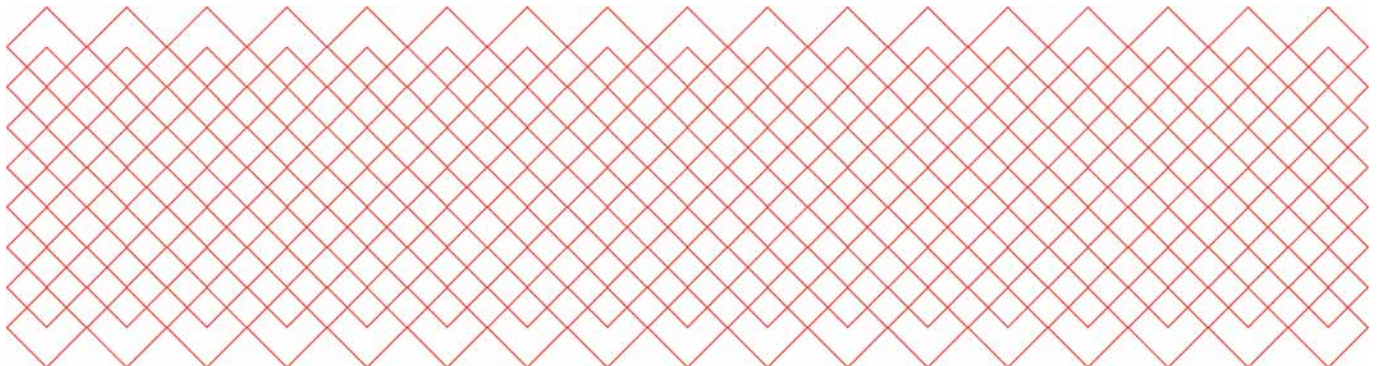




Ministry of  
**JUSTICE**

**Equal Pay Audit  
for the core MoJ 2011/12**  
Full report





Ministry of  
**JUSTICE**

## **Equal Pay Audit for the core MoJ 2011/12**

Full report

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# 1. Background

## Introduction and terms of reference

An Equal Pay Audit is the most effective way of establishing whether pay systems are free from discrimination. Public organisations are required to regularly audit their pay systems with regards to equal pay.

The benefits of conducting regular audits include:

- establishing whether our pay strategy is delivering as expected
- identifying where adjustments might be beneficial
- providing valuable information to defend any Equal Pay claims that go to Tribunal.

The Ministry of Justice, formerly the Department for Constitutional Affairs (DCA), committed to annual equal pay audits under the Pay and Grading exercise in 2006/07, to ensure its pay systems are free from bias. This represents the fourth pay audit since the merger of the former Court Service and the Magistrates' Courts Committees (MCS) in 2005 and the creation of the Tribunals Service a year later.

On 31 July 2011 the MoJ four year pay deal and its progression pay arrangements came to an end. On 22 June 2010 the Chancellor announced a two year pay freeze in the public sector. Staff earning a full-time equivalent salary of £21,000 or less were protected from the pay freeze and were required to receive a minimum pay increase of £250 for each of the two years. The impact of the pay freeze means that a significant proportion of MoJ staff at Bands A–D did not see a consolidated pay increase in 2011–12.

The purpose of this report is to assess the equal pay position, in light of MoJ entering the first year of this pay freeze on 1 August 2011 and to consider whether our pay systems are biased in respect of any of the protected characteristics including gender; also to highlight areas of risk or concern and to assess how these risks and issues may be addressed. Based on this information the report includes recommendations for further improvements. The report also assesses the progress made on actions laid out in last year's Action Plan and evaluates the success of measures that have been put in place.

The report is based on statistical analysis and provides an overview of the impact of the 2011 pay award, subject to pay freeze, on Equal Pay in those parts of the Ministry of Justice to which the Deal applies. For pay comparisons and for consistency with previous audits we have only analysed in detail the large majority of staff who opted in to the Deal. 418 staff currently remain on legacy terms and conditions and are not included in this analysis.

Senior Civil Servants are not included. SCS pay levels are determined centrally.

The National Offender Management Service (NOMS) is not included as it has separate collective bargaining arrangements, a different grading system, and salary arrangements designed to meet their distinct business needs.

Recognition and Reward is only available to staff on Deal terms and conditions, so only Deal staff are considered when analysing the impact of the R&R scheme. However, all staff are included in analysis of the distribution of performance markings, as all staff are subject to the performance management system.

### **The history of the department**

The merger of the former Court Service with the Magistrates' Courts Service (MCS) in 2005 as Her Majesty's Courts Service (HMCS) was one of the biggest Machinery of Government changes ever to have taken place, bringing into the Department organisations from outside the Civil Service. It was impossible to undertake an equality audit prior to the implementation of a single common pay system. There was no coherent grading structure in place across the DCA, and we would not have been able to carry out meaningful statistical analysis.

Prior to the Deal those parts of the DCA which had a traditional Civil Service background had pay systems which were applied uniformly across the country, with pay scales that allowed room for progression without being inordinately lengthy.

The 42 Magistrates' Courts Committees, however, had much greater scope for devising pay systems that met their individual business needs without the need to consider pay in other areas. As a consequence, the difference between the highest and lowest paid staff in different MCCs was considerably greater than in the Civil Service-derived parts of the DCA. For example, from data supplied by MCCs prior to 1 April 2005 the average pay in Norfolk MCC was £22,239, while in Suffolk it was £18,210. The lowest mean pay across MCCs was £16,633, the highest £22,239.

These pay differences across the new organisation presented problems; some operational in terms of creating barriers to movement and not realising the efficiencies envisaged by the creation of HMCS, and some very real risks of Equal Pay claims.

### **The Pay and Grading review and the Deal**

The primary objectives of the 2006/07 Pay and Grading review were therefore to:

- introduce a single coherent pay and grading structure and replace more than 50 different sets of legacy terms and conditions;
- promote the development of a high performance culture;

- provide the necessary flexibility to respond to changing business need; and
- address pay inequalities over time.

This review introduced a new pay and grading structure, the 'Deal' arrangements. The Pay and Grading review was subject to an Equality Impact Assessment which found no potential for direct or indirect discrimination in any of the Deal terms, or in the mapping, appeal or options processes. The same or similar processes were subsequently used to assimilate 700 former Home Office staff to MoJ in 2008.

Once the Pay and Grading mapping exercise was complete it became apparent that we had inherited a very wide range of salaries being paid for the same roles. This was as a direct consequence of the different approaches of the 42 legacy MCC employers.

Not surprisingly given the legacy situation, our analysis shows there was a significant difference in the gender pay gap between staff on former MCC terms and conditions. The overall median<sup>1</sup> gender pay gap for former MCC staff was 14.72 % in 2007 and 14.29% in 2008, and the equivalent gaps were 8.53% and 8.62% for staff on Civil Service terms and conditions.

The legacy pay differences combined with public sector pay constraints meant that the Deal couldn't be expected to address inequalities overnight. Instead, 2007 represented the first step of a 4 year journey to help reduce pay inequalities. A key feature of the Deal was to reduce range length (that is, the difference between the minimum and maximum in each scale). The shorter the pay scale, the lower the risk of excessive pay gaps between staff at different points on the scale, and the quicker a person can progress from their minimum to their maximum. See Section 4 ii) Pay Progression and Performance Based Pay.

A narrowing of the overall mean<sup>2</sup> gender pay gap which we saw in 2008 confirmed that the introduction of the Deal was beginning to address historical inequalities. The 2010/11 audit showed the gender gap reduced to 10.34% and confirmed that continuing erosion of legacy pay differentials had also contributed to narrowing the gap. Pay gaps within bands also showed further signs of improvement.

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<sup>1</sup> See Annex B, 'Pay gap', for a definition of the 'median pay gap' and how this is calculated.

<sup>2</sup> See Annex B, 'Pay gap', for a definition of the 'mean pay gap' and how this is calculated.



## 2. Workforce Overview

### Overview

Excluding the SCS,<sup>3</sup> the Ministry of Justice employed 24,819 staff on Deal terms and conditions in six bands (A–F)<sup>4</sup> with A being the highest paid and F the lowest at 1 August 2011. The split of employees by gender and grade is shown below and this shows that there is no significant change in the overall gender demographic than at the same period in 2010.

**Table 1**

| Gender       | Band A      | Band B      | Band C      | Band D      | Band E       | Band F      | Fast Streamer <sup>5</sup> | Total        |
|--------------|-------------|-------------|-------------|-------------|--------------|-------------|----------------------------|--------------|
| Female       | 689         | 1514        | 1112        | 3060        | 8515         | 2061        | 59                         | <b>17010</b> |
| Male         | 700         | 805         | 596         | 1177        | 3197         | 1285        | 49                         | <b>7809</b>  |
| <b>Total</b> | <b>1389</b> | <b>2319</b> | <b>1708</b> | <b>4237</b> | <b>11712</b> | <b>3346</b> | <b>108</b>                 | <b>24819</b> |

The number of staff on Deal terms has decreased by 1,460 since the time of the last Audit and aside from natural turnover and the recruitment freeze this is attributable to the various Voluntary Early Departure (VED) and other exit schemes that have taken place across the Department.

418 staff remain on legacy terms and conditions with 27 retaining any progression under their legacy scales at the time of the 2011 pay award. Legacy staff have not been specifically audited for Equal Pay purposes as in previous audit reports as they are not on Deal terms. However, previous reports have shown the initial overall opt-out demographic to have been broadly commensurate with the departmental demographic as a whole. Any change to this (opt-out) demographic will have been as a result of staff converting to Deal terms and conditions upon changing post within the Department and departures including those under exit schemes.

### Gender

Throughout the Deal's lifetime the gender demographic has remained stable with the percentage of women at 68% (although rising this year to 69%). Women are better represented in each of the grades B–F. However men are slightly better represented at Band A and this differs from last year when, for the first time since the creation of the Department the number of women in this grade exceeded men by 808/787.

However, the demographic at Band A is still reasonably close to an equal split. That said, because women have only become more widely represented at

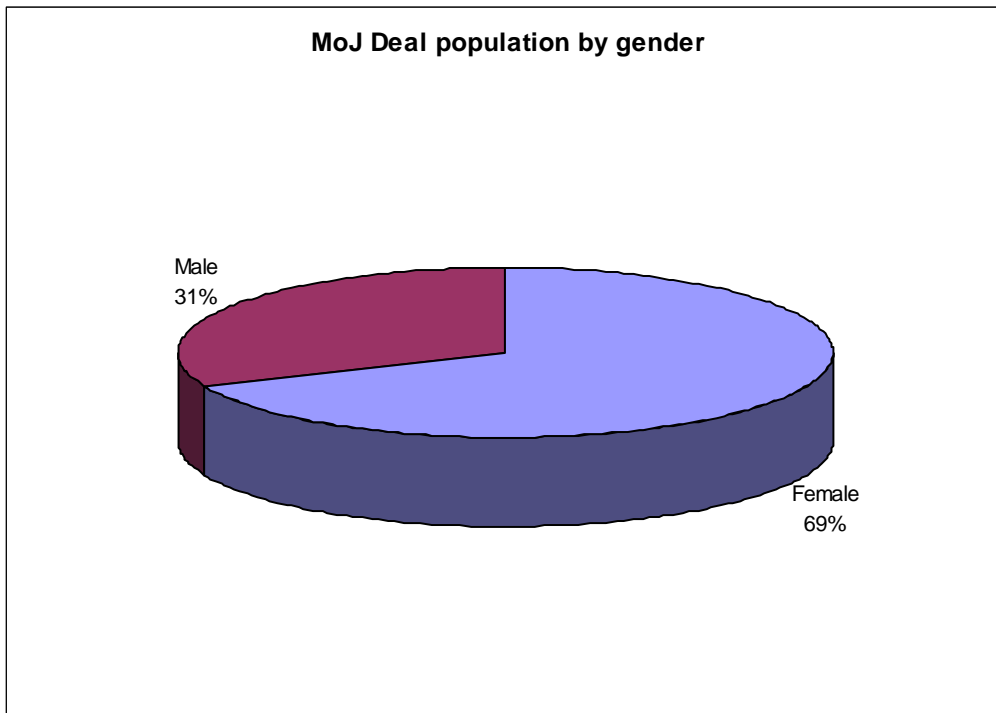
<sup>3</sup> Senior Civil Service – see Annex B.

<sup>4</sup> For key to MoJ bands and Civil Service equivalents see Annex B.

<sup>5</sup> Not included in previous reports.

Band A in recent years, many of those recruited will have been on lower salaries than longer serving male counterparts and this is likely to have the short to medium term effect of maintaining male pay lead, particularly in the context of the pay freeze which has impacted on progression within this Band. This will be kept under review (see **Annex A**). See pie chart below.

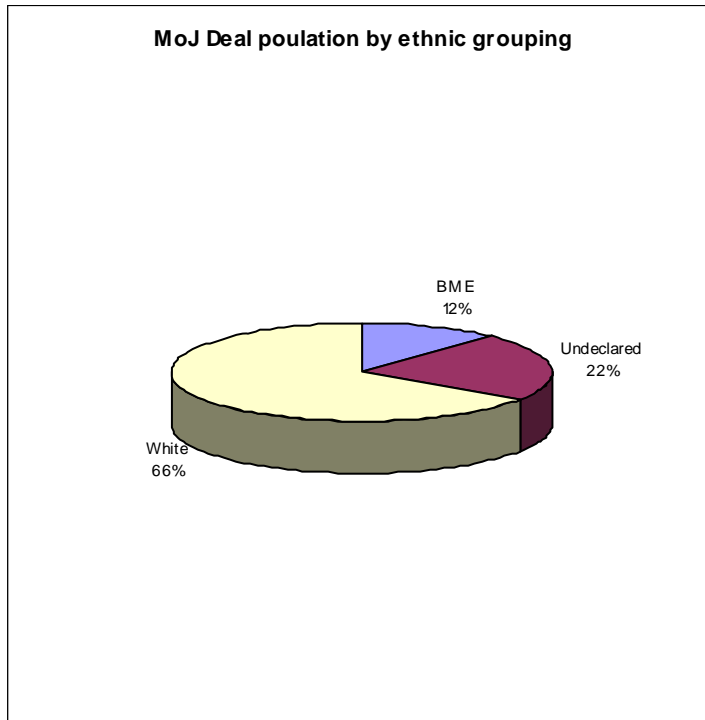
**Chart 1**



**Ethnicity**

The following pie chart below shows the percentage of the Deal population at 1 August 2011 split by their declared ethnic grouping. This shows a slightly higher percentage of staff who have not declared their ethnicity than at the time of the last Audit. This will be kept under review (see **Annex A**).

