



Gender pay gap report

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Author: EDI Manager

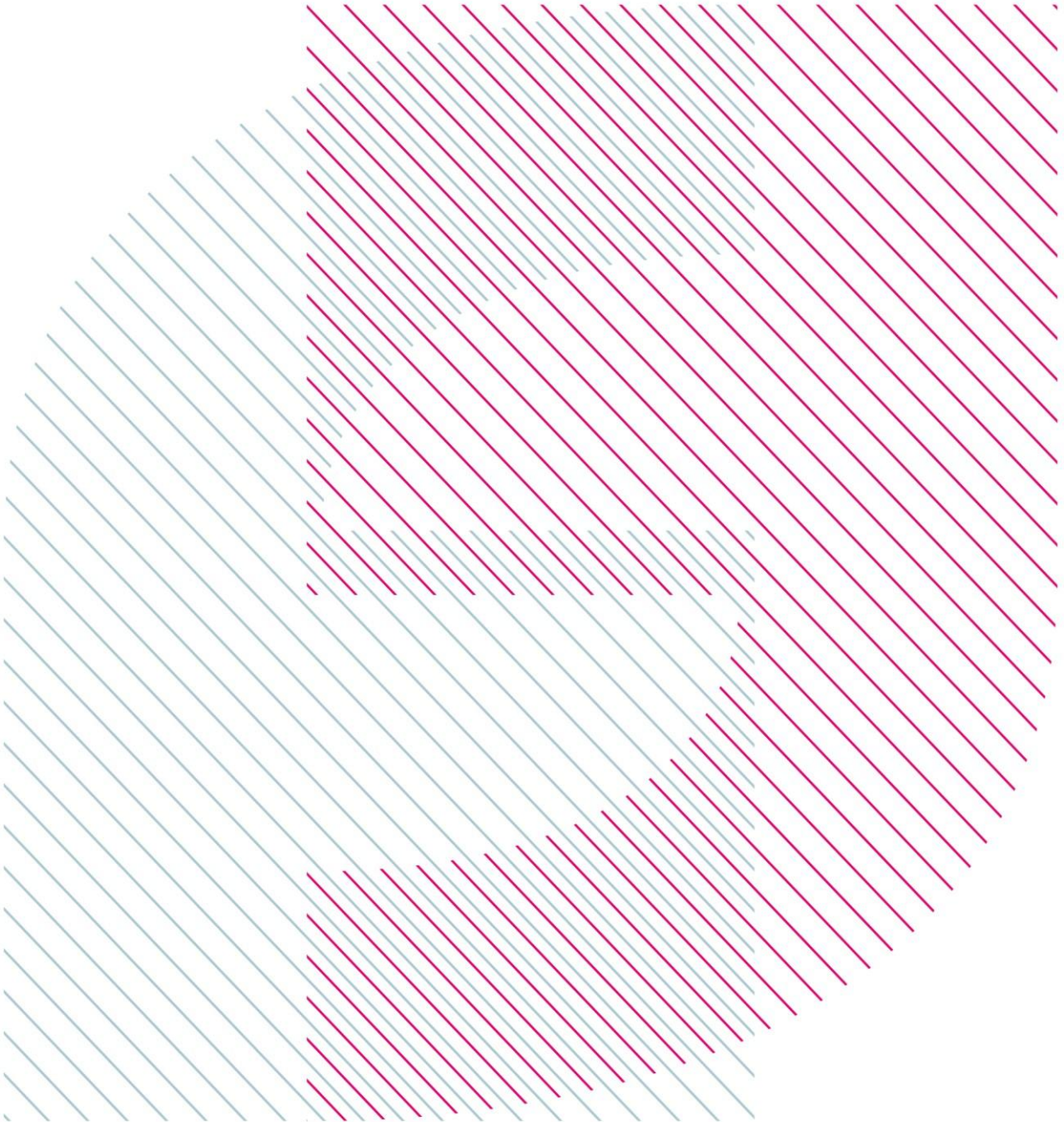


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Gender pay gap report 2024

1.0 Message from Paul McFadden, Chief Ombudsman

In this gender pay gap report for the Legal Ombudsman (LeO), we present data and analysis related to gender pay at LeO and what it reveals about gender pay equality. We see this as an important addition to the range of employment information that LeO collects and reviews to monitor various aspects of diversity, with the goal of identifying, understanding, and addressing imbalances. We appreciate the increased awareness it brings, the questions it raises, and the proactive actions we take in response.

