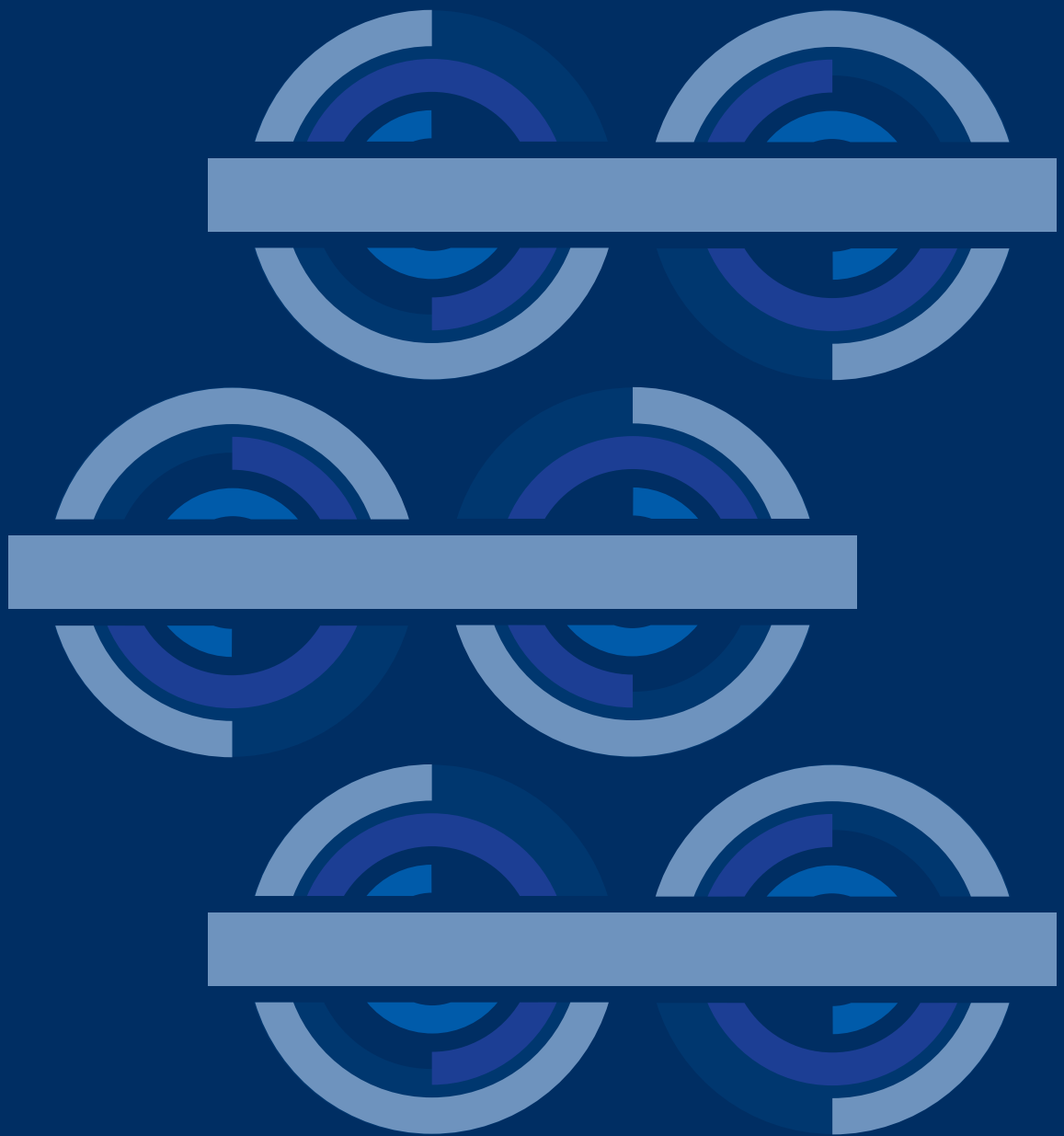# TfL ethnicity pay gap report 2018

TRANSPORT FOR LONDON

EVERY JOURNEY MATTERS

About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport.

We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners'. We are committed to creating a fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made on foot, by cycle or using public transport by 2041. To make this a reality, we prioritise health and the quality of people's experience in everything we do.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, can help shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency and improve air quality, revitalise town centres, boost businesses and connect communities.

