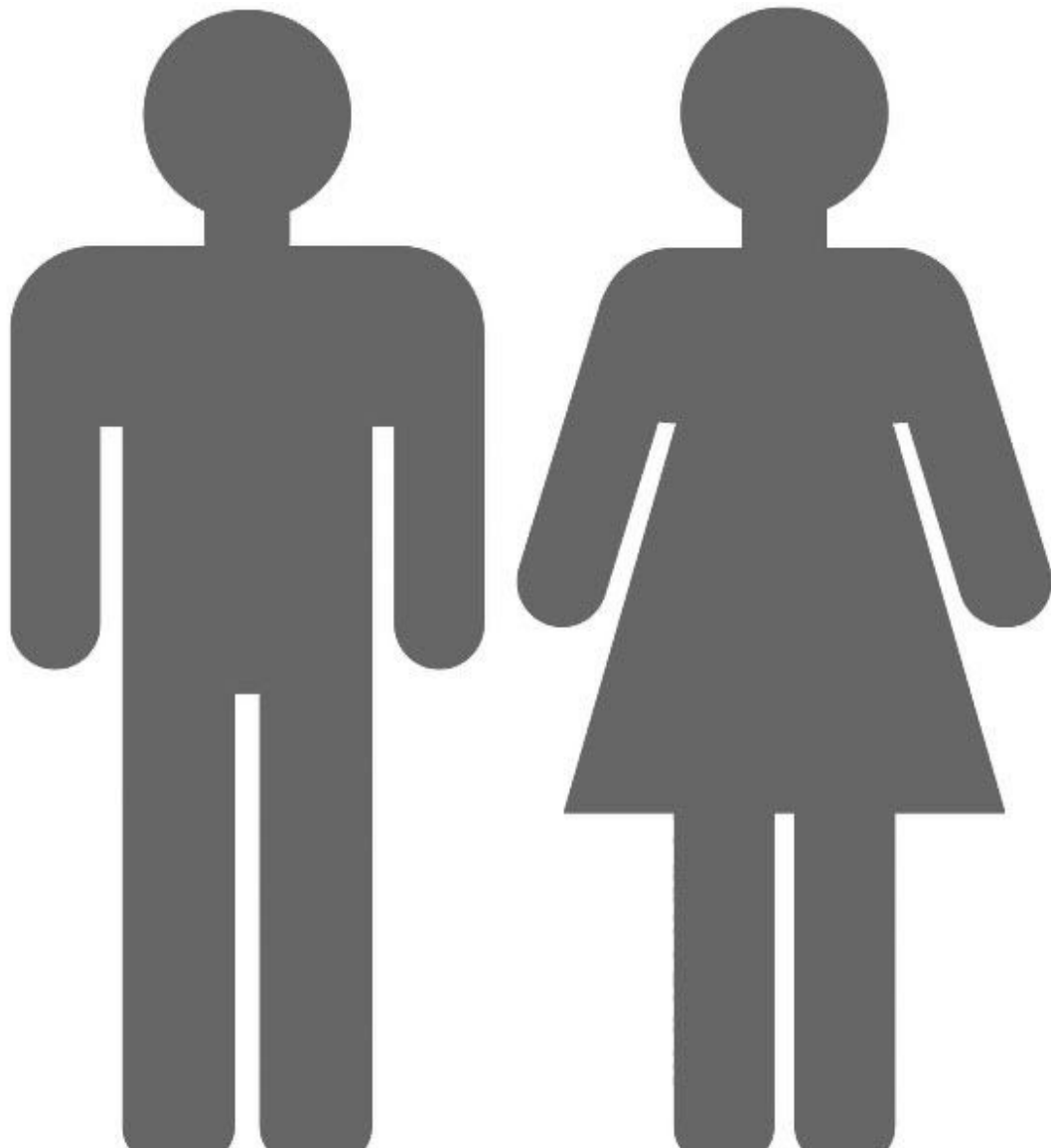




Department
for Exiting the
European Union

DExEU

Gender Pay Gap Report 2019



Foreword- Clare Moriarty, Permanent Secretary



DExEU was established in July 2016. This report covers our third year of operation as a Department of State, and our third year reporting on our Gender Pay Gap position.

Since this report and the action plan included within it were drafted, it has been announced that the department will close following our departure from the EU on 31 January. Nevertheless the report provides an important opportunity to assess the outcomes of the Department's efforts to combine the best civil service traditions with modern, open approaches to engagement and inclusion. I

hope the lessons learned from our inclusive approach and the ideas in the action plan will be adopted by others in Whitehall after the Department's closure.

