

Date: 16 May 2024

Item: TfL Pay Gaps and Action Plan

This paper will be considered in public

1 Summary

- 1.1 Our Colleague Strategy sets out how we will achieve our ambition of being an inclusive employer of choice by creating a great place to work for everyone, so everyone is able to thrive. In order to attract, retain and develop people with the skills to achieve our business objectives, we need to actively take steps to achieve our ambition of reducing our pay gaps.
- 1.2 This paper provides an update on how our pay gaps have changed in 2023 and what we believe the reasons are for these changes. It also outlines the steps we are taking to reduce our pay gaps.

2 Recommendation

- 2.1 **The Panel is asked to note the paper.**

3 Summary Of Our Pay Gaps 2023

- 3.1 Our median gender pay gap decreased from 16.6 per cent in 2022 to 14.8 per cent in 2023. Our mean gender pay gap also decreased from 9.5 per cent to 9 per cent in the same period.
- 3.2 Our median ethnicity pay gap increased from 8.1 per cent in 2022 to 11.8 per cent in 2023. Our mean ethnicity pay gap also increased from 10.8 per cent to 11.4 per cent in the same period.
- 3.3 Our median disability pay gap increased from 2.9 per cent in 2022 to 5.2 per cent in 2023. Our mean disability pay gap decreased from 3.1 per cent to 2.4 in the same period.

Pay Gap Measure	2022 (per cent)	2023 (per cent)	Change (Percentage points)
Gender – Median	16.6	14.8	-1.8
Gender – Mean	9.5	9.0	-0.5
Ethnicity – Median	8.1	11.8	+3.7
Ethnicity – Mean	10.8	11.4	+0.6
Disability – Median	2.9	5.2	+2.3
Disability - Mean	3.1	2.4	-0.7

4 Understanding the changes in our Pay Gap Reports

- 4.1 Our gender, ethnicity and disability pay gap report in 2023 paints a mixed picture, with our gender pay gaps continuing to decrease, but our ethnicity pay gaps increasing and our median disability pay gap also increasing.
- 4.2 Pay gaps can arise due to a number of factors, such as recruitment, progression, retention and development, all of which can directly impact pay gaps in-year.

Declaration Rates

- 4.3 Over the past year, we believe declaration rates have had one of the biggest impacts on our ethnicity and disability pay gaps in particular. (It is worth noting that gender information is a mandatory field so we have a 100 per cent declaration rate so our data on gender is not impacted by declaration rates in the way that other data can be positively or negatively impacted by a significant increase in data).
- 4.4 Exceptionally, last year over 4,000 colleagues shared their (additional) demographic information with us. More than 1,000 of these colleagues were existing employees who we believe shared their data as a result of greater awareness, our Count Me In campaign, and the launch of Action on Inclusion. In addition, another dataset relating to another 3,000 colleagues was also uploaded last year as a result of an earlier omission by an external recruitment company who had handled some operational high volume recruitment campaigns on our behalf. We believe that this had a significant impact on our ethnicity pay gap in particular for the reasons detailed below.
- 4.5 Last year the proportion of Black, Asian and minority ethnic operational colleagues increased from 34.8 per cent to 39.2 per cent based on increased declarations. This is a significant and positive shift in one single year in terms of our broader commitment to ensure our workforce is reflective of the diversity of London. However, we believe that this increase has contributed to increasing our ethnicity pay gaps, as many of these operational roles are our more junior, high volume, lower paid positions (such as Customer Service Assistants).
- 4.6 For our Disability Pay Gaps, during the course of last year, we managed to increase the number of colleagues willing to voluntarily share information about their disability from 55.5 per cent in 2022 to 65.2 per cent in 2023. This is a positive and welcome outcome. We are aware that as we continue to increase our declaration rates, this may have a negative impact on our pay gaps, but since doing so will provide us with a clearer picture of who our people are (and whether any actual pay gaps exist) we will continue to take steps to encourage colleagues to share their data with us.
- 4.7 We believe increased declaration rates are in part a result of work being undertaken to increase disability awareness within the business, such as the recent launch of the Inclusion Matters - Disability training course which is designed to give colleagues more confidence to share with us whether they have a disability.
- 4.8 While increased declarations are a positive and welcome step (increased information better enables us to support our colleagues appropriately), we are

conscious that 34.8 per cent of our colleagues currently do not share whether or not they have a disability so our pay gap information only relates to two thirds of our population.