We run most of London's public transport services, including the London Underground, London Buses, the Docklands Light Railway, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are working with partners on major projects like Crossrail 2 and the Bakerloo Line Extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when it opens, will add 10 per cent to central London's rail capacity.

Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means freezing fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day.

None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. We all need to pull together to deliver the Mayor's Transport Strategy; by doing so we can create a better city as London grows.

Contents

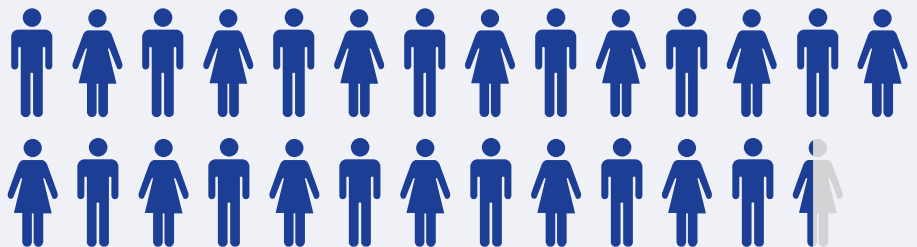# Just over a quarter of our people are BAME

49.8%
white

26.4%
BAME

23.8%
prefer not to say/
unknown

27,399
employees

Figures at 31 March 2018

Foreword

London is one of the most diverse cities in the world. To support its continued success, we need a deeper understanding of our city and what matters to the people that live and work here. One of the best ways to achieve this is to have a truly representative workforce.

Embracing diversity is not just the right thing to do; it makes business sense. Diverse organisations have a deeper understanding of their customers and serve them better; they attract and retain the best staff, solve problems faster and innovate more readily.

In the last 12 months, we have driven an overall increase in colleagues from black, Asian and minority ethnic (BAME) groups across most roles and grades in our organisation. This is encouraging but there is still more to do, particularly when it comes to our operational areas and we must do all we can to improve diversity in these critical roles.

We're committed to becoming a more diverse organisation that welcomes people from all backgrounds and actively supports their professional development. Our focus is on long-term change, building on existing effective initiatives and identifying further ways to ensure BAME colleagues have access to senior roles and can successfully progress their careers.

We are widening our mentoring programmes to increase participation from minority groups and revisiting secondments and work placements. In recruitment, we're further eliminating bias, encouraging more applications from under-represented groups, and extending the Stuart Ross BAME internship programme.

There is no one single solution but we're continuing to challenge the status quo, both within our organisation and out in the wider transport industry. Together, we will ensure that all colleagues are equally supported to develop in their careers and are always able to deliver their best for London.

Mike Brown MVO
Commissioner
Transport for London

What is the ethnicity pay gap?

It is the overall difference in the average pay of white and BAME staff.

It's the overall percentage difference in the average pay of white and BAME staff.

We calculate* the ethnicity pay gap in two ways to give the clearest possible picture:

