



Department  
for Work &  
Pensions

# Gender Pay Gap

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Report for the year 2022



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# Executive Summary

- The Department for Work and Pensions (DWP) has prepared this report as part of the legal requirement for public authorities to publish their gender pay gap on an annual basis. DWP is the largest government department with a total headcount of 92,369 as 31 March 2022.
- We have made positive progress in **increasing female representation at the most senior grades**. At SCS1 and SCS3, we now have over 50% of roles filled by females. Despite this, we have seen the mean ordinary Gender Pay Gap (GPG) increase as the proportion of males at higher grades has increased since 2021, more than the proportion of females at higher grades has increased. We have also seen an increase to the median bonus GPG. There has, however, been a slight reduction in the mean bonus GPG, in comparison to 2021:
  - The mean ordinary GPG has increased by 1.7 percentage points (ppt)
  - The mean bonus GPG has decreased by 0.1 ppt
  - The median bonus GPG has increased by 1.2 ppt
- We continue to compare favourably with the overall mean GPG for the Civil Service (8.5% in 2022). We also compare favourably with the mean bonus GPG for the Civil Service (27.4% in 2022), and the median bonus GPG (37.1% in 2022).
- **Mean ordinary GPG (increased by 1.7 ppt)** – The public sector pay pause for the financial year 2021/2022 meant there was no pay award in 2021 for the majority of DWP employees, with only some individuals at Administrative Assistant (AA) and Administrative Officer (AO) grades receiving an uplift. As a result, it is primarily changes to DWP's grade distribution that has been the most significant contributor to the difference in average salaries across genders and the slight increase in our mean GPG. We have proportionately more women than men in each grade other than Grades 7/6, however proportionally more men are in our more senior grades than women.
- **Mean bonus gap (decreased by 0.1 ppt)** – This reduction is primarily driven by the good progress in our more equitable distribution of in year rewards (vouchers and cash awards). Despite applying a flat cash end of year non-consolidated award to delegated grades in 2021, due to our policy of pro-rating non-consolidated awards to reflect part-time working patterns, we will always have a bonus pay gap and this will fluctuate according to the number of part time employees.
- **Median bonus gap (increased by 1.2 ppt)** - The calculation for the bonus pay gap uses actual values paid rather than full time equivalent values. The average FTE for women is lower (Men 0.96, Women 0.86), therefore, because of the pro-rating of our end of year non-consolidated award, women typically receive lower value awards.

Overall, we are confident that our pay strategy is non-discriminatory in its design, and this is supported through our analysis, which demonstrates the pay gap to be largely attributed to the distribution of the workforce, specifically lower female representation in higher grades. The GPG continues to be a key consideration as we develop our future reward strategy.

# Introduction

In 2017, the government introduced legislation requiring 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 underpin the Public Sector Equality Duty and require relevant organisations to publish their gender pay gap annually. This includes:

- the mean and median ordinary 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.

For 2021/22, the Gender Pay Gap figures were published for the third time, in the Annual Civil Service Employment Survey (ACSES) on 27 July 2022, to provide an overall picture across government. The reporting period is 1st April 2021 to 31st March 2022.

