

Gender & Ethnicity Pay Gap

2021–2022



HOUSES OF PARLIAMENT
R&R DELIVERY AUTHORITY

April 2023

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1 Purpose

This is the latest update of data taken in April 2022 of the Restoration and Renewal Delivery Authority's gender and ethnicity pay gap report, and uses the 2020/2021 report as a comparison.

This report contains information relating to the Delivery Authority as an employing entity, and it outlines our next steps to improve the gender and ethnicity balance of our workforce.

2 Background

The Gender Pay Gap regulations are contained within the Equality Act 2010 and require organisations employing over 250 people to publish their gender pay gap. Organisations subject to the Public Sector Equality Duty (PSED) are required to publish information where they employ over 150 people.

Each year, we take a snapshot of employee data as of 5 April to run our pay gap assessment. The resulting data is reported into the Government portal and on our website the following year. At the snapshot date of 5 April 2022, the DA did not meet the number of required employees to report, however we are voluntarily publishing our pay gap data in line with our commitments to open and transparent operation and to Equality, Diversity and Inclusion.

In addition, we have chosen to voluntarily publish our ethnicity pay gap for the first time. At the snapshot date, we had sufficient disclosure of diversity data to compile this report and enable us to put actions in place to close the gap.

3 Definitions

For the purposes of gender and ethnicity pay reporting, the definition of who counts as an employee is set out in the regulations and follows the definition in the Equality Act 2010. This is known as an 'extended' definition, which includes:

- employees (those with a contract of employment)
- workers and agency workers (those with a contract to do work or provide services)
- some self-employed people (where they have to personally perform the work).

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. For ethnicity it is the midpoints in the range of hourly earnings of white and any other ethnic group. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle salary.

The mean gender pay gap is the difference between the average hourly rate of pay of women compared with men in a company. This is expressed as a proportion of men's hourly rate of pay. By way of an example, if the average male pay is £50 per hour and the average female pay is £25 per hour this would indicate a gender pay gap of 50%. As senior roles pay more than junior roles, the



fewer women who hold senior roles in a company, the greater the average gender pay gap. For ethnicity, the mean ethnicity pay gap is the difference between the average hourly rate of pay of any other ethnic group compared to white colleagues.

4 Understanding the pay gap

It is important to explain the distinction between equal pay and the gender pay gap, as they are often confused. Equal pay means paying a man and a woman the same amount for work, that is the same or broadly similar, and is covered by separate reviews within HR. 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 gender pay gap does not reflect an equal pay disparity.

4.1 What does a pay gap report cover?

Reporting on gender pay gap includes the following measures:

- the mean and median gender gaps in hourly pay for 2020/21 and 2021/22
- the proportion of men and women employees in each pay quartile for 2020/21 and 2021/22
- the mean and median gender bonus gap for 2021/22

Reporting ethnicity pay gap includes the following measures:

- the mean and median ethnicity gaps in hourly pay for 2021/22
- the proportion of white, any other ethnic group and not declared in each pay quartile for 2021/22.

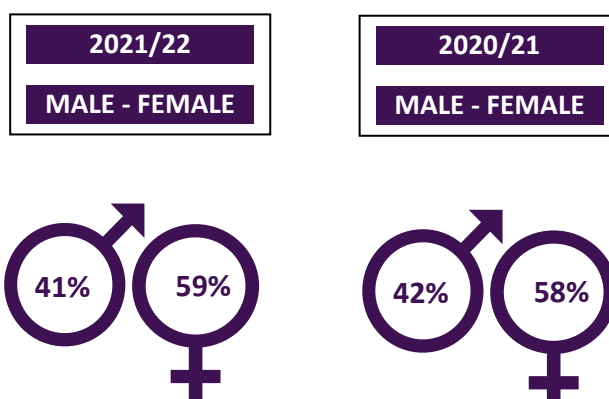
Data is captured in line with Government instructions and has been calculated after salary sacrifice.



5 Gender Pay Gap

5.1 Gender distribution in the DA

Delivery Authority Colleagues	2021/22	%	2020/21	%
Total colleagues	152		79	
Excluded colleagues (NEDs)	- 7		-7	
Total for reporting	145		72	
Male	59	41%	28	42%
Female	86	59%	44	58%



At the snapshot date, the female representation in the DA was 59% and 41% male. A 1% increase in female representation and a 1% decrease in male representation from 2020/21 to 2021/22.