1. The mean shows the difference in average hourly pay between white and BAME employees.

2. The median shows the difference between the middle paid white employee and the middle paid BAME employee at TfL.
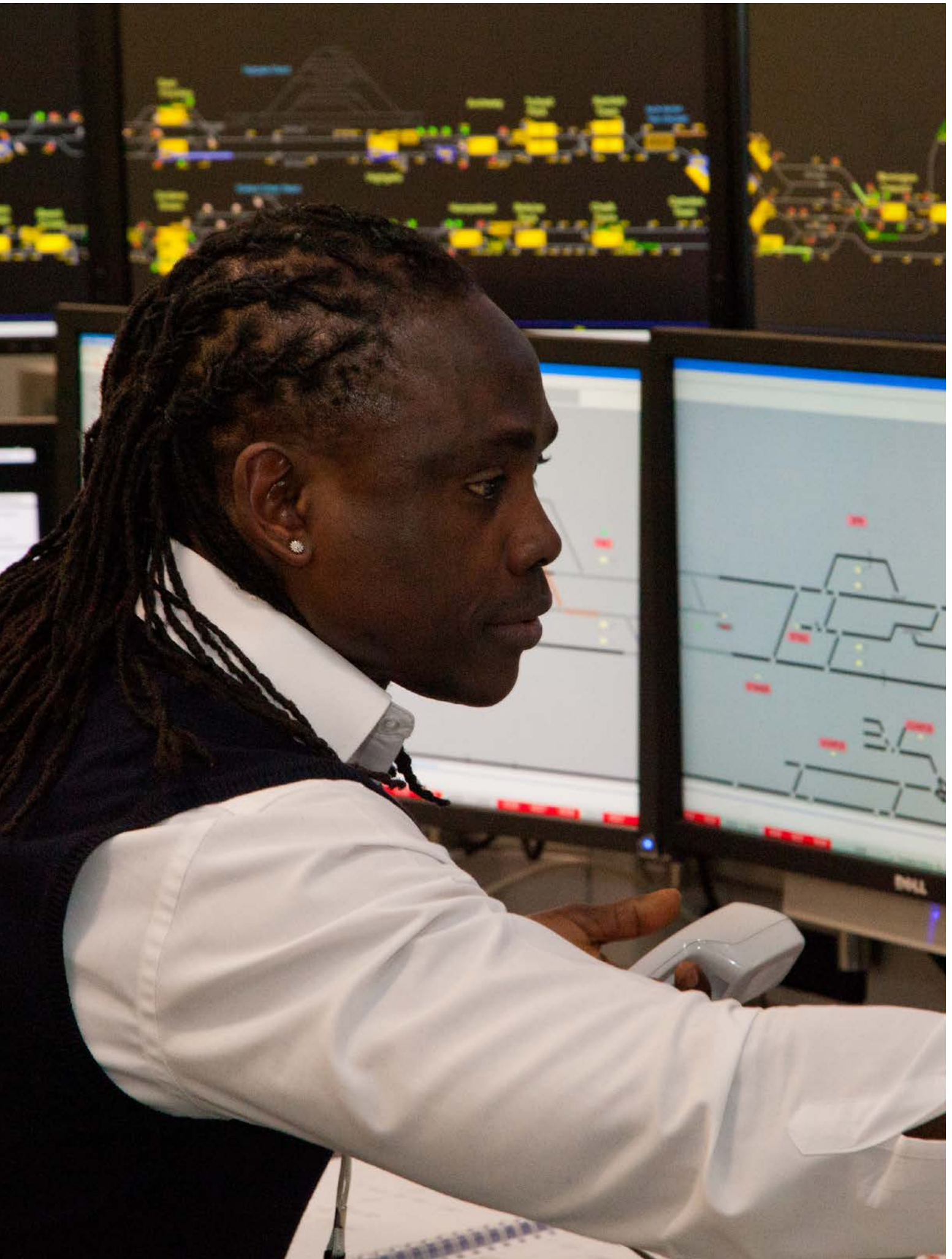
The mean pay gap summarises the overall pay of white and BAME staff, but it can be skewed by a small number of high or low earners in the group. The median gives a good idea of how much a typical white and BAME employee at TfL is paid.

How our workforce is made up
Forty per cent of Londoners are BAME and 35 per cent of economically active Londoners** are from BAME communities. At TfL 26.4 per cent of our workforce are BAME, with only 13.8 per cent BAME senior managers.

* Our ethnicity pay gap calculation approach is in line with the Government regulations for calculating gender pay gaps.

** ONS Annual Population Survey, July 2016-June 2017.

Our results across TfL

(including all operational and non-operational roles)

Pay*
Our overall hourly pay rates

£28.46
white median (middle)

£28.18
white mean (average)

9.3%
median (middle)
ethnicity pay gap

10.7%
mean (average)
ethnicity pay gap

£25.82
BAME median (middle)

£25.16
BAME mean (average)

The under-representation of BAME employees at a senior level, and therefore in higher paid roles, along with the larger proportion of BAME employees in operational areas, is reflected in the overall average hourly pay rates figures shown in the report.

* The figures in this section show the consolidated TfL median and mean ethnicity pay and bonus gap figures based on hourly rates of pay at 31 March 2018.

