

Government Legal Department Gender Pay Gap Report 2020









Contents

| Summary | 3 |
|---|----|
| Gender Pay Gap | 3 |
| Bonus Pay Gap | |
| Proportion of Males and Females receiving a Bonus payment | 3 |
| Hourly Pay Quartiles | 3 |
| Introduction | 4 |
| Definitions | 4 |
| Headline Gender Pay Gap Figures | 5 |
| Reflections from our Permanent Secretary | 5 |
| Organisational Context | 6 |
| Organisational Structure | 6 |
| Analysis | 7 |
| Ordinary pay | 7 |
| Hourly pay quartiles | 8 |
| Bonus pay | g |
| Bonus gender pay gap | 10 |
| Proportion of males and females paid a bonus | 12 |
| Actions | 13 |
| | |



Summary

Gender Pay Gap

| Year | Mean Pay Gap | Median Pay Gap |
|------|--------------|----------------|
| 2020 | -1.98% | -0.14% |
| 2019 | -0.64% | 0.76% |
| 2018 | -0.19% | 1.70% |

Bonus Pay Gap

| Year | Mean Bonus Pay Gap | Median Bonus Pay Gap |
|------|--------------------|----------------------|
| 2020 | 5.94% | 0.00% |
| 2019 | 27.25% | 13.04% |
| 2018 | 21.76% | 40.00% |

Proportion of Males and Females receiving a Bonus payment

| Year | Female | Male |
|------|--------|--------|
| 2020 | 74.56% | 77.41% |
| 2019 | 67.45% | 67.38% |
| 2018 | 52.75% | 56.51% |

Hourly Pay Quartiles

| Quartile | Female | Male |
|-----------------------|--------|--------|
| Upper Quartile | 66.50% | 33.50% |
| Upper Middle Quartile | 62.05% | 37.95% |
| Lower Middle Quartile | 67.64% | 32.36% |
| Lower Quartile | 60.68% | 39.32% |



Introduction

In 2017, the Government introduced world-leading legislation that made it a statutory requirement for organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which came into force on 31 March 2017. These regulations require GLD to publish their gender pay gap data by 30 March annually. However, the deadline for 2020 gender pay gap reporting was extended to October 2021 due to the impact of the COVID-19 pandemic. This includes the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

The **gender pay gap** shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

The gender pay gap is different to equal pay. **Equal pay** deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

Definitions

The Regulations introduce two new concepts:

- "relevant employee" this is an employee on the snapshot date, 31 March 2020. The number of relevant employees is used in some of the calculations;
- "full pay relevant employee" this is an employee on the snapshot date, 31 March 2020 who receives their normal March salary. This is not the same as full time equivalent.

Employees who are either not being paid or are on reduced, statutory or nil pay during March 2020 are not "full pay relevant employees". For example, an employee on maternity leave whose occupational maternity pay runs out on 15 March and starts to receive statutory maternity pay will be a "relevant employee", but not a "full pay relevant employee".

The Regulations also require information to be reported under the following definitions:

• The **mean average** is calculated by adding together all the values and dividing by the number of values. In this case a mean average is calculated for men, a mean average is calculated for women, and the two mean averages are compared.



- The median average is calculated by sorting the values into an order from lowest to highest, and then finding the value that is in the middle of that sorted list. In this case a median average is calculated for men, a median average is calculated for women, and the two median averages are compared.
- The pay quartiles are hourly pay for all staff that are sorted into order from the lowest amount to the highest amount. This ordered list is then split into four equal parts, known as quartiles. The lowest pay quartile contains the first quarter of the ordered list, i.e. the 25% of the list with the lowest hourly rates of pay. The upper quartile contains the 25% of staff whose hourly rates of pay are the highest. Quartiles are related to the median average, as the median average marks the point between the second and third quartile.