Looking back over my time in DExEU, I am really proud of the work that we have done to promote diversity and equality, from launching a reverse mentoring programme led by our talented staff-led networks, to welcoming our first Director level job share, and launching Whitehall's first part-time only recruitment campaign. I am encouraged that this appears to have had an impact, and we have made some good progress in reducing the mean and median gender pay gap. I thank everyone in the department who has helped to drive this crucial agenda forward and hope that they will be able to continue this legacy wherever their careers take them.

Clare Moriarty
Permanent Secretary

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1. Introduction

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 31st March 2017.

These regulations underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data by 30th March 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 male and female employees. If an organisation 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 and DExEU's top workforce priorities. Our collective aim is to make the Civil Service the UK's most inclusive employer by 2020. Our departmental 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.

2. Reporting Requirements

What Do We Report On?

For the purpose of reporting, the definition of an employee follows the definition set out in section 83 of the Equality Act 2010¹. Public sector organisations are required to base their data on staff employed on the 'snapshot' date of 31 March annually. The data is drawn from the payroll system and includes grade, gender, contractual hours, working pattern, gross monthly salary and allowances.

The gender pay gap shows the difference in the average pay between male and female employees. The below table sets out the definitions used for these calculations.

¹ <https://www.legislation.gov.uk/ukpga/2010/15/section/83>

Table of Definitions

Mean gap	The difference between the mean* hourly rate of pay of men and women *average pay for all men and average for all women employees
Median gap	The difference between the median* hourly rate of pay of men and women * middle value of pay for all men and middle value for all women employees
Mean bonus gap	The difference between the mean* bonus paid to men and women *average bonus for all men and average for all women employees
Median bonus gap	The difference between the median bonus pay paid to men and women *middle values of bonuses paid to all men compared to all women employees
Bonus proportions	The proportions of men who were paid a bonus and women paid a bonus
Quartile bands	The proportions of men and women in the lower; lower middle; upper middle; and upper quartile pay bands

3. Organisational Context

The Prime Minister established DExEU in July 2016 following the result of the United Kingdom's (UK) referendum on membership of the European Union (EU). DExEU is responsible for overseeing negotiations to leave the European Union and establishing the future relationship between the UK and EU.

In line with reporting requirements, the 2019 gender pay gap analysis includes only those staff deemed to be full paid relevant employees based in the UK, on DExEU payroll. Since the Department began to report on its Gender Pay Gap, DExEU has grown significantly - from 228 staff on payroll at 31st March 2017, to 617² as at 31st March 2019 and has continued to grow since. The Department does not have any executive agencies or other

² This is the headcount of staff on DExEU payroll, deemed to be full paid relevant employees for gender pay gap purposes. There were 739 staff working for the Department as at 31 March 2019 as reported in the [annual report and accounts](#), however not all were on payroll or full paid relevant employees in accordance with Gender Pay Gap legislation.

organisations to report on.

On 31st March 2019, 49.6% of staff on DExEU's payroll were women.



DExEU Pay Guidance

We are governed by the HM Treasury Civil Service pay guidance, as such, we are subject to current public sector pay rules. Senior Civil Servants (SCS) are covered by central pay arrangements which apply across the Civil Service. The grades represent the level of responsibility an employee has and we operate pay ranges for each grade. All DExEU staff are based in London, as a result we only operate a London payscale.

This year 73% of DExEU staff were on loan from other government departments (OGDs) on the snapshot date, which will impact on our data due to OGDs operating their own pay scales and policies.

4. Key Figures

This report sets out the Department's gender pay gap figures on 31st March 2019. It also sets out the actions undertaken by the Department to address the gap since we published our 2017/18 gender pay gap report, and the actions we plan to take to further close the gap.

The gender pay gap analysis in this report is based on the methodology set out in the Equality Act (Specific Duties and Public Authorities) Regulation 2017.

