



HM Treasury

# Gender pay gap report 2020

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## 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 31 March 2017. These regulations underpin the Public-Sector Equality Duty and require relevant organisations to annually publish their gender pay gap by 30 March. This includes the 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 several issues with which to deal, 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.

The Treasury is committed to ensuring our workforce is representative of the community it serves. We want to attract and retain talented employees from a wide range of backgrounds and with diverse skills and experience to operate as effectively as possible. We regularly publish information on the wider diversity of our workforce, including in the Treasury's Annual Report and Accounts which can be found [here](#). The Treasury last completed an equal pay audit in 2016.

## Organisational context

Our aim is to build an organisation that allows people from different backgrounds, with different perspectives and different ways of working, to succeed and help us provide the best possible advice to Ministers.

Treasury uses a grading system, which is linked to the Civil Service grades. For this report we will use the equivalent Civil Service grades, ranging from Administrative Officers to Senior Civil Servants. Within each grade there is a pay range, and irrespective of gender the longer someone remains in a grade the further along that pay scale they are expected to get. That being said, not all recruits start at the bottom of their pay range.

The Treasury Group results include the core department and three executive agencies: Government Internal Audit Agency; Debt Management Office; and the National Infrastructure Commission. 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.

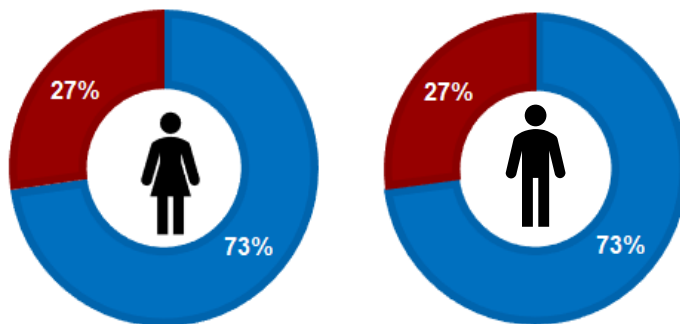


### Treasury Group - 2020

#### Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	7.9% ( 0.7% )	16.8% ( 2.2% )
Gender bonus gap	19.3% ( -3.4% )	1.6% ( 6.6% )

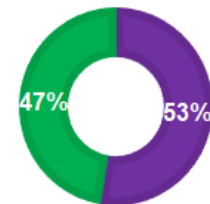
#### Proportion of staff receiving a bonus



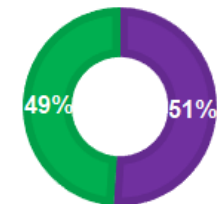
■ No bonus received ■ Bonus received

#### Pay quartiles

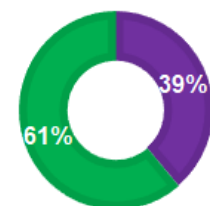
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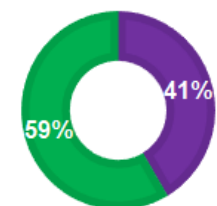
QUARTILE 2



QUARTILE 3



QUARTILE 4



■ Male ■ Female



Change from previous year shown in brackets.

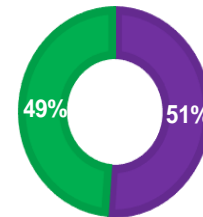
### Treasury Group - 2019

#### Gender pay & bonus gap

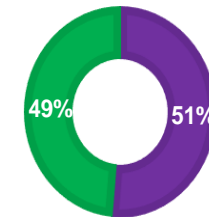
Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	7.2% (0.2%)	14.6% (-0.2%)
Gender bonus gap	22.7% (4.9%)	-5.0% (-5.0%)

#### Pay quartiles

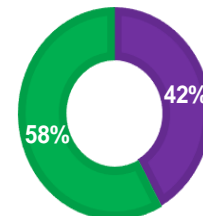
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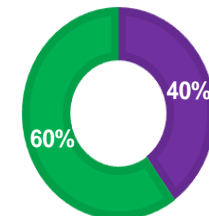
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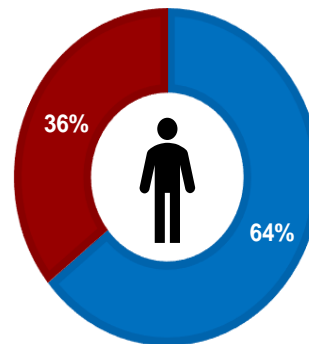
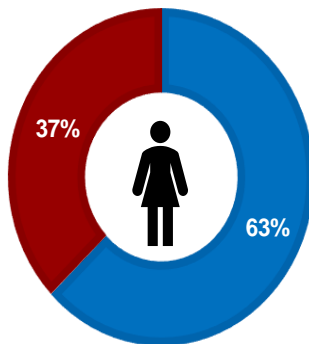


QUARTILE 4



■ Male ■ Female

#### Proportion of staff receiving a bonus



■ No bonus received ■ Bonus received



Pay gap

The overall mean gender pay gap for the Treasury Group has increased by 0.7% from last year to 7.9%. The median pay gap has also increased by 2.2% to 16.8%.