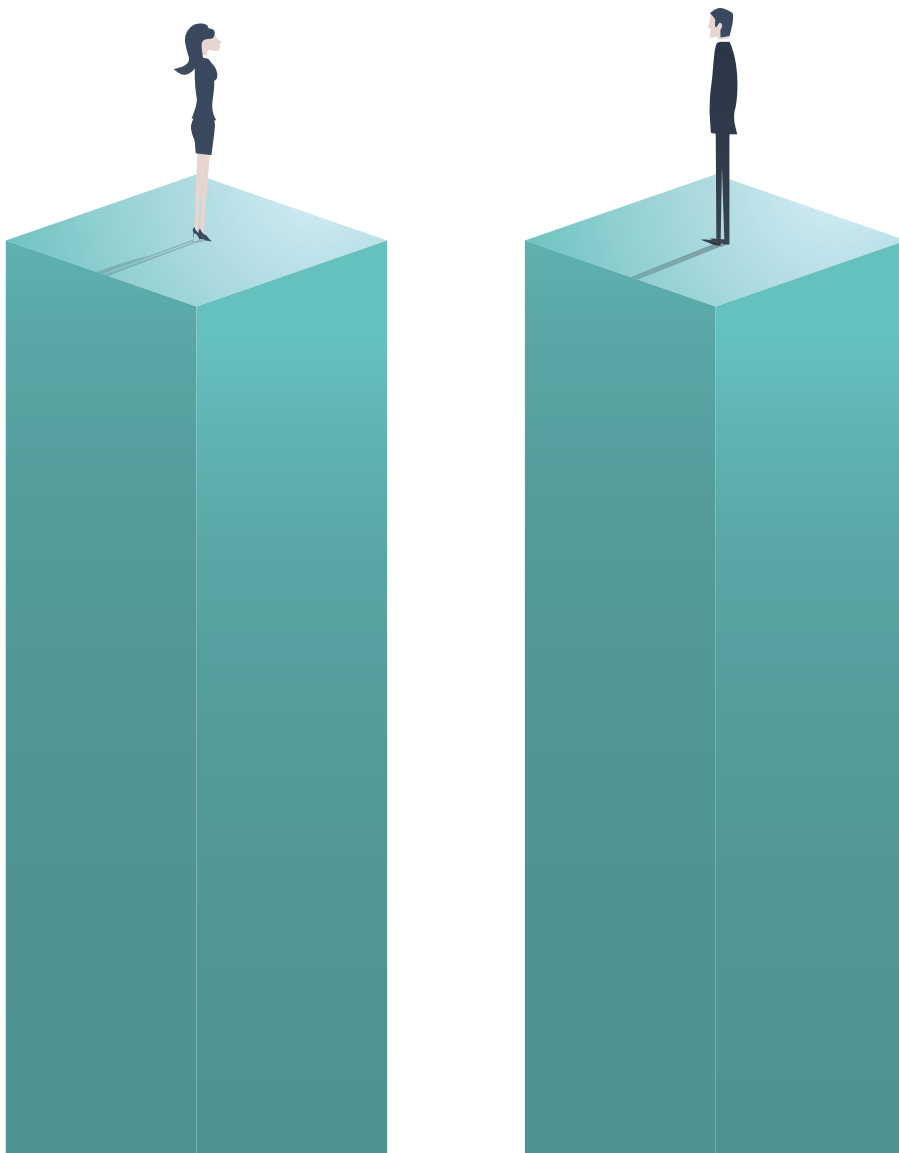
This report fulfils DWP's reporting requirements and sets out the actions we are taking in relation to improving gender parity. This information is published on gov.uk and the Government Equality Office (GEO) portal.

DWP is committed to the fair treatment and reward of all staff irrespective of gender, and ensuring the department is an inclusive place where people can be at their best. Our goal is to ensure that these commitments, reinforced by our Values, are embedded in day to day working practices with all our customers, colleagues and partners. As an employer, DWP is committed to the Civil Service ambition to have a truly diverse workforce which is representative of the communities that we serve. Our Diversity and Inclusion objectives are aligned with the [Civil Service Diversity and Inclusion Strategy: 2022 to 2025](#) (GOV.UK).

We continue to set ourselves challenging objectives around ensuring that we have a diverse workforce which, in relation to gender, include growing and supporting our internal pipeline of women progressing through the grades, monitoring recruitment outcomes at each grade and each stage of the recruitment process and maintaining gender parity in our Senior Civil Service (SCS) workforce.

DWP's total headcount (staff in post) on the 31 March 2022, was 92,369 employees; this represents all paid and unpaid employees. Of this number, 91,006 employees were identified as 'full pay relevant employees', as set out in the regulations, and included in the GPG calculations for the mean and median ordinary pay gap.

DWP uses the Civil Service grading system ranging from Administrative Assistant (administration level grades) to Senior Civil Servant (director level grades). Grades are determined by the level of responsibility that employees have in their job roles. Each grade has a set national and London pay range (with some other location-based pay differences), with higher grades receiving higher salaries.



# Gender pay gap report

The GPG shows the difference between the average pay for all men and women in a workforce. If a workforce has a particularly large gender pay gap, this can indicate issues to deal with, and the individual calculations may help to identify what those issues are. GPG is different from 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.