The way in which gender pay gap reporting is calculated provides a list of 'relevant employees'. As verified by ACAS, the non-executive directors (NEDs) do not count as relevant employees and therefore have not been included in the pay gap calculations.

5.2 Hourly pay gap

	Mean 2021/22	Mean 2020/21	Median 2021/22	Median 2020/21
Male	£38.31	£40.57	£32.70	£25.45
Female	£26.68	£30.08	£24.25	£23.03
Difference	£9.63	£10.49	£8.45	£2.42
% Difference	25.13%	25.86%	25.84%	9.50%

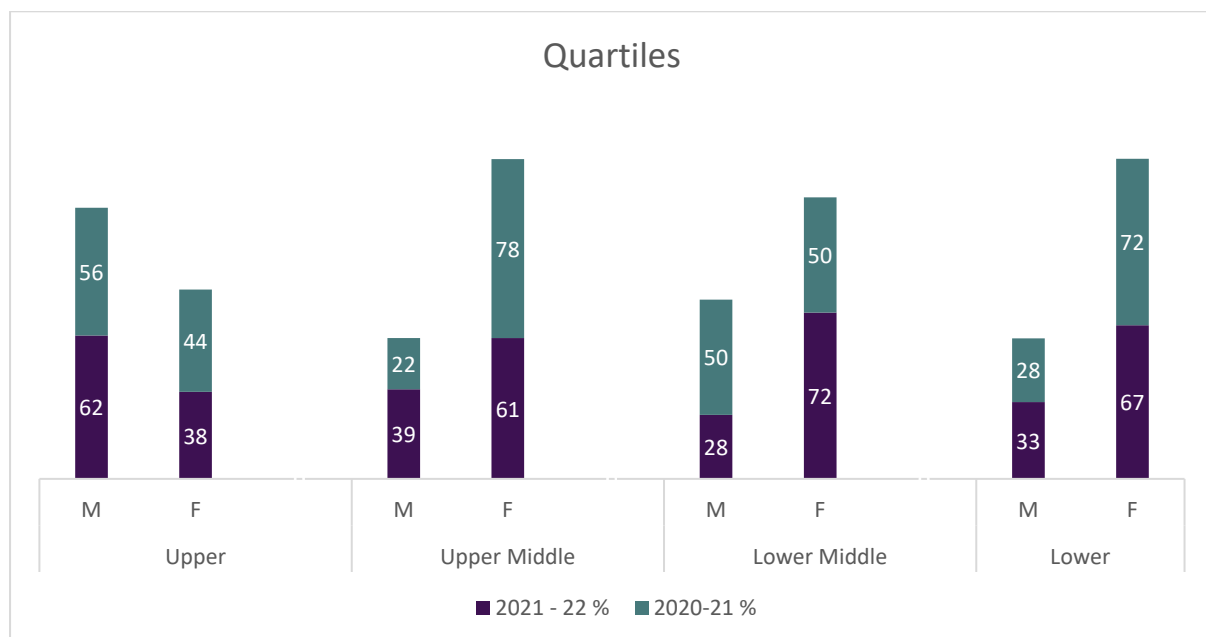


The figures outlined show that there has been a reduction of almost 1% between the mean pay gap for 2020/21 and 2021/22. The median pay gap however has significantly increased since last year. The driver for differences can be seen in recruitment and leavers trends. Females in senior positions leaving and less females overall in the more senior positions and more females in the lower middle range, which is shown in the quartiles chart in the next section, below.

5.3 Quartiles

The graph below shows the proportion of male and female colleagues in each quartile banding, including a comparison of both reporting years. There has been significant growth in our headcount and the overall gender percentage split has stayed very similar year on year.

The increase in the median pay gap is due to more females being recruited into the lower middle quartile, and an increase in the number of men recruited in the two upper quartiles since last year. The actions required to redress the balance in our recruitment approach are covered in Section 9 Key Actions.



5.4 Gender Bonus Gap

We do not provide a long-term incentive plan scheme for any of our employees. All employees, including the Executive Directors, are eligible for consideration for a discretionary performance award as part of their remuneration package. This allows for recognition of performance in any year without raising base salary levels. The performance award is calculated based on a percentage of salary, and it is non-pensionable. Any performance award is wholly discretionary, and is subject to the outcome of the organisation's performance against its agreed target measures, as well as



individual delivery against personal objectives, which includes an assessment of how an employee has performed based on our values and behaviours.