Pay quartiles
Median ethnicity pay gap by quartile

Quartile	White		BAME		
	Median hourly pay	Proportion of employees	Median hourly pay	Proportion of employees	Pay gap
Upper	£35.70	75.7%	£34.16	24.3%	4.3%
Upper middle	£29.01	66.5%	£29.01	33.5%	0.0%
Lower middle	£25.01	65.2%	£24.29	34.8%	2.9%
Lower	£17.68	55.2%	£17.68	44.8%	0.0%

Mean ethnicity pay gap by quartile

Quartile	White		BAME		
	Mean hourly pay	Proportion of employees	Mean hourly pay	Proportion of employees	Pay gap
Upper	£38.35	75.7%	£35.65	24.3%	7.0%
Upper middle	£29.08	66.5%	£28.97	33.5%	0.4%
Lower middle	£24.54	65.2%	£24.17	34.8%	1.5%
Lower	£17.47	55.2%	£17.39	44.8%	0.5%

The quartiles rank pay from lowest to highest and divide our employees into four evenly sized groups. Our under-representation of BAME in the higher paid roles is evident in the lower proportion of BAME in the upper quartiles.
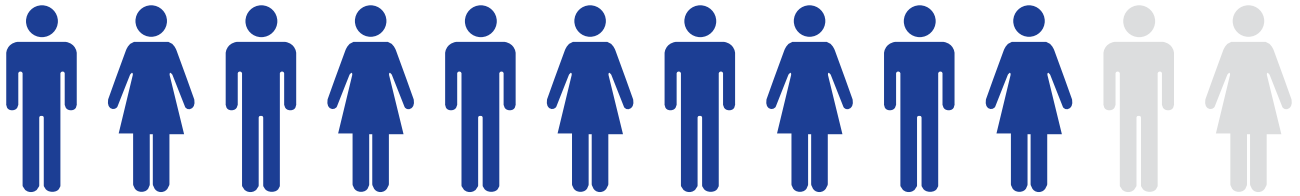
Bonuses
Proportion of employees who received a bonus

87.4%
white employees

82.6%
BAME employees

Received a bonus   Did not receive a bonus

Bonus gap

0.0%
median (middle)

37.9%
mean (average)

Bonus includes individual performance-related payments (performance awards), London Underground's performance bonus scheme (LCH bonus), Make a Difference recognition scheme vouchers, long-service awards and other one-off bonus payments that employees may have been awarded during the course of the year.

The mean bonus gap is higher than the median bonus gap due to having more employees from BAME communities within London Underground operational roles, in which they receive flat-rate bonuses linked to operational performance and recognition awards, compared to the higher proportion of white employees in non-operational and senior management roles, who receive percentage-based bonuses.

Our results for non-operational employees

Pay*
Our non-operational hourly pay rates

£29.12
white median (middle)

9.1%
median (middle) ethnicity pay gap

£26.46
BAME median (middle)

£30.33
white mean (average)

12.6%
mean (average) ethnicity pay gap

£26.50
BAME mean (average)

Non-operational positions do not have a fixed rate for the role. Within this group employees' pay is more flexible, with room for rewarding individual contribution and skills, and there is potentially more scope for inequity between different groups of employees.

Example roles are within human resources, finance, engineering, property development and customer contact centres.

* The figures in this section show the TfL median and mean gender pay and bonus gap figures for non-operational employees based on hourly rates of pay at 31 March 2018.
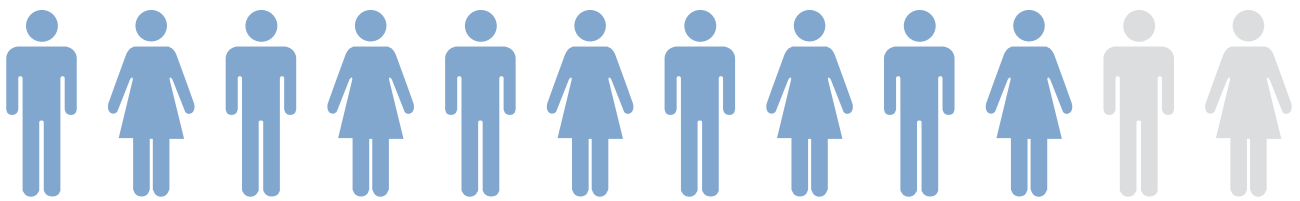
Pay quartiles
Median ethnicity pay gap by quartile

Quartile	White		BAME		
	Median hourly pay	Proportion of employees	Median hourly pay	Proportion of employees	Pay gap
Upper	£39.15	80.9%	£37.59	19.1%	4.0%
Upper middle	£31.29	68.4%	£31.12	31.6%	0.6%
Lower middle	£25.69	65.5%	£25.66	34.5%	0.1%
Lower	£18.33	60.4%	£18.01	39.6%	1.8%