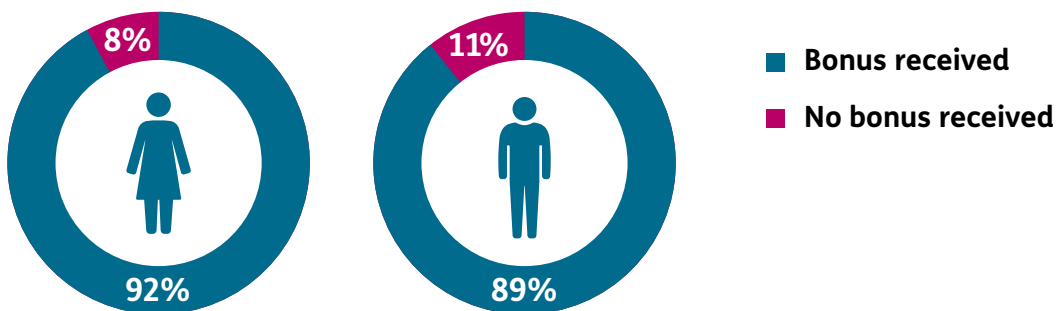
As part of this approach, each full-pay relevant employee’s hourly rate of pay has been determined using full-time equivalent salaries and contracted weekly hours. Permanent and pensionable allowances, non-consolidated performance payments, and salary sacrifice deductions are all incorporated to ensure that the methodology is consistent with reports produced in previous years. Where any percentage figures in this report do not add to 100%, this is due to rounding.

## DWP’s 2022 GPG figures

Pay gap		Bonus gap	
Mean	Median	Mean	Median
5.9%	0.0%	14.6%	14.7%

This means that the overall mean and median hourly difference in pay is £0.91 and £0 respectively.

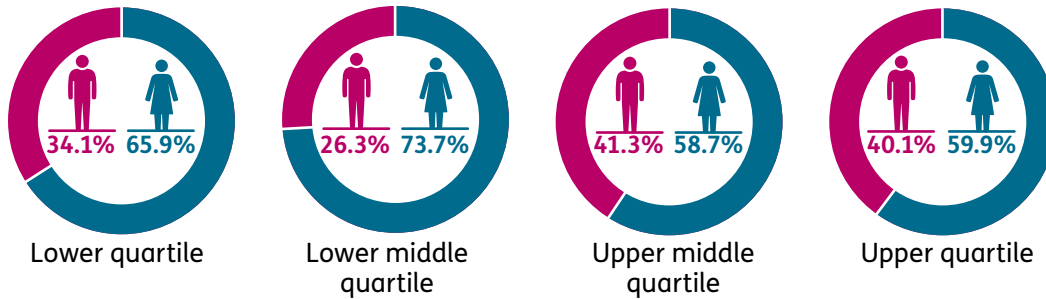
## Percentage of men and women receiving a bonus



We pay both ‘in year’ and ‘end of year’ non-consolidated awards. In the financial year 2021 to 2022, to be eligible for DWP’s end of year non-consolidated award, employees had to:

- be in post on both 31 March and 1 July
- not be undergoing formal poor performance action
- and have 60 days’ actual performance within the performance year (exceptions to this are where the absence is due to maternity, paternity, adoption or disability related sickness absence).

## Distribution of women through each pay quartile (AA to SCS)



The charts above shows the percentage of women in each pay quartile in DWP. The quartiles approximately map with the gender composition of the department (65% female and 35% male).