In HM Treasury, the mean gender pay gap has increased by 0.7% to 4.3% with the median pay gap increasing by 6.1% to 15.1%.

The existing pay gaps do not indicate that men and women are being paid differently for equal work, but as the data below for the Treasury Group shows, there is a higher proportion of women in junior grades and lower representation at senior level, which affects the average and median pay for each gender. This has a greater impact on median pay which explains the difference between the mean and median pay gaps.

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	27 (2%)	32 (3%)	55%
EO	64 (5%)	123 (11%)	66%
HEO/SEO	481 (40%)	459 (43%)	49%
Grade 6/7	534 (45%)	380 (36%)	42%
SCS (centrally managed only)	83 (7%)	76 (7%)	48%
<b>Total (including those with unknown grade)</b>	<b>1,189</b>	<b>1070</b>	<b>47%</b>

There is also a disparity in the gender balance between the different organisations that make up the Treasury Group. The following table shows the proportion of men and women in each of those organisations.

Organisation	% Male	% Female
HMT (excl. agencies)	53%	47%
GIAA	49%	51%
NIC	56%	44%
DMO	68%	32%
<b>Total</b>	<b>53%</b>	<b>47%</b>



### Bonus Gap

The mean bonus gap for the Treasury Group has reduced by 3.4% to 19.3%. However, the median bonus gap has increased by 6.6% to 1.6% in favour of men.

In the core Treasury, the mean bonus gap is 3.9% when in 2019 it was -7.4%. The median bonus gap has reduced by 14% and is now 2%.

We recognise there is progress to be made on the distribution of performance bonuses across the group. The core department continues to moderate performance markings and undertake bi-annual reviews of our in-year bonus scheme and the Treasury Thanks voucher scheme, to ensure awards are being awarded fairly and consistently across staff. Achieving a neutral bonus gap is challenging as there are multiple different ways staff can receive a bonus.

### Difference in methodologies

The Office for National Statistics (ONS) is the UK's largest independent producer of official statistics and the recognised national statistical institute of the UK. Each year, ONS undertakes two surveys and the published outputs include gender pay gap statistics. These are:

- Annual Survey of Hours and Earnings (ASHE)
- Annual Civil Service Employment Survey (ACSES).

It is important to note that the two surveys reference Gender Pay Gap but do not use exactly the same methodology to the Gender Pay Gap data contained in this report, which makes it difficult to make direct comparisons.

ASHE uses employee's actual earnings, excluding overtime, and actual working hours during a specified pay period. ASHE uses this data to calculate the hourly rate which is used to calculate the national gender pay gap figures.

ACSES uses employee's full time annual equivalent pay, excluding bonuses. This annual figure is used to calculate the gender pay gap. ACSES does not collect contracted hours and therefore, does not calculate hourly rate.



## Activities that support closing the Gender Pay Gap

The core department undertakes a wide range of activity to ensure that our processes and systems attract, retain and support talented people from all backgrounds. Many of these activities will contribute to closing the gender pay gap – these are set out below and include updates on previous actions. The effectiveness of these actions is reviewed regularly by HR and overseen by the Diversity Delivery Committee. Our executive agencies also have their own separate plans to help them address their own gender pay gaps



### Recruitment, retaining and developing a diverse workforce

To improve recruitment, we have:

- Introduced mandatory training on best practice, including designing selection criteria, drafting job adverts and assessing fairly. All adverts must also be checked through an online system that checks for biased language
- Made mixed gender selection panels mandatory (since 2018) and more recently panels are also required to be ethnically diverse
- Continued blind recruitment to ensure all personal information including gender is not visible to those making decisions until the interview stage
- Operated a ‘flexible by default’ approach which means all jobs are advertised as open to part time or flexible working with senior approval needed for any exceptions. This is role modelled at all grades
- Expanded outreach for the graduate recruitment scheme to attract people from a wider pool.
- We receive more job applications from males, but as a percentage of all applications, a greater percentage of females are appointed
- The graduate development programme has a nearly equal gender balance and in 2020, applications from women for the Graduate scheme increased by 5% to 56% of the total



### Progression and career paths

To support career progression, we:

