

# 2021 Gender Pay Gap

January 2022

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## **Section 1: Executive Summary**

The gender pay gap is a high-level snapshot of pay within an organisation and shows the difference in the average pay between all men and women in a workforce.

A new approach to calculating and publishing the GPG was introduced in 2020, with Cabinet Office calculating all departments' GPG figures and publishing them as part of the Annual Civil Service Employment Survey data. The calculation method was changed to align with this, and now uses annual salaries in March 2020 to calculate hourly pay. GPG was previously calculated using the differences between female and male hourly rates of pay in March each year. It is therefore more difficult to directly compare the 2021 and 2020 GPG figures to the trend over previous years. There has been no change to the calculation of the gender bonus gap.

The department's headline GPG figure has decreased to 4.0% (calculated using the median) in 2021, which is a reduction of 3.9 percentage points compared to 2020. As with previous years, the remaining gap is still being predominantly driven by an overrepresentation of females at more junior grades.

	2021 2020		2019*	2018*	2017*
	Pay Gap	Pay Gap	Pay Gap	Pay Gap	Pay Gap
Median	4.0%	7.9%	5.3%	5.6%	5.9%
Mean	3.6%	3.9%	4.1%	4.5%	5.3%

<sup>\* 2019 - 2017</sup> figures used an altered methodology to current years.

Table 1: Gender Pay Gap figures from 2021 - 2017

Whilst they are not directly comparable due to different calculation methodologies, the figures indicate that over time the gender pay gap is shrinking.

The median bonus gap in 2021 has remained at 0%, although the mean bonus gap has increased to 2.3% from 1.6% last year.

	2021 Bonus Gap	2020 Bonus Gap	2019 Bonus Gap	2018 Bonus Gap	2017 Bonus Gap
Median	0%	0%	3.8%	-2.0%	0%
Mean	2.3%	1.6%	4.3%	2.2%	0.8%

Table 2: Gender Bonus Gap figures from 2021 - 2017

In 2021, men were more likely to receive a bonus than women and on average, the amounts awarded to males were higher.

The department has developed a full and varied action plan to focus on priority areas to improve the pay gap.

## **Section 2: Background**

#### What is the legislation?

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, all organisations listed at Schedule 2 to the regulations that employ over 250 employees are required to report annually on their gender pay gap. Other organisations with 250 or more employees will need to comply with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

#### What does the gender pay gap mean?

The gender pay gap is a high-level snapshot of pay within an organisation and shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly large gender pay gap, this can indicate there may be several issues to deal with. Individual calculations may help to identify the cause of those issues.

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. A gender pay gap does not equate to the existence of an equal pay problem, albeit a gender pay gap may be a trigger for further investigation about the reasons why the gap exists.

#### What is our approach to Diversity and Inclusion?

Building a diverse and inclusive workforce that reflects the people we serve, is one of the Civil Service's top workforce priorities. Our collective aim is to make the Civil Service the UK's most inclusive employer. 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. Our Diversity & Inclusion Strategy outlines how we plan to achieve this.

In 2018, DfE launched its five-year Diversity and Inclusion strategy. It is shaped by what our staff say needs to change to meet our aspiration to be the most inclusive department in the Civil Service. Having a diverse workforce and maximising that diversity helps us to become more **user centred** for a diverse population. It contributes to creating an inclusive environment, where staff are able to **empower themselves and others** and it underpins all our aims by being key to a **talented workforce**.

DfE have a variety of staff networks and groups for all employees to join, regardless of whether they identify as having a characteristic associated with the network; everyone is welcome to get involved. One of the five priorities set out in DfE's Diversity and Inclusion Plan is the strand of work to *ensure that all DfE staff are able to achieve their full potential*. Developing an action plan to reduce the department's pay gap is a key part of this and we

will work with the networks to drive this forward. This supports DfE's ambition to be a leader in Whitehall on Gender Pay.

Our report is also in line with the recommendations made from the Inclusive Data Taskforce report published in September 2021.

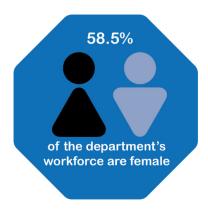
#### What is DfE's organisational structure?

For the purposes of this report, DfE includes the following Executive Agencies:

- Education and Skills Funding Agency;
- Standards and Testing Agency; and
- Teaching Regulation Agency.

