

2018 Cabinet Office Gender Pay Gap Report

As at 31 March 2018

30 November 2018

This information is also available on the Government's gender pay gap reporting service: <u>www.gender-pay-gap.service.gov.uk</u>

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Background

In 2017, the Government introduced legislation that made it statutory for all 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 that came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data annually, including 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.

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 by 2020. Our 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.

This is the Cabinet Office's second report. It is based on a snapshot of all CO staff as at 31 March 2018.

Profile of the Cabinet Office

The Cabinet Office is the centre of government.

Its Purpose is:

- to maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy;
- to support the design and implementation of HM Government's policies and the Prime Minister's priorities; and
- to ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of government.

Cabinet Office Civil Service grades range from administrative to Senior Civil Servants. Grades vary according to the level of responsibility that staff have and each grade has a set pay range.

The gender pay gap figures also include Crown Commercial Services (CCS). There were 5,221 staff in Cabinet Office and 616 staff in CCS as at 31 March 2018 giving a combined total of 5,835 staff.

This table shows the breakdown of men and women represented in each grade within the Cabinet Office:

Grade (increasing seniority)	Number of men (% of men who work in this grade)	Number of women (% of women who work in this grade)	% Female
AA/AO	104 (2%)	161 (3%)	61%
EO	243 (4%)	360 (6%)	60%
HEO/SEO	527 (9%)	661 (11%)	56%
Grade 6/7	840 (14%)	813 (15%)	49%
SCS (centrally managed only)	177 (3%)	130 (2%)	42%
Other grades (professional/fast stream)	895 (15%)	924 (16%)	51%
Total (excluding those with unknown grade)	2786	3049	52%

The figures show that there is a higher representation of women in the middle to junior grades and less representation at the more senior levels.

Grade (increasing seniority)	Number of men (% of men who work in this grade)	Number of women (% of women who work in this grade)	% Female
AA/AO	63,465 (15%)	84,814 (20%)	58%
EO	47,806 (11%)	62,295 (14%)	56%
HEO/SEO	53,705 (12%)	52,442 (12%)	49%
Grade 6/7	24,500 (6%)	21,110 (5%)	46%
SCS (centrally managed only)	3,152 (1%)	2,346 (0.5%)	42%
Not reported	5,792 (1.5%)	8,648 (2%)	60%
Total (excluding those with unknown grade)	198,420 (46%)	231,655 (54%)	54%

This table shows a comparison of grade balance across the Civil Service.

SCS data from Cabinet Office SCS database. Other data from ONS's Civil Service Statistics 2018. Both at 31/03/18.

Government special advisers

To assist transparency, the Cabinet Office is also publishing figures for Government special advisers. In view of the small numbers involved, it would not be appropriate for individual departments to publish this information.

There were 93 individuals across all government departments as at 31 March 2018:

	2017	2018	Difference
Mean	-2.8%	5.6%	+6.8%
Median	-0.7%	5.7%	+6%

Note: The analysis assumes that where a change to salary has not been recorded during the period to 31 March 2018 that the salary remains the same as at the start of the period. We cannot be certain that the values here reflect the real position on gender pay gap given the method of data collection and rounded salary figures.

Analysis

As set out in the section above there was a 48 to 52% split of male and female staff in Cabinet Office as at 31 March 2018.

Hourly Pay

	Civil Service 2018	Cabinet Office 2018	Cabinet Office 2017	Cabinet Office Difference
Mean	9.2%	11.8%	10%	+1.8%
Median	12.2%	10.7%	12.3%	-2.4%

The figures for the Civil Service are slightly different to that of the Cabinet Office because the Civil Service data is sourced from the Annual Civil Service Employment Survey published by the Office for National Statistics in August 2018. These figures are not directly comparable as they are calculated using slightly different methodologies.

As expected, the figures have changed since last year. This is because the Cabinet Office has increased by over 2000 staff within the last 12 months, primarily as a result of the fast stream cohort and Government Commercial Organisation joining the department.

