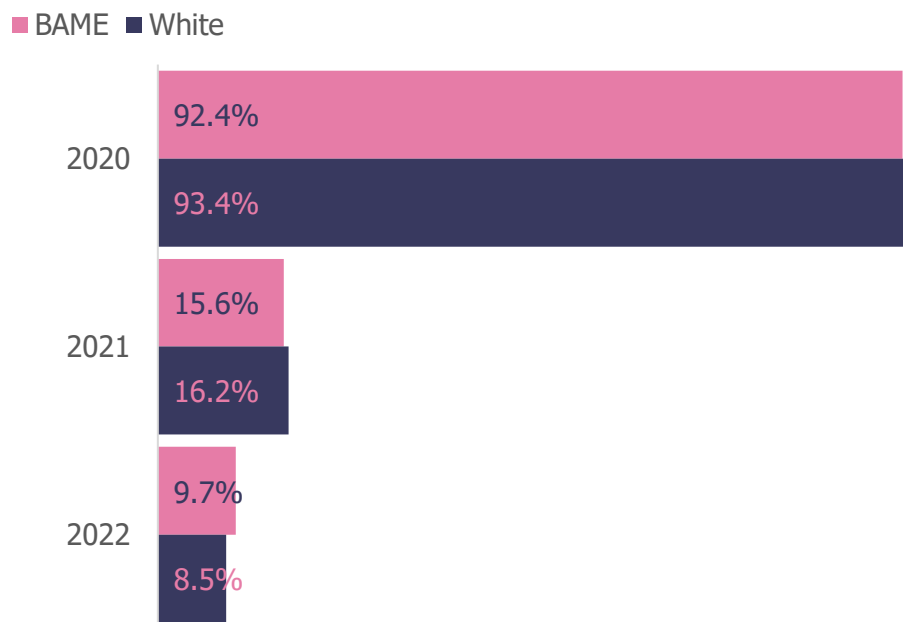
Our mean ethnicity bonus gap is 7.5% in favour of Black, Asian and minority ethnic colleagues, and the median gap is 33.3% in favour of Black, Asian and minority ethnic colleagues.



### Proportion receiving a bonus: Ethnicity

In the 12 months prior to the snapshot date, 9.7% of Black, Asian and minority ethnic staff received a bonus compared to 8.5% of white colleagues. This was a decrease in the number receiving a bonus for both

groups compared with the previous 12-month period, 16.2 ppts for Black, ethnic and minority Asian staff and 15.6 ppts for white colleagues.



# Explanation of reasons behind the pay gaps

## **Ordinary pay**

**GPG** figures shows that there is now a pay gap in favour of men. There has been a noticeable decrease in the representation of women in the upper quartile (3 ppt fall from 2021) and a higher increase in the representation of women in the lower quartile (7 ppt increase) over the same period. These changes are likely to be a key contributory factor regarding the movement of the mean and median hourly pay gap figures in favour of men, however further analysis is required to gather a deeper understanding.

A significant driver of the **EPG** is a structural reason: we still have too few Black, Asian and minority ethnic colleagues in senior roles, specifically at SCS and A grade pay bands, which represents around 35% of our total headcount as an organisation.

The relative lack of improvement in our EPG over the past three years may have been driven by:

- Central 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
- A lack of structured career development and support to enable colleagues to progress within PDS – career development is our most commonly cited reason for leaving the organisation.

Increasing demand for pay flexibilities (higher starting pay, market sector allowances and retention payments) may have started to impact upon our pay gap figure in this report and are likely to do so 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. During this reporting year, we had already started to conduct external market pay benchmarking for some of our technical and specialist roles. Pay flexibilities as outlined above were proactively applied to existing and new postholders, which may have had a consequential impact on the pay gap in favour of men.

Gathering ethnicity data relies upon self-reporting. Although overall ethnicity declaration response rates are getting higher (72.5%) there is still room for improvement; we may need to further encourage responses in some areas to improve 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 payments. 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.

## **What steps are being taken to address these figures?**

In PDS we are committed to deliver a culture that is “diverse, inclusive and fair”, including fairness on pay. Transparency and a commitment to reporting all pay gaps within PDS continue to be an important first step to tackling inequality. This includes:

- Taking steps to evaluate the various reasons why we have pay gaps
- Using data insights to inform action and drive better outcomes
- Targeting of actions throughout the employee lifecycle (recruitment/ pay progression/ promotion – supported by transparency over pay)
- Leadership oversight/sponsorship to maintain accountability and momentum

This year our overall gender pay gap in PDS has moved from being close to gender pay parity to a gap in favour of men, although in some individual teams within PDS the gap is in favour of women and women are well represented at senior roles within PDS. The reasons for this change are complex. A focus on recruitment and retention introduced market sector allowances to some roles which has had an impact on the balance of gender pay. We also need to focus on diversity in recruitment. We receive more job applications from men than women with 59% male applications versus 40% women and this imbalance feeds through to an unequal gender balance of new recruits.