Mean ethnicity pay gap by quartile

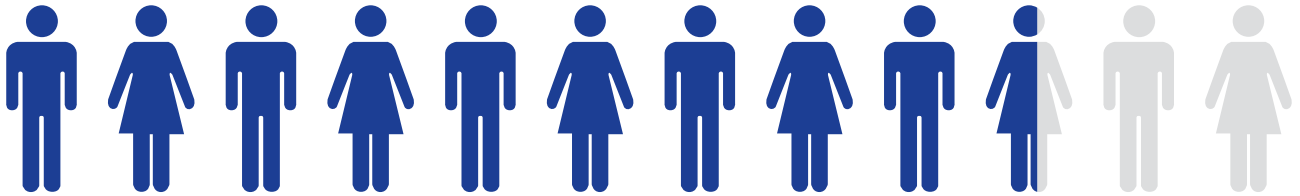| Quartile	White		BAME		
	Mean hourly pay	Proportion of employees	Mean hourly pay	Proportion of employees	Pay gap
Upper	£43.14	80.9%	£40.26	19.1%	6.7%
Upper middle	£31.11	68.4%	£30.75	31.6%	1.2%
Lower middle	£25.35	65.5%	£25.33	34.5%	0.1%
Lower	£17.68	60.4%	£17.51	39.6%	1.0%

Bonuses*
Proportion of employees who received a bonus

84.7%
white employees

80.2%
BAME employees

| | Received a bonus | | Did not receive a bonus |

* This refers to bonuses paid in the 12 months up to 31 March 2018.

Bonus gap

8.3%
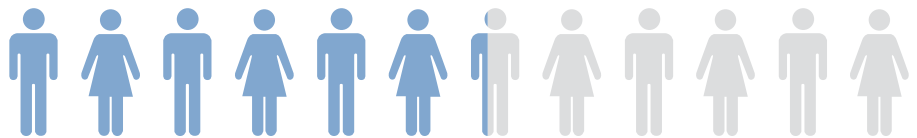median (middle)

40.5%
mean (average)

The mean bonus gap is influenced by the higher proportion of white employees in senior management roles compared to the higher proportion of BAME employees in lower grade roles.

12,727
employees

53.2%
white

24.2%
BAME

22.6%
prefer not to say/ unknown

Our results for operational employees

Pay*
Our operational hourly pay rates

£27.92
white median (middle)

£26.05
white mean (average)

7.5%
median (middle)
ethnicity pay gap

7.3%
mean (average)
ethnicity pay gap

£25.82
BAME median (middle)

£24.14
BAME mean (average)

Operational roles include those of 'spot rate' or 'fixed rate' roles as part of the operational staff pay structure; for example, Station Supervisor, Train Operator, Customer Service Assistant, Track Operative, Dial-a-Ride Driver, Bus Station Controller, Pier Controller.

By definition this is the same rate of pay for the role irrespective of ethnicity therefore no differentials exist within each job.

*   The figures in this section show the TfL median and mean gender pay and bonus gap figures for operational employees based on hourly rates of pay at 31 March 2018.
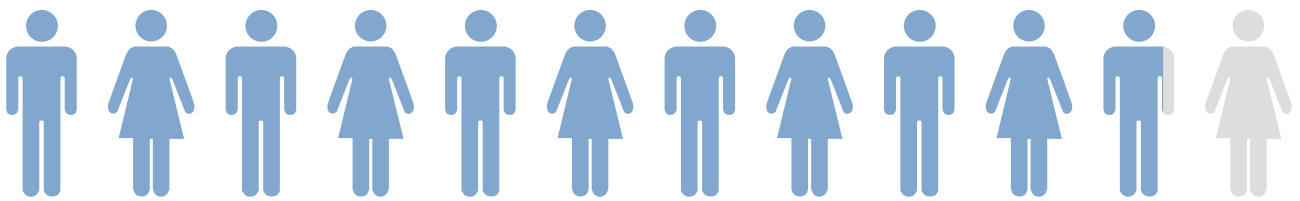
Pay quartiles
Median ethnicity pay gap by quartile

