



HM Treasury

2022 Gender Pay Gap Report

Published 24 November 2022



Executive Summary

Organisations with 250 or more employees are required to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. These regulations underpin the Public-Sector Equality Duty and require relevant organisations to publish their gender pay gap annually.

HM Treasury has published its Gender Pay Gap Report annually since the introduction of the legislation in 2017. We believe these reports are an important tool to help us to reflect on our progress and pursue our ambition to become a fully inclusive and diverse workforce. We recognise that greater transparency and accountability is key to enable us to demonstrate our commitment to equality, attracting talent and boosting staff engagement. We regularly publish information on the diversity of our workforce, including in the Treasury's Annual Report and Accounts which can be found [here](#).

The gender pay gap measures the difference in pay between male and female employees. It is encouraging to see that the median pay gap has decreased, and that the Treasury Core bonus gap also has reduced, with figures illustrating the bonus gap is now in favour of women. However, whilst we have a similar number of male and female employees and have implemented measures we hoped would support reducing the gap, we are disappointed that the core Treasury data shows that our mean gender pay gap has continued to widen this year. We are fully committed to reducing our gender pay gap through the initiatives detailed within this report, recognising that this will require sustained effort.



1. Introduction

In our 2021 Gender Pay Gap Report, we committed to improving the use of our data to identify the factors that are contributing to the gender pay gap.

The key findings from this analysis were:

- the main contributor to the gap is gender representation by grade – while the Treasury has more women than men at the top three grades, women are over-represented across lower grades;
- the gender representation by grade largely corresponds to recruitment trends, with fewer female applicants across higher grades;
- female employees receive promotions at a similar rate to male employees; and
- more male employees receive allowances and start above the grade minimum, which leads to a small within-grade gender pay differences.

We are acting on all of our findings as reported in section 3 below, but our actions have not had time to impact this year's gender pay gap.

Treasury Group

The following table shows the proportion of men and women in each of the organisations that make up the Treasury Group.

Organisation	% Men	% Women
HMT (excl. agencies)	50.3%	49.7%
GIAA	47.9%	52.1%
DMO	69.8%	30.2%
NIC	56.2%	43.8%
OBR	56.1%	43.9%

The analysis of the Treasury Group includes the core department and four executive agencies: Government Internal Audit Agency (GIAA); Debt Management Office (DMO); the National Infrastructure Commission (NIC); and the Office for Budget Responsibility (OBR). In this report we detail figures for the whole group, in line with the legislation, but we also detail the figures for the core department and the executive agencies separately.

The table above shows that organisations that contribute to the Treasury Group's gender pay gap have differing gender balances.



Treasury Core

The rules governing SCS pay are determined within the SCS Pay Practitioners Guidance which is set by the Cabinet Office. For other grades, decisions around pay are delegated to departments, within the rules of the Civil Service Pay Remit Guidance, which is published annually.

Most of the Treasury's employees are below SCS level. Despite there being equal representation of men and women in SCS grades and a higher number of women than men at Director, Director General and Permanent Secretary, there is a higher proportion of women in junior grades and lower representation at middle management levels.

The table below shows the distribution of men and women across the grades at March 2022.

Grade (increasing seniority)	Men	Women	% of grade who are female
AA/AO (Range B)	20	30	60.0
EO (Range C)	70	150	68.2
HEO / SEO (Range D)	390	380	49.4
Grade 7/6 (Range E/E2)	500	410	45.1
SCS	80	80	50.0
Total (including those with unknown grade)	1,060	1,050	49.7

To note: the Treasury operates a unified HEO/SEO grade, which creates a large pay range.