Considering the Covid-19 pandemic and its ongoing economic impact, and the fact that we were a newly incorporated organisation, the decision was taken to generally defer discretionary performance awards related to the period ending 31 March 2021.

Notwithstanding the general deferment, we made performance award payments to four colleagues. A higher proportion of women received a bonus payment relative to men. However, the mean and median bonus gap is explained by the percentage of remuneration linked to salary and the gender representation throughout the organisation at the snapshot date. However, we will be able to draw more insight on this aspect of pay next year given the increase in our headcount (as noted in 5.1).

Percentage of female and male colleagues who received a bonus:

- Proportion of female colleagues receiving a bonus payment: 3.49%
- Proportion of male colleagues receiving a bonus payment: 1.69%

Gender bonus gap:

Mean	Median
22.23%	33.3%

5.5 Comparators

A useful exercise is to understand our performance alongside external benchmarks. We are mindful that major programmes such as Crossrail and HS2 were in different phases of construction and handover at the snapshot date, however they provide a useful indicator for us to monitor and measure against.

Organisation/Sector	2021 Mean*	2021 Median*
Delivery Authority	25.86%	9.50%
HS2	21.5%	25.5%
Tideway	Not available	26.2%
Crossrail	24.1%	33.7%
Civil Service Average	7.8%	8.1%
National Average	15.1%	15.4%

** Figures for 2021 are used - Figures for 2022 are not available at the time of publishing this report*



5.6 Supply Chain

The DA's supply chain who have qualified to submit a report or have voluntarily done so are included below for the private sector snapshot date of 5 April 2021.

Supplier	2021 Mean*	2021 Median*
Delivery Authority	25.86%	9.50%
BDP	23.6%	21.4%
Jacobs	19.6%	21.8%

** Figures for 2021 are used - Figures for 2022 are not available at the time of publishing this report*

5.7 Gender Pay Gap – summary.

The Delivery Authority gender pay gap is comparable with other major programmes such as HS2, Tideway and Crossrail, and our supply chain, however, it is at a higher level than the Civil Service average and the national average.

We are confident that our gender pay gap is not because we pay men and women differently for the same or equivalent work. Instead, our gender pay gap is because men and women work in different roles and those roles have different salaries.

Across the UK economy, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations). This pattern from the UK economy as a whole is reflected in the make-up of our organisation, where we have more men in senior manager roles.

Whilst we understand the reasons for our gender pay gap, we are concerned about it, and we are committed to doing everything we can to reduce it. We have developed action plans (see section 9. Key actions) to put policies and practices in place that will support us in our attempts to reduce the gap.



9. Ethnicity Pay Gap

Publishing our ethnicity pay gap is an important step to understand where we are as an organisation, and what actions we need to take to improve ethnic diversity and inclusion within the Delivery Authority. 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.

9.1 Ethnicity distribution in the DA

Delivery Authority Colleagues	Number	%
White	76	52.4%
Any Other Ethnic Group	27	18.6%
Not declared	42	29.0%
Total	145	100%

At the snapshot date, the largest representation in the DA was White employees at 52.4%; 18.6% of employees were from Any Other Ethnic Group, and 29% did not complete their data disclosure.

