



Ministry of Defence

Equal Pay Audit 2015

MOD Core Civilian

Industrial Personnel

This audit presents a comparison of male to female and White to Black, Asian and Minority Ethnic (BAME) annualised average salaries in the period 1 October 2014 to 1 October 2015 to meet the Department's obligations under the Public Sector Equality Duty to provide information on its workforce identified by the Equality Act 2010. Further analysis to compare length of service in grade, promotions and length of time to promotion have been conducted to provide possible explanations for any gender or ethnicity differences that may be found.

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Introduction

The Equal Pay Audit (EPA) examines the equality of pay of all non-industrial and industrial personnel by analysing the differences in average basic salary of males compared to females. It also conducts the same analyses on Ethnicity and Working status.

The analyses conducted within this report require exclusions. The population in this report consists of MOD main non-industrial personnel with a current HRMS record, who are identified as being paid on the CHIPS pay extract as at 1 October 2015. The following exclusions were applied throughout:

- a. Trading Funds personnel
- b. DE&S Bespoke Trading Entity
- c. Royal Fleet Auxiliary personnel
- d. Locally engaged civilians
- e. Industrial Grades
- f. Analogues (MDP, Fire Service, NHS, Teachers, Civilian Medical Practitioners and Civilian Dental Practitioners)
- g. Senior Civil Servants and equivalent (those paid above the Band B1 maximum)
- h. Personnel for whom no basic salary data is recorded on CHIPS pay extract as at 1 October 2015
- i. Personnel for whom required data are missing for other explanatory factors required within these analyses
- j. Personnel on Zero pay – i.e. not being paid by the MOD as at 1 October 2015, are excluded from salary analysis, but are included within the feeder grades of promotion analysis, due to the fact that someone can be promoted from zero pay into a paid position

Further exclusions in addition to those listed above are made for the promotions analysis:

- a. Personnel not substantively promoted between 1 Oct 2014 and 1 Oct 2015
- b. Personnel promoted into or between Senior Civil Service grades
- c. Other personnel whose pay falls outside the pay band scales, such as Apprentices and some Retained grades; although those on broader banded pay scales, such as Fast Streamers are included
- d. Personnel who move from a Trading Fund post into a Core post, as it is not reliably accurate to calculate the underlying strength from which personnel have been promoted

To assist anyone who requires historical or additional data, Defence Statistics publishes Civilian and Armed Forces Personnel data via our website at the link below:

[MOD Statistics Homepage](#)

Definitions

Adjusted average basic salary figures have been calculated using Analysis of Covariance methodology, with adjusted averages obtained after the differential effects of Length of Service in Grade in males and females have been taken into account. See background notes for more detail.

Average basic salary figures for each individual are derived from the basic monthly salary rate they were paid as at 1 October 2015, annualised to assume a whole year at the same salary rate. In order to assure comparability independent of full-time/part-time status, for each individual it represents what they would earn in a full year at the same salary rate with an FTE of 1.

Average basic salary differential percentages represent the ratio of the difference between the gender averages to the higher of the gender averages.

Core MOD Total

- includes: Top Level Budgetary Areas (TLBs)
- excludes: Trading funds, DE&S Bespoke Trading Entity, Royal Fleet Auxiliary and Locally engaged civilians (LECs)

Black, Asian and Minority Ethnic (BAME): BAME is now the widely used terminology, as a collective descriptor for non-white citizens, across Whitehall, other public sector bodies and the third sector, as well as among civil service race staff networks and their cross-Whitehall umbrella body, the Civil Service Race Forum. See also Ethnic Origin.

Declaration rates: Ethnic background, disability, religion and sexual orientation are self-declared. Therefore representation rates are calculated from known declarations and exclude unknown and undeclared personnel.

Ethnic origin is the ethnic grouping to which a person has indicated that they belong. The classifications used were revised for the 2011 Census of Population when a classification of nationality was also collected.