The positive headline is that we have seen a decrease in our mean gender pay gap this year (3%). In addition, our mean gender pay gap continues to remain below the public sector average. Three key factors remain constant year on year that impact LeO's gender pay gap; the high proportion of females in the LeO workforce, the uneven distribution of males in our upper quartile pay band and the fact that females are significantly overrepresented in the lower quartile pay band.

We are actively working to build a more diverse workforce by improving the representation of individuals from different regions of the United Kingdom and encouraging a variety of perspectives. This involves delivering on the goals set out in our Equality, Diversity & Inclusion (ED&I) strategy and our HR People Strategy, in close collaboration with our leaders, employees, staff diversity networks, and customers. By engaging with all stakeholders, we remain committed to listening, learning, and continually refining our practices.

As a national organisation, we serve a diverse range of communities across England and Wales. While our workforce has traditionally been based in the West Midlands, over the last few years we have broadened our recruitment efforts across the country and set up hubs in Leeds and Cardiff.

We remain committed to fostering a positive and inclusive culture throughout LeO at every level, and we have made notable progress in ensuring our services are accessible and inclusive for all our customers. We continue to invest in training to equip managers and colleagues with the skills to support one another and our customers.

We recognise that meaningful change takes time, and we are guided by our purpose, values, and dedicated workforce. Promoting inclusivity by upholding equality and fairness in everything we do is essential and will be key to LeO's future success.

It is important to note that gender is not confined to a binary understanding of male and female. However, for the purposes of this report, our gender pay gap is calculated in line with the methodology set out in the Equality Act (2010), comparing the earnings of female employees to their male counterparts.

Paul McFadden

Chief Ombudsman

2.0 Overview of requirements

From 31 March 2017, all employers with a headcount of 250 or more must comply with regulations to report annually on their gender pay gap. The public sector deadline for publication of the data is 30 March each year, with calculations based on a 'snapshot date' of the previous 31 March.

The requirement is to publish six key measures of the gender pay gap:

Mean gender pay gap	The difference between the average of men's and women's hourly pay.
Median gender pay gap	The difference between the midpoints in the ranges of men's and women's pay. All salaries in the sample are lined up separately for men and women in order from lowest to highest, and the middle salary is used. The figure is the difference of these two middle points.
Mean bonus gap	The difference between the mean bonus payments made to relevant male employees and that paid to relevant female employees.
Median bonus gap	The difference between the median bonus payments made to relevant male employees and that paid to relevant female employees.
Bonus proportions	The proportions of male and female relevant employees who were paid bonus pay.
Quartile pay bands	The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

The information must be published on a website that is accessible to employees and the public free of charge, and it should remain on the website for a period of at least three years from the date of publication.

The 'snapshot date' for this gender pay gap report was **31 March 2024**, with data based on the relevant pay periods of March 2024 for ordinary pay and the 12 months to 31 March 2024 for bonus pay. LeO does not pay bonuses; however, payments made to employees through the 'Celebrating Success scheme' have been recognised as bonus payments for the purpose of this report and includes both 'monthly' and 'instant recognition' awards. Please note that in previous years we only reported on monthly awards.

For gender pay gap reporting, employees are those employed under a contract of employment, a contract of apprenticeship, or a contract personally to do work.

2.1 Gender Pay Gap reporting explained

The gender pay gap is the average hourly rate of pay earnings difference between all male and all female employees in an organisation, regardless of the nature of their work. A gender pay gap can be driven by several factors, including, crucially, a lack of females in senior positions.

It is important to distinguish between the gender pay gap and equal pay. Equal pay relates to differences between the actual earnings of male and female employees doing the same job, like for like work or work of equal value.

An organisation may be an equal pay employer, paying male and female employees equally for doing equal work, but it may still have a gender pay gap. This is because the gender pay gap shows the differences in the average pay between males and females working in the same organisation, albeit in different jobs. While male and female employees doing work of equal value are paid equally, there are different numbers of male and female employees doing different work for which they are paid differently.

3.0 Legal Ombudsman's gender composition

On 31 March 2024, LeO had 307 employees which comprised of significantly more females (67.8%) than males (31.6%). Two employees preferred not to disclose their gender (0.6%).