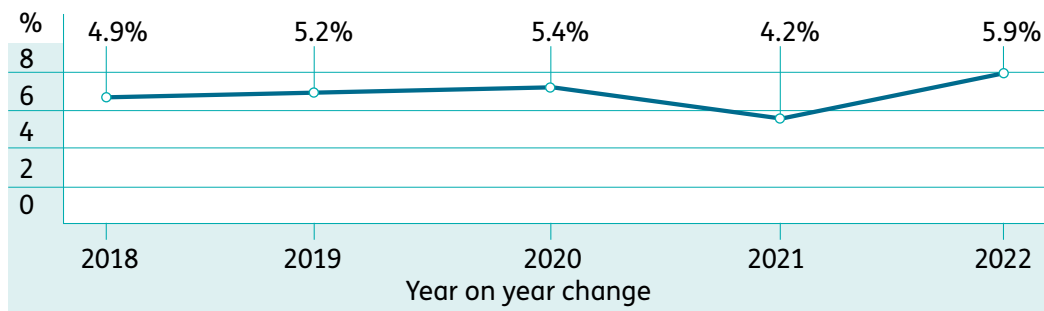
## Workforce analysis

Grade (decreasing seniority)	Number of men (% of total male workforce)	Number of women (% of total female workforce)	% of women in the grade
SCS	124 (0.38%)	141 (0.24%)	53%
Grade 6/7	1,879 (5.82%)	1,670 (2.84%)	47%
SEO/HEO	4,464 (13.84%)	6,358 (10.82%)	59%
EO	16,215 (50.26%)	31,483 (53.59%)	66%
AA/AO	9,578 (29.69%)	19,094 (32.50%)	67%
Total	32,260 (100%)	58,746 (100%)	65%

The table above shows the distribution of men and women across grades within DWP. As the composition of DWP's workforce is constituted of significantly more female (65%) than male (35%) employees, within the grade boundaries above, females are under-represented at higher grades, and slightly over-represented at lower grades.

# Analysis of pay gap

## Ordinary Mean Pay Gap



Due to the public sector pay pause for the financial year 2021/2022, there was no pay award in 2021 to the majority of DWP employees, with only some individuals at AA and AO receiving an uplift. This means that it is primarily changes to grade distribution that has been the most significant contributor to the difference in average salaries across genders and the slight increase in our mean GPG.

## Female representation within each grade

Despite our ordinary mean GPG increasing this year, we have made positive progress in increasing female representation at the most senior grades. Our 2025 target was to achieve gender parity of 50% in our SCS roles, we met that target in March 2021 and have now exceeded it. At SCS1 and SCS3, we now have over 50% of roles filled by females. However, at our feeder grades (Grades SEO, 6 and 7), there is further work to be done in reaching proportionate representation of genders, and this, in part, is what contributes to our gender pay gap.

## Workforce Structure Changes

Our mean pay gap has increased this year, because the proportion of males at higher grades has increased since 2021 more than the proportion of females at higher grades has increased:

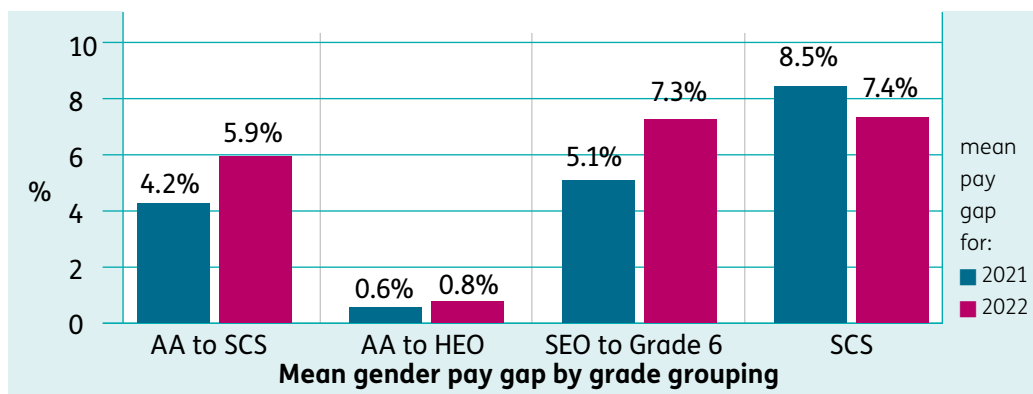
	% of all DWP females in grades HEO & below	% of all DWP males in grades HEO & below
2022	93.8% (decreased by 1 ppt) ▼	88.7% (decreased by 2.4 ppt) ▼
2021	94.8%	91.1%
	% of all DWP females in grades SEO & above	% of all DWP males in grades SEO & above
2022	6.2% (increased by 1 ppt) ▲	11.3% (increased by 2.4 ppt) ▲
2021	5.2%	8.9%



Between 31 March 2020 and 31 March 2021, our pay gap reduced, and this was primarily attributable to the significant recruitment of EOs and AOs on fixed term contracts that took place in response to the Covid-19 pandemic, altering the overall grade distribution within DWP. As a higher proportion of employees were at the AO and EO grade in March 2021 than March 2022, receiving the same rate of pay (known as a spot rate) the mean GPG had decreased.