Attracting and recruiting diverse talent

- 4.9 We continue to attract diverse talent via our Graduate, Apprentice and Internship programmes. In terms of ethnicity, our Graduate and Apprentice programmes are currently 51.4 per cent and 43.2 per cent Black, Asian and minority ethnic respectively. While attracting and recruiting diverse talent into our Graduate and Apprentice programmes is the right thing to do, these colleagues are on lower base salaries than other colleagues with more experience and therefore an increase in their numbers can negatively impact our pay gap calculations.
- 4.10 As these colleagues complete these schemes and progress their careers with TfL this is anticipated to help reduce our pay gaps in the future. We are therefore taking a long-term view that while our pay gaps may increase in the short-term, we are mindful of the fact that this is the right way to build a talent pipeline of future leaders. The graduates and apprentices of today will also help us achieve our commitment to increase representation at the most senior level of our organisation over the course of the next few years to 2030.

5 Steps to reduce our Pay Gaps

- 5.1 Our Pay Gap Action plan sets out steps we will take to help reduce our pay gaps over the next four-year period.
- 5.2 Our Pay Gap Action Plan details the interventions we will put in place under five key themes. Our planned (or delivered) interventions under each theme are included in the background reading.
- 5.3 The Pay Gap Action Plan is now supplemented and further supported by our Colleague Strategy which was launched last year. Our Colleague Strategy sets out how we will make TfL a great place to work where everyone can thrive. The Pay Gap Action Plan is therefore an integral part of our Colleague Strategy. There are three pillars of the Colleague Strategy:
- (a) creating an inclusive culture;
 - (b) providing a fair and attractive employee offer; and
 - (c) supporting everyone to achieve their work ambitions.
- 5.4 Collectively, the work we do under these overarching pillars will enable us to make TfL a great place to work where diversity can thrive. One of the ways we are measuring our progress towards our diversity ambition is through increased representation at senior levels of the organisation.
- 5.5 With reference to Economically Active London (EAL), and through our Scorecard, we have committed to halve the gap between our representation at senior levels and EAL (where we are not already representative of London) in relation to each of the legally protected characteristics. Achieving this ambition would significantly reduce our ethnicity and disability pay gaps.

5.6 Here are a few examples of the key actions that we have put/are putting in place this year to address our pay gaps:

- (a) launch of our Diversity and Inclusion strategy, Action on Inclusion. Ongoing activities to embed this across our business continues;
- (b) creation and launch of Inclusion Matters e-learning. Mandatory for all colleagues with an expectation that all People Leaders will have completed the training by March 2024. Currently 88 per cent of our People Leaders have completed this training, with release time in operational areas a constraining factor in achieving this by the end of 2023/24;
- (c) working even more closely with our Colleague Network Groups (CNGs) (aligned to the protected groups) so they can help us cascade and embed inclusive practices and can act as a mirror for the organisation by helping to identify barriers and sharing information about how colleagues wish to be supported. Supporting our CNGs to deliver CV writing and interview practice workshops to support colleagues to be ready for when career progression opportunities arise;
- (d) creating and rolling out development programmes such as 'Getting ready for senior leadership' (GRFSL) and 'Future Leaders'. Running GRFSL is a positive action programme to address the inequalities we are seeing through our data in terms of career progression;
- (e) promoting the Readiness framework under myJourney to enable colleagues to take control of their career development;
- (f) developing a new recruitment approach – agile, progressive, creative to support our commitment to recruit more diverse talent, either internally or externally;
- (g) introducing a new adjustments process to support our disabled colleagues Launched 1 April 2024;
- (h) creation and launch of a new GLA Group Mentoring programme. Launched January 2024 to support colleagues' personal and career development;
- (i) ongoing review of all people related policies. Recent launch of revised Flexible Working Policy; and
- (j) raising awareness around discrimination on an ongoing basis e.g. Inclusion Matters – Disability training for People Leaders supported by Disability awareness e-learning for all colleagues.

List of appendices to this report:

None.

List of Background Papers:

[TfL Pay Gap Report 2023](#)

[TfL Pay Gap Action Plan](#)

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