- Run an annual talent round to track progression into and within the SCS. This includes a review of diversity
- Run internal talent programmes across a range of grades and for staff from diverse ethnic backgrounds, with a disability or who identify as LGBT
- A network of our AO and EO staff works to support the evolution of roles in the Treasury including talent and progression to policy roles
- Participate in cross-departmental programmes to develop future leaders, and a number of apprenticeships
- Work with the Women in the Treasury network on specific initiatives
- Have maintained 50% representation of women in the SCS, meeting our target



### Performance management

To ensure performance management is fair and robust, we have

- Implemented fixed milestones for performance reviews, which include career conversations.
- Removed forced distribution



- Created moderation panels which include independent HR representation
- Reviewed diversity outcomes via a Diversity Panel
- Noted an improvement in diversity outcomes in 2019/20



## Pay systems

To improve equity in the pay system, we have

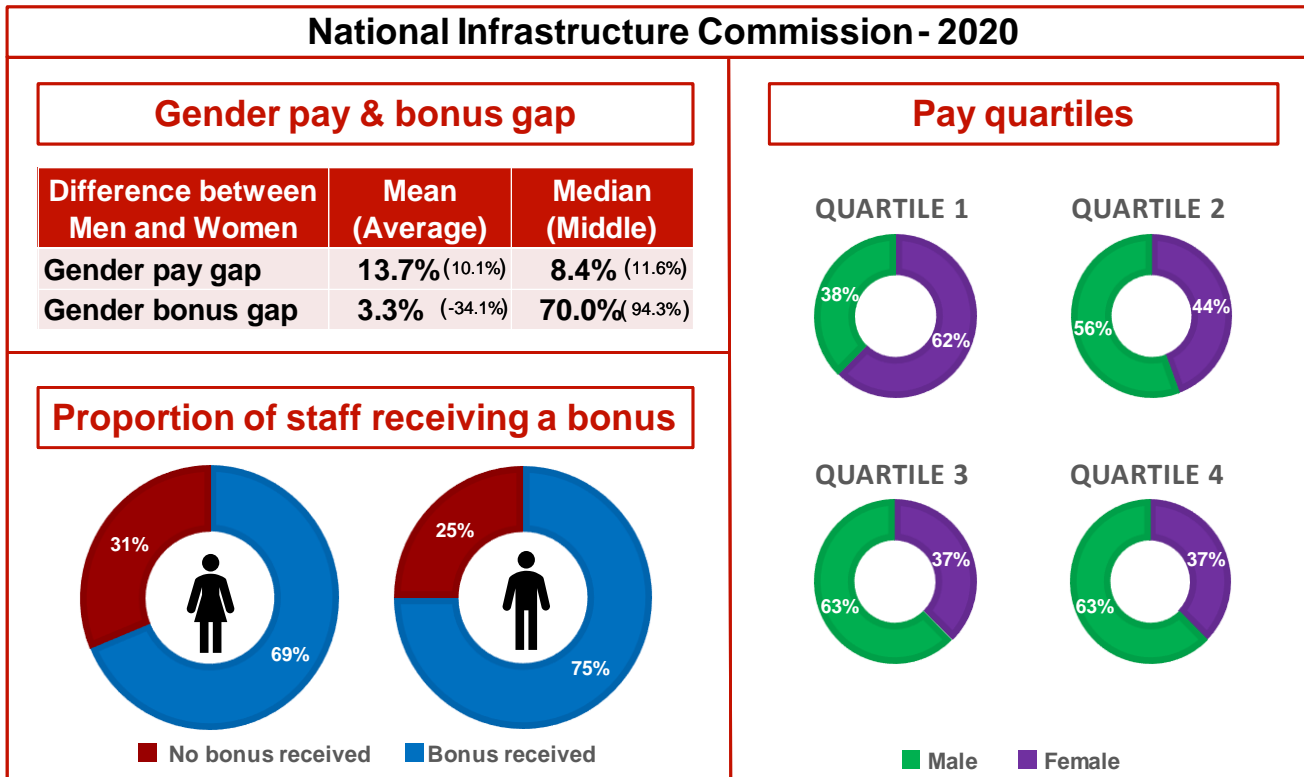
- Continued to shorten pay ranges
- Focused on improving the offer for staff lower down the pay scales
- Strictly monitored salaries for new entrants to the civil service
- Improved transparency through the use of enhanced communications





## Statutory disclosures

On 31<sup>st</sup> March 2020, HM Treasury had 4 employee entities: the central Department and three executive agencies: Government Internal Audit Agency, Debt Management Office, and National Infrastructure Commission. Only the central Department and the Government Internal Audit Agency employ 250 or more employees and their individual figures are shown below.