Full-time civil servants are those working 37 hours a week (36 hours or over in London), excluding meal breaks.

Industrial personnel are civilian personnel employed primarily in a trade, craft or other manual occupation. This covers a wide range of work such as industrial technicians, air freight handlers, storekeepers, vergers and drivers.

Non-industrial personnel are civilian personnel who are not primarily employed in a trade, craft or other manual labour occupation. This covers a wide range of personnel undertaking work such as administration, analysis, policy, procurement, finance, medical, dental teaching, policing, science and engineering.

Part-time civil servants are those working fewer than 37 hours a week (36 hours in London), excluding meal breaks.

Data comparisons

This is the first Equal Pay Audit report where Defence Equipment and Support (DE&S) is reported outside of MOD Main. Due to the size and makeup of DE&S, its removal from MOD main may have an impact on a number of variables (an increase or decrease which is inconsistent with previous time series data). Therefore data in this report are not directly comparable with previous time series.

Symbols and Conventions

Symbols

- ~ fewer than five
- * not applicable
- zero or rounded to zero

All percentages are calculated from headcount totals (part time equivalent to one person), from unrounded figures and are shown to 1 decimal place.

Rounding

Where rounding has been used, totals and sub-totals have been rounded separately and so may not equal the sums of their rounded parts. When rounding to the nearest 10, numbers ending in '5' have been rounded to the nearest multiple of 20 to prevent systematic bias.

SECTION A1:

Average annual basic salary for all permanent employees by gender and grade

Table EPA-A1 shows for each Skill Zone, the strength of personnel (headcount), the average (arithmetic mean) FTE worked, the average (arithmetic mean) length of service in grade and average annualised basic salary split by gender. In addition, the gender difference in length of service in grade is presented in years, and the percentage gender difference in average basic salary is given.

Key Point

When average annual salary is adjusted to take account of length of service in grade there is no substantial difference between male and female average annual salary (differences for Skill Zone 1 to 3 were all below +/- 0.2%).

Summary

No gender comparisons can be made for Skill Zone 4 due to insufficient numbers of females at this grade.

Taking the average annual salary without adjusting for any factors which may affect a difference, at Skill Zone 1 to 3, males had a higher basic salary than females. These differences ranged from 0.2% (Skill Zone 2) to 2.8% (Skill Zone 3).

Average length of service in grade was similar for Skill Zones 2 to 4, ranging from 7.4 to 7.9 years, and was highest for Skill Zone 1 at 8.9 years. Within these grades males had higher lengths of service at Skill Zone 2 and 3, with females having a slightly higher length of service for Skill Zone 1.

Average length of service (years) by MOD main broader banded industrial personnel, as at 1 October 2015

Grade	Total	Males	Females
SZ4	7.5	7.6	~
SZ3	7.9	8.0	6.7
SZ2	7.4	7.5	6.6
SZ1	8.9	8.8	9.0

In order to take the differences in length of service in grade into account when making gender comparisons in pay, Table EPA-A1 presents adjusted average basic salary figures by gender, and the percentage gender difference in average basic salary. These adjusted averages were derived using ANCOVA analysis to remove the effect which an individual's length of service in grade has on their basic salary. Length of service in grade was used as a covariate, separating out its effects and thus generating adjusted means for basic salary for males and females enabling comparison on a level footing with no remaining influence of length of service in grade, the result being a more representative comparison between males and females.

Adjusting for length of service in grade resulted in average female salaries being equivalent to average male salaries (less than +/- 0.2 per cent difference for Skill Zones 1 to 3).