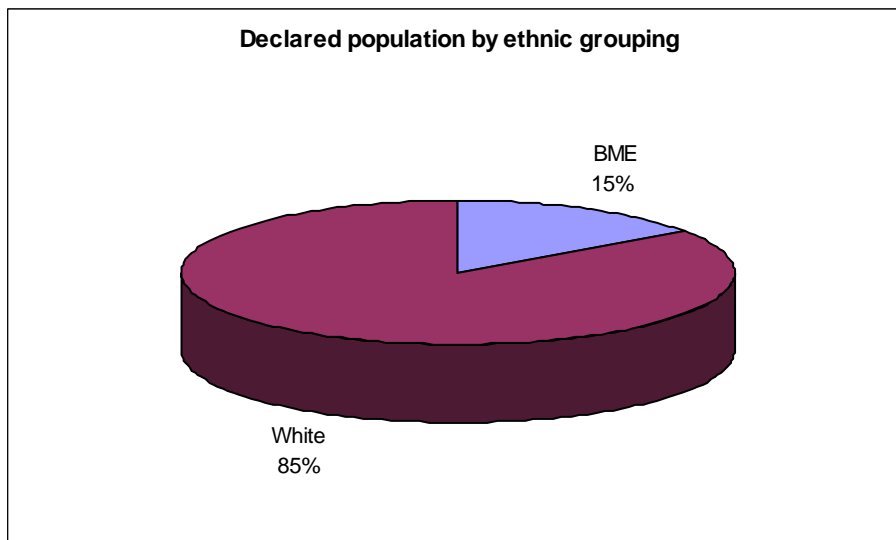
**Chart 2**



**Ethnicity (declared only)**

The pie chart below gives a breakdown of ethnic grouping, excluding those members of staff who have not declared their status. The split is broadly consistent with that at the time of the last audit and this breakdown is used as a reference point when analysing the allocation on Recognition & Reward ('R&R') and Temporary Responsibility Allowance (TRA). See Section 4iv) and v).

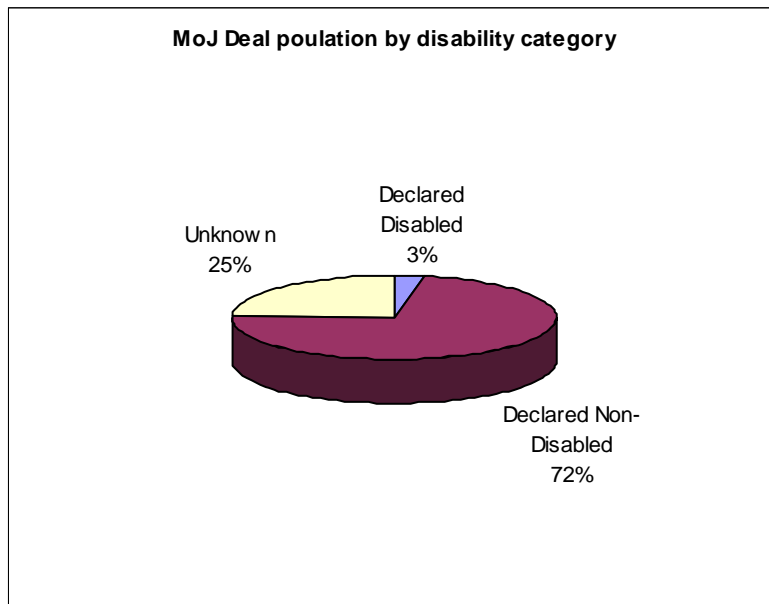
**Chart 3**



## Disability

The pie chart below shows the percentage of the Deal population at 1 August 2011 split by their declared disability status. 25% of staff have not declared their disability status. This is a slight improvement from the 2010 Audit (26%).

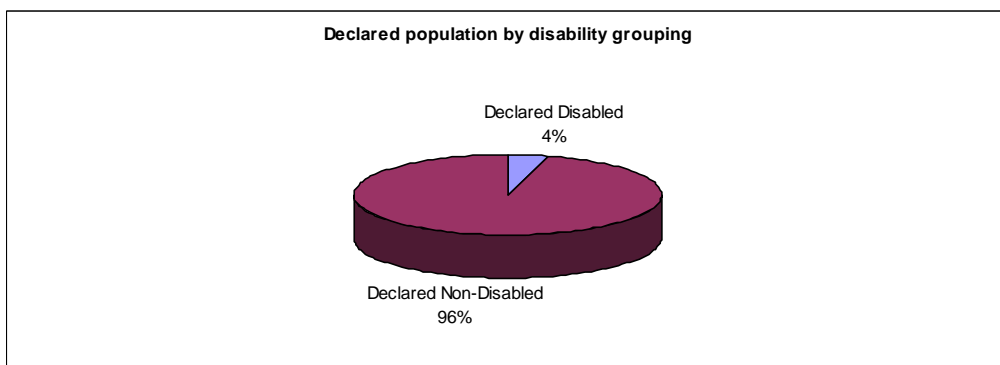
**Chart 4**



## Disability (declared only)

The pie chart below gives a breakdown of disability status, excluding those members of staff who have not declared their status. The split is the same as at the time of the last audit and this breakdown is used as a reference point when analysing the allocation on Reward & Recognition ('R&R') and Temporary Responsibility Allowance (TRA). See Section 4iv) and v).

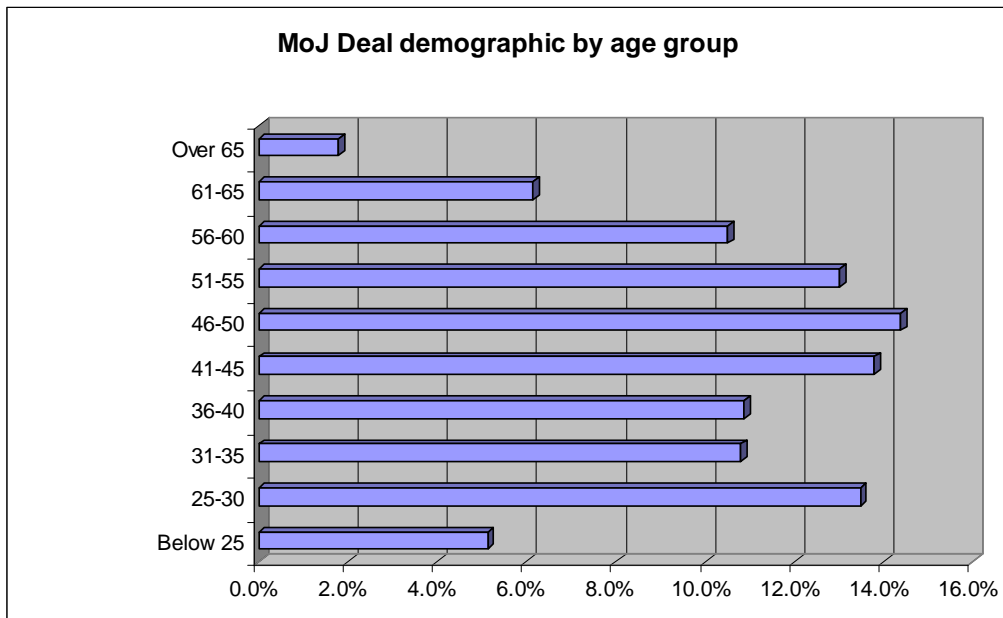
**Chart 5**



## Age

The bar chart below shows the Deal population by age grouping. This is broadly similar to the demographic found at the time of the 2010 Audit although there has been a shift of position in the two age groups between 41–50, with the 46–50 age group now the most predominant as opposed to the 41–45 group who were previously slightly better represented. There has also been some levelling out of the 31–35 and 36–40 age groups. This breakdown is used as a reference point when analysing the allocation on Recognition & Reward ('R&R') and Temporary Responsibility Allowance (TRA). See Section 4iv) and v).

**Chart 6**



### 3. Executive Summary

#### Overall Gender Gap (see Section 4 i))

Firstly, it is common practice to consider the gender pay gap across the organisation taking no account of grades or location. Our data shows that the overall pay lead men had over women following the 2011 award was 9.64%. This has reduced from 10.34% in 2010, and compares with the 19.5% mean pay gap across the economy as a whole in 2011 (Source: ONS).<sup>6</sup>

#### Gender Gap Band on Band

This compares all men with women in each Band, and shows significantly less pronounced gaps, with almost no gender gap at the lower grades. This shows that the highest mean gender pay gap on aggregated data is at Band A (-4.57%). The lowest mean pay gap is Band F (-0.06%). We have also compared male and female salaries in each Band, within each range in the regional pay model.

Overall the findings indicate that pay gaps for all Bands except Band A are within the EHRC guideline of 3% for the fourth year running.

#### Performance markings (see Section 4 ii) and iii))

The comparison of performance markings (one of the factors which drives pay progression in Bands A–D) by gender shows that the performance management system appears to be free of gender bias. The proportion of female employees receiving “Outstanding” assessments in Bands A–D was 17.30% compared to 16.99% for male employees.

“Outstanding” allocations have been analysed in relation to a number of different categories such as Gender, Age, Disability, Ethnicity and Reduced Hours working. There are some small variances here and we have identified actions to take to ensure this system is not open to bias. See **Annex A**. We will continue to monitor these figures closely in future audits.

We have reviewed “Improvement Required” allocations similarly. The data shows some variances, but the small numbers of staff makes meaningful analysis difficult and we do not believe these variances are marked enough to be considered evidence of any bias within the performance management system.

#### Recognition and Reward (R&R) (see Section 4 iv))

Payments made under the Recognition and Reward scheme – both Small and Special Bonuses and Small Gifts have been analysed in relation to Gender,

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<sup>6</sup> See Annex B ONS.

Age, Ethnicity and Disability. There is no reason to believe from the analysis that the system is vulnerable to bias.

**Temporary Responsibility Allowance (TRA) (see Section 4 v))**

The application of Temporary Responsibility Allowance has been analysed in relation to Gender, Age, Ethnicity and Disability. There are some small variances in respect particularly of reduced hours workers and actions will be taken to ensure this system is not open to bias.

**Promotions (see Section 4 vi)**

For the first time we have analysed data to identify changes of pay band which, aside from changes of location, predominantly comprising promotions from lower to higher pay bands. When compared against the Departmental demographic this data shows some small variances in respect particularly of gender, staff working reduced hours and with a disability. It also suggests BME staff are significantly more likely to gain promotion than staff who declared their ethnic background as 'white'. However, non-declaration rates are likely to have skewed this figure. Also as with the analysis of instances of TRA being paid, instances of promotion within the MoJ were most common amongst the younger age groups (excluding those below 25) and drop sharply after age 50. This is broadly consistent with the workforce age demographic.

## 4. Analysis and Tables

### i) Pay gaps

The purpose of this section of the audit is to establish whether historic pay differentials inherited from the former MCCs have been eroded over the Deal's lifetime.

#### Overall gender gap

The mean pay gap (full-time equivalent salary) has decreased from 10.34% to 9.64% (see below).

**Table 2**

|                            | Average FTE Salary<br>1 Aug 2010 | Average FTE Salary<br>1 Aug 2011 |
|----------------------------|----------------------------------|----------------------------------|
| <b>Female</b>              | £23,187                          | £23,278                          |
| <b>Male</b>                | £25,862                          | £25,762                          |
| <b>All</b>                 | £24,031                          | £24,059                          |
| <b>Gap (F as a % of M)</b> | -10.34%                          | -9.64%                           |

Overall this is most likely attributable to the continued pull through the pay ranges and progression to the maximum at Bands E–F (the only Bands in which, as a result of the cross government pay freeze, MoJ was able to give uniform pay increases in August 2011). Other factors such as the higher than usual rate of staff departures due to the VEDS schemes should however also be taken into account.

Although the pay gap has decreased since the last Audit it is still well above 3%–5% tolerance that EHRC considers should be treated as significant.<sup>7</sup> This gap however is further reduced to 6.04% as a result of disaggregating the effect of the pay lead in the MoJ specialist pay ranges.

#### Overall gender gap (excluding specialist staff)

**Table 3**

|                            | Average FTE Salary<br>1 Aug 2011 |
|----------------------------|----------------------------------|
| <b>Female</b>              | £21,563                          |
| <b>Male</b>                | £22,949                          |
| <b>All</b>                 | £21,989                          |
| <b>Gap (F as a % of M)</b> | -6.04%                           |

<sup>7</sup> See Annex B EHRC.



### Gender gap within bands

The overall pay gap figure can be misleading as it does not compare 'like-with-like', for example, men and women doing equal work – which should be the basis for a pay audit. This is because men and women are not spread evenly throughout MoJ bands. The overall gap favours men because they are more heavily represented at senior levels.

Further analysis has been carried out by pay band to identify individual pay gaps and the results were encouraging. With the exception of Band A, the greatest gender pay gap across any pay band is 2.07%. EHRC advice for equal pay reviews is that gender grade pay gaps of 5% or more should be treated as significant; gaps of between 3% and 5% could be indicative of gender pay discrimination if they form part of a pattern.

Where pay gaps within a particular band and pay range exceeds 3% further analysis has been undertaken with a view to explaining these differentials and, where appropriate, further action has been identified (see **Annex A**).<sup>8</sup>

The table below shows that the mean pay gap at **Band A** has increased slightly and is currently at 4.57%. It is also of note that women in the Outer London pay range (although a relatively scarcely populated range) now have a significant pay lead.