The department uses Civil Service grades ranging from Executive Assistant (admin level grade) to Senior Civil Servant (executive level grade). Grades vary according to the level of responsibility. Each grade has a set pay range or spot rate, with gaps in between grades. Where there is a pay range, staff are expected to move through the pay range for their grade as their experience and skills develop; usually we would therefore expect that the longer someone has been in a grade, the more they would earn, irrespective of their gender. There is a temporary pause on pay rises across the Civil Service in 2021/22, with only staff earning a full time equivalent base pay of under £24,000 receiving a consolidated increase of £250.

#### **Gender make-up of the Department**



The department's workforce is made up of 58.5% females and 41.5% males in 2021.

#### What data do we need to include?

Included in the data, is the full time equivalent of employees' pay as of 31 March 2021, as well as any non-consolidated performance related awards paid between 1 April 2020 and 31 March 2021. It uses all basic pay after salary sacrifice, allowances, and paid leave.

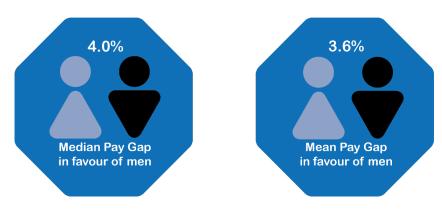
The data includes all departmental staff paid via the payroll, including employees who sit within the Executive Agencies and European School Teachers. There are no contractors paid via the payroll in the department, so no contractor information has been included in the calculations.

#### **Comparing Methodologies**

Last year saw the introduction of a different approach to calculating the pay gap, looking at the difference between hourly pay using annual salaries as of 31 March 2021. This aligns with the Annual Civil Service Employment Survey (ACSES) approach. In previous years, pay received in March has been used to calculate hourly pay. It is therefore more difficult to directly compare the 2021 and 2020 GPG figures to the trend over previous years. No change has been made to the gender bonus gap methodology.

# **Section 3: Department for Education's Gender Pay Gap**

#### **Overall position**



The department's headline GPG figure has reduced to 4.0% in 2021.

	2021 2020		2019*	2018*	2017*
	Pay Gap	Pay Gap	Pay Gap	Pay Gap	Pay Gap
Median	4.0%	7.9%	5.3%	5.6%	5.9%
Mean	3.6%	3.9%	4.1%	4.5%	5.3%

\*2019 - 2017 figures used an altered methodology to current years.

Table 3: Gender Pay Gap figures from 2021 - 2017

#### Key drivers of the gap

Despite significant progress being made in reducing the department's GPG, there is still work to be done to achieve our aim of closing this gap completely. We have undertaken a review of the key drivers of the remaining gap and have identified the following factors.

#### Female representation in junior grades

Our analysis has identified that over-representation of females in more junior grades is likely to be a significant contributor to the remaining pay gap. The workforce composition in 2021 shows an overall rise in the number of women in the department to 58.5% of the total headcount. This is an increase from 58.1% in 2020 and 53.4% in 2019. The table below illustrates the percentage of females by grade in the last two years:

	2021	2020	Difference
All	59%	58%	1%
EA	71%	66%	5%
EO	61%	61%	0%
HEO	60%	59%	1%
SEO	59%	59%	0%
GRADE 7	58%	58%	0%
GRADE 6	52%	51%	1%
SCS BAND 1	56%	56%	0%
SCS BAND 2	56%	55%	1%
SCS BAND 3	50%	50%	0%
PERM SEC	100%	0%	100%
ALL SCS	56%	56%	0%

<sup>\*</sup>Table has been rounded to the nearest percentage.

Table 4: Percentage of females at each grade in 2021 and 2022.

This has led to an increase of women in all quartiles, excluding the top quartile. The biggest increase of 1.2% can be seen in the lower quartile, which can be attributed to the increase in female representation at EA grade.

	Lower quartile	Lower middle quartile	Upper middle quartile	Top quartile
2021	61.5%	59.1%	59.2%	54.2%
2020	60.2%	59.0%	57.4%	54.6%

Table 5: Percentage of females in each quartile in 2021 and 2022.

The graphs below show where the median salary sat for both men and women in 2020 and 2021.