More detailed analysis has identified 3 key issues that drive the gender pay gap figures:

- <u>Seniority</u>. There are more males near or on the pay band maxima compared to females at the SCS level.
- Age. Men in the Cabinet Office, on average, are older than women in Cabinet Office.
- <u>Profession</u>. There is a a higher proportion of men working at Grade 7/6 and Senior Civil Service levels within professions, such as digital and commercial. Alongside this the Government Commercial Organisation, who have recently joined the Cabinet Office, employs a number of highly paid male commercial specialists. This is one of the main reasons for the mean figure slightly increasing this year.

The median has decreased as there is now a greater representation of males in the lower grades compared to last year. This is predominantly as a result of the fast stream cohort joining the Cabinet Office.

Bonus Pay

Cabinet Office offers in-year reward and recognition schemes, as well as end of year performance awards. A very small number of Senior Civil Servants have personal bonus arrangements, which are also included in the bonus figures.

Median bonus pay gap - 9.6%	40% of women received a bonus
Mean bonus pay gap – 18.9%	40% of men received a bonus

Whilst the same proportion of women received a bonus, the values on average, were smaller. This is due to there being more women at the lower end of the pay ranges and awards varying in value by grade.

Hourly Pay Quartiles

The hourly pay quartiles show the proportion of men and women that are in each pay quartile, when we arrange staff in order of hourly pay rate. Similarly to last year, the lower and lower middle quartiles have higher proportions of female staff than male staff. This is primarily because there are still more females in grades below the Senior Civil Service. There are a number of professions that have a higher proportion of men working at Grade 6/7 and Senior Civil Service levels and sit at the higher end of their pay ranges. Also, grading systems are not directly comparable across Cabinet Office and CCS.



What Cabinet Office has been doing to tackle the Gender Pay Gap

We continue to be very committed to reducing the Gender Pay Gap and achieve a broader gender balance across all grades. We have developed some key principles that underpin our approach to achieving this:

- Reduce the gender pay gap year on year.
- Ensure employment and pay practices are fair and free from bias.
- Interventions and solutions are collectively developed and agreed, sustainable and enduring.
- Progress on addressing the gender pay gap will be tracked, monitored and reported to our Gender Champion and People Committee.

We have introduced a number of successful changes, but there is still more to be done. Our successes over the last 12 months include:

- Using structured interviews for recruitment and promotions this ensures fairness and that everyone is treated the same.
- Mandatory recruitment training for hiring managers to ensure structured interviews are conducted correctly
- We have raised awareness of increasing numbers of family friendly policies to promote inclusivity for both males and females.
- Our pay awards are focused on shortening pay ranges to enable progression through the pay ranges.
- We have developed the career offer to support all staff to develop their careers and reach their potential.
- We have an established a gender network and gender champion to monitor and report on diversity within the organisation.

To embed this work further we have developed a comprehensive action plan. It sets out what we are doing to tackle the gender pay gap (in particular how we address the 3 key drivers set out on page 7, why and how we will measure the effectiveness of each action.

We know that addressing the gender pay gap and gender balance will take time. This is because we are investing in long-term programmes such as talent and leadership schemes and tackling social and cultural challenges such as attracting women into traditionally male oriented professions such as digital, alongside immediate action.

The action plan is split into a number of categories, a summary of our action plan with our focus for 2018/19 is detailed below.

- Recruitment:
 - Attract more women to apply for Senior Civil Service and professional roles. Cabinet Office should be seen as an employer of choice.

- Family Friendly Policies.
 - Focusing on returners and ensuring women are supported in their transition back into the workplace. This will increase confidence that women can have a career and children.
- Pay and Reward.
 - Continue to shorten pay scales and undertake a deeper analysis of our pay and gender data. This will help to address the key drivers of seniority and age through progression within pay ranges.
- Talent.
 - Develop a talent plan and promote opportunities for near misses of talent schemes to address the seniority and profession drivers.
 - Promote and target STEM opportunities.
- Networks and Champions.
 - Collaborate with champions and networks on gender action plan.

Declaration

We confirm that Cabinet Office's gender pay gap calculations are accurate and meet the requirements of the Regulations.

John Manzoni, Chief Executive of the Civil Service and Permanent Secretary (Cabinet Office)

30 November 2018

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