During 2021/22, many colleagues employed on these fixed term contracts left DWP, and the overall proportion of male and female colleagues at lower grades has decreased. There was, however, a greater decrease in the proportion of males at these lower grades, and therefore a greater increase in the proportion of males at our higher grades. There has also been notable recruitment during 2021/22 at HEO and above. These changes to our grade distribution have contributed to an increase in our mean GPG. Turnover has also had a significant impact, with new recruits primarily joining at the pay band minimum, replacing leavers who may be higher up the pay band.

The differential in the proportions of each gender at our more senior grades is reflected in our mean GPG for each grade grouping, with the widest gap at SEO and above.



As the proportion of staff at higher grades increases, where we have longer pay ranges and a greater differential in the rates of pay paid to men and women, so does our mean GPG. Equally, as the difference in the proportion of male and female staff in higher grades increases, so does the difference in overall average salary by gender, increasing the mean GPG.

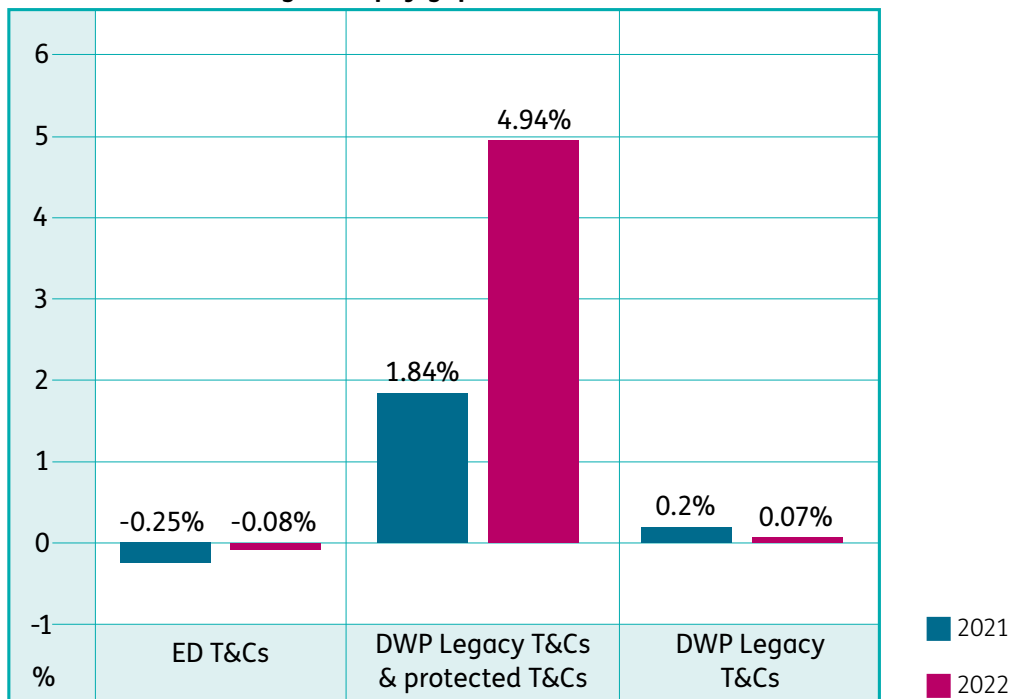
## Impact of different Terms and Conditions

We have historical issues that still affect our gender pay gap, particularly where employees voluntarily ‘opted out’ and have remained on legacy terms and conditions following the introduction of the Employee Deal (ED) Collective Agreement in 2016. The pay element of ED covered a contractual period of four years ending in July 2019 and offered higher rates of pay to operational grades (i.e. AA to HEO). Some of the main reward aims of ED were to reduce the length of our pay scales and move towards spot rates.