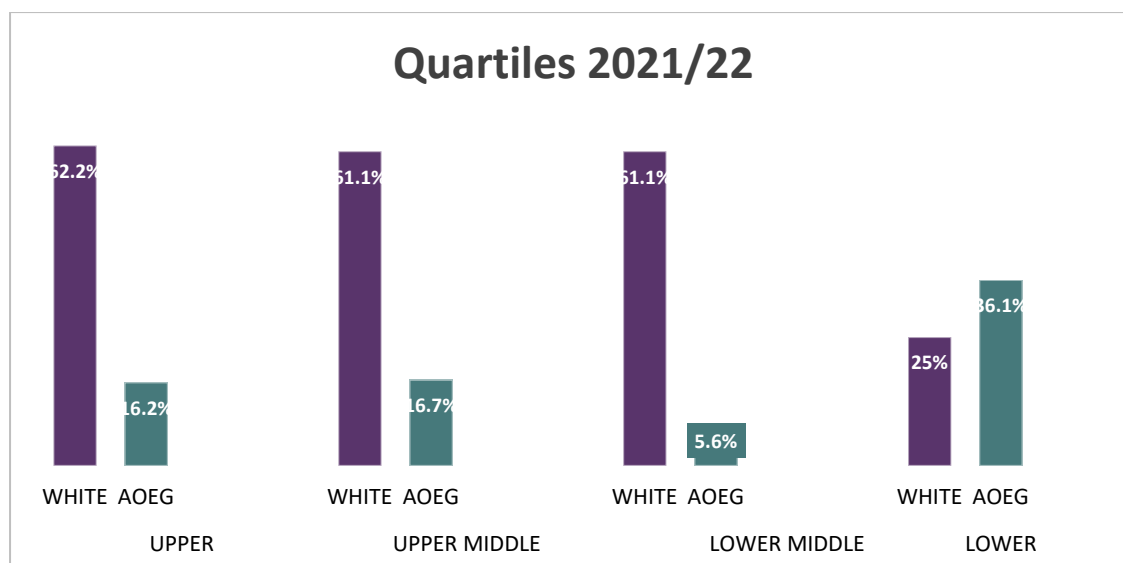
9.2 Hourly pay gap

	Mean	Median
White	£36.41	£30.15
Any Other Ethnic Group	£26.63	£18.47
Difference	£9.78	£11.68
% Difference	26.86%	38.7%

Employees who have not shared their ethnicity or have indicated they would prefer not to say are not included in these calculations. The mean shows a difference in hourly pay gap of 26.86% and the median shows a difference in hourly pay gap 38.7% respectively.

9.3 Quartiles

The graph below shows the proportion of White and Any Other Ethnic Group (AOEG) colleagues in each quartile banding. The data shows us that our ethnicity pay gap is caused by 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. We also have a high proportion of colleagues who have not declared ethnicity data; this could be contributing to this gap.



9.4 Supply Chain

As the ethnicity pay gap is not a mandatory report under the Equality Act, not all the DA's supply chain have published their data. The table below captures the DA's supply chain information for 2021.

Supplier	2021 Mean*	2021 Median*
BDP	Not published	Not published
Jacobs	9.4%	6.4%

** Figures for 2021 are used. Figures for 2022 for the supply chain are not available at the time of publishing this report. DA figures for 2021 are not available because this is our first ethnicity pay gap report.*

9.5 Ethnicity Pay Gap – summary.

This is the first time that we have reported on our ethnicity pay gap. We do this on a voluntary basis to be transparent. Like our gender pay gap, we are concerned with the figures, and we are committed to putting plans in place to reduce the gap. We have already made efforts to improve our disclosure rates, and we are confident that we will have an even more representative picture to report next year.



10. Key Actions

This section highlights the actions we have taken and are planning to implement in the next 12 months to reduce the pay gaps, promote gender and ethnicity diversity in our organisation and to make the DA an attractive employer for everyone.

10.1 Inclusive Recruitment

- We use a gender decoder tool to write our job adverts and use gender neutral language in our adverts.
- We formalised diverse interview panels to ensure balanced and inclusive decision-making.
- We are reviewing all job descriptions to ensure the person specification requirements are not excessive and the 'must have' requirements are essential to the role.
- We follow good practice in pay transparency by including salary details in all job adverts.
- We will review recruitment plans for all jobs in the upper and upper middle quartiles and consider options for targeted advertising for these roles.
- We will include that we support flexible working as standard in all our job adverts.

10.2 Learning

- We have delivered Inclusive Recruitment briefings to our Leadership Community, and we are launching Recruiting Manager training that covers all diversity recruitment and selection considerations.
- We launched a suite of EDI training throughout the past year including equality analysis, and active bystander training.
- We are developing a mentoring scheme which will provide personal and professional development opportunities.

10.3 Systems and Processes

- We have improved disclosure rates on EDI characteristics and will continue to use internal campaigns to encourage continued disclosure.
- We are developing supply chain EDI reporting to include in our Management Information dashboard. This will provide a more comprehensive view of the entire workforce on the R&R Programme.

The Executive Committee are committed to EDI being central to the Programme and are undertaking actions required to address the gender and ethnicity pay gaps. We recognise the current phase of the Programme and the challenge this may cause in the short-term, however, our actions focus on both recruitment and retention in order to create the best opportunities to reduce these gaps.

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