### Band A (aggregated)

**Table 4**

| Average FTE salary | 2010           |                |               | 2011           |                |               |
|--------------------|----------------|----------------|---------------|----------------|----------------|---------------|
|                    | Female         | Male           | % Gap         | Female         | Male           | % Gap         |
| Inner London       | £56,634        | £58,624        | -3.39%        | £56,867        | £58,827        | -3.33%        |
| Outer London       | £56,857        | £55,826        | 1.85%         | £57,858        | £55,702        | 3.87%         |
| National           | £52,107        | £56,263        | -7.39%        | £52,466        | £57,035        | -8.01%        |
| <b>Total</b>       | <b>£55,066</b> | <b>£57,645</b> | <b>-4.47%</b> | <b>£55,409</b> | <b>£58,065</b> | <b>-4.57%</b> |

Legacy terms and conditions have contributed to the male pay lead in this Band. Large differentials and long pay ranges were inherited through the Pay and Grading exercise in 2006–07 as Band A incorporates staff from three former DCA 'spans' (as well as several MCC pay ranges). There is recognition that some Band A posts below the SCS are more heavily weighted than others.

Another factor that may have contributed to the relative persistence of the pay gap at Band A is the allocation of staff to specialist pay ranges. Any staff in Bands A and B who are members of a specialist job family which is judged to attract a market supplement were allocated to a specialist pay range under the Deal. These pay ranges have minima and maxima which are 5, 10 or 15% higher than the generalist Band A minima and maxima. This gives greater headroom for pay progression. Many of these staff will also have had

<sup>8</sup> See Annex B EHRC.

specialist allowances (not payable at these bands under the Deal) consolidated into their base pay on assimilation. Reviews of most of the professional job families completed in 2009 found no equality issues associated with the reward arrangements for these families.<sup>9</sup>

However further evidence of the effect of specialist pay on gender pay gaps can be demonstrated by the comparison of aggregated and disaggregated data at Bands A and B (those which are the most highly populated by specialist staff) as below.

### Band A (disaggregated)

**Table 5**

| Average FTE salary | 2011           |                |               |
|--------------------|----------------|----------------|---------------|
|                    | Female         | Male           | % Gap         |
| Inner London       | £55,247        | £56,206        | -1.71%        |
| Outer London       | £53,090        | £54,636        | -2.83%        |
| National           | £49,344        | £50,998        | -3.24%        |
| <b>Total</b>       | <b>£53,013</b> | <b>£54,183</b> | <b>-2.16%</b> |

The table below shows that the mean pay gap at **Band B** remains well within EHRC 3% guidelines.

### Band B (aggregated)

**Table 6**

| Average FTE salary | 2010           |                |               | 2011           |                |               |
|--------------------|----------------|----------------|---------------|----------------|----------------|---------------|
|                    | Female         | Male           | % Gap         | Female         | Male           | % Gap         |
| Inner London       | £40,163        | £40,080        | 0.21%         | £40,244        | £40,253        | -0.02%        |
| Outer London       | £42,708        | £44,809        | -4.69%        | £42,125        | £43,866        | -3.97%        |
| National           | £38,359        | £38,932        | -1.47%        | £38,230        | £38,746        | -1.33%        |
| <b>Total</b>       | <b>£39,195</b> | <b>£39,740</b> | <b>-1.37%</b> | <b>£39,087</b> | <b>£39,645</b> | <b>-1.41%</b> |

### Band B (disaggregated)

**Table 7**

| Average FTE salary | 2011           |                |               |
|--------------------|----------------|----------------|---------------|
|                    | Female         | Male           | % Gap         |
| Inner London       | £38,678        | £38,823        | -0.37%        |
| Outer London       | £39,733        | £38,855        | 2.26%         |
| National           | £34,648        | £34,671        | -0.07%        |
| <b>Total</b>       | <b>£36,812</b> | <b>£37,328</b> | <b>-1.38%</b> |

Comparison of the aggregated data shows that overall there has been a slight (although not significant) widening of the pay gap at both Bands A and B.

<sup>9</sup> See Annex B Specialist Pay.

However, as entry into the first year of the Public Sector Pay Freeze prevented pay awards to those with salaries within these pay ranges in 2011, this must clearly be due to external factors such as staff turnover, promotion through the grades and VEDS exits rather than changes to the pay structure or award of pay increases.

### Band C

The table below shows that the mean pay gap in **Band C** has decreased to 2.07% and remains well within EHRC 3% guidelines.

**Table 8**

| Average FTE salary | 2010           |                |               | 2011           |                |               |
|--------------------|----------------|----------------|---------------|----------------|----------------|---------------|
|                    | Female         | Male           | % Gap         | Female         | Male           | % Gap         |
| Inner London       | £31,538        | £31,611        | -0.23%        | £31,629        | £31,658        | -0.09%        |
| Outer London       | £30,308        | £29,397        | 3.10%         | £30,169        | £29,636        | 1.80%         |
| Hotspots           | £28,115        | £28,440        |               | £28,230        | £28,347        | -0.41%        |
| National Plus      | £26,716        | £26,743        | -0.10%        | £26,779        | £27,012        | -0.86%        |
| National Existing  | £26,590        | £27,273        |               | £26,666        | £26,788        | -0.46%        |
| <b>Total</b>       | <b>£29,144</b> | <b>£29,870</b> | <b>-2.43%</b> | <b>£29,124</b> | <b>£29,741</b> | <b>-2.07%</b> |

There has been a pay gap at Band C since 2008 and this increased from -2.12% in 2009 to -2.43% in 2010. This ran counter to the trends at other grades and was considered to be the result of a number of factors including the introduction of specialist pay ranges at this responsibility level and/or promotion rates.

In terms of pay awards in 2011, only those at the minimum of the National Existing pay range (£21,096) received any increase in salary (a £154 increase to take their salaries to £21,250). As such, aside from repositioning of distribution on the pay ranges as a result of natural turnover, movement between grades and early departures, this was the only improvement to the pay gap possible within this pay range. This is perhaps why, as a scarcely populated range, change is most apparent in Outer London.

### Band D

The mean pay gap at **Band D** has remained stable between 2009 and 2010 and remains well within EHRC 3% guidelines.

**Table 9**

| Average FTE salary | 2010           |                |               | 2011           |                |               |
|--------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| Band D             | Female         | Male           | % Gap         | Female         | Male           | % Gap         |
| Inner London       | £25,401        | £25,430        | -0.11%        | £25,367        | £25,456        | -0.35%        |
| Outer London       | £24,349        | £24,309        | 0.16%         | £24,240        | £24,375        | -0.55%        |
| Hotspots           | £22,099        | £22,189        |               | £22,117        | £22,041        | 0.34%         |
| National Plus      | £21,160        | £20,915        | 1.17%         | £21,301        | £21,115        | 0.88%         |
| National Existing  | £21,185        | £21,226        |               | £21,302        | £21,415        | -0.53%        |
| <b>Total</b>       | <b>£22,741</b> | <b>£23,131</b> | <b>-1.69%</b> | <b>£22,712</b> | <b>£23,118</b> | <b>-1.76%</b> |

Again at Band D although pay awards were more common than at Band C they were still limited to those earning below £21,250 (counting out all in London and Outer London, all but those at the minimum of the Hotspot pay range and those within the target zone in the National ranges). Re-distribution as a result of turnover and VEDS exits is therefore far more likely to account for the slight widening of the pay gap at Band D.

**Band E**

The table below shows that the mean pay gap at **Band E** has decreased.

**Table 10**

| Average FTE salary | 2010           |                |               | 2011           |                |               |
|--------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| Band E             | Female         | Male           | % Gap         | Female         | Male           | % Gap         |
| Inner London       | £21,133        | £21,092        | 0.19%         | £21,562        | £21,522        | 0.19%         |
| Outer London       | £20,199        | £20,008        | 0.95%         | £20,540        | £20,378        | 0.79%         |
| Hotspots           | £18,277        | £18,217        |               | £18,773        | £18,698        | 0.40%         |
| National Plus      | £17,727        | £17,692        | 0.20%         | £18,168        | £18,084        | 0.46%         |
| National Existing  | £17,910        | £17,994        |               | £18,340        | £18,428        | -0.48%        |
| <b>Total</b>       | <b>£18,540</b> | <b>£18,819</b> | <b>-1.48%</b> | <b>£18,968</b> | <b>£19,207</b> | <b>-1.24%</b> |

**Band F**

The table below shows that the mean pay gap at **Band F** has decreased.

**Table 11**

| Average FTE salary | 2010           |                |               | 2011           |                |               |
|--------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| Band F             | Female         | Male           | % Gap         | Female         | Male           | % Gap         |
| Inner London       | £18,560        | £18,221        | 1.86%         | £18,839        | £18,535        | 1.64%         |
| Outer London       | £17,183        | £17,110        | 0.43%         | £17,541        | £17,347        | 1.12%         |
| Hotspots           | £15,413        | £15,259        |               | £15,784        | £15,675        | 0.70%         |
| National Plus      | £15,202        | £15,145        | 0.38%         | £15,494        | £15,441        | 0.34%         |
| National Existing  | £15,208        | £15,160        |               | £15,538        | £15,492        | 0.30%         |
| <b>Total</b>       | <b>£15,758</b> | <b>£15,774</b> | <b>-0.10%</b> | <b>£16,107</b> | <b>£16,116</b> | <b>-0.06%</b> |

At both Bands E–F there has been a further small decrease in the overall gender pay gap. This shows the continued Equal Pay gain of maintaining the increment based progression system that operates within these pay ranges.

**Reduced Hours Workers**

For the first time in 2010 MoJ audited the pay gap between reduced hours and full time employees of the Ministry. Across the department there was a clear gap between the average salaries of full time and reduced hours workers.

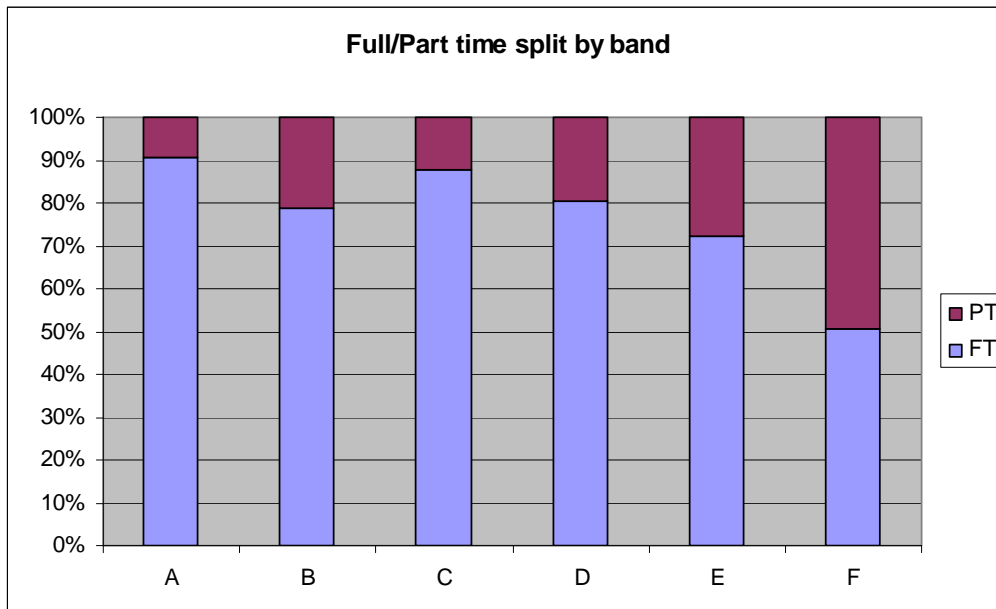
The table below shows this pay gap has reduced although this is still a concern.

**Table 12**

|                                  | 2010    | 2011    |
|----------------------------------|---------|---------|
| <b>Full-Time Average FTE</b>     | £24,979 | £25,026 |
| <b>Reduced Hours Average FTE</b> | £21,216 | £21,367 |
| <b>% Gap</b>                     | -15.06% | -14.62% |

This can be explained by considering the distribution of reduced hours workers within each band (see the following bar chart). The proportions of reduced hours workers are greatest within Bands E and F.

**Chart 7**



Indeed a breakdown of the pay gap by pay band does not indicate any inherent bias within the Deal pay structures with respect to reduced hours workers (who in fact enjoy a pay lead at Band B, and to a far lesser degree, Band E) with further shift towards parity achieved since the time of the last audit.

**Table 13**

|               | Full Time 2010 | Part Time 2010 | % Gap 2010 | Full-Time 2011 | Part-Time 2011 | % Gap 2011 |
|---------------|----------------|----------------|------------|----------------|----------------|------------|
| <b>Band A</b> | £56,434        | £55,397        | -1.84%     | £56,828        | £55,969        | -1.51%     |
| <b>Band B</b> | £39,036        | £40,752        | 4.40%      | £38,942        | £40,533        | 4.09%      |
| <b>Band C</b> | £29,404        | £29,374        | -0.10%     | £29,334        | £29,373        | 0.13%      |
| <b>Band D</b> | £22,931        | £22,508        | -1.84%     | £22,904        | £22,526        | -1.65%     |
| <b>Band E</b> | £18,604        | £18,641        | 0.20%      | £19,041        | £19,031        | -0.05%     |
| <b>Band F</b> | £15,937        | £15,580        | -2.24%     | £16,282        | £15,975        | -1.89%     |

Also of note is the fact that a far higher proportion of female than male staff work reduced hours. As such the fact that reduced hours workers are found, overall, to have lower average salaries than those working full-time will in itself have also contributed to the gender pay gap.

**Table 14**

|               | Full Time 2010 | Part-Time 2010 | Full Time 2011 | Part Time 2011 |
|---------------|----------------|----------------|----------------|----------------|
| <b>Female</b> | 68.31%         | 31.69%         | 66.56%         | 32.76%         |
| <b>Male</b>   | 88.92%         | 11.08%         | 88.84%         | 10.35%         |

### Disability

We also audited the pay gap between disabled and non-disabled employees of the Ministry for the first time in 2010. As you will see from the table below, there is a clear pay gap between disabled and non-disabled staff. However this has reduced from -5.86% to -4.92%.

**Table 15**

|                              | 2010    | 2011    |
|------------------------------|---------|---------|
| <b>Declared Disabled</b>     | £22,294 | £22,595 |
| <b>Declared Non-Disabled</b> | £23,683 | £23,765 |
| <b>% Gap</b>                 | -5.86%  | -4.92%  |

However, with a non-declaration rate of 25% this figure could be greatly skewed in either direction.

Breaking the analysis down to pay band level shows a far greater degree of parity. The disparity between this and the overall breakdown can be explained by looking at the Deal demographic where, for all staff for whom disability status is known, just 4% are declared disabled and when looked at by band are proportionally better represented at the lower grades (with therefore lower salaries). It is worth noting however that this trend is slightly less apparent than at the time of the last audit.