Although we have strong female representation at senior grades, more females are employed in the lower grade levels where pay is lower (grades D to E) which affects our gender pay gap and bonus pay gap information.

3.1 Legal Ombudsman's gender pay gap

Our mean gender pay gap is 8%. This figure has decreased by 3% since last year (11% to 8%) and continues to remain below the public sector average of 11.5%.

Our median gender pay gap is 4%. This figure has decreased by 1% since last year (5% to 4%) and is significantly lower than the public sector (14%) and UK national figures (14.3%).

Gender Pay Gap	2023	2024	% change
Mean	11%	8%	-3%
Median	5%	4%	-1%

Gender Bonus Pay gap	2024
Mean	2%
Median	26%

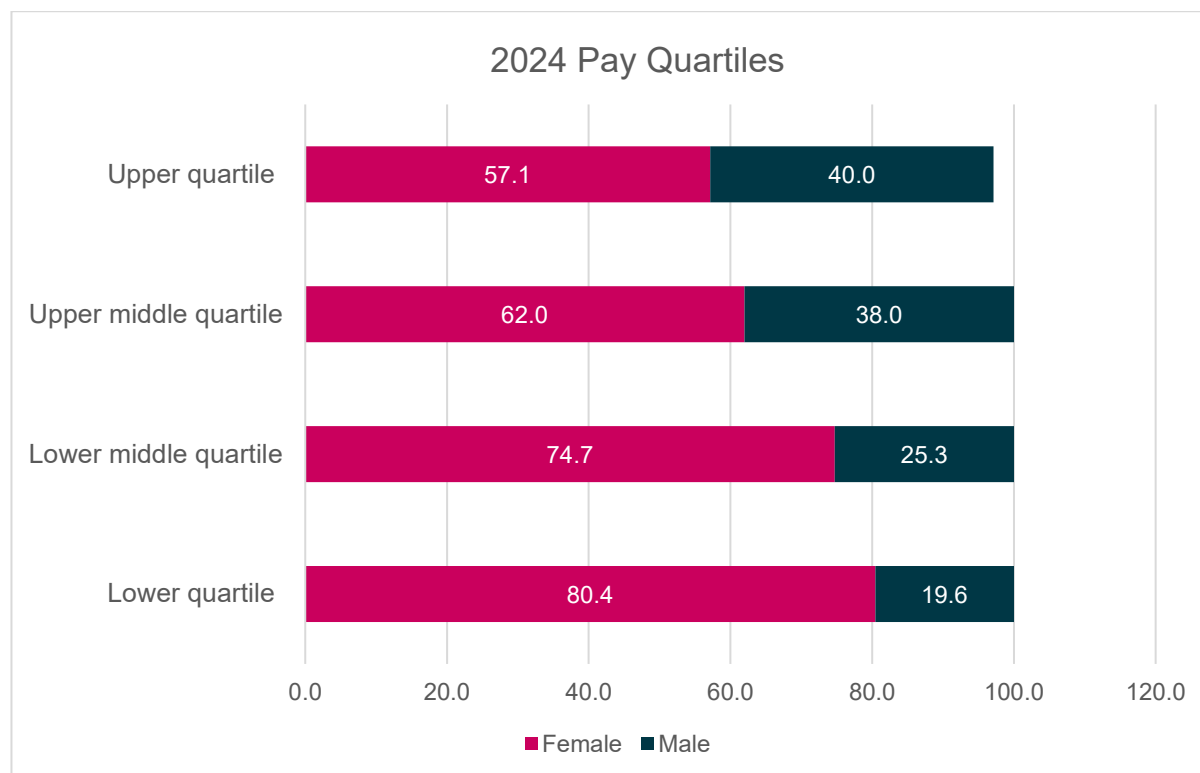
2024 includes both monthly and instant recognition awards. 2023 figures have not been included as bonus pay only included monthly awards.

The mean and median bonus gender pay gap is 2% and 26%, respectively.

LeO has market rate pay grades (A to E) and an Executive grade. There are levels within each grade to adjust for diverse remunerations for the different roles across the organisation. For a very small number of unique roles that do not fit appropriately within these levels after market benchmarking, an individual level may be applied. Pay is set at two points, a junior grade (JG) and a substantive grade (SG).