We have analysed the mean GPG for colleagues on DWP’s ED terms and conditions (T&Cs), compared with the mean GPG for employees that remain on either DWP’s legacy T&Cs or on protected T&Cs retained from their previous organisations, to understand how this impacts the overall picture.

Due to the shorter pay scales within ED and a high proportion of colleagues on a spot rate, the mean GPG figures for those employees are slightly smaller. The mean GPG for colleagues at grades AA to HEO not on ED T&Cs has increased by 3 percentage points in favour of men. This is due to an increase in the number of colleagues at grades AA to HEO that have joined DWP since March 2021 via TUPE, retaining their protected T&Cs and salaries. If those on protected terms are removed from the calculations, the mean GPG for colleagues remaining on DWP’s legacy T&Cs at AA to HEO reduces significantly.

**Mean gender pay gap % - AA to HEO Grades**



If we removed individuals with protected TUPE salaries at all grades, this reduces the overall DWP mean GPG significantly from 5.9% to 4.6%.

### Ordinary Median Pay Gap

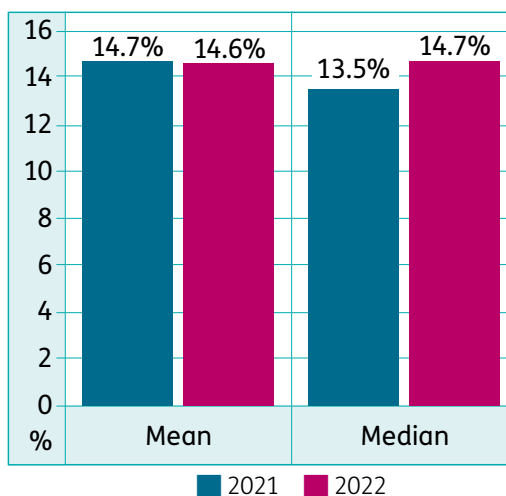
The median pay gap remains at 0%. This is primary due to the existence of an EO spot rate. Of the whole DWP population, currently 50% of males and 54% of females are at EO grade and most are on the spot rate, so this means the median fell within the EO range for both genders.

# Analysis of the bonus gap

DWP continues to make both in year and end of year performance awards. The significant majority of DWP’s performance bonus awards were paid as end of year awards and were pro-rated for part-time employees. These are paid at set values irrespective of gender or any other protected characteristic.