Average Annual Basic Salary - All Personnel

Table EPA - A1 - Average Basic Salary by Gender and Grade

Grade	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %	Adjusted Average Basic Salary accounting for LOS in Grade	Adj Av Basic Salary Diff %
	SZ4	Male	230	1.00	7.6		23,428		~
Female		~	~	~		~		~	
Total		230	1.00	7.5	7.6	23,427	~		~
SZ3	Male	1,500	1.00	8.0		19,959		19,932	
	Female	70	0.99	6.7		19,392		19,944	
	Total	1,570	0.99	7.9	1.3	19,934	2.8%		-0.1%
SZ2	Male	1,400	0.99	7.5		17,548		17,546	
	Female	310	0.94	6.6		17,521		17,541	
	Total	1,710	0.98	7.4	1.0	17,543	0.2%		0.0%
SZ1	Male	650	0.98	8.8		16,056		16,027	
	Female	450	0.92	9.0		15,991		16,029	
	Total	1,100	0.95	8.9	-0.2	16,029	0.4%		0.0%

Source: Defence Statistics (Civilian)

Because of rounding, totals may not always equal the sum of the parts.

SECTION A2:

Average annual basic salary for part-time permanent employees by gender and grade

Table EPA-A2 shows the same outputs as in Table EPA-A2, but for part-time personnel. Average basic salary for part-time personnel is presented as annualised in order to be comparable where individuals work widely varying numbers of hours, and is derived from the basic monthly salary as at 1 October 2015 which they would receive if they worked full-time, multiplied by 12 to obtain the current annual basic salary level assuming 1 FTE.

Key point

When average annual salary is adjusted to take account of length of service there is no substantial difference between male and female average annual salary for Skill Zones 1 and 2 (differences were below +/- 0.2%).

Summary

There were very few part-time personnel at Skill Zones 3 and 4, so no comparisons can be made at these grades.

For Skill Zones 1 and 2 there are more females than male part-time personnel. Average salaries remain broadly similar, with less than 1.0 per cent difference. Adjustments to average annualised basic salary, to take account of differing length of service in grade showed these averages to be almost the same.

SECTION B1:

Average annual basic salary for all permanent employees by ethnicity and grade

Section B1 examines the equality of pay of all personnel by analysing the differences in average basic salary by ethnicity.

Key point

There is no disparity in the annual average salary by ethnicity for Skill Zones 1 to 3.

Summary

Given the small numbers of BAME personnel at Skill Zone 4, no comparisons are possible. For all other grades, White personnel have a longer LOS in grade than BAME personnel. The difference is less than 1 year for Skill Zones 2 and 3, the same as last year, meaning that any effect of LOS in grade upon salaries will be small. LOS for White personnel at Skill Zone 1 is 2.4 years higher, but as BAME numbers are small for this grade, the average is subject to being exaggerated by any outlying values.

The average basic salary difference is less than 1 per cent for Skill Zones 1, 2 and 3. Table EPA-B1 does not present adjusted average basic salary figures using Analysis of Covariance methodology due to small numbers of BAME personnel.

SECTION B2:

Average annual basic salary for part-time permanent employees by ethnicity and grade

Section B2 examines the equality of pay of all part-time personnel by analysing the differences in average basic salary by ethnicity.

Summary

The numbers of part-time BAME personnel are too small to reliably calculate averages or to conduct any salary comparisons. However, the numbers of White personnel at each grade have been shown for information.

SECTION C1:

Length of time to promotion by gender

Table EPA-C1 shows the number of males and females in each Skill Zone who were substantively promoted/advanced in the year from 1 October 2014 to 1 October 2015 (temporary promotions were not included here, except where those temporary promotions were made substantive, and in these cases the point of promotion was taken at the point where the promotion was made substantive). The Skill Zone referenced in this table is the Skill Zone which personnel were promoted into i.e. where a person in Skill Zone 3 was promoted to Skill Zone 4, they are listed here under their new grade of Skill Zone 4.

It also considers the average length of service in grade prior to promotion (i.e. in the previous Skill Zone) in order to observe the length of time it took to be promoted for those individuals who were promoted within the period 1 October 2014 to 1 October 2015.