We continue to see greater inequality in our EPG figures. This is driven by an imbalance of Black, Asian and minority ethnic and white staff at senior levels across the organisation.

We know there is more work to be done to address this inequality and we have made a clear commitment to providing a positive, inclusive working environment, introducing a number of new initiatives to tackle racism and reduce inequality. This includes the upcoming new I&D Strategy for the House of Commons and PDS, which is launching in Spring 2023.

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 and the House of Lords, our plans for the future focus on improving diversity in recruitment, training and support, our talent pipeline and progression, building an inclusive working environment, pay and reward, and data and transparency.

Specific initiatives include:

- Continued participation in the [Connected Leadership](#) programme with active promotion of participant places for women and Black,

Asian and minority ethnic colleagues. To date 18 PDS leaders have completed this programme, of whom 72% were female.

- Commitment from the Senior Management Team to improving their own learning through a monthly 'culture club', focusing on learning about all aspects of lived experience of difference. Topics to date include gender issues, disability, race, LGBTQ+ parenting.
- Providing access to reciprocal mentoring between senior staff and junior colleagues from under represented groups, shadowing and coaching to encourage and promote progression into senior roles
- Workshops for staff on topics relating to diversity and inclusion, workplace culture, coaching and recruitment
- Developing a resourcing strategy that recognises the importance of diverse teams, in line with the findings from our [Inclusive Recruitment Review](#)
- Modernising pay and reward policies to 2025, starting with the change to simpler 'open' pay zones for pay progression purposes, and progressing towards the introduction of a digital pay framework for technical digital professionals.

We are also continuing to monitor socio-economic background diversity monitoring questions, signed up to the Race at Work Charter, and achieved Disability Confidence Leader status.

Other recruitment actions specific to PDS are taking place. We have established a dedicated in-house recruitment team and we target diverse job boards including Diversity in Tech and Women in Tech. We launched our first cohort of project management apprenticeships in PDS in 2022, providing new career pathways with the potential to improve the diversity of our workforce across a number of measures. Our apprentice profile is 83% female and 60% Black, Asian and minority ethnic. We are launching a Business Analyst apprenticeship, and in the coming year we will develop further team-specific apprenticeships for example in our cyber security team.

We continue to ensure that recruitment panels are diverse in terms of gender and ethnicity, and that job advertisements and recruitment literature use gender neutral language. We have introduced a new recruitment course for managers, and ensure that all recruitment panel members are trained in unconscious bias.

In 2023 we will be piloting a partnership to provide placements for women in our Software Engineering and Data teams. We hope these will lead to a more permanent recruitment pipeline for these roles. We are also participating in a spring digital recruitment fair focusing specifically on female tech talent, where we will be showcasing our female colleagues from within our Products team. We have also begun work on our digital Employee

Value Proposition (EVP) for Parliament with a specific focus on diverse talent, and expect to be able to use this both as a lever for talent attraction as well as to promote our positive and inclusive culture internally.

Our Diversity and Inclusion Working Group has been running since 2019 and 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, particularly in relation to neuro-divergence and digital accessibility. The latter will continue to be a major theme in our action plan for the coming year, in support of the new Commons and PDS I&D Strategy.

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 involving staff from different roles and areas of PDS.
- Looking at our workplace culture through an intersectional lens, focusing on improving the experience for disabled colleagues through raising awareness of accessibility generally, access to workplace adjustments and increasing the knowledge of accessible software in our customer-facing teams.
- Promoting a facilitation guide on 'How to have a conversation about race' – this has been a grassroots initiative in PDS to help teams have honest and productive conversations about race and how it impacts people's lives at work and beyond. We have continued to work with the Commons Diversity & Inclusion team to make this guide available more widely.
- Renewing our focus on wellbeing, with a range of activities relating to all aspects of mental and physical wellbeing as we formally adopt new hybrid ways of working across the Department.
- Continuing with our Team Health initiative – a regular snapshot survey of how teams are functioning and feeling which empowering managers and teams to work together to act on the findings to make positive change.

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.

Since May 2021 we have been regularly pay benchmarking our technical digital roles against the external market and introduced a range of additional pay flexibilities where there are notable disparities. We now have pay benchmarking data across 169 PDS roles and have implemented pay flexibilities across 95 of those roles. In 2023 we will review the inclusion

analysis and impact of these interventions for any unforeseen negative impacts.

This is part of work towards developing a fairer pay framework for digital professionals aligned to a new Digital Skills and Capabilities framework to improve the development of digital professionals across our organisation.

PDS also champions workplace equality initiatives – including shared parental leave, flexible and hybrid working and flexitime – and our excellent Workplace Equality Networks (WENs) mean we have taken significant strides to achieving a more equal work environment. We promote the WENs as part of our inductions for new starters, and regularly promote their events and activities through our internal communications channels.

Our completion rates for diversity monitoring data need 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, including through regular reminders in staff newsletters and channels specifically for line managers.

While reporting pay gap figures is important, we recognise the need to look behind the numbers, and intend to 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 Black, Asian and minority ethnic colleagues experience in their everyday working lives at Parliament.