

# Gender Pay Gap Report

1 April 2017 – 31 March 2018

© Crown copyright 2017

You may reuse this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/](http://www.nationalarchives.gov.uk/doc/open-government-licence/) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

## Contents

	<i>Page</i>
Introduction .....	2
Background .....	2
Gender make-up of the CMA .....	3
Calculating the Gender Pay Gap.....	4
Closing the Gap – Actions for the CMA.....	8
Declaration .....	12

## Introduction

1. The Competition & Markets Authority (CMA) was formed in April 2014 following the merger between the Office of Fair Trading and the Competition Commission.
2. The CMA is a non-ministerial government department in the United Kingdom responsible for promoting competition for the benefit of consumers, both within and outside the UK. Our aim is to make markets work well for consumers, businesses and the economy, strengthening business competition and preventing and reducing anti-competitive activities.
3. The CMA is fully committed to minimising the Gender Pay Gap and our approach to pay seeks to reward staff fairly, regardless of gender. We are committed to developing a culture that is respectful, diverse and inclusive.

## Background

4. In 2017, the Government introduced world-leading legislation that made it statutory 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 underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data by 30 March annually. This includes the mean and median gender pay gaps; the mean and median gender bonus pay gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.
5. 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. Where we have a positive percentage, this means that the pay of male staff is higher than the pay of female staff. The higher the percentage, the greater the gender pay gap.
6. 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.

7. The CMA supports the fair treatment and reward of all staff irrespective of gender. This report sets out the CMA’s statutory requirements under gender pay legislation, extended analysis of our gender pay gaps by grade and the CMA’s action plan to tackling any arising issues.

## Gender make-up of the CMA

8. At 31 March 2018, the CMA had 598 staff in the UK, the majority of whom were based in London. The gender make-up of CMA staff remains the same as 2017 levels, at 50.5% male and 49.5% female.
9. When looking at our Senior Civil Servants (SCS), the proportion of male to female staff has changed since 2017. The proportion of SCS males has increased from 59.8% to 62.2% in 2018 and the proportion of females has reduced from 40.2% to 37.8%.

Civil Service Grade	Total Staff	Percentage Male	Percentage Female
Non-SCS staff	516	48.6%	51.4%
SCS staff	82	62.2%	37.8%
<b>All staff</b>	<b>598</b>	<b>50.5%</b>	<b>49.5%</b>

10. We know that an over representation of women at lower grades as well as an under representation of women at higher grades is the primary cause of the gender pay gap at a Civil Service level<sup>1</sup>. Looking at our gender make up more closely, this is the same for the CMA.

Civil Service Grade	Total Staff	Percentage male staff	Percentage female staff
AO	11	54.5%	45.5%
EO	59	47.5%	52.5%
HEO	105	42.9%	57.1%
SEO	34	55.9%	44.1%
Grade 7	161	50.3%	49.7%
Grade 6	146	49.3%	50.7%
SCS PB1	65	61.5%	38.5%
SCS PB2 and PB3 <i>(grouped due to low numbers at PB3)</i>	17	64.7%	35.3%
<b>All staff</b>	<b>598</b>	<b>50.5%</b>	<b>49.5%</b>

---

<sup>1</sup> Source: Annual Civil Service Employment Statistics, August 2018 (delegated grades)

11. Improving the gender balance in senior grades will reduce the mean gender pay gap but is unlikely to have a significant impact on the median gender pay gap.
12. The gender pay gap calculations are based on the number of individual employees, and not on full-time equivalents. This means that each part-time employee counts as one employee.

## Calculating the Gender Pay Gap

### Ordinary Pay

13. Ordinary pay, expressed as hourly pay, is used to calculate the mean and median gender pay gaps. Ordinary pay includes basic pay, any allowances and any bonus payments made in March 2018.
14. In March 2018, the CMA implemented its annual pay settlement for non-SCS staff, including performance related payments to 25% of staff who were our highest performers during the period 1 April 2016 – 31 March 2017. We also paid an organisational achievement award to eligible staff on 31 March 2018. Both of these bonus payments were paid in March 2018 and so are included in our calculations of ordinary pay.
15. The calculation for the mean and median ordinary pay only includes ‘full pay relevant’ employees. Those employees who are not being paid or are on reduced, statutory or no pay during March 2018 are excluded as they are not ‘full pay relevant’ employees.
16. In 2018, the mean gender pay gap, which is the difference between the average hourly pay between men and women, is **8.2%**. This is an increase from last year, when the mean gender pay gap was 7.4%.
17. In 2018, the median gender pay gap, which is the difference between the midpoints of the average hourly pay of men and women, is **6.1%**. This is an increase from last year, when the median gender pay gap was 4.4%.