The analysis also observes the average basic salary upon promotion, which will be also be affected to some degree by the differing proportions of males and females on the London or National pay scales.

Summary

In total, 70 Skill Zone personnel were promoted in the year 1 October 2014 to 1 October 2015. Any comparisons between genders in terms of average basic salary differences and average length of service to promotion would be unreliable given such low numbers.

SECTION C2:

Promotion proportions by gender

Table EPA-C2 shows the number of males and females in each Skill Zone who were substantively promoted in the year from 1 October 2014 to 1 October 2015 (temporary promotions were not included here, except where temporary promotions were made substantive within the period, and in these cases the point of promotion was taken at the point where the promotion was made substantive). The grade referenced in this table is the grade which personnel were promoted into i.e. where a person in Skill Zone 3 was promoted to Skill Zone 4 they are listed here under their new grade of Skill Zone 4. No sideways transfers from industrial to non-industrial grades or vice versa are included here, and no new recruits from external to

MOD are included, therefore Skill Zone 1 is not presented in the table as it is not possible to be promoted into this grade.

Gender promotion rates are derived by taking the number of promotions into each grade in consideration with the actual strength by gender of the grade below at the start of the period (the feeder grade).

Summary

Due to the small numbers, a comparison of whether there is a significant difference between the proportion of females being promoted, compared with the proportion they are at the feeder grade is only possible for All grades. This shows that there is no significant difference.

Average Annual Basic Salary - Part-Time Personnel

Table EPA - A2 Average annual basic salary of part-time personnel by Gender and Grade ^{1,2}

Grade	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %	Adjusted Average Basic Salary accounting for LOS in Grade	Adj Av Basic Salary Diff %
	SZ4	Male	~	~	~	~	~	~	~
Female		-	-	-	-	-	-	-	-
Total		~	~	~	~	~	~	~	~
SZ3	Male	20	0.65	9.2		20,181		~	~
	Female	~	~	~		~		~	~
	Total	20	0.67	9.0	~	20,049	~		~
SZ2	Male	40	0.66	9.5		17,526		17,526	
	Female	60	0.69	6.7		17,506		17,514	
	Total	90	0.68	7.8	2.8	17,514	0.1%		0.1%
SZ1	Male	40	0.63	9.0		16,132		16,039	
	Female	100	0.62	9.6		15,997		16,033	
	Total	140	0.62	9.4	-0.6	16,038	0.8%		0.0%

Source: Defence Statistics (Civilian)

1. Because of rounding, totals may not always equal the sum of the parts.

2. Average annualised basic salary figures represent the pro-rata basic salary personnel would receive if they worked full-time hours.

Average Annual Basic Salary - All Personnel ^{1,2}

Table EPA - B1 - Average Basic Salary by Ethnicity and Grade^{1,2}

SZ4	Ethnicity	Headcount	Average FTE	Average LOS in Grade	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	180	1.00	7.7			23,415
BAME	~	~	~			~	
Total	190	1.00	7.7	~		23,411	~

SZ3	Ethnicity	Headcount	Average FTE	Average LOS in Grade	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	1,280	0.99	8.2			19,955
BAME	30	1.00	8.0			19,789	
Total	1,310	0.99	8.2	0.2		19,952	0.8%

SZ2	Ethnicity	Headcount	Average FTE	Average LOS in Grade	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	1,320	0.98	7.8			17,566
BAME	50	1.00	7.3			17,577	
Total	1,370	0.98	7.8	0.5		17,567	-0.1%

SZ1	Ethnicity	Headcount	Average FTE	Average LOS in Grade	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	810	0.96	9.2			16,056
BAME	20	0.97	6.8			16,075	
Total	830	0.96	9.1	2.4		16,056	-0.1%

Source: Defence Statistics (Civilian)

Because of rounding, totals may not always equal the sum of the parts.