In summary the headline figures are:

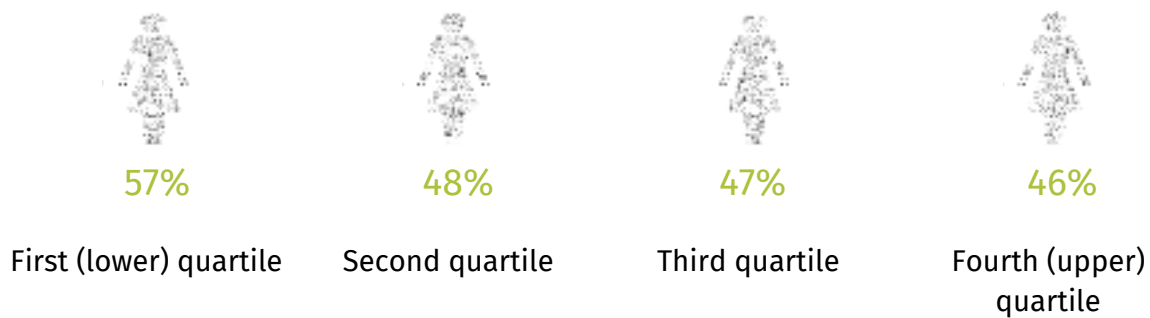


Mean hourly rate is 7.5% lower than men's



Median hourly rate is 13.6% lower than men's

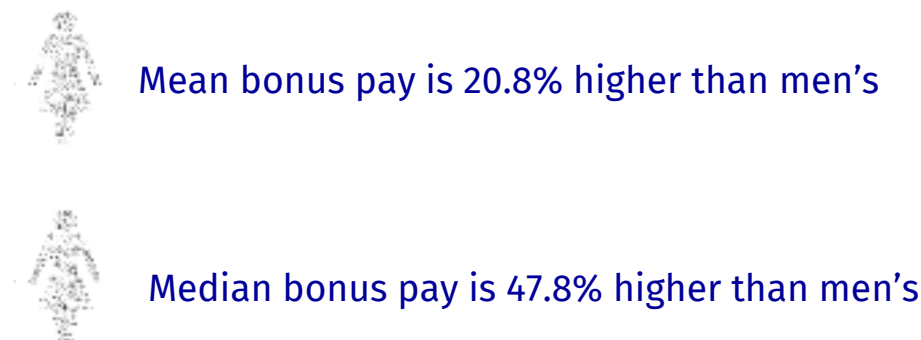
Proportion of women in each pay quartile:



Who received bonus pay:



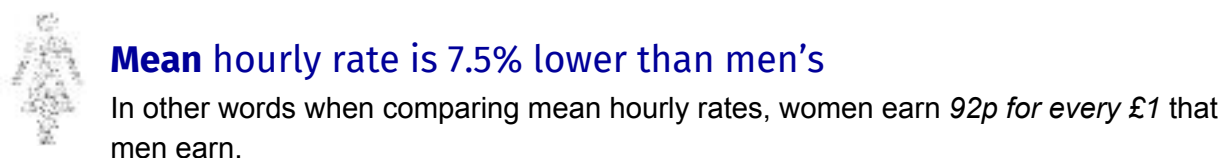
Difference in bonus pay:



5. Data Analysis and Context

The mean is the arithmetic average of men and women's pay in DExEU. It captures difference across distribution and gives a clearer understanding of gender disparities in income. In comparison, the median is the middle point of men and women's salaries when they are put in numerical order. The median compares typical values and is less affected by extreme values such as a small number of very high earners.

Mean gender pay gap:



Median gender pay gap:



Median hourly rate is 13.6% lower than men's

In other words when comparing median hourly rates, women earn *86p* for every £1 that men earn.

Comparison to previous years:

	2017	2018	2019
Mean	15.26%	9.9%	7.5%
Median	8.91%	14.5%	13.6%

Gender Balance Across the Grades

This table shows the proportion of men and women at each grade on DExEU payroll on 31st March 2019, compared to across the Civil Service as a whole:

DExEU grades	Civil Service common grades	Number of men in each grade	Number of women at each grade	% women at DExEU	% women in Civil Service as a whole
SCS 1-4	SCS 1-4	37	19	34%	44.8%
Band A+	Grade 6	30	33	52%	46.9%***
Band A*	Grade 7	97	86	47%	46.9%***
Band B2*	HEO/SEO	110	110	50%	49%
Bands B1 and C**	EO/AA/AO	37	58	65%	64%