## Mean and median bonus pay gap

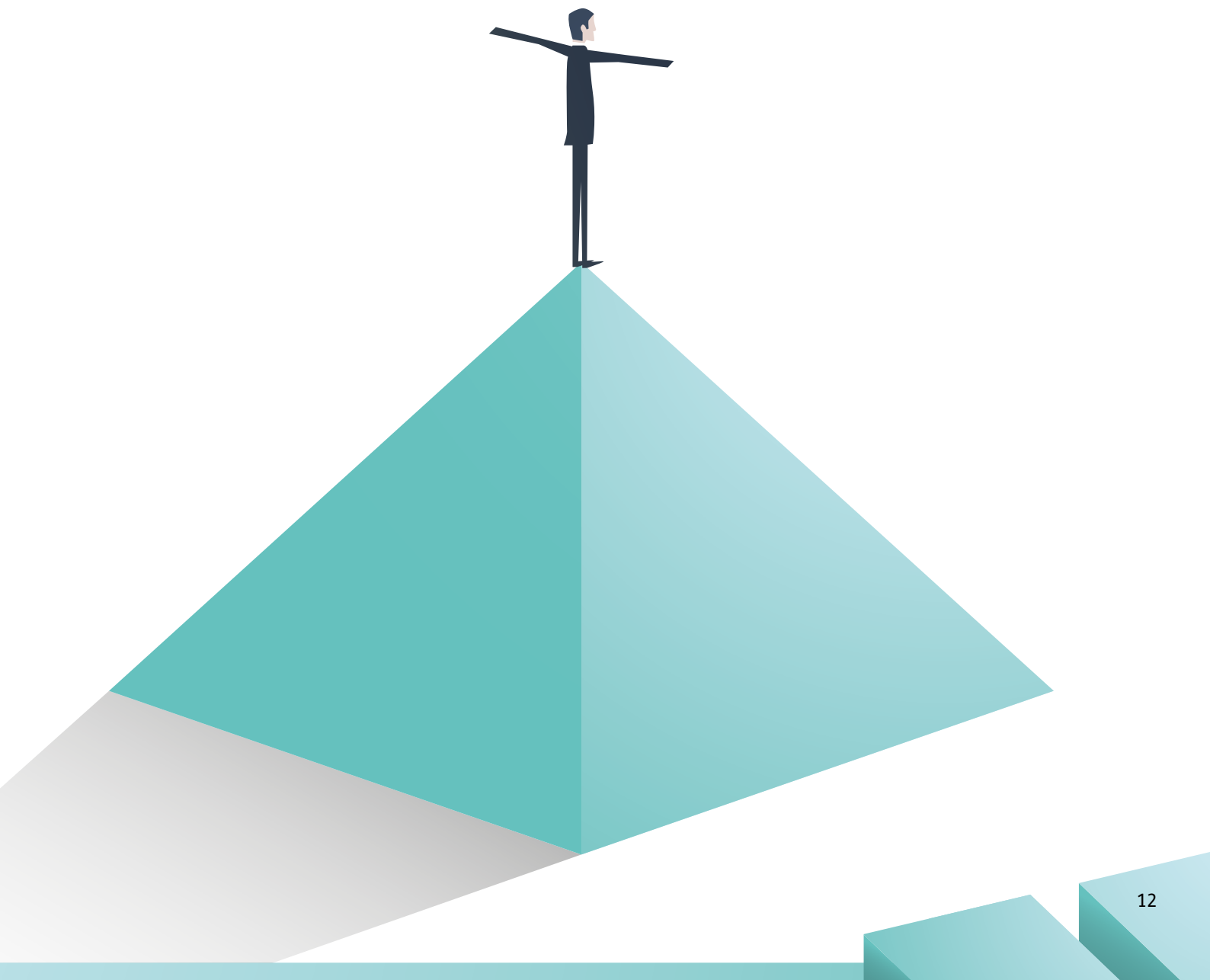
As is common standard practice across many organisations, DWP’s non-consolidated bonus end of year payments are pro-rated in accordance with the number of hours worked by each employee. In July 2021, all colleagues in delegated grades received a flat end of year non-consolidated bonus, pro-rated for part-time colleagues. The flat rate payment enabled us to recognise the contribution of all colleagues as part of the department’s response to the pandemic, regardless of grade.



Within DWP, 45% of women work part-time compared to 14% of men. As a result, women appear to receive disproportionately lower bonuses than men, but this is largely attributable to a higher proportion of women working part-time, which accounts for a significant proportion of the 14.6% bonus pay gap. The calculation for the bonus pay gap, which uses actual values received rather than full time equivalent values, means we will have a bonus pay gap which will fluctuate according to the number of part-time employees, most of whom (86%) are female. This also impacts the median bonus gap, which has widened in favour of men, due to a higher proportion of women compared to men working part-time and therefore receiving a pro-rated end of year award.

Both in year and end of year awards non-consolidated for SCS employees are performance based and have an impact on our bonus gap figures. Between March 2021 and March 2022, the average non-consolidated award for males was higher than the average award for females. One factor contributing to this is due to the way that in year and end of year payments for SCS are linked. DWP closely monitors the diversity of in year rewards for SCS employees throughout the financial year. However, because the amount of any in year rewards for SCS are deducted from their end of year awards, the in year payments from the previous financial year also affect the GPG figures for the following financial year. In 2020/2021, DWP awarded a higher number of in year rewards to females and so deducted more from females’ end of year bonuses that were paid in the 2021/22 financial year. This is a legislative methodology issue but is one factor that has negatively impacted our mean and median bonus GPG.

In year recognition payments for grades below SCS also fall within the bonus pay category; these include both cash payments and vouchers. Directorates are given a budget to use as appropriate and local processes are put in place for nominating and decision making. The slight reduction in the mean bonus pay gap is primarily because the gap in the average value of vouchers and cash awards given to men and women has reduced; this demonstrates progress in DWP's work to distribute in year awards more equitably.