**Table 16**

| Grade  | % disability pay gap |        |
|--------|----------------------|--------|
|        | 2010                 | 2011   |
| Band A | -1.32%               | 0.16%  |
| Band B | 1.29%                | 0.51%  |
| Band C | -0.13%               | -0.43% |
| Band D | 4.69%                | 4.28%  |
| Band E | 0.95%                | 0.98%  |
| Band F | -0.26%               | 0.37%  |

**Table 17**

| Grade              | 2010         |               | 2011         |               |
|--------------------|--------------|---------------|--------------|---------------|
|                    | Disabled     | Non-Disabled  | Disabled     | Non-Disabled  |
| Band A             | 2.78%        | 97.22%        | 2.39%        | 97.61%        |
| Band B             | 2.98%        | 97.02%        | 3.14%        | 96.86%        |
| Band C             | 2.97%        | 97.03%        | 3.22%        | 96.78%        |
| Band D             | 3.24%        | 96.76%        | 3.61%        | 96.39%        |
| Band E             | 4.13%        | 95.87%        | 4.32%        | 95.68%        |
| Band F             | 5.88%        | 94.12%        | 5.66%        | 94.34%        |
| <b>Grand Total</b> | <b>3.94%</b> | <b>96.06%</b> | <b>4.16%</b> | <b>95.84%</b> |

### **Ethnicity**

We also audited the mean pay gap between BME and white employees of the Ministry for the first time in 2010. This showed a small pay gap between these groupings.

The latest analysis shows a widening of the pay gap between BME and white staff (although still well within EHRC tolerance and again quite possibly skewed by a non-declaration rate of 22%).

**Table 18**

| Ethnic Group     | Average 2010 Salary | Average 2011 Salary |
|------------------|---------------------|---------------------|
| <b>BME</b>       | £23,841             | £23,662             |
| <b>White</b>     | £24,148             | £24,193             |
| <b>% Pay Gap</b> | -1.27%              | -2.19%              |

This pay gap is likely to be widely attributable to the higher proportion of BME staff in the lower grades (see below)

**Table 19**

|               | <b>BME</b> | <b>White</b> |
|---------------|------------|--------------|
| <b>Band A</b> | 1.92%      | 6.04%        |
| <b>Band B</b> | 8.60%      | 10.02%       |
| <b>Band C</b> | 7.52%      | 7.14%        |
| <b>Band D</b> | 18.59%     | 17.90%       |
| <b>Band E</b> | 54.99%     | 45.36%       |
| <b>Band F</b> | 8.37%      | 13.54%       |

Analysis of the pay gap at each Pay Band where (with the exception of Band A) BME staff have pay leads further demonstrates this trend and shows far greater parity than is suggested by the overall picture.

**Table 20**

| <b>Grade</b>  | <b>2010</b>    | <b>2011</b>    |
|---------------|----------------|----------------|
|               | <b>Pay Gap</b> | <b>Pay Gap</b> |
| <b>Band A</b> | -0.09%         | -0.84%         |
| <b>Band B</b> | 1.41%          | 1.49%          |
| <b>Band C</b> | 5.64%          | 5.03%          |
| <b>Band D</b> | 7.94%          | 7.63%          |
| <b>Band E</b> | 6.03%          | 5.77%          |
| <b>Band F</b> | 3.63%          | 3.48%          |

## **ii) Pay Progression and Performance Based Pay**

Pay progression is an important feature of pay systems and, since the introduction of the Age Discrimination Regulations, an important aspect of an Equal Pay audit.

The Deal introduced two separate pay progression systems based on grade. For staff in Bands E and F we introduced Incremental Steps whilst for Bands A–D we have a pay/performance matrix.

Over the course of the Deal this has had the effect of raising most steeply the pay of the lowest-paid members of MoJ staff. This has also allowed progression to the maximum in less than 5 years.

Bands E and F have the smallest pay gaps and, particularly in Band F, this is connected with shortening of the scales. It is this premise that has driven the Deal and the higher Bands also demonstrate benefits deriving from the changes brought in by the Deal.

For staff in Bands E and F, the introduction of increments provided a clear and transparent system of progression under the Deal arrangements. The number of steps in 2007 was greater than our ideal position but the legacy pay differentials, allied to affordability issues, prevented a shorter scale. However,



we have clearly demonstrated commitment to improvement by reducing the number of incremental steps. In Band E the number of increments has reduced from 8 to 5 and in Band F from 7 to 4.

For Bands A–D range length (the difference between the Minimum and the Target Maximum), just as with the lower grades, is greater than we would have ideally liked – again due to affordability. We have addressed this over the life of the Deal by increasing Minima by significantly more than Target Maxima. This has a similar effect to that mentioned above though the progression timelines are longer.

**Table 21**

|               |          |         |
|---------------|----------|---------|
| <b>Band A</b> | 11 Years | 7 Years |
| <b>Band B</b> | 9 Years  | 5 Years |
| <b>Band C</b> | 8 Years  | 4 Years |
| <b>Band D</b> | 7 Years  | 4 Years |
| <b>Band E</b> | 7 Years  | 4 Years |
| <b>Band F</b> | 6 Years  | 3 Years |

The progression timescales shown above were calculated using the Deal Minima and Target Maxima for each Band for the period 2007–2010 based on “Effective” performance. Progression timescales for “Outstanding” performers will be shorter than the above.

Under the terms of the 2 year public sector pay freeze announced by the Chancellor in June 2010 staff earning a full-time equivalent salary of £21,000 or less were protected from the pay freeze and received a minimum pay increase of £250 for each of the two years. As such progression was limited to Bands E–F with gains as demonstrated in analysis of gender by pay band pay gap.

### **iii) Performance Markings**

#### **a) "Outstanding" Markings**

The impact of the pay freeze means that a significant proportion of MoJ staff at Bands A–D will not see a consolidated pay increase in 2011–12 and 2012–13.

However, to recognise the Department’s commitment to recognise outstanding performance a non-consolidated performance related payment for all those in Bands A to D who achieved ‘outstanding’ on their 2010–11 performance appraisal was made. Staff in Bands A–D are eligible to be awarded an “Outstanding” mark if their performance throughout the course of the year is judged to have exceeded the objectives set.

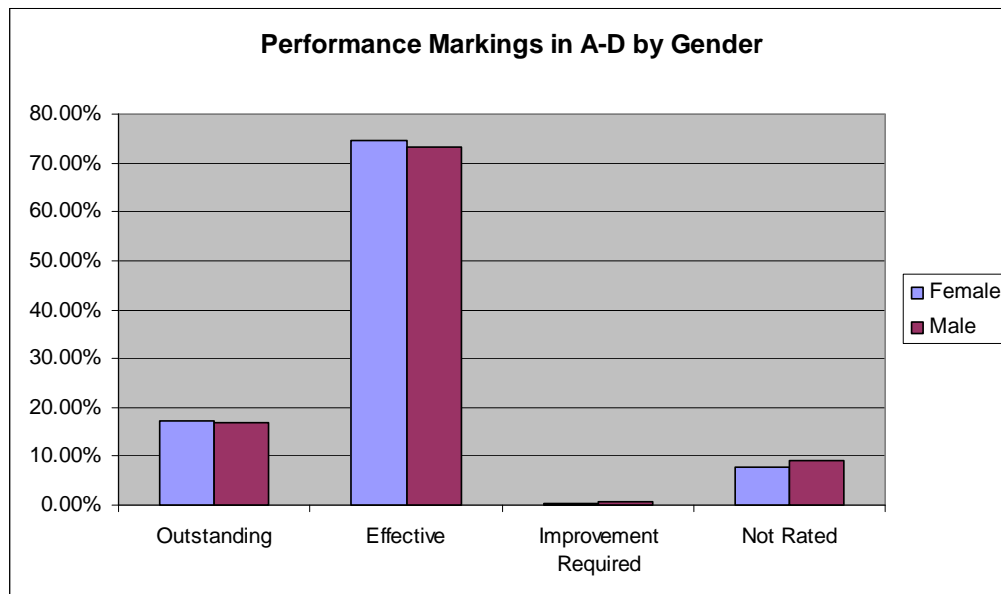
**Gender**

The analysis of performance mark data for the reporting year 2010–11 confirmed that a higher proportion of female employees receive “Outstanding” performance marking than their male colleagues. In carrying out this analysis the sample was limited to staff in Bands A–D, as the “Outstanding” performance marking is only available to staff whose substantive band is A–D. This years analysis (below) also shows a higher proportion of female than male staff received an outstanding marking (although the difference is less significant than for last year). It is not considered that this variance is marked enough to be considered evidence of bias within the performance management policy and processes.

**Table 22**

|               | Total Staff (A–D) 2010 | Outstanding 2010 | % Outstanding | Total Staff 2011 | Outstanding 2011 | % Outstanding |
|---------------|------------------------|------------------|---------------|------------------|------------------|---------------|
| <b>Female</b> | 6945                   | 1287             | 18.53%        | 6375             | 1103             | 17.30%        |
| <b>Male</b>   | 3701                   | 614              | 16.59%        | 3278             | 557              | 16.99%        |
| <b>Total</b>  | 10646                  | 1901             | 17.86%        | 9653             | 1660             | 17.20%        |

**Chart 8**



**Reduced Hours Workers**

As in last year’s report, reduced hours workers are less likely to receive an “outstanding” performance marking than full time colleagues and this trend has grown since last year. This is a concern but it remains the case that reduced hours workers are less likely to receive an “improvement required” marking (although this is less true than in 2010). This data will be fed into the review of the performance management system (see **Annex A**). See table overleaf.

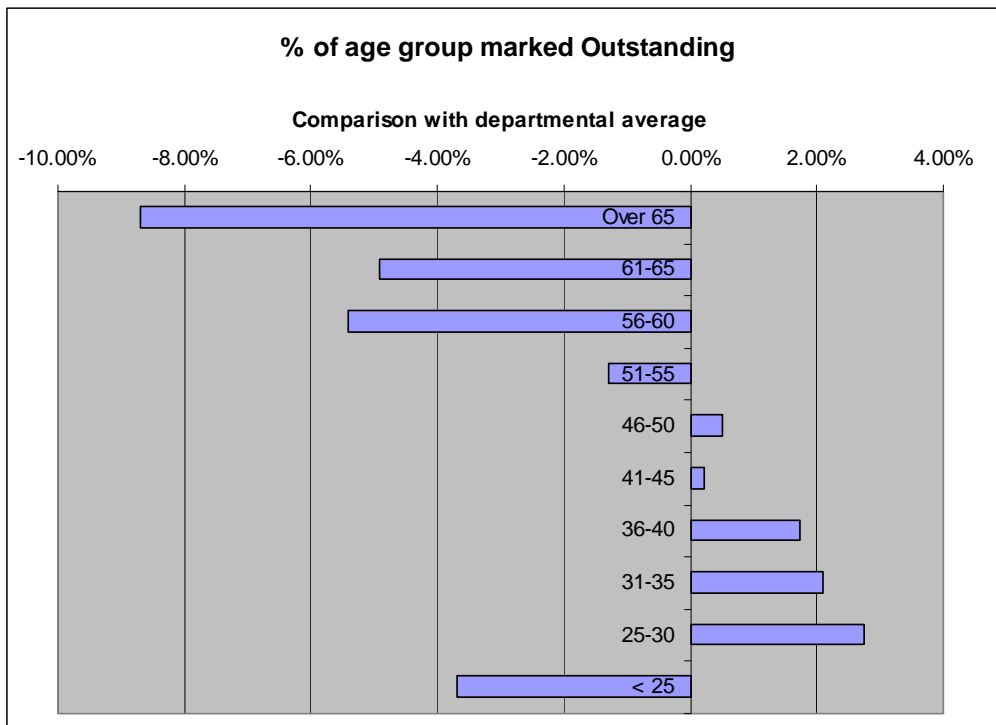
**Table 23**

|                      | Total Staff A–D (2010) | Outstanding | % Outstanding | Total Staff A–D (2011) | Outstanding | % Outstanding |
|----------------------|------------------------|-------------|---------------|------------------------|-------------|---------------|
| <b>Full Time</b>     | 8932                   | 1723        | 19.29%        | 7966                   | 1504        | 18.88%        |
| <b>Reduced Hours</b> | 1714                   | 178         | 10.39%        | 1687                   | 156         | 9.25%         |
| <b>Total</b>         | 10646                  | 1901        | 17.86%        | 9653                   | 1660        | 17.20%        |

**Age**

Analysis by age suggests that staff within the 25–30 age group are most likely to receive an “Outstanding” marking. This differs from last year when “Outstanding” markings were most common amongst the 36–40 and 41–45 age groups. Last year’s analysis revealed a similar pattern to previous years. This data will be fed into the review of the performance management system (see **Annex A**).