Measure	Gap
Mean pay gap	8.2%
Median pay gap	6.1%

18. The CMA has attributed the cause to a change in gender representation at senior levels. In total, our SCS cohort numbers remained the same from 2017

to 2018. However, female SCS numbers went down by two and male numbers went up by two. This changed the overall staff representation at SCS level. As a small department, these small changes can cause changes to the results of our gender pay calculations.

19. When looking at the mean and median gender pay gap analysis by grade, the differences are relatively small between male and female staff, apart from at our highest Senior Civil Service grades. Including the pay of our most senior executives in these figures has an effect on the mean and median pay gaps of the overall population.

Civil Service Grade	Total Staff	Mean pay gap *	Median pay gap*
AO	11	-2.8%	-4.1%
EO	59	-2.2%	-5.2%
HEO	105	-1.5%	-1.5%
SEO	34	4.7%	6.0%
Grade 7	161	-0.4%	0.6%
Grade 6	146	0.1%	-0.2%
SCS PB1	65	1.6%	1.6%
SCS PB2 and PB3	17	-2.3%	4.3%
<b>All staff</b>	<b>598</b>	<b>8.2%</b>	<b>6.1%</b>

*\* Where we have a negative percentage, this means that the pay of female staff is higher than the pay of male staff.*

20. The CMA's gender pay gap is similar to the average pay gap for the rest of the Civil Service. The Office of National Statistics reported that in 2018 the average mean was 6.5% and the average median was 8.6% for the Civil Service.

## **Bonus Pay**

21. Bonus pay, which is also calculated as mean and median, is based on bonus payments paid to staff throughout the 2017 - 2018 financial year and up to 31 March 2018.
22. As this covers a full year period, this calculation includes employees who are not 'full pay relevant' employees and can also include employees who left the CMA before 31 March 2018.
23. At the CMA, bonus pay includes performance related pay for all staff. There is a performance related pay scheme for our non-SCS staff which is negotiated annually with our trade unions and rewards 25% of our non-SCS staff with a

performance bonus. There is a separate performance related pay scheme for our SCS staff which is determined centrally by government.

24. Our non-SCS staff also have their own in-year recognition scheme which allows cash awards worth between £35 and £1,000. The awards could be paid to staff at any time throughout the 2017 - 2018 financial year.
25. In 2018 we also introduced an organisational achievement award, which was worth £40 and was paid to all eligible non-SCS staff at the end of March 2018.
26. In the 2017 – 2018 financial year, **84.8%** of men and **88.5%** of women received a bonus payment. In the 2016 – 2017, 54.4% of men and 57.3% of women received a bonus payment. Therefore, the differential between the number of men and women receiving a bonus has increased.
27. The mean bonus gender pay gap is **17.3%** and the median bonus gender pay gap is **0%**. In 2017, the mean bonus gender pay gap was 19.9% and the median bonus gender pay gap was 27.1%.

Measure	Gap
Mean bonus gap	17.3%
Median bonus gap	0%

28. We have looked at the reasons for the significant change to the median and determined that the payment of a one-off flat rate organisational achievement award, which went to the majority of staff in non-SCS grades, has caused the 0% median.
29. Our mean bonus gender pay gap has reduced slightly to 17.3%, from 19.9% last year. Nonetheless, the gap is still high. We know that the bonus gap is affected by the following factors:
  - (a) The way that we calculate bonuses for staff who are not SCS. We calculate these bonuses as a fixed percentage of salary, so this means that staff on higher salaries get higher bonus payments than those staff who are lower down their pay scale, even though they may be the same grade;
  - (b) The value of SCS bonuses. The value of the bonuses for SCS staff are significantly higher as their “performance pay pots” are different. SCS shared 3.3% of the SCS paybill in bonuses last year, whereas non-SCS staff received only 1.5% of the non-SCS paybill to spend on bonus payments and in-year awards; and

(c) The number of men in the Upper Quartile. We have a higher male population in our more senior grades, particularly at SCS level, with the upper quartile comprising of 50 women and 78 men. As 62.2% of our SCS is male, this has meant that our mean for male staff in the upper quartile is high.

30. When looking at the mean and median bonus gap analysis by grade, the differences are in favour of women receiving higher mean awards, apart from at our highest grades.