3.2 Pay Quartiles

To understand the pay gap, it is useful to look more closely at the pay quartile data and the distribution of male and female employees across job grades.



Looking at the proportions of males and females in each quartile band, there is higher representation of males in the upper quartile (40%) compared to the lower quartile (19.6%), and less representation of females in the upper quartile (57.1%) as opposed to the lower quartile (80.4%). This is a clear indicator of why male median pay exceeds that of females.

We have majority female representation in our senior leadership at LeO. 57% of our Executive Team (the top seven highest paid members of employees in the organisation), that fall within the upper quartile are female which is an increase from last year. It is worth noting that any movement/changes in personnel within this team can have a significant impact on the gender pay gap results due to the small size of this cohort.

There is a higher representation of females in the two lowest quartiles. The lower middle quartile (74.7%) largely consists of Investigators, and the lowest quartile band (80.4%) are employed mainly in roles within the General Enquiry Team (GET). Additionally, they are more likely to be part-time employees compared to the cohort in the upper quartile.

We pay males and females equally for those doing the same position within the organisation. As part of our annual Civil Service People Survey (2023) we asked our employees if they felt their pay adequately reflected their performance. There was a general increase in all respondents who viewed it slightly more unfavourably, compared to last year. Although, females responded more favourably to their pay adequately reflecting their performance compared to their male counterparts.

“I feel that my pay adequately reflects my performance”

	Favourable	Unfavourable	Neutral
All	26% (-2%)	59% (+5%)	15% (-3)
Male	23% (-3%)	53% (-3%)	23% (+7%)
Female	30% (0%)	57% (+5%)	14% (-4%)

Source: Question B35 Civil Service People Survey (2023)

We also received positive feedback from our female employees on their ability to maintain a good work-life balance and have seen an overall increase in the satisfaction amongst both males and females for achieving a good work life balance compared to last year.

“I achieve a good balance between my work life and my private life”

	Favourable	Unfavourable	Neutral
All	74% (+1%)	13% (-2%)	13% (+1%)
Male	72% (+2%)	14% (0%)	14% (-2%)
Female	79% (+4%)	10% (-4%)	12% (+1%)

Source: Question B34 Civil Service People Survey (2023)

3.3 Reward and Recognition

‘Celebrating Success’ is the Legal Ombudsman’s reward and recognition scheme which thanks and celebrates the excellent contribution our people make to the success of our business. The scheme recognises the hard work, commitment, and achievements of our people, individually and as part of a team through a fair, flexible, and transparent recognition scheme.

This year we have included both instant and monthly awards in our bonus payments calculations whereas previously we reported on monthly awards only.

3.4 Who received a reward

Of the total workforce of males and females, 65% (198*/305*) received bonus payments (rewards).

Rewards	Male	Female	Total number
% of total rewards received	34% (68 rewards)	66% (130 rewards)	198* (200) rewards

*Two employees preferred not to disclose their gender they been deducted from the total number

Of the total rewards received, the male and female split is in line with our overall workforce composition.

The proportion of male/female receiving a reward	Male	Female
	70% (68/97)	63% (130/208)

When looking at total females and males in our organisation, 63% of females received bonus payments compared to 70% of males who received a bonus. This is reflected in the male’s mean and median gender bonus pay gap and may explain why it exceeds that of females.