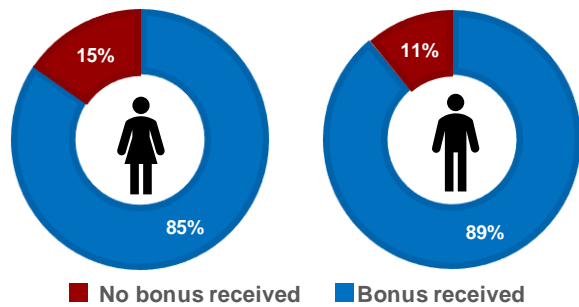


### Debt Management Office - 2020

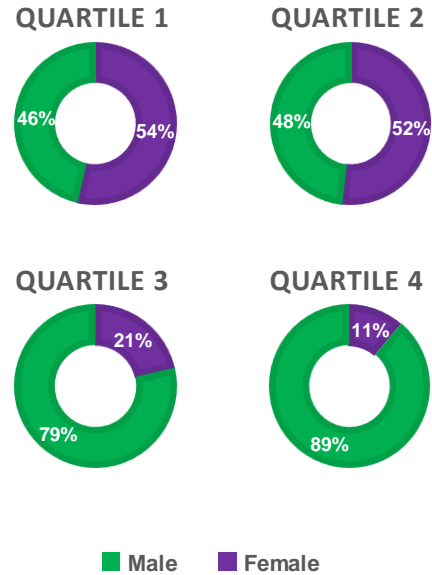
#### Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	19.0% (-2.9%)	25.3% (-4.3%)
Gender bonus gap	17.4% (-6.2%)	26.5% (-14.2%)

#### Proportion of staff receiving a bonus



#### Pay quartiles



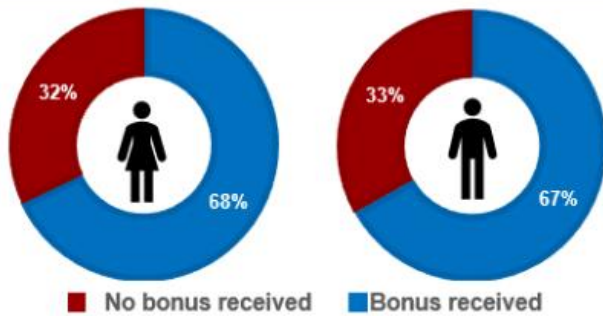


### HM Treasury - 2020

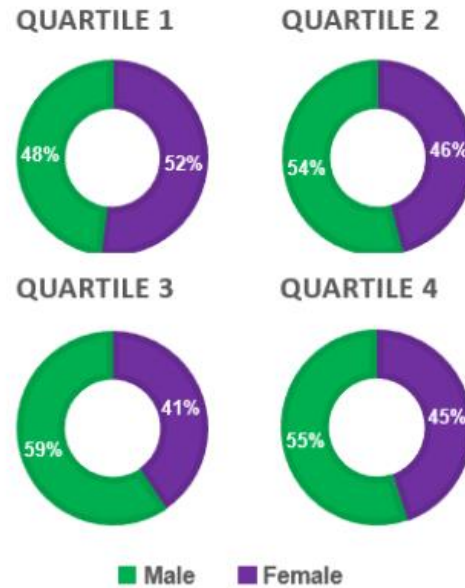
#### Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	4.4% ( 0.7% )	15.1% ( 6.1% )
Gender bonus gap	3.9% ( -3.5% )	2.0% ( 14.0% )

#### Proportion of staff receiving a bonus



#### Pay quartiles





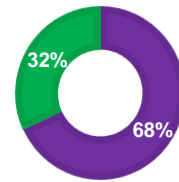
### GIAA - 2020

#### Gender pay & bonus gap

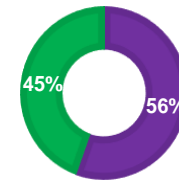
Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	11.4% ( 0.7%)	12.5% (-0.6%)
Gender bonus gap	14.9% (-1.2%)	6.2% (-18.8%)

#### Pay quartiles

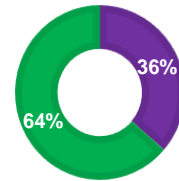
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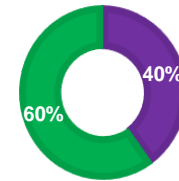
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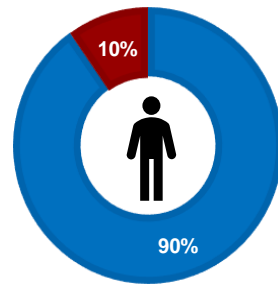
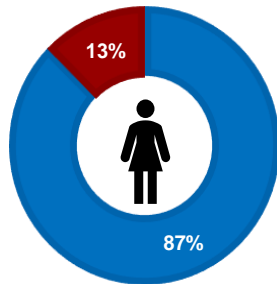
QUARTILE 3



QUARTILE 4



#### Proportion of staff receiving a bonus



■ No bonus received ■ Bonus received

■ Male ■ Female

### Declaration

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