

## Pay gap reporting resource

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### Using pay gap reporting to drive equality

#### What is pay gap reporting?

Pay gap reporting highlights the difference in average hourly pay between different groups.

Since 2017, employers with more than 250 employees in England, Scotland and Wales have been legally required to report on their gender pay gaps. The UK Government has recently consulted on making ethnicity and disability pay gap reporting mandatory for large employers.

Although both ethnicity and disability pay gap reporting is currently voluntary, many employers, including law firms publish this data. Some firms also publish pay gap data by socio-economic background and sexual orientation, recognising the value of transparency in driving equity and inclusion.

#### The benefits of pay gap reporting

Pay gap reporting identifies whether individuals from different demographic groups are experiencing disparities in earnings. The data provides a foundation for employers to explore underlying causes, such as unequal access to progression opportunities.

One of the key benefits of pay gap reporting is the opportunity it provides for organisations to reflect on and communicate their progress. Reporting the data alone is not enough, it is important to include a clear narrative alongside the data. As well as to outline the actions being taken to narrow any gaps. This will help to build trust and drive meaningful progress.

#### Gender pay gap reporting

In England, Scotland and Wales, gender pay gap reporting is mandatory for employers with more than 250 employees. The purpose of this reporting is to identify disparities in earnings by sex. [Office for National Statistics](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2024)

[\[https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2024\]](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2024) (ONS) figures show that the overall gender pay gap among all legal professionals was 18.8% in 2024. This is compared to 13.1% as a whole across the country in 2024.

The UK Government released guidance for employers undertaking gender pay gap reporting, which is a useful tool, even if your firm doesn't meet the 250-employee threshold.

#### Ethnicity pay gap reporting

Ethnicity pay gap reporting identifies disparities in earnings by ethnicity. For meaningful pay gap reporting, employers need to encourage employees to share their ethnicity data. [Data from the ONS](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2012) [\[https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2012\]](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2012) shows that UK-born White employees earn more on average than most minority ethnic employees.

As many employers were voluntarily publishing their ethnicity pay gap, the Government published [guidance](https://www.gov.uk/government/publications/ethnicity-pay-reporting-guidance-for-employers) [\[https://www.gov.uk/government/publications/ethnicity-pay-reporting-guidance-for-employers\]](https://www.gov.uk/government/publications/ethnicity-pay-reporting-guidance-for-employers) to introduce a consistent methodology. The guidance recommends comparing pay data for individual ethnic groups rather than a binary comparison between White and minority ethnic groups. This may not be possible if it could risk the identification of individuals, and for this reason many employers take a binary approach.

#### Disability pay gap reporting

Disability pay gap reporting identifies disparities in earnings between disabled staff and non-disabled staff. There are a number of firms who publish their disability pay gap, alongside gender and ethnicity.

For meaningful pay gap reporting, employers need to encourage employees to share their disability status. Our [firm diversity data](https://indemnity.sra.org.uk/solicitors/resources/equality-diversity/law-firm-diversity-tool/) [\[https://indemnity.sra.org.uk/solicitors/resources/equality-diversity/law-firm-diversity-tool/\]](https://indemnity.sra.org.uk/solicitors/resources/equality-diversity/law-firm-diversity-tool/) suggests there may be underreporting of disability in the legal sector. Employers might address this by being clear about how they are using the information and reassuring employees that their data is kept confidential. Creating a safe and supportive environment for disclosure is key.

#### Using pay gap reporting to drive change - a focus on race equality

Publishing your ethnicity pay gap data is one way to signal that you are a diverse, inclusive and fair employer. Research from [the CIPD](https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2024-pdfs/8551-pay-performance-and-transparency-report-web2.pdf) [\[https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2024-pdfs/8551-pay-performance-and-transparency-report-web2.pdf\]](https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2024-pdfs/8551-pay-performance-and-transparency-report-web2.pdf) shows that whilst 40% of large companies collect ethnicity pay gap data, this data isn't always published. Reasons cited include: 'no external pressures to do so', 'fear of negative reactions from staff' and 'concerns around confidentiality'.

Key tips to help overcome the potential challenges of publishing ethnicity pay gap data:

- Support your pay gap data with an action plan which links to your wider strategy.
- Hold yourself accountable for meeting these actions and set timelines.
- Report progress and how your ethnicity pay gap has changed each year.

In developing your action plan, it is important to involve your staff. This ensures that they understand the firm's ethnicity pay gap and are involved in developing an action plan to address it. Understanding what the data is being used for and how it can help, might also help to encourage more people to share their ethnicity data.

Grant Thornton has published its ethnicity pay gap since 2018. The firm have developed an Ethnicity and Cultural Heritage Action Plan for 2025. There are regular meetings between leaders and the Ethnicity and Cultural Heritage convenor and secondees, who are responsible for holding the firm accountable for its targets and action plans. Overall representation of minority ethnic employees at the firm has risen from 16% in 2018 to 30% in 2024.

CMS Law has published its ethnicity pay gap since 2021. The firm has conducted Ethnicity Insight Sessions to receive feedback and insights from minority ethnic staff about their experiences. This is then used to best inform action plans and strategies put in place to address disparities. CMS Law also have Practice Group DEIB Committees, to support its practice groups and partners with implementing equality, diversity and inclusion across their teams.

