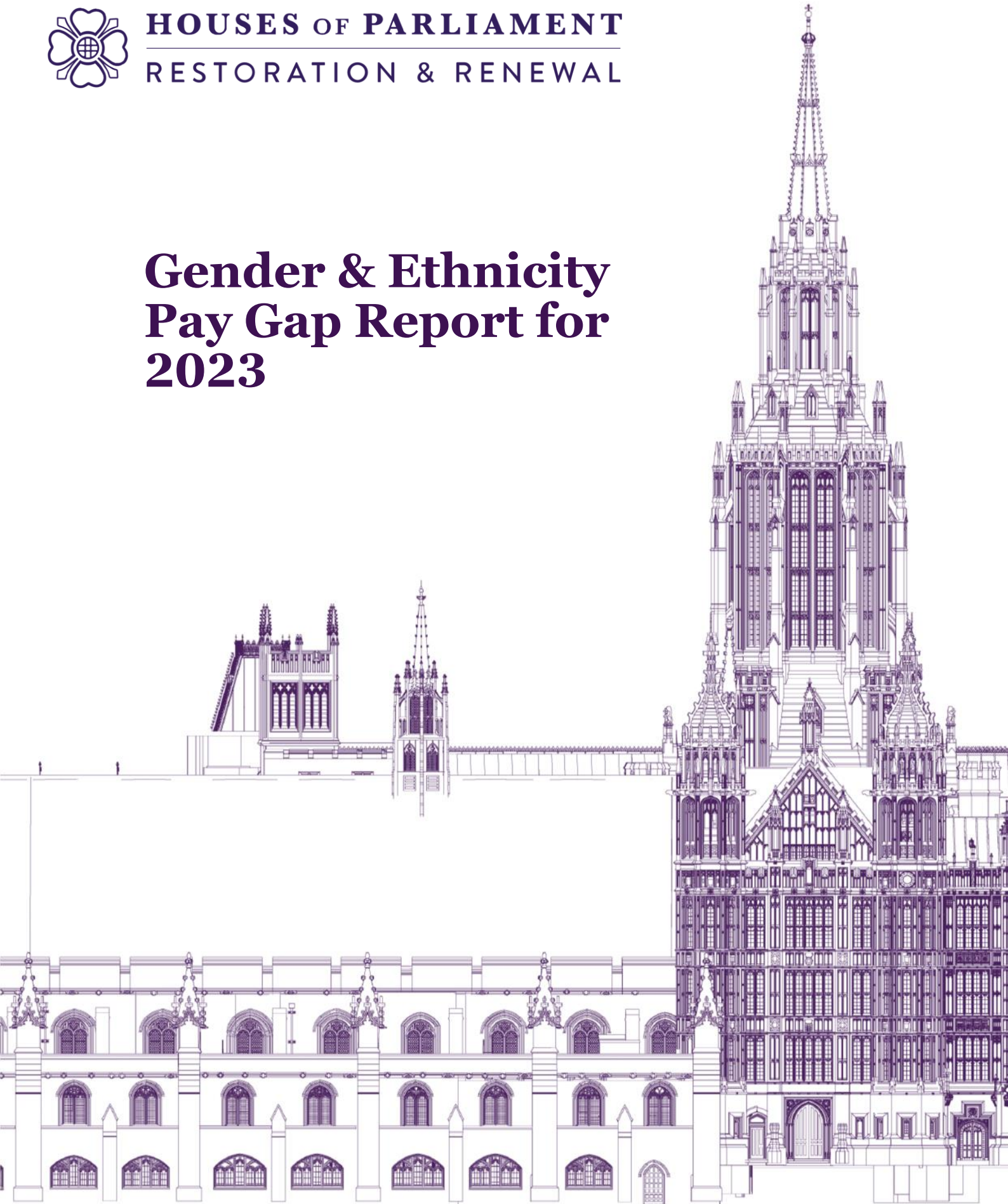




HOUSES OF PARLIAMENT
RESTORATION & RENEWAL

Gender & Ethnicity Pay Gap Report for 2023





1 Purpose

This is Delivery Authority's latest Gender and Ethnicity Pay Gap report. It covers the 2022/23 reporting cycle, using a snapshot date of 5 April 2023.