Headline Gender Pay Gap Figures

GLD's headline mean (-1.98%) and median (-0.14%) gender pay gap figures remain close to zero and continue to compare favourably with the wider Civil Service. The <u>Cabinet Office reported</u> that in 2019 that the Civil Service average mean pay gap was 9.2% and the average median pay gap was 11.1%. GLD's bonus gap has also seen a significant reduction to a mean of 5.94% and median of 0%.

Reflections from our Permanent Secretary

Our vision is for GLD to be an outstanding legal organisation, committed to the highest standards of service and professionalism, as well as being a brilliant place to work. In order to achieve that vision we must ensure we are an inclusive, engaging and motivating employer, valuing the diversity of our people, and the range of talent and experience that they bring. I am therefore pleased to see that GLD's mean and median gender pay gap for 2020 continues to remain amongst the best in the Civil Service, demonstrating our commitment to inclusion and valuing all colleagues regardless of gender. This year we have also seen a significant improvement to our bonus pay gap, suggesting our initiatives to ensure fairness in bonus awards are having a positive impact. But we will not be complacent - I am determined to ensure gender pay differences are addressed and that GLD continues to be a brilliant place to work, where we can all thrive and fulfil our potential.

Susanna McGibbon, Permanent Secretary



Organisational Context

Building a diverse and inclusive workforce that reflects the people we serve is one of the Civil Service's top workforce priorities. The Civil Service as a whole aims to become the UK's most inclusive employer by 2020 and beyond. The Civil Service Diversity & Inclusion Strategy outlines how we plan to achieve this. The Civil Service should create opportunities for all in a truly meritocratic way and reward all civil servants fairly, regardless of gender, ethnicity or any other personal characteristic.

In June 2019, we published our Diversity and Inclusion Strategy 2019-2022 (D&I Strategy), which supports GLD's vision to be "a brilliant place to work, where we can all thrive and fulfil our potential" and contribute to achieving the Civil Service vision to "become the UK's most inclusive employer".

The GLD D&I Strategy builds on the work we have done as an organisation during the previous GLD Diversity and Inclusion Action Plan 2016-2019. The success of this work is reflected in GLD's high positive score of 82% for 'Inclusion and Fair Treatment' in the 2020 People Survey.

We have thirteen vibrant and engaged diversity networks in GLD. Through their work GLD is really proud to have our Disability Confident Leader (Level 3) status upheld for the next three years, underpinning our efforts on our SCS disability representation target. In addition, GLD was ranked 34th in the Social Mobility Employer Index in 2020, up from 69th in 2018. The networks work closely with our Director General Diversity Champion Stephen Braviner-Roman and our other diversity champions.

Organisational Structure

GLD uses Civil Service grades Administrative Officer (AO) to SCS with two additional grades, Legal Trainee (LT) and Legal Officer (LO).

The grades are split into two groups:

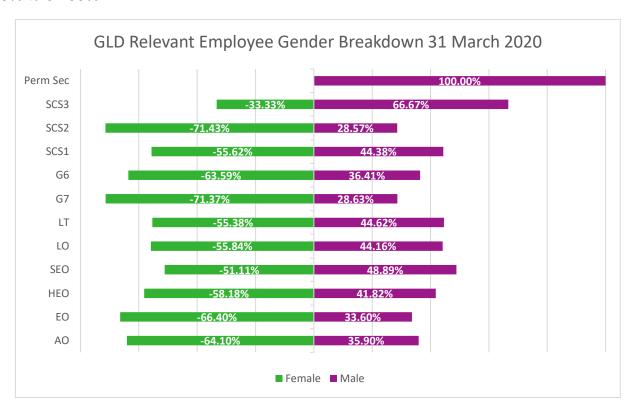
- SCS whose pay and grading structures are determined by the Cabinet Office. The grading structure is underpinned by the analytical Job Evaluation for Senior Posts (JESP) system;
- Delegated grades AO to Grade 6 where GLD has the ability, within the frameworks set by HM Treasury and Cabinet Office, to determine its pay and grading structures. GLD's grading structure is underpinned by an analytical Job Evaluation and Grading System (JEGS).