2. Gender Pay Gap Report

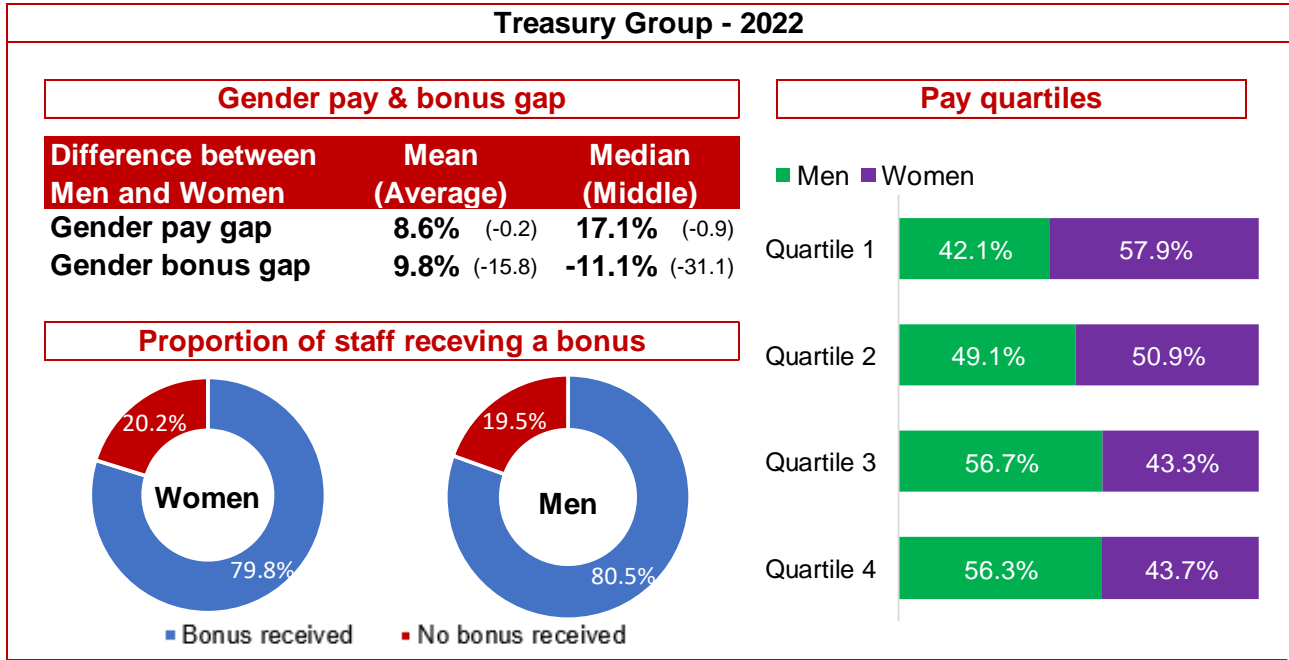
The gender pay gap shows the difference in the average pay between all men and women in a workforce.

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. A gender pay gap does not equate to the existence of an equal pay problem but may be the trigger for investigating why the gap exists.

To note - Figures detailed within the report are shown as positives and negatives. Negative figures illustrate that the gender pay gap is in favour of females, while positive figures highlight that a gap exists. Figures are presented as percentages, with the variance on the previous year's figures shown in brackets within the diagrams.



Treasury Group Gender Pay Gap 2022



2022 Treasury Group figures include the core department and 4 of its executive agencies: Government Internal Audit Agency; Debt Management Office; the National Infrastructure Commission; and the Office for Budget Responsibility.