While the Delivery Authority does not meet the threshold of 250 employees required by UK law to report gender pay gap, we have chosen to voluntarily publish our gender and ethnicity pay gaps, in line with our commitment to transparency.

2 Definitions

Term	Explanation
Pay gap	The difference between the median, and the mean hourly rate of pay between two colleague categories based on the 5 April 2023 snapshot date.
Bonus gap	The difference between the median, and the mean value of bonus pay between two colleague categories over the 12 months to 5 April 2023.
Quartile pay bands	If the total workforce was put in order of hourly rate of pay and then split into four groups of equal size, or quartiles (lower, lower middle, upper middle and upper). This is the proportion of those in each of the four groups.
Mean	<p>The average of all the numbers in a dataset, that is, by adding up all the numbers and then dividing the result by how many numbers there are.</p> <p>For example, to find the mean hourly rate of pay for female staff, add all their hourly rates together and then divide the total by the number of female employees.</p>
Median	<p>The numerical value which splits the top 50% of the population from the bottom 50%. To find the median, all the values are listed, in this case calculations of total hourly pay.</p> <p>For example, the female median would be calculated by putting all female hourly pay in numerical order. If there is an odd number of values, the median is the number in the middle. If there is an even number of values, the median is the mean of the two central numbers.</p>

We apply the Equality Act 2010 definition of an employee, which includes agency workers and self-employed people where they personally perform the work.

It is important to explain the distinction between equal pay and pay gaps, as they are often confused. Equal pay means providing the same pay irrespective of protected characteristic for those doing the same or similar work. Pay gaps highlight the difference between average pay of one group (females) and the average pay of another group (males), irrespective of any differences in the work they do. As a result, pay gaps are affected by how the workforce is made up, including the number of individuals in the respective groups, types of jobs and levels of seniority.



3 What does the pay gap report cover?

There is no standardised method for calculating pay gaps apart from gender pay gaps. Therefore, we have applied the method used for the gender pay gap for the ethnicity pay gap. The pay gaps investigated show the difference as described below, comparing metrics for 2023 with 2022 data:

Pay Gap	Group	Group
Gender	Male	Female
Ethnicity	White	Any Other Ethnic Group

Data has been calculated after salary sacrifice.

4 Gender Pay Gap

4.1 Gender distribution

Delivery Authority Employees	2023		2022	
Male	67	43%	59	41%
Female	88	57%	86	59%
Total colleagues	155	100%	145	100%

4.2 Hourly pay gap

	MEAN		MEDIAN	
	2023	2022	2023	2022
Male	£42.83	£38.31	£38.84	£32.70
Female	£32.35	£28.68	£26.02	£24.25
Difference	£10.48	£9.63	£12.82	£8.45
% Difference	24.47%	25.14%	33.01%	25.84%

While there has been a reduction of just under 1% in our mean pay gap, the median pay gap has increased by 7%. The driver for this increase is the recruitment trend, where more male colleagues were appointed in upper middle pay quartile positions and more female colleagues joined in the lower range, as shown in the quartiles chart in 4.3 below.

We want the Delivery Authority to be seen as an attractive, inclusive, and progressive employer of choice for women. Some of the things we actively do to ensure this include:

- Utilising a gender decoder for all our adverts and job descriptions to ensure we use language that is inclusive and encouraging. A gender decoder is a tool designed to analyse language used in job descriptions and other written materials. Its purpose is to identify potentially biased or exclusive language related to gender.
- Being fully transparent about pay. Salaries for all jobs are included in our adverts and we do not ask candidates to disclose their salary during the recruitment process. This reduces the