*Includes equivalent grades

** Grades merged due to low numbers in Band C

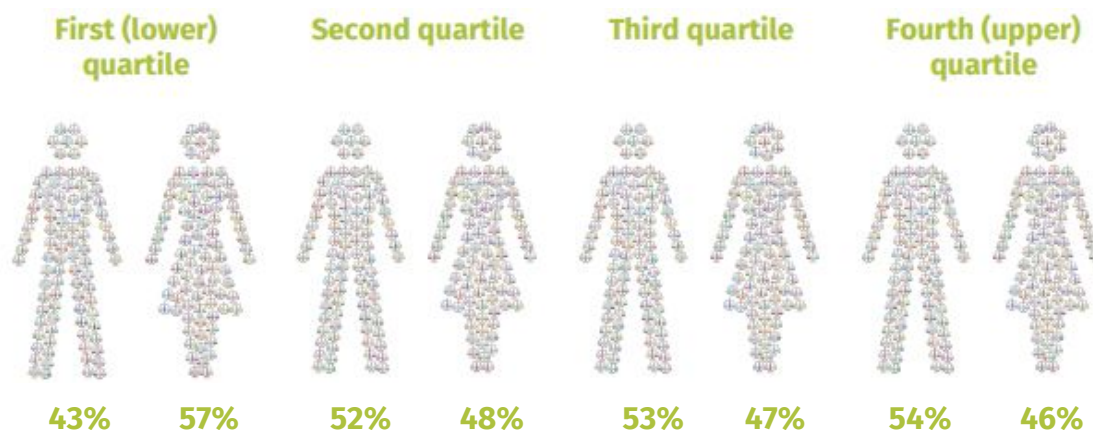
*** Civil Service as a whole reported as Grades 7 and 6 combined

The table above indicates that women are overrepresented in our most junior grades (Bands B1 and C), where the pay is lower, and underrepresented in the most senior grades (SCS). As set out in the table above, this pattern is consistent with the wider Civil Service (data from [ONS, Civil Service Statistics 2019](#)) but indicates that the representation of women at SCS at DExEU is lower than across the Civil Service as a whole. Since this data was taken, the representation of women at SCS in DExEU has increased significantly, from 34% on 31st

March 2019 as reflected in the table, to 45% on 31st August 2019, bringing the proportion of women at SCS in line with the wider Civil Service.

Pay by Quartiles

Pay quartiles are created by ranking all relevant employees (based on the definition set out in section 83 of the Equality Act 2010) lowest to highest pay, dividing them into 4 equal parts (quartiles). The percentage of men and women in each of the four quartiles is then calculated. On 31st March 2019 the pay by quartiles were:



A contributing factor to the decrease in the Department's mean and median pay gap can be attributed to a slight increase from 40.6% to 43% in male representation in the first (lowest) pay quartile. More significantly, there has been an increase in female representation in the fourth (highest) pay quartile from 39.8% to 46%.

The over-representation of women in the first quartile can be attributed to the over-representation of women at Bands B1-C, which are the Department's most junior grades. The underrepresentation of women in the fourth quartile is driven by the under-representation of women at SCS level in the Department. The Department has committed to actions to address this, and improve the gender imbalance in the first and fourth pay quartiles, through actions outlined in the Action Plan.

Bonus Data

The Department's bonus data shows that women received more bonuses than men, and the value of the bonuses received by women over the year preceding the 31st March 2019 was higher than that of men. The bonus gap between men and women has increased compared to last year, in favour of women.



70% of men
received a bonus

vs

76% of women
received a bonus



Mean bonus pay is 20.8% higher than men's



Median bonus pay is 47.8% higher than men's

	2018	2019
Mean	-17.5%	-20.8%
Median	-33%	-47.8%

There is no bonus data available for 2017 as the Department did not pay bonuses during that period. Bonus payments in the Department (e.g. end of year performance awards and in-year awards) are not calculated on a pro-rata basis for part time staff. Therefore, all staff regardless of working pattern receive the full value of the bonus. As such, the bonus pay gap is not affected by the number of part time staff of either gender.

The gap appears to be driven by a combination of retention payments*; performance bonuses**; and voucher bonuses***. This corresponds with the higher performance management markings received by women on average, with more women receiving a platinum marking (the highest performance marking with the largest bonus attached), and less women receiving a bronze marking (the lowest marking with no bonus attached), compared to men.

This does however, indicate the need to continue to review the guidance and governance around bonus decisions, which the Department will address through the action plan.

*These are awarded to all staff on completion of specified lengths of service, with the exception of those undergoing poor performance procedures.