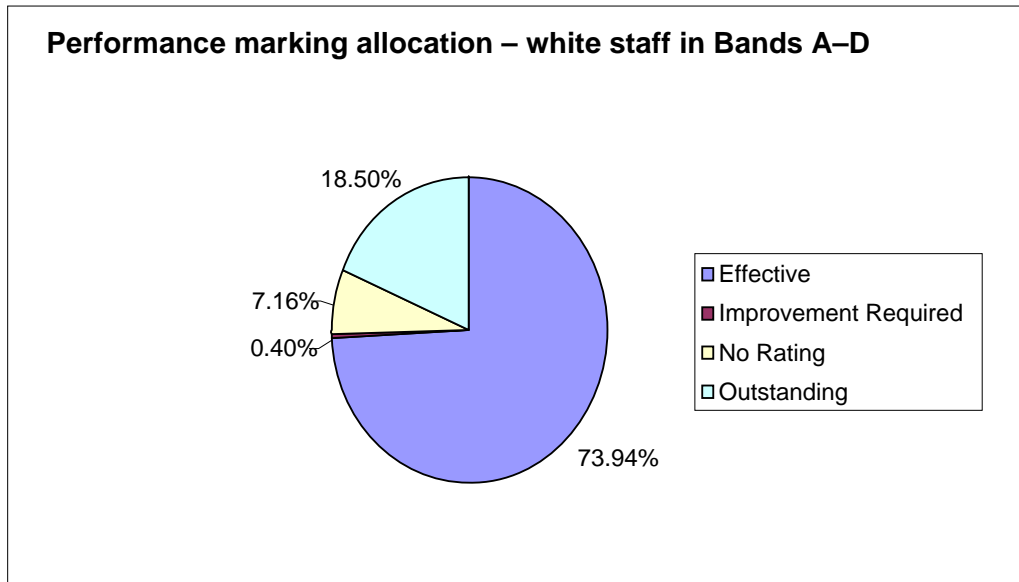
**Chart 9**



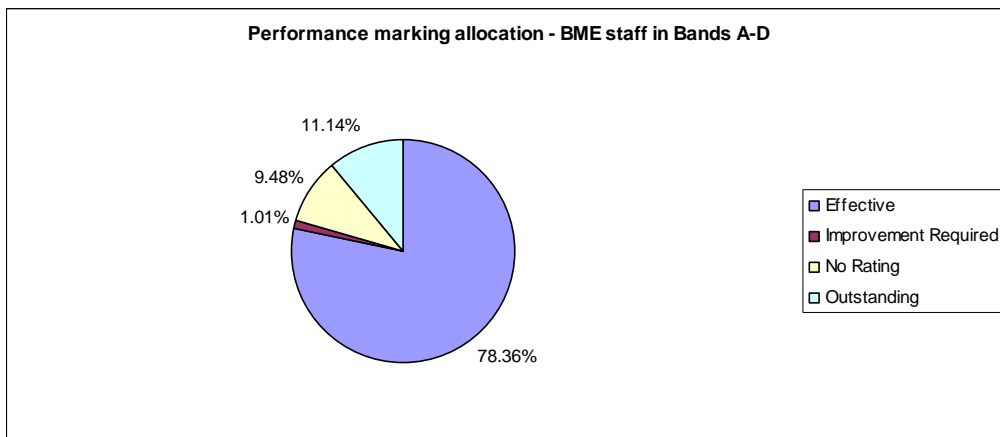
**Ethnic background**

Analysis of ethnicity suggests staff with a BME background are less likely to be awarded an “outstanding” marking than staff with a White background. The gap has narrowed slightly since 2010 when the gap was 12.17% BME compared to 19.44% white, but this remains a concern. That said it should still be noted that there is currently a 22% non-declaration rate in terms of ethnic background and this could be skewing the figures. This data will be fed into the review of the performance management system (see **Annex A**).

**Chart 10**



**Chart 11**



**Disability**

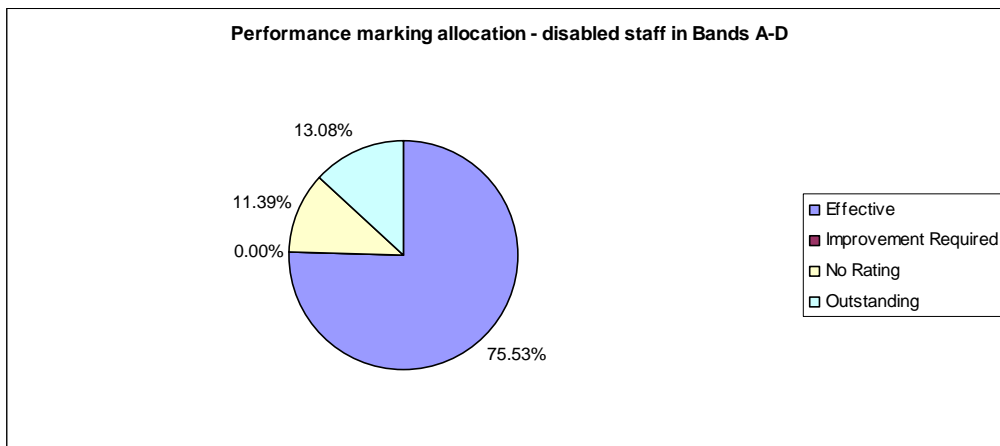
Analysis in 2010 showed that there is no evidence of discrimination against staff at Bands A to D who declared themselves as Disabled. The proportion of staff declared disabled achieving “Outstanding” markings was almost identical to that of staff declared non-disabled (18.07% compared to 17.63% non-disabled).

Analysis in 2011 shows very little evidence of discrimination in terms of staff with declared disabilities receiving “outstanding” markings when compared to staff who have declared themselves non-disabled although there is a wider gap (to the detriment of declared disabled staff) than last year. It should be noted however that the proportion of staff receiving “no rating” has significantly increased for both disabled/non-disabled staff. The reasons for this are

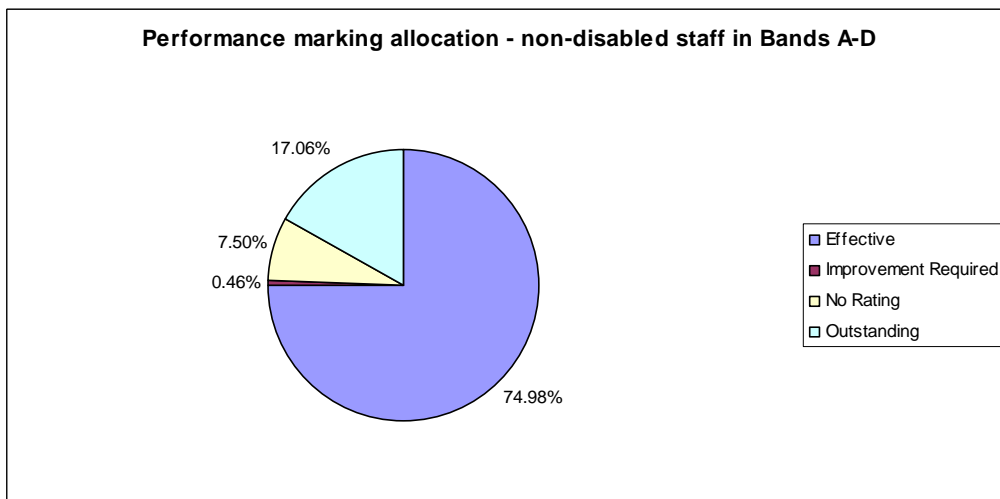
unclear. This data will be fed into the review of the performance management system (see **Annex A**).

It should also be noted that there remains a 25% non-declaration rate which will be affecting these figures, which are based on staff with known disability status only.

**Chart 12**



**Chart 13**



**“Improvement Required” Markings**

At the end of the 2010/2011 performance year 0.41% of staff received “Improvement Required” appraisal markings – that is to say that over the course of the Performance Year their performance did not meet the objectives set for them at the start of the performance year. This is lower than last year (0.46%).

The allocation of “Improvement Required” markings have been analysed against a number of different criteria to assess whether there are any indications of discrimination within the performance management system.

### Gender

In 2010 a total of 0.46% of staff (0.36% of women and 0.70% of men) received “Improvement Required” markings. This year fewer staff overall were marked “Improvement Required” (0.41% of staff).

No evidence of bias has been identified particularly given the overall number of staff given an “improvement required” marking in comparison to the Ministry’s population.

**Table 24**

|               | Staff        | Improvement Required | Percentage   |
|---------------|--------------|----------------------|--------------|
| <b>Male</b>   | 7809         | 46                   | 0.59%        |
| <b>Female</b> | 17010        | 56                   | 0.33%        |
| <b>Total</b>  | <b>24819</b> | <b>102</b>           | <b>0.41%</b> |

### Reduced Hours Workers

As last year, the possibility of reduced hours workers receiving an “Improvement Required” marking was no higher than those of Full Time employees. Indeed reduced hours workers are less likely to receive an “improvement required” marking.

**Table 25**

|                      | Staff        | Improvement Required | Percentage   |
|----------------------|--------------|----------------------|--------------|
| <b>Full Time</b>     | 18261        | 83                   | 0.45%        |
| <b>Reduced Hours</b> | 6558         | 19                   | 0.29%        |
| <b>Total</b>         | <b>24819</b> | <b>102</b>           | <b>0.41%</b> |

### Age

Staff in the 51–55 age group were most likely to receive an “improvement required” marking. This is a shift from last year when staff below 25 were most likely to receive this marking. However, the number of staff within each age group is so small that we are precluded from publishing them for risk that individuals could be identified. Such small numbers also make meaningful statistical analysis impossible and the shift of trend from the under 25 to early 50s age groups effectively meaningless. However this data will be fed into the review of the performance management system (see **Annex A**).

### Ethnic Background

0.38% declaring their ethnicity as White received an “improvement required” marking. This is similar to findings from the 2010 audit (0.37%). This figure is less than staff in the BME group. The number of staff is too small to be significantly significant.

However this data will be fed into the review of the performance management system (see **Annex A**).

**Table 26**

|              | Staff        | Improvement Required | Percentage   |
|--------------|--------------|----------------------|--------------|
| <b>BME</b>   | 2968         | 17                   | 0.57%        |
| <b>White</b> | 16362        | 62                   | 0.38%        |
| <b>Total</b> | <b>19330</b> | <b>79</b>            | <b>0.41%</b> |

### Disability

The analysis shows that disabled staff are not disproportionately likely to receive an “improvement required” marking. However, the number of individuals in this group is so small that we are precluded from publishing them for risk that individuals could be identified. Such small numbers also make meaningful statistical analysis impossible.

### iv) Recognition and Reward (R&R)

A new system of recognising exceptional commitment and performance was introduced as part of the Pay and Grading review in 2007. The ‘Celebrating your Success’ scheme introduced a range of methods for managers to access the department’s Recognition and Reward budget in order to acknowledge performance and loyalty. These methods included:

- Special bonuses of £100 or more
- Small bonuses of less than £100
- Small gifts
- Team celebrations
- A loyalty award payable to staff who have served 25 years in the Civil Service.

Payments under this scheme were available only to staff who have opted in to the Deal, although team awards could be made to all members of a team regardless of their individual options decision.

The Recognition and Reward scheme was refreshed in 2010 with the introduction of a centralised provider of “Recognition Vouchers” to replace existing arrangements for vouchers/small gifts. Special Bonuses are also now limited to £500.

These awards have been analysed to establish whether the allocation of these payments is open to bias.

### Small & Special Bonuses

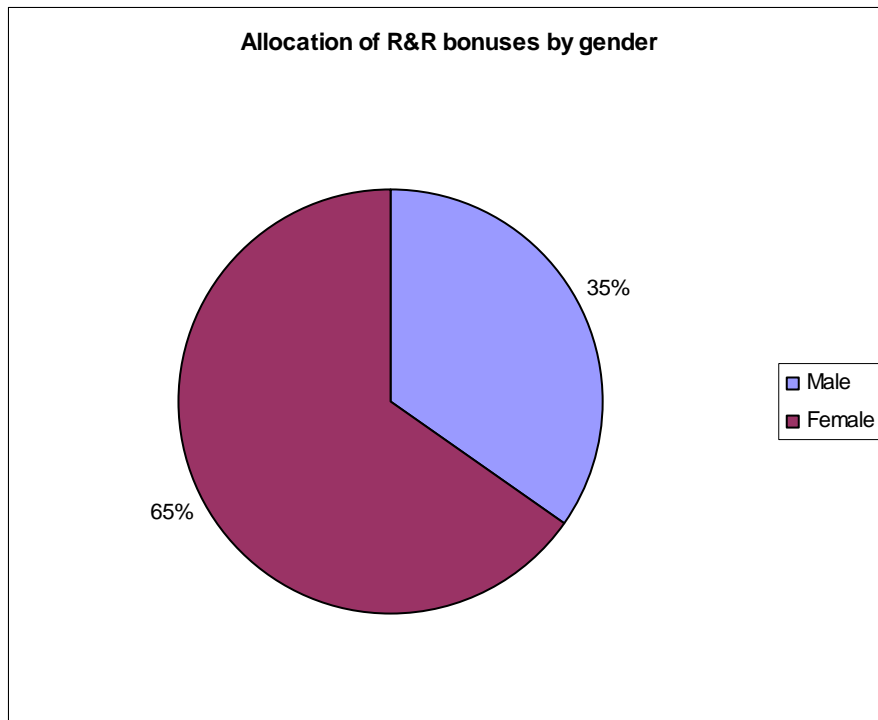
4,744 Small and Special Bonuses were awarded to staff in the financial year 2010–11 under the Recognition and Reward arrangements. This compares with 5,531 awards in the previous financial year.

We have analysed the allocation of Small and Special Bonuses by gender, age, ethnicity and disability groupings. Demographic/diversity data is not available in 472 cases and the data below is therefore based on the known proportion of cases only (and in respect of disability/ethnicity known *and* declared only).

### Gender

Similar to last year, women received 65% of the Special and Small Bonus awards, and make up 69% of the workforce. We do not believe that this variance is marked enough to constitute any evidence of bias within the allocation of R&R.

**Chart 14**



### Disability

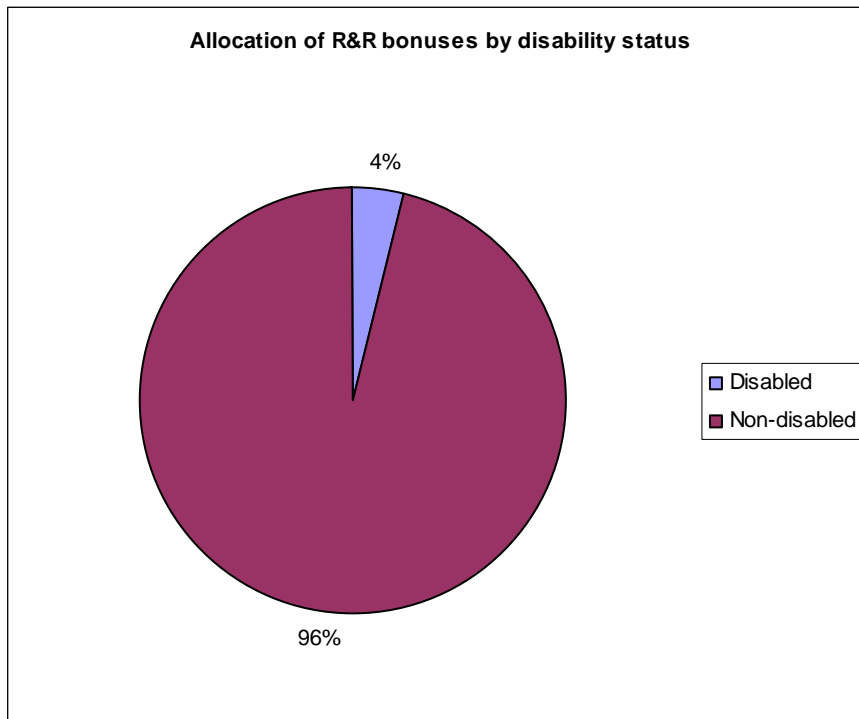
For the purposes of the breakdown by disability groupings, staff who have not declared their disability status are not included. This assists in drawing comparisons with the Deal demographic in Section 2 'Workforce Overview'.