Average Annual Basic Salary - Part-Time Personnel

Table EPA - B2 - Average annual basic salary of part-time personnel by Ethnicity and Grade ^{1,2}

SZ4	Ethnicity	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	~	~	~	~	~	~
BAME	-	-	-	-	-	-	-
Total	~	~	~	~	~	~	~

SZ3	Ethnicity	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	20	0.65	9.4		20,061	
BAME	-	-	-			-	
Total	20	0.65	9.4		20,061	*	*

SZ2	Ethnicity	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	60	0.68	8.2		17,516	
BAME	-	-	-			-	
Total	60	0.68	8.2		17,516	*	*

SZ1	Ethnicity	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
	White	100	0.63	9.8		16,059	
BAME	~	~	~		~		
Total	100	0.63	9.8		16,059	~	~

Source: Defence Statistics (Civilian)

1. Because of rounding, totals may not always equal the sum of the parts.

2. Average annualised basic salary figures represent the pro-rata basic salary personnel would receive if they worked full-time hours.

Length of time for Promotion

Table EPA - C1 - Average basic salary by Gender and Grade, and length of time until Promotion / Advancement for those Promoted / Advanced during the year 1 Oct 14 to 1 Oct 15

SZ4	Gender	Number of Promotions into grade	Average Basic Salary on Promotion	Av Basic Salary Diff %	Average LOS to promotion (yrs)	Av LOS to promotion Diff (yrs)
	Male	10	23,371			8.2
Female	-	-			-	
Total		10	23,371	*	8.2	*

SZ3	Gender	Number of Promotions into grade	Average Basic Salary on Promotion	Av Basic Salary Diff %	Average LOS to promotion (yrs)	Av LOS to promotion Diff (yrs)
	Male	30	18,861			6.3
Female	10	19,010			7.0	
Total		40	18,888	-0.8%	6.4	-0.7

SZ2	Gender	Number of Promotions into grade	Average Basic Salary on Promotion	Av Basic Salary Diff %	Average LOS to promotion (yrs)	Av LOS to promotion Diff (yrs)
	Male	20	17,239			6.7
Female	~	~			~	
Total		20	17,248	~	6.0	~

Source: Defence Statistics (Civilian)

Because of rounding, totals may not always equal the sum of the parts.

Promotions/Advancements Rates

Table EPA - C2 - Number of Promotions/Advancements¹ during the year 1 Oct 14 to 1 Oct 15

All Grades	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at lower grade ³	Percentage female - lower grade	Difference between female proportion in promotions and in feeder grade ⁴	Promotion rate into grade	Promotion rate ppt difference
	Male	60			3,741			
Female	10			871		-0.03		
Total	70		15.9%	4,612	18.9%	Not significant	*	*

SZ4	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at lower grade ³	Percentage female - lower grade	Difference between female proportion in promotions and in feeder grade ⁴	Promotion rate into grade	Promotion rate ppt difference
	Male	10			1,574			0.4%
Female	-			72		*	-	
Total	10		-	1,646	4.4%	*	0.4%	*

SZ3	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at lower grade ³	Percentage female - lower grade	Difference between female proportion in promotions and in feeder grade ⁴	Promotion rate into grade	Promotion rate ppt difference
	Male	30			1,472			2.1%
Female	10			334		~	~	
Total	40		18.4%	1,805	18.5%	~	2.1%	0.0 ppt

SZ2	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at lower grade ³	Percentage female - lower grade	Difference between female proportion in promotions and in feeder grade ⁴	Promotion rate into grade	Promotion rate ppt difference
	Male	20			696			3.0%
Female	~			465		~	~	
Total	20		~	1,161	40.0%	~	2.2%	~

Source: Defence Statistics (Civilian)

Because of rounding, totals may not always equal the sum of the parts.