Quartile	White		BAME		Pay gap
	Median hourly pay	Proportion of employees	Median hourly pay	Proportion of employees	
Upper	£30.26	69.5%	£30.26	30.5%	0.0%
Upper middle	£29.01	67.7%	£29.01	32.3%	0.0%
Lower middle	£23.59	62.4%	£23.03	37.6%	2.4%
Lower	£17.68	51.7%	£17.68	48.3%	0.0%

Mean ethnicity pay gap by quartile

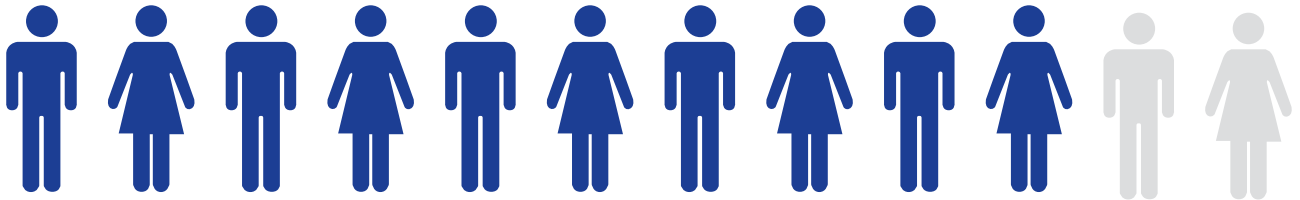| Quartile	White		BAME		Pay gap
	Mean hourly pay	Proportion of employees	Mean hourly pay	Proportion of employees	
Upper	£31.98	69.5%	£31.27	30.5%	2.2%
Upper middle	£28.59	67.7%	£28.64	32.3%	-0.2%
Lower middle	£23.91	62.4%	£23.38	37.6%	2.2%
Lower	£17.34	51.7%	£17.23	48.3%	0.7%

Bonuses*
Proportion of employees who received a bonus

90.0%
white employees

84.4%
BAME employees

■ ■ Received a bonus

■ Did not receive a bonus

*   This refers to bonuses paid in the 12 months up to 31 March 2018.

Bonus gap

0.0%
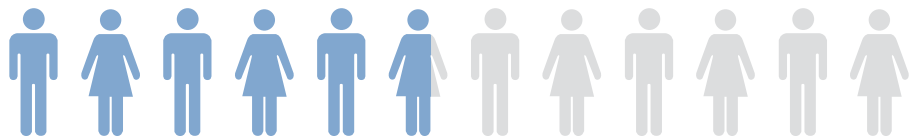median (middle)

5.0%
mean (average)

A significant number of our 14,000 operational employees receive a flat rate bonus linked entirely to operational performance (everyone receives the same value award). This explains why there is no median bonus gap.

14,672
employees

46.9%
white

28.3%
BAME

24.8%
prefer not to say/ unknown

What this all means

It has been positive to see that the overall representation of BAME employees in non-operational roles within TfL has increased in 2018 compared to 2017. This has been across the majority of levels including senior management (with only a small decline at graduate level). This can be seen in the table below.

However, our operational population represents more than half (53.5 per cent) of our total workforce which means that BAME employees in this population have a significant impact on our overall ethnicity pay levels. The median pay gap has reduced from 2017 due to a wider spread of roles populated by white employees and a 0.9 per cent increase in BAME employees within this population.

The overall increase in BAME employees and the narrowing of the median pay gap demonstrates the effectiveness of the interventions that have been put in place over the past year.

The majority of our Action Plan is more likely to deliver an impact over the medium to long term. Attracting a more ethnically diverse workforce into roles traditionally staffed by white individuals is not something that can be easily achieved within a single reporting cycle.

	2017 representation of BAME	2018 representation of BAME	Change
Board	18.8%	16.7%	–2.1%
Director	7.0%	8.5%	1.5%
Band 5	7.6%	9.4%	1.8%
Band 4	14.4%	15.1%	0.7%
Band 3	26.3%	26.9%	0.6%
Band 2	34.5%	35.3%	0.8%
Band 1	43.1%	44.6%	1.4%
Graduates	25.4%	24.6%	–0.8%
Apprentices	30.9%	34.6%	3.7%

How we're closing the pay gap

Our vision for equality is 'every person matters'. It articulates our commitment to becoming a more diverse organisation, reflecting the city we serve and maximising the talent we have.