** These are fixed payment amounts awarded to all staff who received a Silver, Gold, or Platinum performance marking.

***This refers to reward vouchers to recognise contributions which go “over and above”.

6. Actions

Action Taken to Date

Since the analysis and publication of the 2017/18 gender pay gap [report](#) in December 2018, the Department has taken a number of steps to reduce the gender pay gap, including;

Recruitment

- Publishing guidance on how to write inclusive job adverts thereby ensuring job adverts are advertised and presented in a way which attracts a diverse candidate pool.
- Developing a flexible working strategy, leading to the September launch of the Department’s first recruitment campaign specifically targeting candidates who want to work part time, as a pilot. The success of this is being evaluated, to inform any potential future campaigns.
- Embedding the cross-government Success Profiles recruitment approach, which is being evaluated centrally for its effectiveness.
- Advertising external vacancies on a broader range of platforms, particularly targeting websites which are likely to be used by women and other diverse groups. The Department is tracking views and clicks to measure the success of this.

In July DExEU implemented a new applicant tracking system. This online recruitment system will support the Department to monitor and assess the diversity outcomes of recruitment campaigns. This will allow DExEU to analyse the impact and effectiveness of the above actions, and to better target future actions.

Development

- Launching an Action Learning Set* (ALS) programme for Band A and A+ women and other colleagues from groups under-represented at SCS, to support their development and readiness for SCS.
- Creating a reverse mentoring programme for women and colleagues from under-represented groups, providing an opportunity to mentor senior colleagues, including the Permanent Secretary and Secretary of State.

The Department is gathering participant feedback to evaluate and monitor the effectiveness of these actions.

A number of the actions the Department has implemented will take time to embed and are intended to have a long-term impact on the DExEU's gender pay gap. As a result, the impact of some of these actions will not be reflected in this Gender Pay Gap Report, but will be seen in future years. DExEU is committed to monitoring the success of these interventions to ensure the action taken is targeted and effective.

*An ALS comprises a group of professionals who work in a structured way to solve work-related issues using questioning techniques, with the support of a facilitator or coach. Members agree to undertake specific actions based on the discussions and then return to the next ALS to report on progress and the learning derived from it.

Priority Actions for the Year Ahead

Based on the analysis of the Gender Pay Gap data, the Department has identified further priority actions to close the gender pay gap and work towards;

- Increasing the representation of women at SCS;
- Achieving an improved gender balance across the delegated grades and;
- Further developing an inclusive culture

The Department has developed an action plan outlining its priority actions towards these goals. In line with our departmental Diversity and Inclusion strategy, and in line with our approach last year, we will extend any positive action initiatives to other diverse groups under-represented at SCS, or over-represented in junior grades.

Improving female representation at SCS

To increase diversity at SCS level the department will continue to work to remove any potential bias from SCS recruitment processes, and ensure that Band A and A+ women have the development opportunities that will prepare them for promotion to SCS. To achieve this DExEU will:

- Establish talent governance to provide oversight for the identification and development of senior talent.
- Expanding our sponsorship offer, so that all SCS volunteer to provide dedicated sponsorship to a Band A or A+ colleague from an underrepresented group.

The Department will evaluate the success of these actions by tracking the progress of colleagues with a sponsor, and continually monitoring the diversity of DExEU's SCS.

Improving gender balance across all grades

Analysis of the Department's Gender Pay Gap revealed that women are over-represented in the most junior grades. The Department is committed to improving representation at all levels and will implement actions to ensure those in junior grades continue to be given

access to development opportunities and progression. DExEU will also work to improve the gender balance of those recruited into entry level roles. This will include;

- Reviewing the job design of B1 and C (entry level) roles including apprenticeships, to ensure these roles are providing the development opportunities required for progression, and have a broad appeal to both genders.
- Increasing the use of skills based assessment tasks in recruitment, such as situational judgement tests, using performance on tasks to assess suitability for roles.
- Piloting a tool which uses methods designed to reduce bias in the selection process during recruitment.
- Implementing a cover scheme for high profile roles such as private office, for colleagues from underrepresented groups.

The Department will measure the success of these actions by using the applicant tracking system to assess the diversity impact of each action, and by monitoring the gender diversity at each grade.

Developing an inclusive culture

DExEU is committed to building a culture where difference is valued, and staff feel they have a voice in their teams and in the wider Department - a Department where all staff can be their authentic selves. This means bringing the departmental Diversity and Inclusion Strategy to life.