Ministry of Defence broader banded pay (Non-industrial personnel)

The Ministry of Defence considers that a necessary and fair measure is to address the pay gap between people being paid considerably less than colleagues performing a similar role at the same grade. The pay award for 2015 reflected a weighted average for each pay scale based upon the distribution of staff across the scale spine points. The scale weighted average was applied to all spine points except the maximum of each pay scale, the minimum of each scale received a further 0.5%. In this instance, those on the lowest spine points received a relatively larger increase than those at higher points, thereby narrowing the gap between those on the lowest and highest spine points.

MOD main personnel salary ranges for Broader Banded personnel, Industrial (Skill Zones 1 to 4) 2011 to 2015

			2011	2012	2013	2014	2015	% change in the difference from 2011 to 2015
SZ4	London & National	High	24,930	24,930	25,179	25,179	25,179	
		Low	22,150	22,150	22,372	22,714	23,024	
	Difference	2,780	2,780	2,807	2,465	2,155	-22.5%	
SZ3	London & National	High	22,150	22,150	22,372	22,372	22,372	
		Low	18,010	18,010	18,190	18,480	18,742	
	Difference	4,140	4,140	4,182	3,892	3,630	-12.3%	
SZ2	London & National	High	18,010	18,010	18,190	18,190	18,190	
		Low	16,482	16,482	16,647	16,904	17,137	
	Difference	1,528	1,528	1,543	1,286	1,053	-31.1%	
SZ1	London & National	High	16,482	16,482	16,647	16,647	16,647	
		Low	15,083	15,083	15,234	15,468	15,681	
	Difference	1,399	1,399	1,413	1,179	966	-31.0%	

Background Notes

1. Data sources

Defence Statistics (DS) Civilian statistics are compiled from:

- i) **Core MOD Personnel** - Data for core MOD personnel have been taken from the personnel system - Human Resources Management System (HRMS) on a monthly basis since April 2004. DS use budgetary UINs and attribute people according to the budgetary area that pays them, using the Standing Data System hierarchy from Financial Management Information Systems.
- ii) **Civilian personnel pay** - Defence Business Systems (DBS) provide Defence Statistics with a dataset of all those individuals on the pay system at 1 October 2015 and their grade according to the 'Salary Admin Plan' field. Additional information in the DBS dataset includes those receiving a promotion in the relevant period, the date of that promotion, the grade they were promoted from and the new grade they have been promoted into, the length of service in grade prior to promotion and basic salary at 1 October 2015.

2. Data definitions

Analysis of Covariance (ANCOVA) is a statistical methodology to obtain adjusted average salary figures. ANCOVA is a standard and robust statistical methodology used to observe differences in means between groups after accounting for and removing the effects of other variables (covariates). After the removal of the effects of covariates, adjusted means for each group being compared are obtained. These adjusted means allow observation of any differences between groups in the variable of interest on an equal and more comparable basis. The adjusted average salary figures presented in section A were derived from this approach to enable average basic salary to be compared between males and females in each grade without being confounded by the effects of the differing length of service in grade of males and females in each group. The resulting adjusted average salaries represent what the average salary for each gender within a specific grade would be if the average lengths of service in grade for each gender were equal for both genders. This enables a level comparison of the average salary of each gender without confounding with the effects of different lengths of service.

Length of service in grade (LOS) (which automatically resets to 0 on promotion) was recorded as at the period prior to promotion in order to ascertain the length of time in the previous grade prior to being promoted. The LOS in grade field was reset to start counting from 2000, for the majority of MOD personnel in post in April 2004, when the new HRMS data system was introduced. Despite this limitation there is no evidence that this would introduce any gender bias. Although caution should be used when viewing the actual values of length of service in grade, as these will be capped at 13 years for the majority of individuals. Initial investigations have shown this to only affect a few individuals and as such where these values are used for statistical analysis they are still valid for making statistical adjustments for the grade band in question.

Length of service in grade also resets to 0 for persons transferring in from another government department, irrespective of whether they transferred across at the same grade. This is unlikely to have a skewing effect, as these numbers tend to be small.