Over the past 12 months, we have put in place a significant number of activities to increase the representation of BAME people within TfL. We are delivering on our ambition to create a more diverse organisation, more representative of London.

Our scorecard

Our scorecard sets targets to improve: the overall representativeness of our organisation; the representativeness of our senior management; the inclusiveness of our workplace shown through the Inclusion Index in the TfL scorecard.

Our scorecard places Diversity and Inclusion on the same footing as our other priorities including safety, reliability, customer satisfaction and finances.

Diversity and Inclusion (D&I) dashboards

In April 2018, we launched the first version of our new D&I dashboards, providing further data and insight to our senior managers. These data driven dashboards give a much richer and more insightful picture of employee outcomes and experience across the entire employee lifecycle.

The dashboards help us to focus our activity in the right areas and see how effective our actions are in different parts of our organisation. The measures included cover each stage in the employee lifecycle, for a number of characteristics covered by the Equality Act, and will be reviewed on a quarterly basis going forward. The dashboards are successfully driving local accountability and actions while demonstrating our commitment to improving transparency.

Mentoring

We have taken steps to ensure that women and people from BAME communities are able to access senior, higher paid roles. We are already widening access to mentors and coaches as well as introducing targeted development programmes to identify the next generation of leaders from groups that are typically under-represented.

Internal mentoring will become increasingly important over the coming performance year. Mentor matching has been set up to link potential mentees to a suitable mentor. Our leaders have a wealth of knowledge and experience to share – and perhaps even more importantly, understand the landscape, politics and idiosyncrasies of the business better than anyone. For mentees, this is a chance to explore individual personal goals and get a different perspective on careers and development opportunities.

Stuart Ross Internship initiative

The organisation is piloting an expanded version of the Stuart Ross BAME internship programme to three new areas of its comms team. They are the Public Affairs and External Relations

team, its Customer team (which delivers behaviour change campaigns) and its Travel Demand Management Programme, which communicates with and influences customers to reduce congestion.

Currently, about 12 per cent of TfL's 250 staff in these three teams are from BAME backgrounds, compared with nearly a third of the organisation's 26-strong press office team, where the scheme originated.

Creating an inclusive culture in London Underground

One of the ways that we will create an inclusive culture is through a better understanding of our secondment culture. By ensuring better visibility of the process as well as the opportunities available, we will encourage a truly meritocratic culture with clear links to recruitment.

Recruitment

In June, TfL opened a high volume recruitment campaign for the role of Trains Manager. This position is a senior operational role which manages our Train Operators.

Underpinning the campaign was activity to stimulate the number of applications for this position from under-represented groups. This involved promoting positive role models in the recruitment material, promoting the recruitment campaign through our Staff Network Groups, and roadshow events allowing potential candidates to speak with existing Trains Managers. The recruitment campaign was open to internal candidates, and provided a key opportunity for internal progression within London Underground.

Anonymised CVs

Our anonymised shortlisting pilot took place last year, resulting in a significant increase in the percentage of women and BAME hires. In both pilots, we saw, on average, 35 per cent of new hires being BAME.

Awards

We were commended for the outreach programme, 'Moving Forward'; we know that levels of deprivation are higher among London's BAME communities, this initiative targets deprived boroughs and girls' schools, aiming to increase social mobility and attract more girls into apprenticeships involving science, technology, engineering and mathematics.

In June, we won the UK award for best work/life balance, as researched by the world's largest jobs website Indeed, beating companies like Google and Apple to the top spot. This accolade was all the more rewarding as it was due to reviews left by current and previous employees rather than a judging panel.

The award recognised that we offer more than just a salary, seeking to offer a healthy work/life balance through a good holiday allocation, flexible working hours and support offered by our Staff Network Groups. This allows our employees to feel supported and to deliver their best performance for our customers.

Written statement

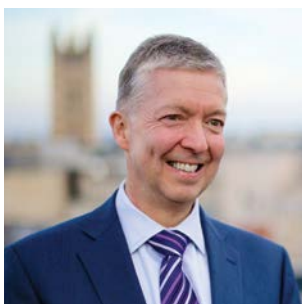We confirm that the data included
in this report is accurate.

Tricia Wright
Chief People Officer

Staynton Brown
Director of Diversity,
Inclusion and Talent

Mike Brown MVO
Commissioner