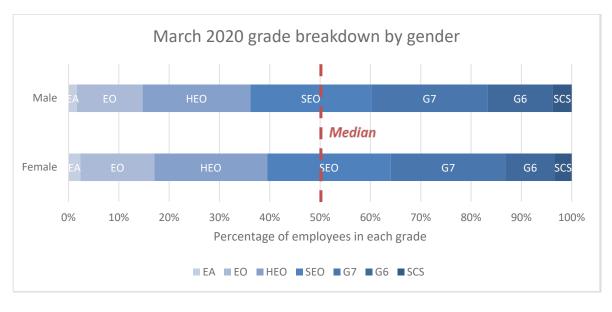


Figure 1: March 2020 grade breakdown by gender.

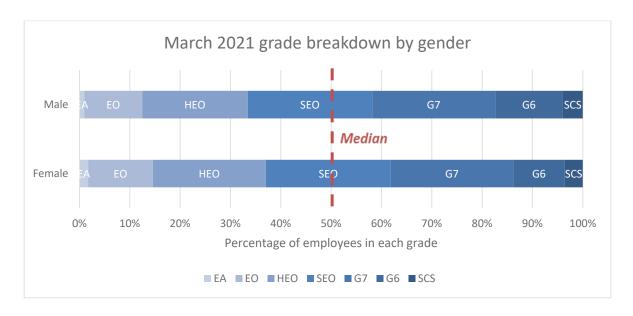


Figure 2: March 2021 grade breakdown by gender.

The 2021 graph above shows that whilst both the median male and female salary continue to be within the SEO pay band, the higher proportion of women in EA to HEO grades means the overall female median is closer to the middle of the SEO distribution for females while the median male's pay is closer to the top end of the SEO distribution for males.

The degree of over- (above the diamond) and under-representation (below the diamond) of women by grade relative to the department as a whole from 2019-2021 is shown in the chart below.

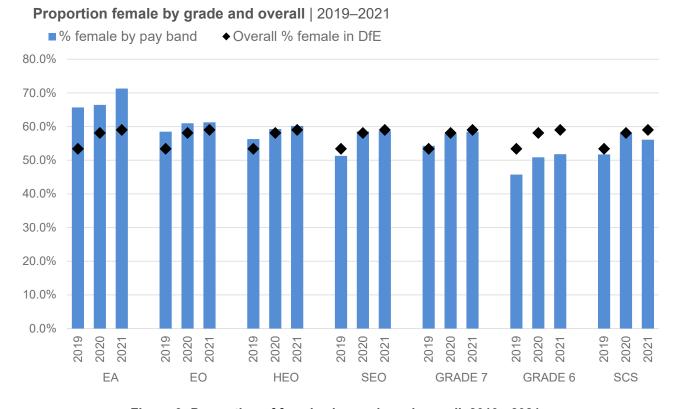


Figure 3: Proportion of females by grade and overall, 2019 - 2021.

#### SCS hourly pay gap

A review of the gender pay gap at each grade has been undertaken and the following table provides a breakdown of the median hourly pay gap by grade.

Median	Gender	Pay	Gap
--------	--------	-----	-----

	2021	2020	Difference
EA	0.0%	0.0%	0%
EO	0.2%	-1.0%	+1.2%
HEO	0.3%	0.0%	+0.3%
SEO	0.0%	-0.6%	+0.6%
Grade 7	-0.1%	-1.8%	+1.7%
Grade 6	-1.8%	0.0%	-1.8%
SCS Band 1	10.0%	3.2%	+6.8%
SCS Band 2	12.9%	3.1%	+9.8%
TOTAL	4.0%	7.9%	-3.9%

<sup>\*</sup>SCS3 has been excluded from this table due to a low number of employees at this grade.

Table 6: Median gender pay gap at each grade from 2020 - 2021.

Although there are a higher percentage of women in more junior grades, there is little to no gap at delegated grades. Introducing spot rates at EA and EO level has contributed to increased equality at these grades.

There has been an increase in the gap at both SCS 1 and 2, which is also worth noting when reviewing the existing pay gap. Despite there being a female majority at SCS 2, men receive a median 12.9% higher hourly rate which is the largest hourly pay difference of all grades and an increase of 9.8 percentage points from last year.