# Targeted action to reduce and close the Gender Pay Gap

DWP is committed to continuing to improve the GPG. We have a range of initiatives and programmes to ensure that the DWP talent pipeline is strong and that we sustain gender parity at senior levels through 2025 and beyond.

## 1. Recruitment, retention and developing a diverse workforce

DWP recognises that our recruitment and retention practices are pivotal to eliminating the GPG and enabling us to ensure we have a strong and diverse talent pipeline in our organisation. Our recruitment policies and selection guidance maintain the following as standard:

- All recruitment is external by default unless there is a strong rationale for not doing so.
- Implementation of 'name-anonymised' recruitment. This supports diversity in the workforce by helping to create a more level playing field in the assessment process.
- Selection panels across all grades must have diverse representation across a range of characteristics including gender.

Targeted work on addressing the gender balance during attraction and recruitment is also being undertaken. This includes:

- Use of inclusive language in job adverts and attraction materials.
- Best practice is to advertise vacancies as equally available to all working patterns.
- Monitoring the pipeline into SCS with 6-monthly reviews of recruitment campaigns to understand where under-represented groups fall out of the process, and using this insight to develop targeted interventions.

## 2. Progression and building a diverse talent pipeline

Within DWP we have a board level Gender Diversity Champion who chairs bi-monthly Gender Steering Group meetings to identify and address gender representation and inclusion barriers. We have a range of ongoing actions and initiatives in place, which includes:

- Actively promoting participation in DWP and cross-government talent and leadership development programmes. We monitor the diversity of all applicants throughout each stage of the application processes.
- Developing a DWP Emerging Talent Strategy to develop a strong and diverse talent pipeline.
- Crossing Thresholds Programme for women who want to explore their career development in a structured and supportive environment.
- Piloting the use of diverse jobs boards such as Vercida to promote opportunities to under-represented groups and develop DWP's employee brand as an inclusive employer. We're also exploring the use of returners jobs boards aimed at attracting talented career returners seeking to re-enter the labour market.

## 3. Reward Strategy

DWP is committed to a reward strategy that is inclusive, and we have taken steps to reduce pay disparity within our organisation:

- DWP announced its 2022 Pay Award in July. As part of this pay award, we have been able to make greater progress towards spot rates for AA-HEO Employee Deal grades. All AA and AO employees are now on a spot rate. We have also reduced the length of our SEO and Grade 6 pay scales with higher increases to the pay scale minimum. This should impact positively on our GPG moving forwards.
- DWP received approval earlier this year to re-offer Employee Deal Terms and Conditions and associated rates of pay. An initial exercise took place in early 2022, and employees are now able to join Employee Deal Terms and Conditions on an ongoing basis. This should impact positively on our GPG as more individuals move towards a spot rate, reducing differentials between the rates of pay.

## 4. Career Paths

We have a range of ongoing actions and initiatives in place, which includes:

- Colleagues at all grades have access to staff networks to support them throughout their careers and progression.
- The introduction of Shadow Board opportunities for colleagues to inform and influence senior decision-making and increase individuals' exposure and experience.
- Active sponsorship and mentoring to increase visibility and advocacy and support development needs.

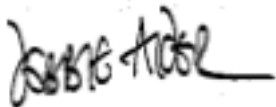
## 5. Promoting a Family Friendly DWP

We at DWP actively promote:

- Flexible, home-working, job-sharing, and part-time working to support employees with caring responsibilities and encourage a good work-life balance. Awareness and support of those with caring responsibilities is embedded into all our HR policies and our commitment to this is strengthened by DWP's membership to the Employers for Carers forum.
- Shared Parental Leave (SPL), to provide parents with more flexibility in how to share time off work after their child is born or placed for adoption, we encourage and support a shared parental leave policy that exceeds statutory provisions throughout the department.

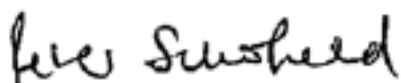
# Declaration

We confirm that data reported by DWP 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.



**Debbie Alder**

People Capability and Place Director General



**Peter Schofield**

DWP Permanent Secretary





Department  
for Work &  
Pensions

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