We have set out some more examples below, of how firms are using their pay gap data to drive change and evaluate their progress.

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### **Taking steps to promote diverse recruitment**

Some firms have taken steps to look at their approach to recruitment and promotion as a result of their ethnicity pay gap information.

#### **Burges Salmon**

In February 2025, Burges Salmon published its ethnicity pay gap report based on 2024 data. The firm has a Diversity Taskforce working on the development of its Ethnic Diversity Action Plan, focusing on key areas such as talent attraction, development and retention. In recognition of its efforts, Burges Salmon received the 'Ethnicity: Best Initiative to Attract and Retain Talent' award at the 2024 Legal 500 ESG Awards for its Diversity Mentoring Scheme, delivered in partnership with the University of Bristol Law School. The scheme was launched to address the underrepresentation of minority ethnic groups in the legal profession. As part of the initiative, four students were matched with mentors from Burges Salmon and offered a two-week work experience placement at the firm. To further support their career development, the mentees were invited to interview for a training contract which led to one of them joining the firm.

#### **Browne Jacobson**

Browne Jacobson has published its ethnicity pay gap since 2019. It has implemented contextualised recruitment, helping the firm to consider an individual's grades and experiences through their unique context. This has led to an increase in diverse hires. The firm has reduced its ethnicity pay gap from 25% in 2023 to 17% in 2024. Browne Jacobson has also seen an increase in minority ethnic graduates, from 7% in 2016 to currently regularly exceeding 45%.

#### **Anthony Collins**

Anthony Collins has been publishing its ethnicity pay gap since 2020. The firm has a target to have 20% of key leadership roles filled by people who are ethnically diverse. The firm introduced diverse reverse mentoring for Board members. This was put in place to increase awareness for decision-making at Board level.

### **Creating an inclusive workplace**

Many firms recognise the importance in getting their culture right, this helps attract and retain minority ethnic staff and can help to reduce any ethnicity pay gaps.

#### **Bates Wells**

Bates Wells has published its ethnicity pay gap since 2020 and has seen fluctuations over the years. The firm has actively engaged in inclusive practices to address its pay gaps, including outreach with underrepresented groups. 'Conscious Inclusion' training is offered across the firm, and engagement with Black, Asian and minority ethnic groups has improved following on from listening exercises ran by the firm's internal Diversity & Inclusion Forum (DIF) groups Reach & Rise and facilitated by a third party. Bates Wells has seen recruits from a Black, Asian and minority ethnic background increase from 8% in 2020 to 27% in 2024.

## Clifford Chance

Clifford Chance has published its ethnicity pay gap since 2016 and has seen a 2.4% decrease in its ethnicity pay gap from 2023 to 2024. The firm clearly highlights its REACH (Race Equality and Celebrating Heritage) network and cultural events in the Inclusion section of its website.

## [Understanding the barriers to entry and progression](#)

Ethnicity pay gap reporting can highlight whether there are disparities at particular levels of seniority. This can help target actions to improve the progression of minority ethnic solicitors.

## TLT LLP

TLT LLP has been publishing its ethnicity pay gap since 2020. It has invested in a Legal Solicitor Apprenticeship and Graduate Solicitor Apprenticeship as an alternative pathway to a legal career, providing more opportunities for colleagues from ethnic minority backgrounds to move through the pay quartiles. The firm has seen a 5.8% reduction in its median ethnicity pay gap from 2022 to 2024.

## Baker McKenzie

Baker McKenzie's analysis of ethnicity pay gap data demonstrates that the lack of senior positions held by ethnic minority colleagues impacts the pay gap. Baker McKenzie acknowledges that this is a historical challenge and improvements to representation at all levels but in particular, at senior levels, requires an investment in managing change and systemic improvements through leadership and action. The firm has a renewed focus and target of 18% Black, Asian and other minority ethnic representation with an additional target of 4% of Black representation at all levels, including leadership. The actions behind the targets are key to the Baker McKenzie culture as these organisational improvements benefit and impact all colleagues.

## Additional resources

The Law Society have published [guidance](https://www.lawsociety.org.uk/topics/diversity-and-inclusion-framework/) around how to systematically approach EDI within your firm.

- [Ethnicity pay gap reporting guidance from the UK Government](https://www.gov.uk/government/publications/ethnicity-pay-reporting-guidance-for-employers/introduction-and-overview)
- [The Law Society guide to ethnicity pay gap reporting](https://www.lawsociety.org.uk/topics/ethnic-minority-lawyers/ethnicity-pay-gap-do-we-really-need-it) | [Ethnicity pay gap: what you need to know](https://www.lawsociety.org.uk/topics/ethnic-minority-lawyers/ethnicity-pay-gap-do-we-really-need-it) | [The Law Society](https://www.lawsociety.org.uk/topics/ethnic-minority-lawyers/ethnicity-pay-gap-do-we-really-need-it)
- [Ethnicity pay gap reporting guidance from CIPD](https://www.cipd.org/uk/knowledge/guides/ethnicity-pay-reporting-guide/)
- [House of Commons Committee report on ethnicity pay gaps](#)