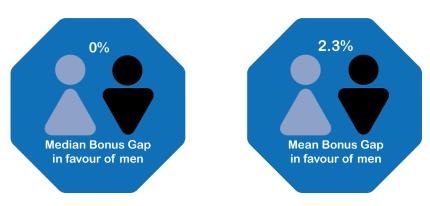
# How can the overall median pay gap decrease while the median pay gap has increased at most grades?

The GPG is measured by the median (the salary of the person in the middle of the earnings distribution). In smaller sets of values, such as grades, the median is more easily influenced by changing the distribution of pay or number of people.

The median pay gap within each grade depends on a range of factors which together could leave the overall pay gap unaffected. For example, the within-grade GPG would depend on how many people work in London, what proportion are on specialist pay bands based

on their profession or job role, and how individuals are spread along the pay band (for example those who have joined from other departments may not start at the bottom of the pay band). However, unless the changes in these factors change the earnings of the overall middle-ranked male and female, it will not affect the overall median.

#### **Bonus Pay**



The department's 2021 median bonus gap figures have remained at 0.0%. The following table details the bonus pay gaps for the last five years. The change in calculation method introduced last year does not impact the bonus gaps so accurate comparisons can be drawn between previous years' figures.

	2021 Bonus Gap	2020 Bonus Gap	2019 Bonus Gap	2018 Bonus Gap	2017 Bonus Gap
Median	0.0%	0.0%	3.8%	-2.0%	0.0%
Mean	2.3%	1.6%	4.3%	2.2%	0.8%

Table 7: Gender Bonus Gap figures from 2021 - 2017.

The median bonus gap has remained at 0.0% in 2021, however, the mean bonus gap has increased by 0.7 percentage points. As shown in the table below, this increase can partly be explained by looking at the average value awarded to both female and male staff, with men receiving an overall higher value this year, in comparison to 2020.

	All Staff	Gender		
	All Stall	Female	Male	
Employees receiving bonus 2021	6977	4085	2892	
Proportion receiving bonus 2021	89.4%	89.2%	89.7%	
Proportion receiving bonus 2020	85.0%	85.9%	85.6%	
Mean bonus 2021	£1,141.81	£1,130.87	£1,157.27	
Median bonus 2021	£1,020.00	£1,020.00	£1,020.00	
Mean bonus 2020	£1,068.83	£1,061.53	£1,078.99	
Median bonus 2020	£985	£985.00	£985.00	

Table 8: Bonus proportions and amounts paid in 2021 and 2020.

The bonus gap figures include the end of year award, which is a non-consolidated flat rate award, paid as part of the annual pay award. All staff who meet the eligibility criteria are entitled to this award, regardless of grade or hours.

It is worth noting that the department has more control over the bonus pay gap than the overall pay gap, which is more subject to external factors, e.g., higher numbers of female applicants for more junior roles.

SCS staff have different award arrangements set centrally by Cabinet Office.

#### Pay by Quartiles

The workforce is divided into four quartiles according to hourly pay, with an equal number of employees in each quartile from smallest to largest. Women are over-represented to a greater extent in the lower-earnings quartile. The distribution of men and women in the pay quartiles continues to illustrate that the department's pay gap is likely to be largely driven by a higher concentration of women in the lower quartile of earnings.

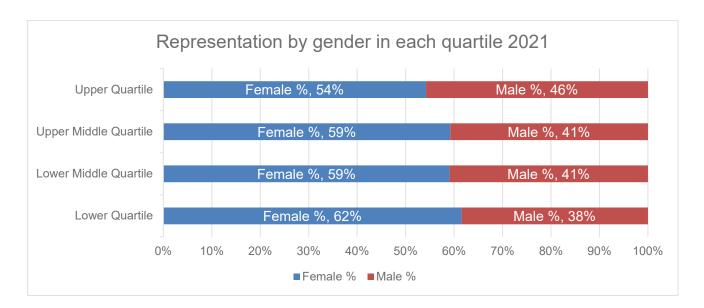


Figure 4: Representation by gender in each quartile in 2021.