Average Length of Service in Grade is presented in years to one decimal place. Gender difference in average Length of Service in grade are calculated from the difference between the exact averages and are also presented in years to one decimal place.

Promotions: This report analyses the number of personnel who were promoted in the 12 months from 1 October 2014 to 1 October 2015. Included in these analyses were those who were substantively promoted or advanced within this period (including a small number of personnel who were both recruited and promoted within the time period). Temporary promotions were not included, except where individuals had been on temporary promotion and were made substantive within the period. MOD has advancement from E2 to E1, C2 to C1 and B2 to B1 but for the purposes of the report these are referred to as promotion.

Significance testing: Section C includes statistical tests on the relative differences of the female proportion within promotion groups for each grade, compared to the female proportion of the underlying average strength of the grade from which they were promoted. The test only needs to be conducted on the female proportion, as we are considering the proportion as females divided by the sum of males and females in each case.

This is different to the significance test methodology used prior to 2012 which compared the promotion *rates* of male to females. It has been determined that this method is not the most appropriate and can be distorted by the fact that male and female rates are not independent of each other, whereas the proportion of females in the promotion group is independent of the proportion of females within the underlying strength group. This can be assumed to be true where the factors that influence promotion are equally distributed for men and women. Therefore a statistical test result of ‘Significant’ suggests that either gender or a factor that is gender biased is having an influence on promotion.

3. Grade structures

Since 1 April 1996 all departments and agencies have had delegated responsibility for the pay and grading of their employees, except for those in the Senior Civil Service (SCS). The MOD grades are shown here against levels broadly equivalent (in terms of pay and job weight) to the former service-wide grades.

MOD grades	Former service-wide grades
Senior Management SCS – Senior Civil Service	Senior Management SCS – Senior Civil Service
Other Management Grades B1 & equivalents B2 & equivalents C1 & equivalents C2 & equivalents D & equivalents	Other Management Grades Grade 6 Grade 7 SEO - Senior Executive Officer HEO - Higher Executive Officer EO - Executive Officer
Administrative Grades E1 & equivalents E2 & equivalents	Administrative Grades AO - Administrative Officer AA - Administrative Assistant

Other definitions (to those reported in page 2)

Broader Banded grade: Defence Statistics report personnel against their equivalence within the broader banded structure; B1 to E2 for non-industrial and Skill Zones 1 to 4 for Industrial. The analyses does not include: SCS for non-industrial, Industrial Firemen and Apprentices for industrial personnel. Also excluded are personnel in retained grade structures, (such as MOD Guards) and personnel employed in analogue grade bands (such as civilian nurses employed against NHS grade codes), who have their own delegated pay schemes outside of the MOD National and London pay scales.

Defence Equipment and Support (DE&S) is responsible for equipping and supporting the UK's Armed Forces. They manage a vast range of complex projects to buy and support all the equipment and services that the Royal Navy, British Army and Royal Air Force need to operate effectively. They work closely with industry, including through partnering agreements and private finance initiatives. Their main responsibilities are:

- the procurement and support of ships, submarines, aircraft, vehicles, and supporting services
- general requirements including food, clothing, medical supplies and temporary accommodation
- inventory management
- British Forces Post Office
- Submarine dismantling project

DE&S was reported as a bespoke trading entity on 1 July 2015 (prior to this it was reported as an extant TLB). This means it is an arm's length body of the Ministry of Defence with a separate governance and oversight structure with a board under an independent Chairman, and a Chief Executive who will be an Accounting Officer, accountable to Parliament for the performance of the organisation. It achieved full status for reporting purposes as at 1 April 2015.

Full Time Equivalence (FTE) is a measure of the size of the workforce that takes account of the fact that some people work part-time. Prior to 1 April 1995 part-time employees were assumed to work 50 per cent of normal hours, but since then actual hours worked has been the preferred methodology. The average hours worked by part-time personnel is about 68 per cent of full-time hours.