The analysis shows that 4% of the recipients of R&R bonuses, who declared their disability status, were declared disabled. This is broadly commensurate with the Deal demographic (where 3% of staff are declared disabled).

We do not consider that this constitutes evidence of bias within the scheme and non-declaration rates may account for any notable differences

**Chart 15**



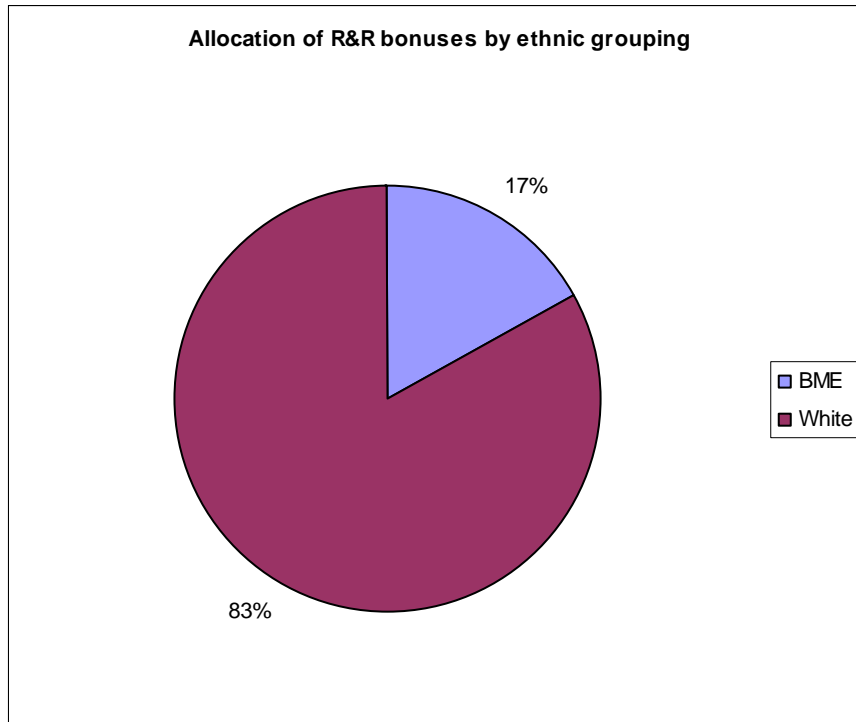
### **Ethnicity**

For the purposes of the breakdown by ethnicity groupings, staff who have not declared their ethnicity are not included. This assists in drawing comparisons with the Deal demographic in Section 2 'Workforce Overview'.

The analysis shows that 17% of the recipients of R&R bonuses who declared their ethnicity grouping are BME staff. This again is commensurate with the Deal demographic (15% of staff who have declared their ethnic grouping are BME staff) and is an improvement on 2010 (15% of R&R bonuses).

We do not consider that this constitutes evidence of bias within the scheme and non-declaration rates and lower representation across the Ministry may account for any notable differences. See pie chart overleaf.

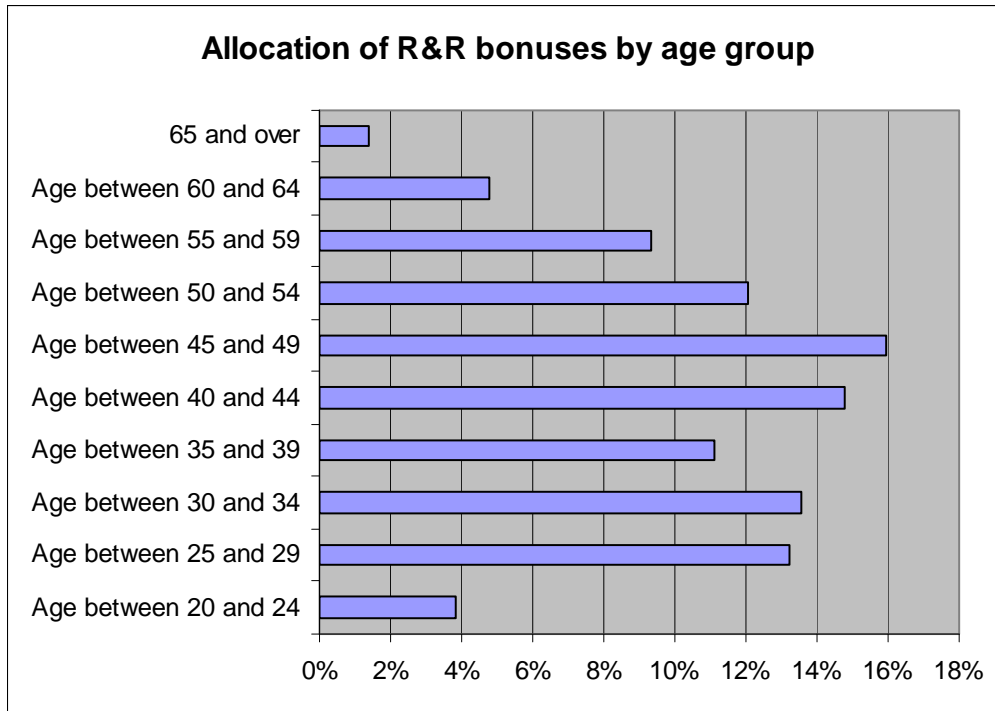
**Chart 16**



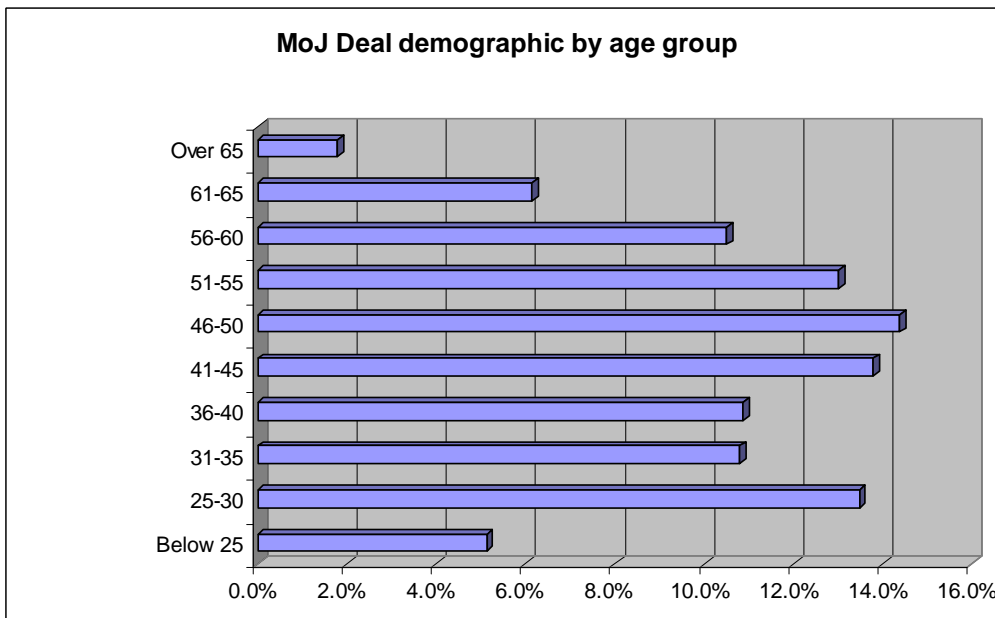
**Age**

The results of an analysis of the allocation of R&R bonuses by age grouping show the allocation of bonuses by age broadly follows a similar pattern to the departmental demographic as a whole (see Section 2 Workforce Overview).

**Chart 17**



**Chart 18**



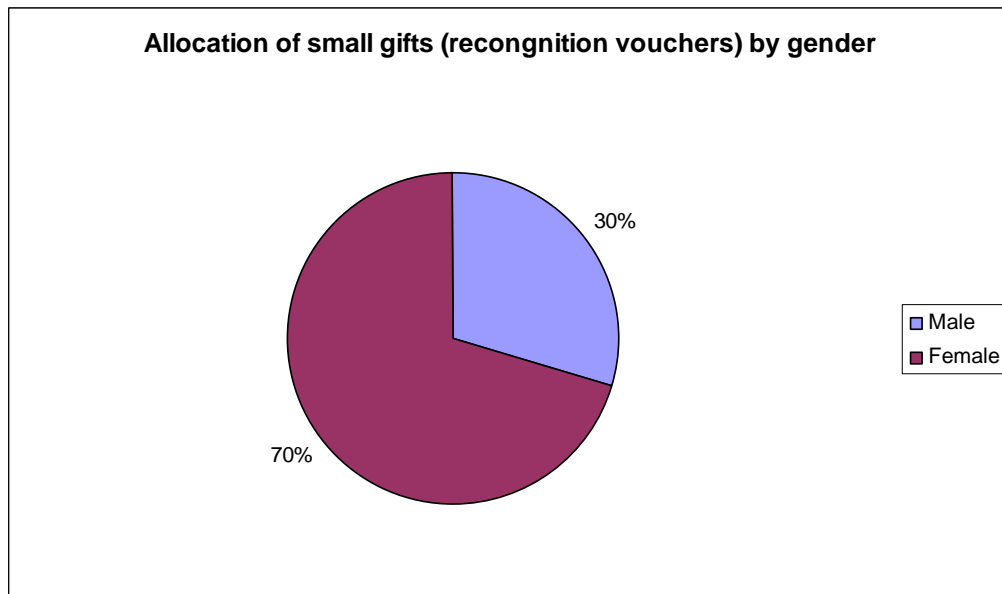
**Small Gifts (Recognition and Reward Vouchers)**

New outsourced arrangements for processing small gifts were put in place from February 2011. Analysis of the allocation of small gifts is based on awards made from February 2011 until September 2011.

### Gender

Women received 70% of awards and make up 69% of the workforce. We do not believe that this variance is marked enough to constitute any evidence of bias within the allocation of R&R. See pie chart below.

**Chart 19**

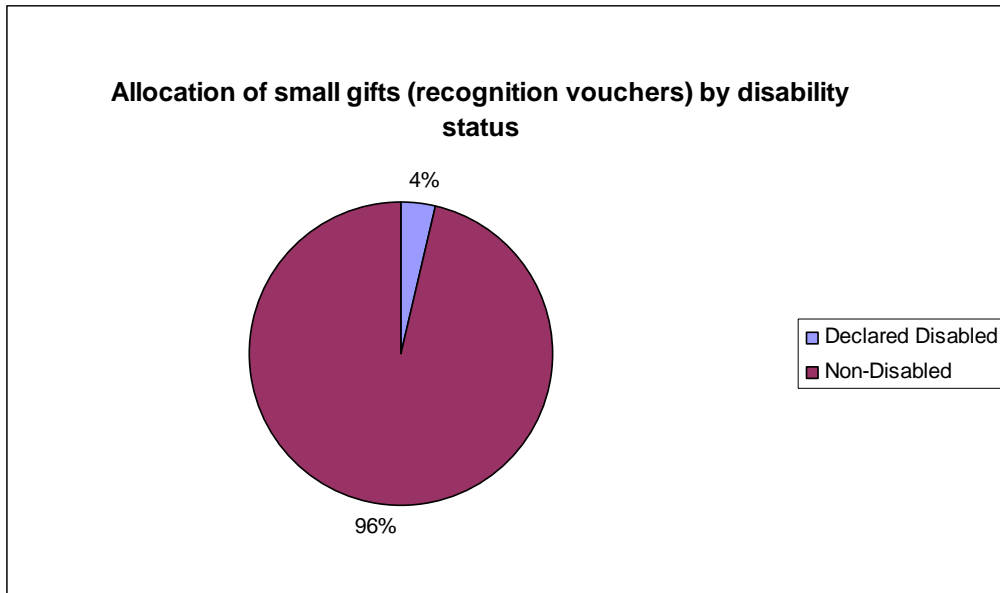


### Disability

The analysis shows that 4% of the recipients of small gifts, who declared their disability status, were declared disabled. This is broadly commensurate with the Deal demographic (where 3% of staff are declared disabled).

We do not consider that this constitutes evidence of bias within the scheme and non-declaration rates may account for any notable differences

**Chart 20**

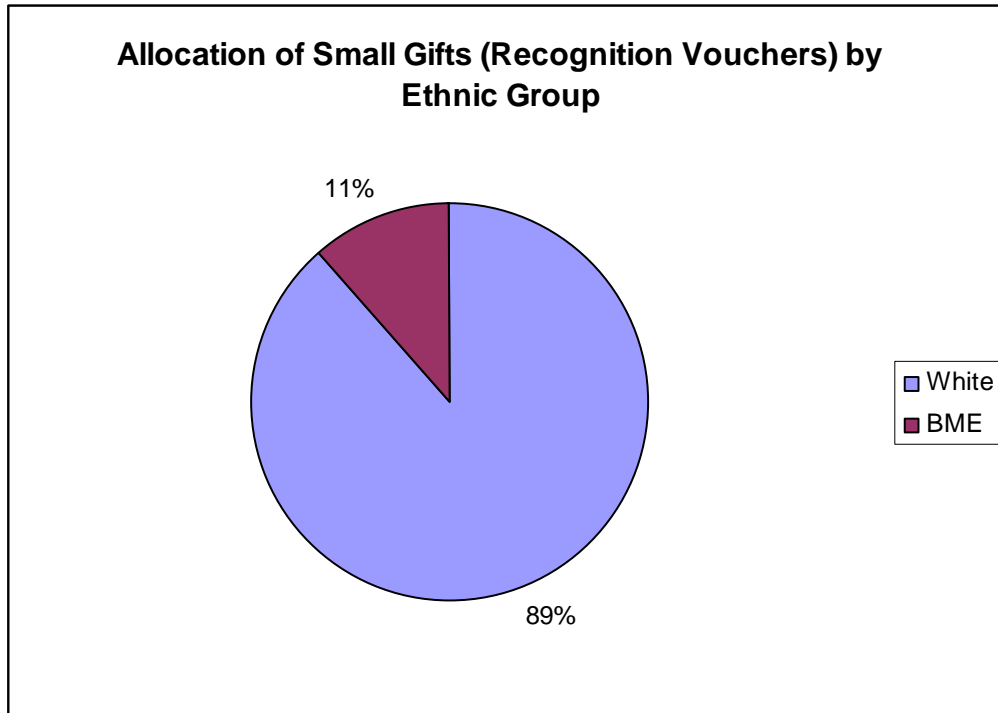


**Ethnicity**

The analysis shows that 11% of the recipients of small gifts who declared their ethnicity grouping are BME staff. This is broadly commensurate with the Deal demographic (15% of staff who have declared their ethnic grouping are BME staff).