On 31 March 2020, GLD had 2,536 relevant employees of which 65.26% were women. GLD had 2,339 full pay relevant employees of which 64.22% were women. The difference is due to employees on nil or reduced pay during March 2020.

Since 31 March 2019, GLD's headcount has increased by 175. The percentages of female relevant employees and full pay relevant employees have both increased.

Analysing gender representation across grades, there is a higher proportion of relevant female employees in the majority of grades. The percentage of women in the SCS has increased from 51.40% to 57.50%.



The following gender pay gap analysis is based on the methodology set out in the Equality Act (Specific Duties and Public Authorities) Regulations 2017.

Analysis

Ordinary pay

The mean gender pay gap is the difference between men and women's average hourly pay. For GLD's full pay relevant employees the mean gender pay gap is -1.98% in favour of women. The median gender pay gap is -0.14% in favour of women.



In comparison to the published figures for 2019, there has been a marginal increase in favour of women in both the mean and median pay gap. This is largely due to an increase in the number of women in the SCS, the consequence of which is a higher percentage of women in the upper hourly pay quartile. It is important to note that GLD's gender pay gap compares favourably with the wider civil service (see <u>Civil Service Diversity and Inclusion Dashboard</u>) and remains close to zero.

| Year | Mean Pay Gap | Median Pay Gap |
|------|--------------|----------------|
| 2020 | -1.98% | -0.14% |
| 2019 | -0.64% | 0.76% |
| 2018 | -0.19% | 1.70% |

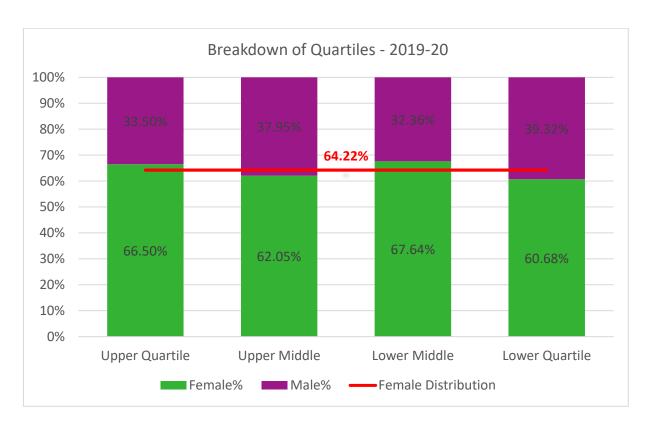
Hourly pay quartiles

The hourly pay quartiles show the proportion of male and female full pay relevant employees in each quartile, when they are arranged in order of hourly pay rate.

| Quartile | Female | Male |
|-----------------------|--------|--------|
| Upper Quartile | 66.50% | 33.50% |
| Upper Middle Quartile | 62.05% | 37.95% |
| Lower Middle Quartile | 67.64% | 32.36% |
| Lower Quartile | 60.68% | 39.32% |

As was the case in 2019, the gender composition of all four quartiles is very similar to GLD's relevant employee gender composition. The approximate 64:36 ratio of women to men at all levels in the organisation is why GLD's mean and median gender pay gaps remain low.





Bonus pay

Delegated grades AO to Grade 6

GLD operates a special bonus scheme which recognises and rewards individuals or teams for exceptional achievements relating to specific tasks or activities, and/or for acting as an outstanding role model in the demonstration of GLD's Values. In February 2020, changes were introduced to GLD's special bonus scheme including limiting awards to specific values (£50 or £100 vouchers or cash awards of £250 or £500). Prior to this, individuals could receive vouchers in increments of £10 up to £100, or cash awards of between £101 and £500.

As part of the 2019 pay award, employees who received an "Exceeds All" performance descriptor for the 2018-19 appraisal year received a one off Non-Consolidated Performance Related Pay (NCPRP) award of £725. All eligible employees received the £725 payment in full. GLD does not pro-rata the award for part time employees.