3.5 Our gender balance aims and actions

- Like previous years, LeO's workforce remains predominantly female (68% female and 32% male). The reasons for this gender imbalance whilst not a typical characteristic of other organisations, is reflective of an imbalance towards female employees in other Ombudsman schemes evidenced by previous benchmarking.
- Our family friendly policies have been strengthened which helps to support the attraction and retention of female colleagues. We acknowledge that part-time working is significantly less common in the upper quartile. Internally we have been proactive in promoting these policies and the ranges of benefits available as a means of raising awareness of our employee value proposition (EVP). We have also promoted our EVP externally as part of our attraction strategy as a means of attracting talent to the organisation.
- A key element of our equality objectives is the continuous analysis of our data across different demographic factors. This helps us identify areas for improvement, with a particular emphasis on increasing gender diversity across the organisation, particularly in senior roles. This year we enhanced the understanding of our workforce data by analysed job groupings within the organisations. The results demonstrated that we have strong female representation in all levels of the organisation (including at Board level).
- The ongoing implementation of our HR People Strategy is supporting us to establish specific milestones and work toward our long-term goal of promoting gender equality throughout our organisation, spanning all levels. Successful initiatives such as traditional mentoring and reverse mentoring have now been incorporated into our annual cycle of people development activities. Colleagues have been benefitting from our annual personal development reviews to receive personalised conversations about their professional development and career aspirations. These are key conversations to support retention and progression of colleagues.
- Our work to promote menopause awareness is having a positive effect in breaking down taboos and creating safe spaces for staff to talk about issues they are experiencing. Our plans are to enhance that commitment further by developing our own menopause policy which will outline how we can support colleagues who are affected by menopause.
- Our EDI calendar of events is another communication mechanism that we employ to promote awareness, educate colleagues, and contribute to our culture of inclusion. Our GP-led webinar on the women's health cycle was well received and we plan to continue with more health and wellbeing education events over the next 12 months utilising the support of our occupational health provider.
- We rolled out a new carers passport which will support colleagues with caring responsibilities. This will benefit our female colleagues more as traditionally females have fulfilled more of the caring and childcare responsibilities in households.
- Aligned with our People Strategy, we continue to invest in leadership development. Leaders have received training on disability awareness to increase their knowledge and confidence of how to support colleagues and customers with these conditions.

- Our Women's Network, launched in November 2022, continues to provide support for colleagues and serves as a platform to raise issues affecting them. We actively engage with the network and have taken action on feedback to improve working practices at LeO. The network is backed by our ED&I team, Executive sponsors, and the ED&I Steering Group to help remove any barriers identified for women.
- We will continue to maintain gender parity within our Board to increase diversity of thought at the most senior level. Our current board composition is 75% female.

4.0 How we are supporting equality of opportunity, diversity, and inclusion in our workforce

4.1 Our commitment

LeO is committed to ensuring an inclusive working environment, free from discrimination, where all employees are treated fairly and with respect.

4.2 Our culture and working environment

A diverse workforce is the result of a culture of inclusivity. Everyone at LeO contributes to upholding an environment that is consistently inclusive and welcoming for everyone. We understand that our efforts to achieve gender equality will only thrive within an appropriate culture. Our commitment remains steadfast in integrating diversity and inclusion throughout the organisation, fostering a genuinely inclusive working environment founded on unwavering respect.

4.3 Inclusion

We have not only taken steps to enhance gender diversity within LeO but also actively worked to broaden the spectrum of perspectives. Our emphasis on inclusion is focused on cultivating an atmosphere where each person can authentically be themselves, feel valued, and envision their success within LeO. This commitment will persist through the ongoing implementation of our ED&I strategy, which encompasses:

- Ensuring our policies are developed to fulfil our legal obligations and taking on board ED&I industry best practice.
- Committing to annual traditional mentoring and reverse mentoring programmes. This is also considered within the attract, recruit and retain theme within the People Strategy.
- Completing annual safe space workshops with our employees from marginalised or underrepresented groups to explore our scores in the Civil Service People Survey results. Recommendations continue to inform the ED&I Strategy and People Strategy.
- The recent review of recruitment policy and processes has provided more rigour, and consistency in our approach. The candidate experience has been improved from the perspectives of consistent decision making, and candidate feedback. This is aligned to good HR and EDI practice (which includes the embedded best practices of the Disability Confident scheme which we follow as a level 2 employer).

- Utilise our ongoing membership of the Business Disability Forum to support development of key actions to be included within the ED&I Strategy and People Strategy.
- Continuing to seek out best practices from regulators, ombudsman organisations, and organisations that champion ED&I best practice to inform our practice at LeO.

5.0 Conclusion

LeO has seen some positive changes within our gender pay gap with our mean gender pay gap of 8% reducing by 3% compared to last year. In addition, our mean gender pay gap continues to remain below the public sector average of 11.5%.

This positive change has been achieved through a range of comprehensive measures detailed in this report. We can provide assurance that there is an ongoing commitment to gender equality at all levels within the organisation.

Due to our relatively flat organisational structure, we recognise that even small changes in the upper quartile, particularly within the Executive Team, can significantly affect our gender pay gap results. However, we remain confident that the initiatives set out in our People Strategy and ED&I Strategy will help us continue working towards our long-term goal of promoting gender equality across LeO.