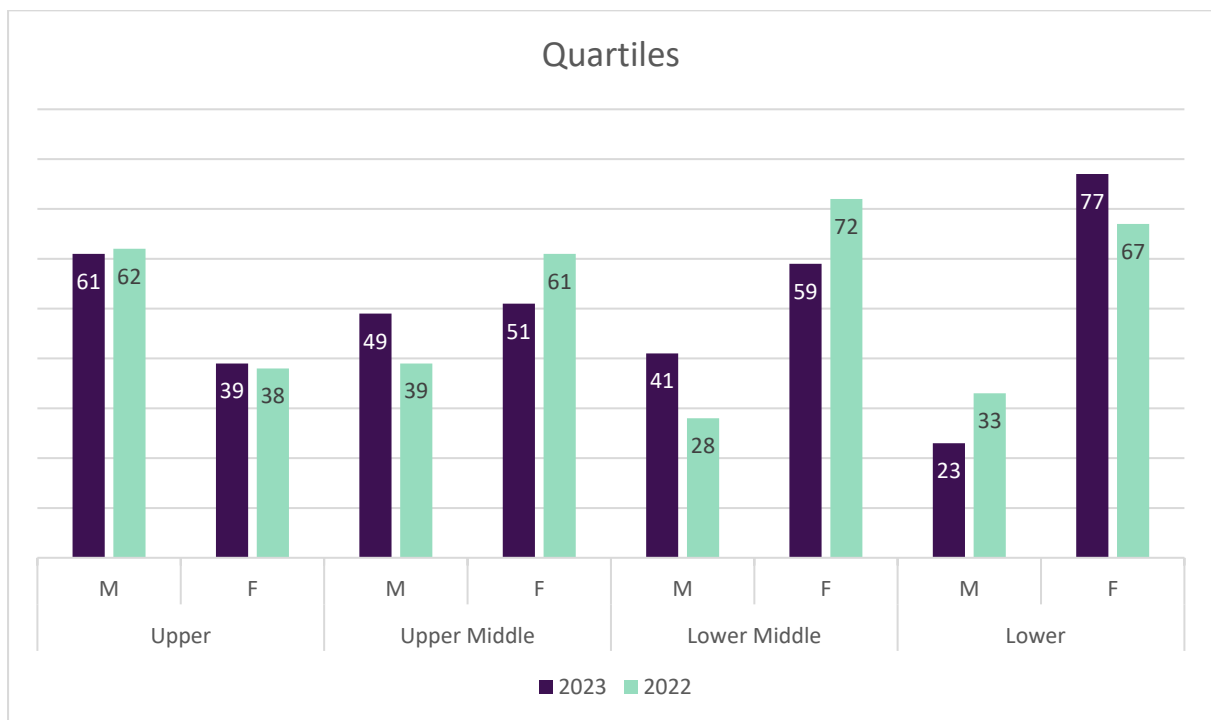
chances of us bringing historical pay gaps, based on gender or other factors, into the Delivery Authority

- Limiting the number of essential requirements for a role because we know that women are more likely to screen themselves out of opportunities at the application stage for not meeting all the requirements.
- Taking steps to minimise potential bias in selection by having diverse interview panels to ensure balanced and inclusive decision-making. We also have a pool of Diversity Recruitment Champions whose role is to support interview panels by bringing their knowledge and perspective, to ensure equity, diversity, and inclusion is championed and actively considered throughout the recruitment process.

4.3 Quartiles

The graph below shows the proportion of male and female colleagues in each quartile banding. There is not significant change in our headcount and the overall gender percentage split is very similar across both reporting years.

As explained earlier, the increase in the median pay gap is due to more females being recruited into the lower quartile (an increase of 10%), combined with a 10% increase in the number of men recruited in the upper middle quartile since last year.





4.4 Bonus Payments

	2023		2022	
	Received Bonus	Did not receive bonus	Received Bonus	Did not receive bonus
Male	44.3%	55.7%	1.7%	98.3%
Female	35.0%	65.0%	3.4%	96.6%

The bonus paid in August 2023 was for the performance year to 31 March 2023. It took account of, where appropriate, performance over the two years since the Delivery Authority was established (i.e., from May 2020). Eligibility for bonus is determined by an individual's start date. Therefore, all colleagues who joined the organisation on or before 1 October 2022 were eligible for a bonus payment in August 2023.