Analysis of the Treasury Group Pay Gap

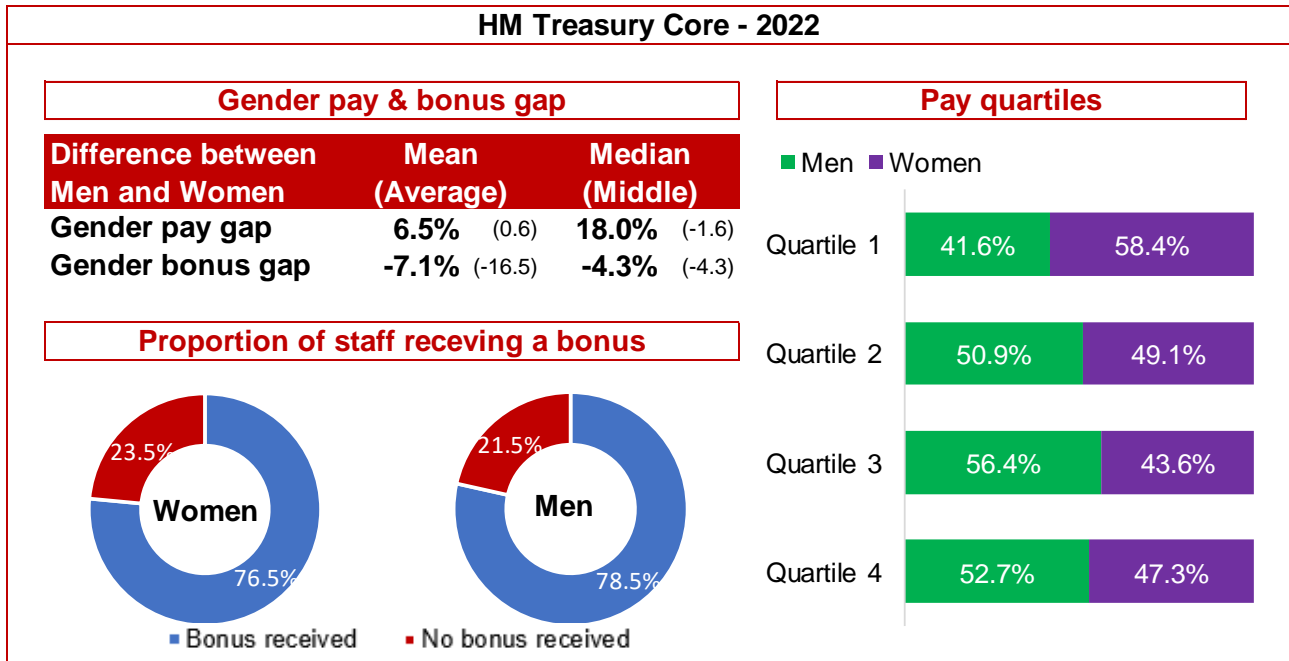
The Treasury Group’s overall mean gender pay gap has decreased by 0.2 percentage points from the previous year to 8.6%. The median pay gap has also decreased by 0.9 percentage points to 17.1%. The lower pay quartiles are more densely populated with women than men, with 58% of the lowest quartile and 51% of the 2nd quartile comprised of women. Across the higher quartiles, this is reversed with men making up 57% of quartile 3 and 56% of quartile 4. In November 2020, the Chancellor announced a temporary pause on pay rises for most public sector workforces in 2021/22, including the Civil Service.

Analysis of the Treasury Group Bonus Gap

The mean bonus gap for the Treasury Group has decreased by 15.8 percentage points to 9.8%. The median bonus gap also decreased by 31.1 percentage points to -11.1%. In addition, a similar proportion of men and women received a bonus.



Treasury Core Gender Pay Gap 2022



2022 HM Treasury Core refers only to the department, excluding its 4 executive agencies.

Analysis of the Treasury Core Pay Gap

It is important to note that actions and analysis taken over the past year were long-term measures and so we would not expect to see the positive effects within this report, however, these should drive positive change going forward.

In the core Treasury department, the mean gender pay gap has increased slightly by 0.6 percentage points to 6.5% with the median pay gap decreasing by 1.6 percentage points to 18.0%. The lowest pay quartile is more densely populated with women than men, with 58% of the lowest quartile comprised of women. Across the higher quartiles, this is reversed with men making up 56% of quartile 3 and 53% of quartile 4.

Analysis of the Treasury Core Bonus Gap

In the core Treasury, the mean bonus gap is -7.1% when in 2021 it was 9.4%. The median bonus gap has reduced from 0 in 2021 to now -4.3% in favour of women. However, a slightly larger proportion of men received a bonus than women.