Civil Service Grade	Total Staff	Mean bonus pay gap *	Median bonus pay gap*
AO	11	-134.0%	0.0%
EO	59	-1.5%	46.7%
HEO	105	-24.0%	5.1%
SEO	34	-134.5%	-386.7%
Grade 7	161	-18.1%	9.1%
Grade 6	146	13.9%	-59.5%
SCS PB1	65	21.6%	0.0%
SCS PB2 and PB3	17	9.7%	11.3%
<b>All staff</b>	<b>598</b>	<b>17.3%</b>	<b>0%</b>

\* Where we have a negative percentage, this means that the bonus pay of female staff is higher than the bonus pay of male staff.

## Pay by Quartiles

31. The hourly pay quartiles are calculated by listing all employees in order of hourly pay and splitting them into four equal parts. The chart below shows the proportion of men and women that are in each pay quartile.

Quartile	Female %	Male %
Lower quartile	52.3%	47.7%
Lower middle quartile	47.7%	52.3%
Upper middle quartile	47.7%	52.3%
Upper quartile	39.1%	60.9%

32. The lower pay quartile at the CMA includes a higher proportion of female staff, as women make up a higher proportion of our junior executive grades. The lower middle and upper middle quartiles have an equal proportion of male and female staff. The upper quartile, which mainly comprises of Grade 6 competition specialists and SCS staff, has a higher proportion of male staff.

## Closing the Gap – Actions for the CMA

33. The Government Equalities Office have issued guidance on reducing the gender pay gap and improving gender equality<sup>2</sup>. They have produced a list of actions which are deemed effective in closing the gender pay gap, as well as actions that are promising or which have had mixed results.
34. We have assessed our own actions against this list to determine what activities we should continue and which actions we should focus on to improve our gender equality and close our gender pay gap. This assessment is in the table below.

### Effective actions

Recommended action	What the CMA does	What the CMA will do in the future
<b>Include multiple women in shortlists for recruitment and promotions</b>	We undertake anonymised recruitment to ensure that candidates are selected for interview on the basis of merit. When using head hunters for SCS recruitment through CS Talent, they are informed that shortlists must contain female applications.	We will aim to have more than one woman included when putting together a shortlist of qualified candidates subject to them meeting the merit-based requirements of the Civil Service Recruitment Principles.
<b>Use skill-based assessment tasks in recruitment</b>	Rather than relying only on interviews, we do ask candidates to perform tasks they would be expected to perform in the role they are applying for. Most of the CMA's recruitment campaigns incorporate an element of testing.	The introduction of Success Profiles to the CMA on 7 January 2019 should increase the use of skills-based assessments.
<b>Use structured interviews for recruitment and promotions</b>	All recruitment campaigns have structured interview plans which are designed to ask questions about role competency. This ensures that unfair questioning bias does not creep in and influence decisions. All candidates are asked the same questions. All interview plans and notes are kept to evidence a fair process has been followed.	We will continue to use structured interview plans, asking the same questions to candidates, and keep a record of interview notes and evidence centrally in HR recruitment.

<sup>2</sup> Source: <https://gender-pay-gap.service.gov.uk/actions-to-close-the-gap/effective-actions>

<p><b>Encourage salary negotiation by showing salary ranges</b></p>	<p>All CMA campaigns show the minimum and maximum salary that can be offered on appointment. There are rules for pay on promotion or level transfer within the Civil Service which we abide by. We use internal salary benchmarking data of current staff, which includes pay by gender, when considering pay offers for new entrants to the Civil Service. This ensures that fair pay is considered where pay offers are not made at the minimum advertised salary.</p>	<p>We will continue to apply our pay on appointment rules.</p>
<p><b>Introduce transparency to promotion, pay and reward processes</b></p>	<p>Our pay policies and rules are published on our intranet. We have mitigated against the risk of gender pay inequality at non-SCS level by reducing the length of the pay scales and ensuring meaningful progression through the pay scales. This helps reduce any salary differences between staff, irrespective of their gender, who are working at the same grade.</p>	<p>We will introduce flat rate bonus payments for non-SCS staff in 2018 – 2019. This will mean that high performing staff at each grade will get the same bonus payment irrespective of their position on the pay scale.</p>
<p><b>Appoint diversity managers and/or diversity task forces</b></p>	<p>We have an Equality, Diversity &amp; Inclusion Group, which was set up to ensure our people policies, and the way they are applied by managers, fully promote equality and diversity. We are committed to ensuring that our culture is one in which all colleagues are treated with respect. We have a Respect Commitment and have a Board Respect Champion. We also have a Behaviours framework.</p>	<p>We will continue to promote equality and diversity across the CMA through a variety of channels.</p>