4.5 Gender Bonus Gap

	MEAN		MEDIAN	
	2023	2022	2023	2022
Male	£17965.1	£3000.0	£6339.0	£3000.0
Female	£9603.1	£2333.0	£5280.0	£2000.0
Difference	£8362.0	£667.0	£1059.0	£1000.0
% Difference	46.5%	22.2%	£16.7%	£33.3%

The mean and median bonus gap is explained by the percentage of maximum bonus potential linked to salary and the gender representation throughout the organisation at the snapshot date. Although there is an increase of 24.3% in the mean bonus gap and a decrease of 16.6% in the median, the figures across these two years are not comparable because, in 2022, only four colleagues received a bonus payment. Whereas, for 2023, the whole eligible population was considered for the first time. It is also worth noting that these calculations include the bonus of the CEO who is male. The CEO is entitled to a maximum bonus payment of 60% of their salary (compared to a range of 10-40% for colleagues in other grades). This figure partially drives the mean gender bonus gap.

5 Ethnicity Pay Gap

For the purposes of this report 'Any Other Ethnic Group' includes all employees who have declared their ethnicity as denominations under Black, Asian, or Minority Ethnic.



5.1 Ethnicity distribution

Delivery Authority Employees	2023		2022	
	Number	%	Number	%
White	83	53.5%	76	52.4%
Any Other Ethnic Group	26	16.8%	27	18.6%
Not declared	46	29.7%	42	29.0%
Total	155	100%	145	100%

5.2 Hourly pay gap

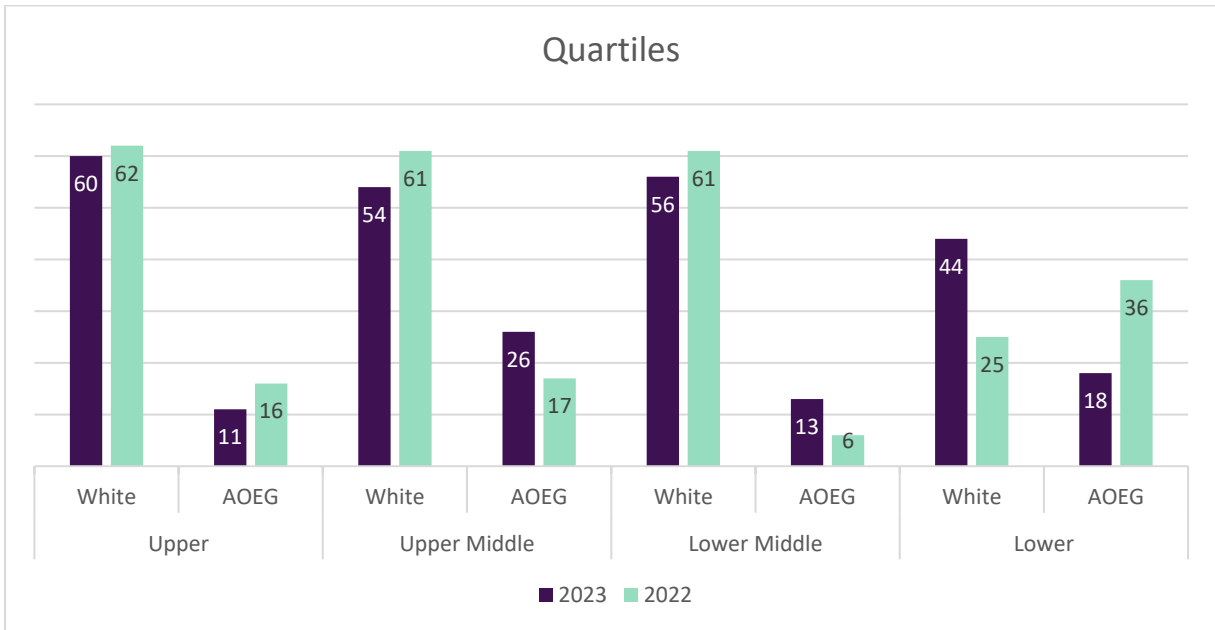
	MEAN		MEDIAN	
	2023	2022	2023	2022
White	£39.17	£36.41	£34.9	£30.15
Any Other Ethnic Group	£32.79	£26.63	£34.28	£18.47
<i>Not declared</i>	<i>£35.70</i>	<i>£28.87</i>	<i>£27.97</i>	<i>£22.61</i>
Difference (W/AOEG)	£6.38	£9.78	£0.62	£11.68
% Difference	16.29%	26.86%	1.78%	38.7%

5.3 Quartiles

The graph below shows the proportion of White and Any Other Ethnic Group (AOEG) colleagues in each quartile banding. The data indicates that our ethnicity pay gap is caused by a higher representation of colleagues in the Any Other Ethnic Group in less senior roles, and more colleagues who are white in more senior and therefore higher paid roles.