The special bonus scheme and NCPRP are subject to a cost control of 0.79% of GLD's delegated grades pay bill.

Senior Civil Servants (SCS)

GLD has discretion to make in-year non-consolidated award payments to recognise outstanding contribution to up to 20% of the SCS community. For 2019-20, GLD offered awards of £2,000 and £4,000. GLD does not pro-rata the award for part time employees.



Cabinet Office guidance sets the policy for the SCS NCPRP award. For 2019-20, employees who were assessed as a "Top" performer for the 2018-19 performance year received a one off NCPRP award of £6,450 (SCS1) or £12,000 (SCS2 and SCS3). Such payments were restricted to the top 25% of performers. As with delegated grades, GLD does not pro-rata the award for part time employees.

Bonus gender pay gap

Analysis revealed that overall, GLD has a mean bonus pay gap of 5.94% in favour of men. GLD's median bonus pay gap has been reduced to 0%. Whilst there is still a disparity in mean bonus pay between men and women, this is a significant improvement on 2019 bonus gender pay gap figures and is in part a result of changes to the special bonus scheme and an increase in the proportion of women in the SCS.

| Year | Mean Bonus Pay Gap | Median Bonus Pay Gap |
|------|--------------------|----------------------|
| 2020 | 5.94% | 0.00% |
| 2019 | 27.25% | 13.04% |
| 2018 | 21.76% | 40.00% |

GLD has four different bonus schemes, two for delegated grades and two for SCS. The rules and funding for the SCS schemes follow Cabinet Office guidance and are different to those for the delegated schemes. This means in one scheme an employee could receive a bonus of £30 (Delegated Grades Special Bonus Scheme) and, in another, an employee could receive a bonus of £12,000 (SCS NCPRP). Calculating the mean and median with such widely disparate figures can lead to a significant disparities

The median is impacted by the very different numbers of relevant employees receiving a bonus under each bonus scheme. The breakdown of bonuses (i.e. count of relevant employees receiving an award) is as follows:-

| Bonus Scheme | Male | Female | Total |
|--------------------------------|------|--------|-------|
| Delegated Grades Special Bonus | 625 | 1,132 | 1,757 |
| Delegated Grades NCPRP | 180 | 376 | 556 |
| SCS Special Bonus | 16 | 21 | 37 |
| SCS NCPRP | 23 | 30 | 53 |
| Total | 844 | 1,559 | 2,403 |



We have also drilled down into the headline figures and analysed the gender pay gap for each bonus scheme as follows:

Delegated Grades Special Bonus Scheme

This is the in-year scheme for AO to Grade 6, where employees may receive vouchers or cash awards of between £10 and £500 (during 2019-20). The median award was £130.00 for both women and men. The mean award was £159.95 for women and £160.40 for men.

| Year | Mean | Median |
|------|--------|--------|
| 2020 | 0.28% | 0.00% |
| 2019 | 9.04% | 15.38% |
| 2018 | 11.67% | 0.00% |

There has been a significant improvement in both the mean and median bonus pay gaps under the delegated grades special bonus scheme. The improvement is partly a consequence of changes to the special bonus scheme made in light of GLD's 2017 and 2018 gender pay gaps, following which a working group was set up with representatives from GLD's network groups and trade union partners. The working group identified that GLD would benefit from clearer guidance for the special bonus scheme with the aim of supporting fair, inclusive and consistent nominations and decision making in the awarding of in year bonuses.

In February 2020, changes were introduced including limiting awards to specific values (£50 or £100 vouchers or cash awards of £250 or £500). Revised guidance that contained examples illustrating consideration of protected characteristics was also distributed along with an increased emphasis on ensuring diversity and inclusion considerations were taken when nominating staff for bonuses. GLD HR will continue to work with managers to guide them in monitoring their application of the scheme from an equalities perspective and in investigating any potential bias in the distribution.