## Promising actions or actions with mixed results

Recommended action	What the CMA does	What the CMA can do in the future
<p><b>Improve workplace flexibility for men and women</b></p>	<p>The CMA offers a wide range of family friendly policies. These include flexible working, a flexitime scheme, maternity, paternity and shared parental leave. We advertise and offer all jobs as having flexible working options, such as part-time work or compressed hours. Our senior leaders role model working flexibly and champion flexible working. We encourage all staff to work flexibly if they wish, so that it isn't seen as only a female benefit.</p>	<p>We will further develop our flexible working policy to ensure it is in line with best practice and meets the needs of our staff.</p>
<p><b>Encourage the uptake of Shared Parental Leave</b></p>	<p>We offer Shared Parental Leave, including enhanced Shared Parental Pay at the same level as enhanced maternity pay, to all eligible staff.</p>	<p>We are developing a Shared Parental Leave toolkit and we will promote the opportunities that this policy gives to our staff.</p>
<p><b>Offer mentoring and sponsorship</b></p>	<p>We offer "Crossing Thresholds" which is a 12-month career mentoring programme for women to develop their career in a structured and supportive environment. The programme is aimed at non-SCS staff and is delivered through facilitated modules, mentoring sessions, and peer support groups. We partner with other regulators on a "cross-regulator" mentoring scheme.</p>	<p>We will develop greater awareness of our mentoring and ensure these are targeted to support career development.</p>
<p><b>Offer networking programmes</b></p>	<p>We have a recently created Women's Network which promotes and supports the visibility of women and their achievements at the CMA and elsewhere. It aims to challenge stereotypes and bias and provides a forum for sharing ideas, insights and support.</p>	<p>We will continue to fully support the Women's Network.</p>

<b>Set internal targets</b>	The CMA has set no specific internal targets for gender equality.	We will undertake research on how setting equality targets might work at the CMA. This will including finding examples of best practice and interventions that have removed barriers at senior levels, enabling the equality targets to be achieved.
<b>Unconscious bias training</b>	We ask all staff to undertake mandatory unconscious bias training which is available through Civil Service Learning, and this forms part of the induction for all new starters. Staff are also directed to this CSL unconscious bias training via the CMA recruitment training module.	We will consider how unconscious bias is integrated into other learning, such as incorporating it in to interviews skills training, so that it is a common thread.
<b>Diversity training</b>	We ask all staff to undertake mandatory “Equality and Diversity essentials” training and a “Respect in the Workplace” course which is available through Civil Service Learning, and this forms part of the induction for all new starters.	We will continue to ensure that all new staff receive diversity training.
<b>Leadership development training for women</b>	We offer a number of central cross-government talent and positive action schemes, all aimed at encouraging female staff to achieve their full potential in the Civil Service. These include the Future Leaders Scheme (FLS) and Senior Leaders Scheme (SLS), which are accelerated development schemes for high potential Grade 7 and Grade 6 staff and also SCS Pay Band 1 staff.	We will provide targeted support to enable individuals to better consider and apply for these opportunities and support individuals on programmes with coaching.

<b>Performance self-assessments</b>	We include self-assessment in our performance management processes but know that there is some evidence that women underestimate their abilities or are more conservative in their assessment of their abilities than men are. Therefore, our performance management processes also include assessments by the line manager and a countersigning manager and are also moderated by a management group.	We will continue self-assessment and will continue to monitor the ratios of men and women that receive each of our performance ratings to ensure there is no bias.
<b>Diverse selection panels</b>	All CMA recruitment selection panels contain a mix of men and women.	Diverse gender interview panels will continue as best practice.
<b>Recruit returners (people who have taken an extended break from paid work for caring or other reasons)</b>	We have a career break policy which allows people to leave the CMA for an extended period of time without resigning from their position. We also ensure that men and women who return from maternity leave, shared parental leave and / or career breaks are not detrimentally affected, and that their pay on return takes into account any pay settlements that have been implemented during their absence.	We will consider the opportunities that the government-led Returner Programme might offer.

## Declaration

35. The CMA confirms that all calculations have been carried out in line with the guidance and regulations, with all efforts made to ensure a robust and methodical approach to the production of our findings.