Sharing ethnicity is not mandatory and we have a high proportion of colleagues who have not identified themselves as a particular ethnicity. Just under 30% of colleagues have not shared their ethnicity and this could have an impact on the ethnicity pay gap data. Therefore, we will aim to further improve our ethnicity declaration rate with planned campaigns. In the meantime, we are taking active steps to increase representation of AOEG colleagues across all grades within the Delivery Authority through our attraction and recruitment actions (see Section 7).

However, we have seen a reduction in the ethnicity pay gap, and this is attributed to more AOEG colleagues joining at the upper middle quartile pay bands (an increase of 9%) and fewer AOEG colleagues in the lower quartile pay band (a reduction of 18%), compared to 2022.



5.4 Bonus Payments

	2023	
	Received Bonus	Did not receive bonus
White	54.0%	46.0%
AOEG	46.0%	54.0%
Not declared	59.0%	41.0%

As noted above, eligibility for bonus is determined by an individual’s start date. Therefore, all colleagues who joined the organisation on or before 1 October 2022 were eligible for a bonus payment in August 2023. This is the first year we are reporting the ethnicity bonus gap, therefore there is no comparative data for 2022. However, the four colleagues who received an exceptional bonus in 2022 were all white.

5.5 Ethnicity Bonus Gap

	MEAN	MEDIAN
	2023	2023
White	£16254.0	£6090.0
Any Other Ethnic Group	£9721.0	£6874.0
<i>Not declared</i>	<i>£8731.0</i>	<i>£5078.0</i>
Difference (W/AOEG)	£6533.0	-£784
% Difference	40.19%	-£12.87%

The ethnicity bonus gap is explained by the representation of white and AOEG colleagues by pay quartile. Although we have seen some changes in representation of AOEG colleagues in lower



quartile roles (a reduction of 18%) and upper middle quartile roles (an increase of 9%), the high representation of white colleagues in upper and upper middle quartiles is driving the bonus gap.

6 Summary

Across the UK economy, men are more likely than women to be in senior roles. A similar picture is observed for white and AOEG populations. These patterns are reflected in the make-up of the Delivery Authority, where we have more white men in senior roles.

Paying our employees fairly and equitably relative to their role, skills, experience, and performance is central to our reward strategy. We review and challenge job evaluation and reward structures on an ongoing basis to ensure that colleagues are paid fairly, and so we are confident that our pay gap does not reflect an equal pay disparity. We recently undertook an equal pay audit, which included a review of all our pay mechanisms. We are confident that our pay gaps are not because we pay men and women or white and AOEG colleagues differently for the same or equivalent work.

While we understand the reasons for our pay gaps, we are concerned about them. We are committed to doing everything we can to reduce the pay gaps (subject always to our policy of employing the best person for the role) and we have developed action plans that will support us in our efforts to reduce them.

7 Key Actions

This section highlights some of the actions we take to reduce the pay gaps, promote gender and ethnicity diversity in our organisation and to make the Delivery Authority an attractive employer for everyone.

We have strengthened our recruitment processes to ensure we attract a diverse pool of candidates. In addition to those actions set out in Section 4.2, which apply to all groups, we have also:

- Reviewed our pay philosophy and all pay mechanisms to ensure fair and equitable remuneration.
- Trained all our people managers in inclusive recruitment practices.
- Tracked diversity at all stages of the recruitment process, from application to appointment, to understand whether any of our processes or practices impact on any particular groups at any stage of the process and shaped our actions accordingly.
- Established a mentoring scheme which provides personal and professional development opportunities. Out of those who have engaged with the scheme so far, 57% are women and 22% are AOEG colleagues.

Finally, all new colleagues receive EDI awareness training, and we also offer equality analysis and active bystander training.

The Executive Committee is committed to EDI being central to the R&R Programme and are acting to address the gender and ethnicity pay gaps. We recognise the current phase of the Programme and the challenges this brings in the short-term, however, our actions focus both on recruitment and retention to create the best opportunities to reduce these gaps.