Delegated Grades NCPRP

This is the end of year performance bonus. A flat rate of £725 was paid to all staff who received an "Exceeds All" descriptor for the 2018-19 performance year.



| Year | Mean | Median | Award |
|------|-------|--------|------------------|
| 2020 | 0.00% | 0.00% | Flat rate £725 |
| 2019 | 0.00% | 0.00% | Flat rate £770 |
| 2018 | 0.00% | 0.00% | Flat rate £1,050 |

SCS Special Bonus

SCS are eligible to receive a maximum individual payment of £5,000. For 2019-20, bonuses of £2,000 and £4,000 were awarded. Should an employee also receive an end of year performance bonus, then the amount received in-year will be deducted from the end of year total.

| Year | Mean | Median | Award |
|------|--------|--------|--------------------------|
| 2020 | 10.20% | 0.00% | Flat rate £2000 or £4000 |
| 2019 | 0.00% | 0.00% | Flat rate £2000 or £4000 |
| 2018 | 0.00% | 0.00% | Flat rate £3,000 |

SCS NCPRP

Analysing the SCS end of year NCPRP, there is a mean bonus gap in favour of women. This is due to the higher value of NCPRP payments for staff at SCS2, of which there is a higher proportion of women compared to SCS1.

| Year | Mean | Median | SCS1 | SCS2 | SCS3 |
|------|---------|--------|---------|---------|---------|
| 2020 | -13.29% | 0.00% | £6,450 | £12,000 | £12,000 |
| 2019 | 0.00% | 0.00% | £9,000 | £12,000 | £12,000 |
| 2018 | -3.74% | 0.00% | £11,000 | £12,000 | £12,000 |

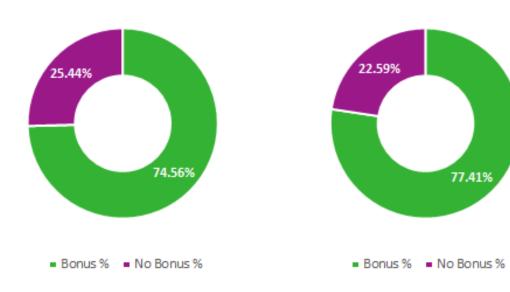
Proportion of males and females paid a bonus

GLD has 1,655 female relevant employees, of these 1,237 received a bonus, which is a proportion of 74.74%. GLD has 881 male relevant employees, of these 688 received a bonus, which is a proportion of 78.09%. This is a positive change from last year, with more employees of both genders receiving at least one bonus. The gap between genders remains marginal.



| Quartile | Female | Male |
|----------|--------|--------|
| 2020 | 74.56% | 77.41% |
| 2019 | 67.45% | 67.38% |
| 2018 | 52.75% | 56.51% |

% of Women receiving a Bonus % of Men receiving a bonus



Actions

The Civil Service is committed to its vision of being recognised as the UK's most inclusive employer. We recruit and promote from the widest possible pool of qualified candidates, develop our staff of all backgrounds and at all grades, and aim to create a more inclusive culture with more visible diverse role models.

Whilst GLD has a negligible gender pay gap in relation to ordinary pay, we recognise the importance of existing initiatives and seek to continuously improve the diversity of our workforce. Our current initiatives include:

Bonuses: In February 2020, changes were introduced to the special bonus scheme including limiting awards to specific values (£50 or £100 vouchers or cash awards of £250 or £500). Revised guidance which contained examples that illustrate consideration of protected characteristics and valuing diversity and inclusion was also distributed. GLD HR will continue to work with managers to guide them in monitoring their application of the scheme from an equalities perspective and in investigating any potential bias in the distribution.



Reward: GLD's reward strategy includes equality as a key priority. We monitor the impact of the annual pay review to ensure that, where possible, gender pay differences are addressed.