During the pay pause, the core Treasury took action to provide end-year performance bonuses for both 'Top' and 'Middle' box performers across delegated grades. This was to extend financial support more widely across staff, while recognising our top performers. At SCS, we saw a broadly positive split of awards across all grades.



3. Targeted action to reduce and close the Gender Pay Gap

In the Treasury core, we have taken action to ensure that our processes and systems attract, retain, and support talented people from all backgrounds. Our actions are driven by data and informed by evidenced practice, such as the Government for Equalities Office ([GEO recommendations](#) for employers to close the Gender Pay Gap). The effectiveness of these actions are reviewed regularly and overseen by the Treasury's People Committee.

Recruitment and Progression:

- We have improved transparency of data on representation of women and have a target for 50% representation at senior levels by 2024.
- We track outcomes and ensure inclusivity for women at different stages of the recruitment process.
- We offer placements on relevant learning opportunities, such as Women in Leadership Conferences.

Pay and Retention:

- We target our annual pay awards to ensure pay differences in grades are reduced where possible, reviewing diversity outcomes throughout the process.
- We include gender pay gap considerations within salary negotiations.
- We monitor diversity data within our performance moderation and pay processes across delegated grades and SCS.

Culture:

- We continue to promote flexible working hours and hybrid working policies.
- We consult our Women's network on HR processes and provide events to foster an inclusivity, such as a panel event supporting returners.
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During the next 12 months, we will be focussing on our Gender Pay Gap Action Plan, which includes:

1. Monitoring the gender balance in recruitment to range E and above, setting out steps to raise the number of female applicants.
2. Reducing gender disparity at ranges B and C by providing pathways to promotion and aiming to attract equal numbers of male and female applicants at these grades.
3. Standardising salary allowance assessments within the onboarding process, ensuring the allowance policy is visible and automating the allowance process.



4. Ensuring part-time employees, those on a career break or parental/maternity leave, have equal opportunity to pursue career progression.
5. Increase monitoring and transparency of pay negotiations and support hiring managers to avoid gender bias.

In addition to the recommendations outlined above we will be:

- Monitoring diversity data of in-year bonus awards and special bonuses;
- Continued collaboration and engagement with stakeholders and networks, including the Women in the Treasury network, on people management practice and policies.

The executive agencies that form part of the Treasury Group results have their own separate action plans to help them address their own gender pay gaps.

4. Statutory disclosures

On 31st March 2022, HM Treasury had 5 employee entities which formed this report: the core department and four executive agencies: Government Internal Audit Agency, Debt Management Office, National Infrastructure Commission (NIC), and the Office for Budget Responsibility (OBR).

Only the central Department and the Government Internal Audit Agency (GIAA) employ 250 or more employees.

Individual figures for the core department and each of the executive agencies are included below. This data is taken from [Civil Service Statistics 2022](#). Where organisations have a headcount of less than 250 individuals, figures for bonus pay gaps and quartiles have been suppressed. All figures for the NIC and OBR have been suppressed due to small numbers in the calculations.

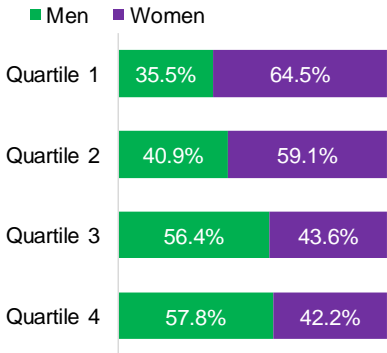


Government Internal Audit Agency - 2022

Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	10.2% (-2.1)	11.8% (-1.4)
Gender bonus gap	-5.0% (-7.8)	-7.5% (42.5)

Pay quartiles



UK Debt Management Office - 2022

Gender pay gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	16.7% (-4.1)	21.2% (-7.9)

5. Declaration

HM Treasury confirms that our data has been calculated by the Cabinet Office, according to the requirements of The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.