We do not consider that this constitutes evidence of bias within the scheme and non-declaration rates and lower representation across the Ministry may account for any notable differences.

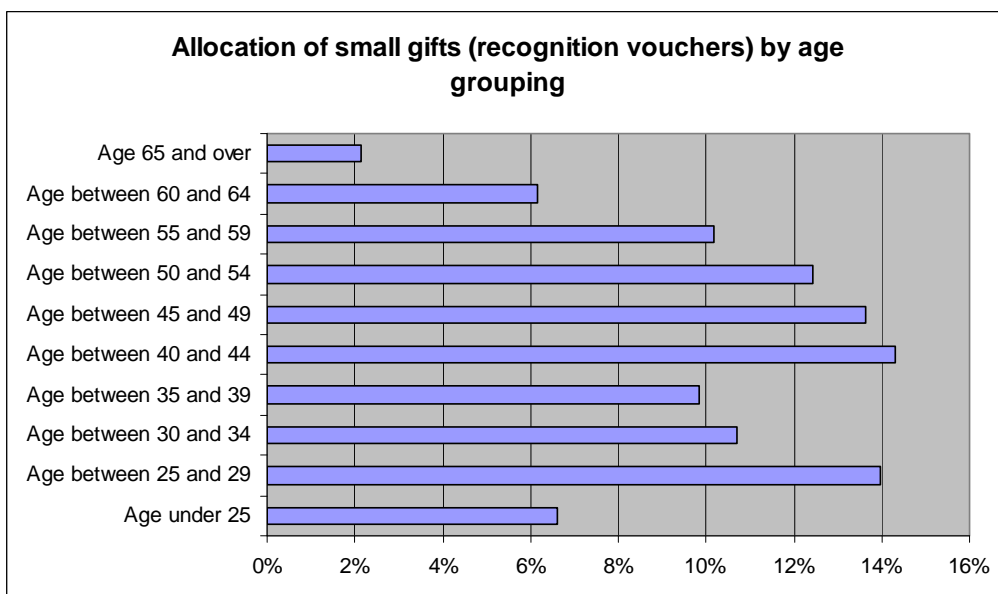
**Chart 21**



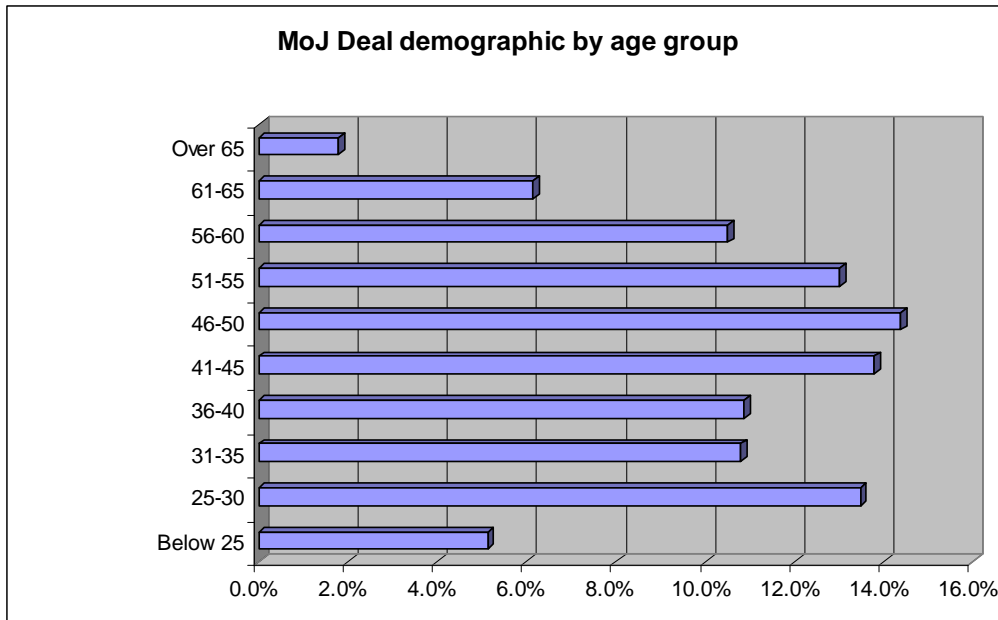
**Age**

The results of an analysis of the allocation of small gifts by age grouping show the allocation of bonuses by age broadly follows a similar pattern to the departmental demographic as a whole (see Section 2 Workforce Overview). See bar chart below.

**Chart 22**



**Chart 23**



**v) Temporary Responsibility Allowance (TRA)**

Temporary Responsibility Allowance was introduced as part of the Deal replacing Temporary Promotion, which existed in the former DCA, and other legacy arrangements.

The rates are 5%, 10% or 15% of base salary depending on the level at which additional responsibility is being assumed.

Currently, the allowance is payable for a minimum of five working days to staff taking on additional responsibilities either at their own band or in a higher band. The maximum period for which TRA may be allowed is two years.

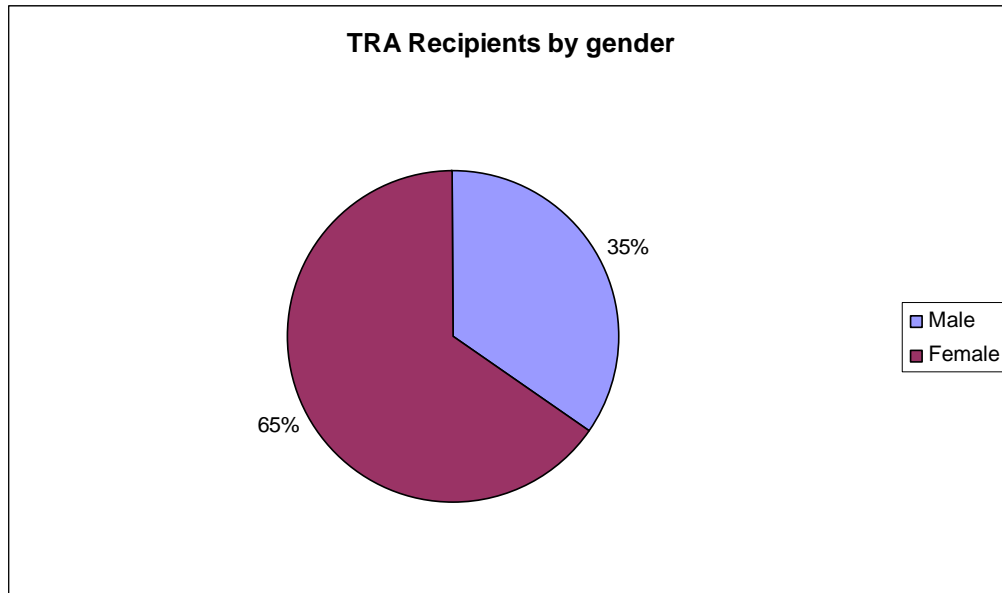
TRA cases typically involve staff working at a higher level to contribute to a particular project or to replace a more senior colleague on a longer term basis. In addition to the impact on salary, TRA, in particular when used over longer periods, may be an indication of the development opportunities afforded to staff.

**Gender**

When compared to demographic men are slightly more likely to be in receipt of TRA (35% compared to 31% of population). The 35%/65% split is exactly the same as at the time of the last audit. However analysis of the 1075 current instances of TRA identifies that 90% commenced since the beginning of 2011.

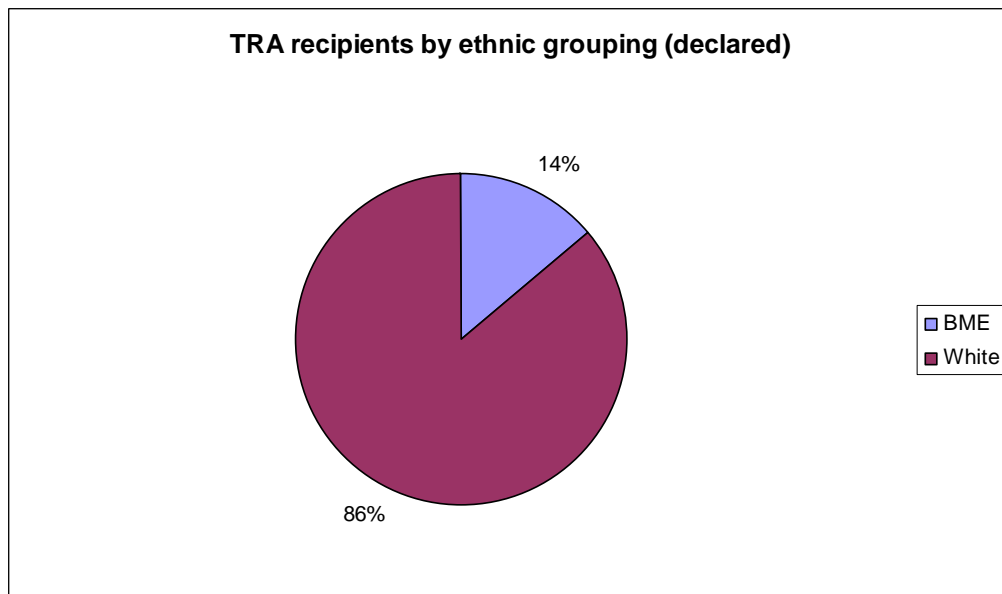
As such the repeated gender split shows a clear continuation of trend, rather than identification of the same instances of long term TRA.

**Chart 24**



**Ethnicity**

**Chart 25**



The comparison (below) between the percentage of TRA recipients within each ethnicity grouping, and the departmental demographic, suggests BME staff are slightly under represented compared to the overall demographic. However, the high rate of non-declaration will have affected these figures. When stripping out those whose ethnic background is undeclared/unknown receipt of TRA is much more consistent with the departmental demographic.



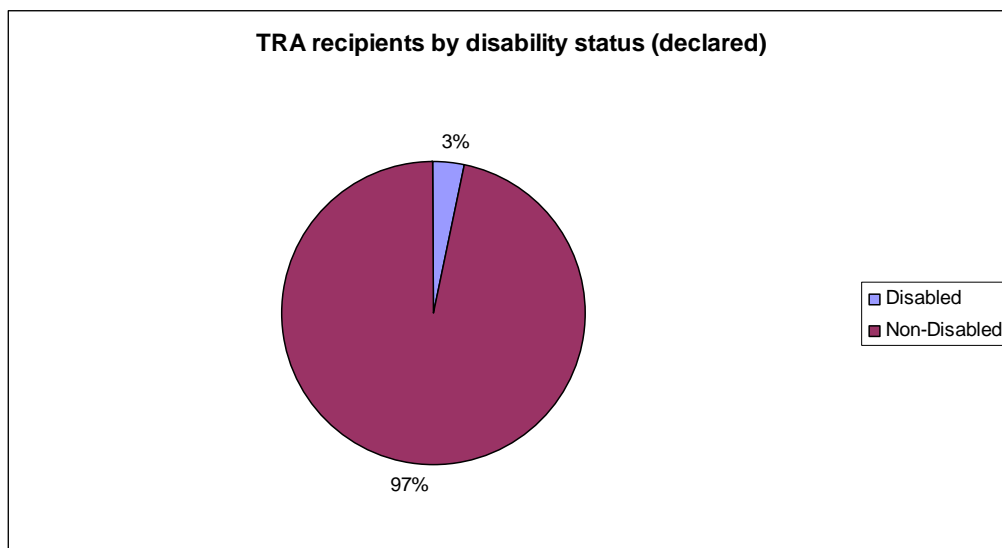
**Table 27**

| TRA recipients |        |
|----------------|--------|
| BME            | 10.33% |
| Undeclared     | 25.02% |
| White          | 64.65% |

| Workforce  |       |
|------------|-------|
| BME        | 12.0% |
| Undeclared | 22.1% |
| White      | 65.9% |

**Disability**

**Chart 26**



The comparison (below) between the percentage of TRA recipients within each disability grouping, and the departmental demographic, demonstrates that staff with declared disabilities are under-represented when comparing each disability status grouping with the Departmental demographic, although these figures will have been affected by the high proportion of staff both within the workforce and in terms of TRA recipients whose status is undeclared.

When stripping the data to include only those staff who have declared their disability status, receipt of TRA is far more consistent with the Departmental demographic.

**Table 28**

| TRA recipients    |        |
|-------------------|--------|
| Declared Disabled | 2.23%  |
| Non-Disabled      | 66.70% |
| Status Undeclared | 31.07% |

| Workforce         |        |
|-------------------|--------|
| Declared Disabled | 3.13%  |
| Non-Disabled      | 72.09% |
| Unknown           | 24.79% |

**Age**

The tables below compare the percentage of TRA recipients within each age group, and the departmental demographic.

**Table 29**

| Percentage of TRA recipients within each age group |        |
|--|--------|
| Age Band   | Total  |
| Below 25   | 5.21%  |
| 25–30  | 23.75% |
| 31–35  | 15.13% |
| 36–40  | 11.22% |
| 41–45  | 14.93% |
| 46–50  | 15.33% |
| 51–55  | 9.12%  |
| 56–60  | 4.21%  |
| 61–65  | 0.80%  |
| Over 65  | 0.30%  |

| Percentage of Workforce within each age group |       |
|---|-------|
| Age Band                                      | Total |
| Below 25                                      | 5.1%  |
| 25–30   | 13.5% |
| 31–35   | 10.8% |
| 36–40   | 10.9% |
| 41–45   | 13.8% |
| 46–50   | 14.4% |
| 51–55   | 13.0% |
| 56–60   | 10.5% |
| 61–65   | 6.2%  |
| Over 65                                       | 1.8%  |

Proportionally staff in the 25–30 age group are more likely to be in receipt of TRA, with those above 30 and up to 50 years old also proportionally well represented. This is similar to the results of the 2010 audit. Staff in the older age groups and those younger than 25 are less likely to be in receipt of TRA.