Flexible working: GLD recognises the importance of flexible working in enabling employees to balance family commitments with work. In particular, flexible working can help to reduce the gender pay gap in GLD by enabling more women to move into senior roles. We run regular sessions for employees and managers to raise awareness of our flexible working policy. Our policy is to look favourably on flexible working arrangement requests at all levels of the organisation provided that the needs and objectives of both the organisation and the employee can be met. We offer a wide range of options including reduced hours, compressed hours, job share, flexi time, working from home and annualised hours. From October 2020, GLD offers carers up to 5 days paid special leave per rolling 12 month period in order to support them in managing their caring responsibilities whilst continue to being engaged in their work.

Recruitment practices: GLD seeks to recruit a diverse workforce. We use non-discriminatory job descriptions, analytical job evaluation and name blind recruitment practices to eliminate potential bias in the recruitment process. All interview panel members undertake mandatory Success Profiles training along with compliance training to ensure consistency and fairness throughout the recruitment process. Since 2018, GLD has used the new Civil Service-wide Success Profiles recruitment framework which is a more flexible, inclusive and holistic selection approach than the previous competency framework.

From February 2021, GLD has introduced a new policy aimed at ensuring the department's recruitment practices are more inclusive. GLD now requires all interview panels to include at least one person who is from an ethnic minority background and/or has a disability, whilst maintaining a gender mix. In addition, GLD is identifying ways in which we can demonstrate our commitment to attracting and promoting diverse, talent regardless of protected characteristic. GLD has an increasingly prominent presence on social media channels such as Twitter and LinkedIn, and we continue to have a micro-site for external lawyer recruitment and a bespoke Glassdoor page for attraction and retention purposes.

Performance Management: In September 2020, GLD implemented its new Performance Management Policy, removing mid-year and end-of-year reviews and performance descriptors along with a renewed emphasis on high quality conversations between individuals and their line manager. With the removal of end-of-year reviews and performance descriptors, all reward and recognition will take place through in-year bonuses, regularly monitored (including from a diversity angle) by the senior leaders in divisional quarterly sense check meetings.

Career Paths: GLD offers a number of leadership and development programmes supporting people into roles that provide access to the right opportunities, exposure, stretch and development to reach their potential. These include: Future Leaders Scheme, Crossing Thresholds, Civil Service Fast Stream and Apprenticeships. Positive Action Pathways is currently under review and we are awaiting confirmation of what this programme will look like in the future. For SCS we have the Senior Leaders Scheme, Leading to Inspire and the High Potential Development Scheme. The aim is to help tackle the under-representation of certain groups in senior management positions.



In May 2020, GLD introduced a new mentoring portal as part of its commitment to Talent and Succession Management. In November 2020, GLD also introduced the Stephen Amos Mentoring Scheme, developed from feedback from the Ethnicity and Disability Diagnostic Report and aligned with GLD's Diversity and Inclusion Delivery plan 2020-2021. Colleagues with a disability and/or from an ethnic minority background, up to Grade 6 (mentees/reverse mentors), are matched with a colleague who is at least one grade above them (mentors/reverse mentees). The aim of the scheme is to empower colleagues with a disability and/or from an ethnic minority background to have mutually beneficial relationships in which skills and development goals can be achieved.

Diversity: Our Diversity and Inclusion Strategy (2019-2022) has three objectives, which have been aligned with our work on the gender pay gap: To continue to attract people from under-represented groups; to develop inclusive leaders who are equipped with the skills, confidence and behaviours to build positive relationships with staff that enables everyone to thrive; and to take action to ensure that our culture is inclusive, supportive and respectful.

We have thirteen active employee networks including Gender Equality, Flexible Working, Carers, and Parents. Each network has a diversity champion at director level who support the director general Senior Diversity Champion, Stephen Braviner-Roman. Their role is to promote the work of the diversity networks and provide senior representation and strategic direction for their areas. The networks provide a forum to discuss, and provide mutual support, for those with a common interest. They provide a voice for and support to all employees within GLD.

With these initiatives in place, there is still more to do. We will continue to raise awareness, highlight barriers and influence actions that can help further reduce these gaps across the department.

Declaration

The data reported by Government Legal Department is accurate and has been calculated according to the requirements and methodology set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.