As part of this, DExEU is committed to making flexible working a reality for employees. [Research](#)³ shows that one of the main drivers of the gender pay gap nationally is that women spend more time out of the labour market due to childcare, and are more likely to work part-time. Flexible working enables women to stay in roles that reflect their skills and experience. DExEU has recently undertaken internal analysis on the current position within the Department to understand any potential barriers to this.

To develop an inclusive culture the Department will;

- Review the DExEU brand to ensure this reflects the diversity of colleagues in the Department, and attracts a diverse candidate pool;
- Use targeted internal communications to embed a culture of flexible working, including part-time working and job sharing;
- Promote the range of parental leave policies available, including shared parental leave, by improving guidance to enhance understanding of the range of policy options;
- Improve the support available to parental leave returners, including maternity,

³ The evidence in this report comes from the academic research contributed to the Family Friendly Policies Theme of the Workplace and Gender Equality Research Programme. For detailed sources, please contact geo.researchprogramme@geo.gov.uk.

- adoption and shared parental leave; and
- Review governance processes to ensure senior accountability for our Diversity and Inclusion strategy, including our Gender Pay Gap;
- Review governance processes around bonuses and monitor the diversity impacts, reiterating the importance of diversity and inclusivity considerations when making all pay and reward decisions.

7. Wider inclusion agenda

DExEU is also committed to supporting the wider inclusion agenda through the following activities.

A Brilliant Civil Service

The Department is guided by the vision for ‘A Brilliant Civil Service’; that is, one that is capable of serving modern Britain. One that truly reflects the people it serves and provides opportunity for talented people to fulfil their potential, regardless of their background.

DExEU is part of a brilliant Civil Service that helps to keep the United Kingdom prosperous and secure, supporting the governments we serve in implementing their commitments and delivering high quality services for the public.



DExEU Diversity & Inclusion Strategy

The Department’s aim is to create an inclusive and diverse environment through embedding diversity and inclusion in all processes and procedures; creating a culture where everyone can bring their whole selves to work, feel valued as an individual and able to develop and reach their potential. The Department’s Diversity and Inclusion Strategy focuses on attracting, including and developing our people, which is reflected in this report and action plan. In April DExEU held an all staff away day, which opened with a network-led session on diversity. The feedback gathered from colleagues during the session has been incorporated into the Diversity and Inclusion strategy, to ensure it’s targeting the issues that matter the

most to DExEU's people. As part of this Strategy, the Department will ensure that the opportunities offered to women which are outlined in this report, are also available to other diverse groups of colleagues, who are under-represented at senior levels. In addition, and integral to the Diversity and Inclusion Strategy, the Department continually engages with all employees and staff networks, through the activities outlined below, to inform the Diversity and Inclusion strategy, and ensure it continually evolves to reflect employee priorities.

Promoting employee voice

We utilise a variety of channels for everyone in the Department to have their say and shape DExEU. The Department recognises three Trade Unions (FDA, PCS and Prospect) who we regularly engage with regarding our staff.

Additionally the Department has a shadow board made up of a range of staff from across the Department which sees and discusses all the papers going to our People and Operations Committee. The Shadow Board offers feedback and inputs the views of our staff so the Committee can take a well-rounded view before making decisions. The Shadow Board works on a rotation to ensure all staff have the opportunity to represent their directorate.

Collaborating with equality, diversity and peer networks

DExEU has a broad range of equality and diversity networks and peer networks. We have a number of fair treatment ambassadors adding to our existing networks which include those relating to age, BAME, disability, LGBT, mental health, social mobility, religion, gender, and parenting and flexible working.

These networks have all signed a charter which ensures that DExEU maintains an enjoyable, supportive and inclusive environment, where diversity is respected and everyone feels valued.

The networks have achieved a significant amount including; launching a reverse mentoring programme, training Mental Health First Aiders, training diverse interview panel members, and holding various training events, panels and speaker series.

8. Conclusion

Over the past year we have successfully taken a number of steps to reduce the mean and median gender pay gap. However, there remains more work to do, to improve gender representation across all grades, and particularly in our most junior (B1 and C) and senior grades (SCS).

The Department has developed a comprehensive plan of actions, outlined in this report, which we expect to support us in realising this ambition. We will review and reassess these actions on a regular basis.

At DExEU we are committed to providing equal and fair opportunities to all our staff and we will continue our endeavour to make DExEU '*a great place to work*', a core value of being part of '*A brilliant Civil Service*'.