The overall percentage of women in the department has increased from 58.1% to 59.0% in the last year. The percentage of females in SCS has also risen slightly in 2021 to 56.1%, in comparison to 55.9% in 2020. The following table details the representation by gender in each quartile for the last five years:

	Publis	shed	Publi	shed	Publi	shed	Publi	shed	Publi	shed
	Figures 2021		Figures 2020		Figures 2019		Figures 2018		Figures 2017	
	Female	Male								
Lower Quartile	62%	39%	60%	40%	58%	42%	60%	40%	61%	39%
Lower Middle Quartile	59%	41%	59%	41%	52%	48%	58%	42%	61%	39%
Upper Middle Quartile	59%	41%	57%	43%	52%	48%	57%	43%	55%	45%
Upper Quartile	54%	46%	55%	45%	50%	50%	53%	47%	53%	47%

<sup>\*</sup>Figures may not sum to 100% owing to rounding.

Table 9: Percentages of males and females in each quartile, 2021 - 2017.

When looking at the median length of time spent at each grade, the chart below shows that there is little difference in tenure times for male and female staff at EO and HEO grades. However, at EA level, which has the highest female representation of all grades, the difference is larger at 2.4 years.

2021: Average time at grade (years)

	Male	Female	Average for grade
EA	1.6	4.0	3.3
EO	1.6	1.8	1.7
HEO	2.3	2.0	2.1

Table 10: Average time spent at EA, EO and HEO grades for male and females.

## **Closing the Gender Pay Gap**

The department has undertaken several activities to focus on closing the GPG since first reporting in 2017 and continues to review and refresh all activities on an annual basis.

Actions over the last 12 months have included the following:

- Working with the Future DFE programme to keep the impact of COVID-19 and any long-term new ways of working under review to ensure that there is no negative impact on women.
- Consideration of future locations for our workforce as part of the 'levelling up' agenda. The department continues to focus on building its workforce out of London and has set targets to reduce numbers in London. We have considered the impact this could have on diversity and have concluded there is no negative impact on women. Analysis will continue over the next 12 months.
- Continuation of central controls on starting pay, particularly at more senior grades.
- Leadership Team continue to review each individual SCS pay case with consideration for gender, ethnicity, and other protected characteristics.
- Considering individuals returning from a career break prior to any wider recruitment activity, to promote an increase in women returning to work, particularly at SCS level.
- Establishing Diversity & Inclusion dashboards which promote transparency of the representation of women and other under-represented groups, across the department.
- Establishing a HR Diversity & Inclusion Board who meet monthly to roll out the D&I strategy.
- Continued promotion of the In Year Award and Instant Reward schemes and encouraging wider nomination across grades at more consistent levels. Work continues to identify trends that need targeting to improve the mean bonus gap. This includes promoting peer to peer nominations to support the spread of awards across grades.
- Changes to the way budgets are allocated for In Year Award and Instant Reward schemes to increase equality across groups. All groups now receive the same budget, regardless of grade make up, as opposed to allocating budget based on average salaries within the group.
- Following a successful pilot, all recruitment at EA and EO grade is now offered as an apprenticeship to provide a springboard to profession-based careers for women, who account for over 60% of staff at these grades. In the past 12 months, 33% of people who completed their apprenticeships went on to be promoted.
- Continue to support our departmental Women's Network. They actively promote gender equality, run upskilling events, promote campaigns and hold talks to inspire and support other women in the department.

#### **Action Plan for the next 12 months**

We are continuing to develop and progress actions to improve the pay gap and the department has implemented a detailed action plan for the next 12 months, with priority areas of focus including:

- Ensure women have the opportunity and ability to progress their careers and develop profession-focused routes into the department, through the promotion of talent schemes such as apprenticeships and CS Fast Stream, with the aim to positively improve a more gender balanced representation in junior grades.
- Take targeted action as part of the annual pay increase to ensure pay differences in grades are reduced where possible and review the impact of the introduction of spot rates at EA and EO level and assess whether introduction at HEO and SEO level would a positive step to take in terms of the gender pay gap.
- Work with Leadership Teams to ensure that frameworks implemented to attract Digital, Data and Technology professionals in the competitive, male dominated labour market, are considering GPG during salary negotiations.
- Work with the Future DFE programme to keep the impact of Covid and any new ways of working under review to ensure that there is no negative impact on women.
- Roll out of the first cohort for Beyond Boundaries, a 12-month development programme designed to prepare women, and other under-represented groups, to move to the next grade or more stretching roles within the department.

# **Declaration**

We confirm that data reported by the Department for Education 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.

**DfE Permanent Secretary: Susan Acland Hood** 

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