We do not believe that this amounts to evidence of discrimination and this trend is likely (as well as corresponding broadly with the Departmental demographic) to be as a result of younger staff who have already established skills in the lower grades arguably being more likely to seek career development opportunities.

**Reduced hours**

The tables below compare the percentage of TRA recipients that work reduced hours, and the departmental demographic.

Staff working reduced hours are under represented in terms of being awarded TRA when compared to representation within the workforce demographic and this is clearly a concern. This has been flagged in **Annex A**.

**Table 30**

| TRA Recipients |        |
|----------------|--------|
| Full Time      | 92.64% |
| Reduced Hours  | 7.36%  |

| Workforce     |       |        |
|---------------|-------|--------|
| Full Time     | 18261 | 73.58% |
| Reduced Hours | 6558  | 26.42% |

## vi) Promotions

For the first time we have analysed data to identify changes of pay band which, aside from changes of location, predominantly comprising promotions from lower to higher pay bands.<sup>10</sup> This data is only available from the start of the 2011 calendar year and this analysis shows the following issues.

### Gender

When compared against the Departmental demographic this data suggest that men may be slightly more likely to achieve promotion than women. However, the same comparison does not find this difference to be statistically significant enough to indicate any inherent bias in the recruitment procedures and the filling of post advertised on promotion

**Table 31**

| Changes of Pay Band (inc promotion) |        |
|-------------------------------------|--------|
| Female                              | 64.87% |
| Male                                | 35.13% |

### Ethnicity

Compared with the Departmental demographic for declared ethnic background analysis suggests that BME staff are significantly more likely to gain promotion than staff who declared their ethnic background as 'white'. However, non-declaration rates are likely to have skewed this figure

**Table 32**

| Changes of Pay Band (inc promotion) |        |
|-------------------------------------|--------|
| BME                                 | 21.97% |
| White                               | 78.03% |

### Disability

Compared with the Departmental demographic for declared disability status, disabled staff appear to be slightly less likely to gain promotion. This finding however is not statistically significant enough to suggest any discrimination.

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<sup>10</sup> The analysis is based on changes to pay band (largely promotions but will also include changes of location and re-grading for other reasons due to limitations in MI).

**Table 33**

| <b>Changes of Pay Band (inc promotion)</b> |        |
|--|--------|
| Declared Disabled                          | 2.79%  |
| Non-Disabled                               | 97.21% |

### Age

As with the analysis of instances of TRA being paid, instances of promotion within the MoJ were most common amongst the younger age groups (excluding those below 25) and drop sharply after age 50. As well as being broadly consistent with the workforce age demographic this also adds weight to the theory, which was also applied to the TRA analysis, that younger employees are perhaps more likely to seek career development opportunities.

**Table 34**

| <b>Changes of Pay Band (inc promotion)</b> |        |
|--|--------|
| <b>Below 25</b>                            | 8.10%  |
| <b>25–30</b>                               | 18.41% |
| <b>31–35</b>                               | 14.29% |
| <b>36–40</b>                               | 9.50%  |
| <b>41–45</b>                               | 13.40% |
| <b>46–50</b>                               | 11.05% |
| <b>51–55</b>                               | 9.65%  |
| <b>56–60</b>                               | 8.10%  |
| <b>61–65</b>                               | 5.74%  |
| <b>Over 65</b>                             | 1.77%  |

### Reduced Hours Workers

Compared with the Departmental demographic, staff working reduced hours were statistically less likely to gain promotion and while not quite to the level (3%) that would trigger initial Equal Pay concerns this is clearly a trend that needs to be monitored.

**Table 35**

| <b>Changes of Pay Band (inc promotion)</b> |        |
|--|--------|
| Reduced Hours                              | 23.85% |
| Full-Time                                  | 76.15% |

## Annexes

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### Annex A – Equal Pay Action Plan

| ID | Issue   | Action to take  | Owner                              | Status | Progress  |
|----|---|---|------------------------------------|--------|---|
| 1  | Largest pay lead at band A, due to large pay differentials inherited from legacy systems  | To be reviewed as part of the Ministry of Justice Reward Strategy   | Paul Wallace, HR Reward Strategy   | Open   | <p>The programme of work on the post 'Deal' Reward Strategy is ongoing with first phase of delivery scheduled for August 2013.</p> <p>The issue of highly-weighted Band A roles will be reviewed as part of this wider programme of work.</p>   |
| 2  | Concerns over proportion of BME staff/reduced hours workers and staff outside 36–45 age group receiving Outstanding/Improvement Required performance markings.  | <p>HR Reward to feed into a review of performance management pending under Next Generation, with a view to harmonising system/processes across Civil Service.</p> <p>Corporate Equality Team to recommend ways forward to Equality Forum.</p> | HR Reward, Corporate Equality Team | Open   | The latest audit report shows greater consistency in terms of allocation of performance markings by age group and this is consistent with Staff Diversity data report 2010–11. The Equality Forum has asked Corporate Equality Team to consider these issues and recommend ways forward and it is recognised that there will be some read across between the two areas of work.                               |
| 3  | Management Information on ethnicity is incomplete and this makes it more difficult to establish/follow trends with certainty when auditing. Need to improve data collation & analysis particularly ethnicity and disability | Improve through communication exercise via Shared Services  | MIT and Corporate Equality Team    | Open   | A self service facility has been available for staff to update their own data online since 2010. Corporate Equality Team has embarked on a new communications campaign via Shared Services to improve diversity declaration rates. This was launched by a letter from the Permanent Secretary to SCS asking SCS to update their details and to work with their individual teams to improve declaration rates. |

|   |  |  |  |      |   |
|---|--|--|--|------|---|
| 4 | Concerns over application of pay for specialists, how it relates to market value and any Equal Pay implication             | The Deal's formulation of pay for specialists to be reviewed as part of the Ministry of Justice's Reward Strategy            | Paul Wallace,<br>HR Reward Strategy                        | Open | The programme of work on the post 'Deal' Reward Strategy is ongoing with first phase of delivery scheduled for August 2013. The issue of specialist pay will be considered as part of the wider programme of work.  |
| 5 | Concerns over the allocation of TRA to BME/Disabled staff and reduced hours workers (new action point from 2011–12 report) | TRA under review as part of the Ministry of Justice Reward Strategy<br><br>Collect and analyse data on the allocation of TRA | Paul Wallace,<br>HR Reward Strategy<br><br>HR Reward / MIT | Open | The programme of work on the post 'Deal' Reward Strategy is ongoing with first phase of delivery scheduled for August 2013. TRA will be reviewed as part of the wider programme of work.<br><br>Scheduled amendments to the published Pay & Allowances manual will give greater clarity about the availability of TRA for reduced hours workers. Regular payroll data will include information about TRA which will allow regular and more accurate analysis of TRA allocation. |
| 6 | Concerns about reduced hours workers and promotion   | Monitoring   | HR Reward / Corporate Equality Team                        | Open | This will be subject to ongoing monitoring  |

## Annex B – Glossary of frequently used terms and acronyms

|            |   |
|------------|---|
| Bands      | <p>A new six broad-banded grading structure was introduced under the Pay and Grading review of 2006–07.</p> <p>These six bands are broadly equivalent to traditional Civil Service grades, with the exception of the single broad band A which encompasses Grades 6 and 7.</p> <p>Key: Band F – AA, Band E – AO, Band D – EO, Band C – HEO, Band B – SEO, Band A – see above.</p>   |
| BME        | Black and Minority Ethnic Grouping  |
| DCA        | Department for Constitutional Affairs, the Ministerial department which predated the Ministry of Justice.   |
| Deal (the) | See Pay and Grading (Review)  |
| EHRC       | <p>Equality and Human Rights Commission.</p> <p>The EHRC has a statutory remit to promote and monitor human rights; and to protect, enforce and promote equality.</p> <p>The EHRC provides advice and guidance on conducting equal pay remits. Amongst this is the guidance that pay gaps between 3 and 5% may be symptomatic of discrimination and that gaps of 5% or above should be investigated further. See <a href="http://www.equalityhumanrights.com/advice-and-guidance/guidance-for-employers-pre-october-2010/equal-pay/equality-impact-assessments/step-2-calculating-average-basic-pay-and-identifying-pay-gaps/">http://www.equalityhumanrights.com/advice-and-guidance/guidance-for-employers-pre-october-2010/equal-pay/equality-impact-assessments/step-2-calculating-average-basic-pay-and-identifying-pay-gaps/</a> for further information.</p> |
| HMCTS      | Her Majesty’s Courts Service. An Executive Agency of the DCA and latterly the MoJ, responsible for the administration of the civil, family and criminal courts in England and Wales   |
| MCC        | Magistrates’ Courts Committees. Bodies historically responsible for the local delivery of criminal justice and which had autonomy over local salary-setting in Magistrates’ Courts prior to the 2006–07 Pay and Grading review.   |
| MCS        | Magistrates’ Courts Service. Historically responsible for the administration of criminal courts in England and Wales.   |
| Mean       | The ‘arithmetic mean’ is the most typically used measure of the ‘average’ of a set of values. This is calculated by dividing the sum of the values by the number of values. This report uses the mean for its calculations of pay gaps, for consistency with previous audits.   |
| Median     | In comparison, with ‘mean’ above, the median is another way to find the ‘average’ of a set of values. This is calculated by ordering the values and taking the central value as the average.  |
| MoJ        | Ministry of Justice   |

|                          |  |
|--------------------------|--|
| NOMS                     | <p>National Offender Management Service, and Executive Agency of the MoJ</p> <p>NOMS is a distinct bargaining unit with its own pay structures and its staff do not fall within the scope of this report</p>   |
| ONS                      | <p>Office of National Statistics.</p> <p>The ONS produces independent statistical information to improve understanding of the UK's economy and society. Amongst this are regular updates on the gender pay gap across the Civil Service and/or economy as a whole</p>  |
| Pay and Grading (Review) | <p>The DCA reviewed its pay and grading structures over 2006–2007.</p> <p>The resulting set of terms and conditions, the 'Deal' arrangements, were introduced on 1 August 2007 and all former DCA staff were given the opportunity to adopt these terms by way of an individual Options exercise.</p>  |
| Pay Gap                  | <p>The mean pay gap is calculated by taking the mean salary of each grouping (e.g. the male mean salary and the female mean salary within the MoJ). The difference between these two figures is then divided by the mean salary of the 'advantaged' group to give the pay gap e.g. mean male salary (£22,000) less mean female salary (£20,000), divided by the mean male salary, multiplied by 100, gives a pay gap of 9.1%. This is the methodology used by the ONS.</p> <p>The median pay gap is calculated in the same way but using as inputs the median male salary and the median female salary.</p>  |
| Performance Management   | <p>New performance management system, policy and processes were introduced under the Pay and Grading Review. Staff at Bands A–D can be assessed as 'Outstanding', 'Effective' or 'Improvement Required', and these markings are linked to pay progression through a matrix. The expectation is that around 15–20% of staff achieve the Outstanding marking. These staff qualify for an annual performance payment, the value of which is dependent on a number of factors (this payment was £1,200 under the 2010 award).</p> <p>Staff at Bands E–F are either marked 'Effective' or 'Improvement Required', and only receive incremental progression if they achieve the 'Effective' marking. Staff at Bands E/F can be recognised for exceptional performance through use of the R&amp;R budget.</p> |
| R&R                      | <p>Recognition and Reward Scheme. The method by which line managers within the MoJ can recognise exceptional in-year performance.</p> <p>Through the R&amp;R scheme introduced under the Pay and Grading Review, line managers could recognise exceptional performance through Special bonuses of £100 or more; Small bonuses of less than £100; and small gifts.</p> <p>A loyalty award is also payable to staff who have served 25 years in the Civil Service.</p> <p>These arrangements have recently been reviewed and a centralised provider of "Recognition Vouchers" has been introduced to replace existing arrangements for vouchers/small gifts. Special Bonuses are now limited to £500.</p>  |



|                |  |
|----------------|--|
| Regional Pay   | <p>A new regional pay model was introduced under the Pay and Grading review. There are five regional pay ranges with corresponding salary scales. These are Pay Range 1 (Inner London), Pay Range 2 (Outer London), Pay Range 3 (Hotspot), Pay Range 4 (National Plus), and Pay Range 5 (National Existing).</p> <p>The allocation of courts and offices to these pay ranges is based on a range of economic and statistical data and this allocation has been reviewed through the annual review of the Deal arrangements.</p> <p>From the introduction of the Deal in 2007 there were two different pay ranges in operation for staff in Pay Range 5 locations. There was one pay range (National Existing) for staff already in post prior to the Deal's introduction (1 August 2007), and one (National) for new starters post-1 August 2007. The 'National' pay range was deleted at 1 August 2010 and all staff moved to the National Existing pay range. This explains the lack of 2010 pay gap figures for the 'National' range.</p> |
| SCS            | <p>Senior Civil Servants are the most senior managers within the Civil Service.</p> <p>They fall outside the scope of this report as they are not covered by the 'Deal' arrangements introduced under the Pay and Grading review. The salary levels for SCS are set centrally by the Senior Salaries Review Board.</p>   |
| Specialist Pay | <p>A new pay structure to recognise the market value of professional skills and qualifications was introduced through the Pay and Grading review in 2007.</p> <p>'Specialist pay ranges' which sit 5%, 10% and 15% above the 'generalist' pay scales were introduced to replace allowances for professional staff at Bands A and B. Allowances were retained for professional staff in other bands.</p> <p>These arrangements were reviewed in 2008–2009 and found to be a good fit for the department, although some changes were made to Analytical/Audit staff pay arrangements.</p>  |
| TRA            | <p>Temporary Responsibility Allowance. This allowance was introduced under the 2007 Pay and Grading Review to replace various legacy temporary promotion arrangements.</p> <p>TRA can currently be paid at 5%, 10% or 15% of base pay depending on the level of the additional responsibilities being undertaken</p>   |

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