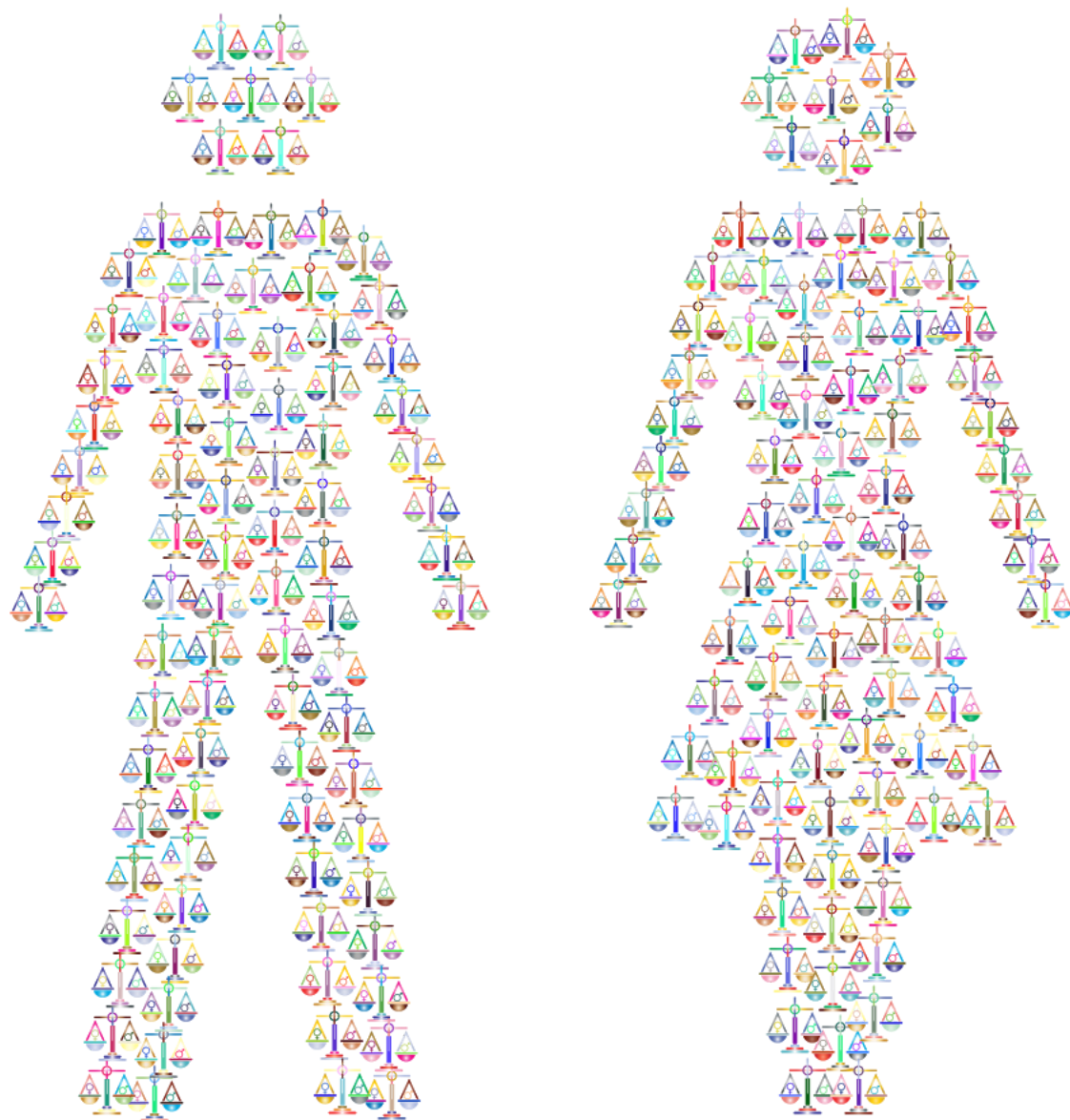


DEXEU

Gender Pay Gap Report 2016/17



Department
for Exiting the
European Union

Foreword

DExEU prides itself on its core values:

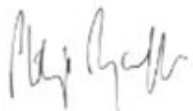
- embracing our exceptional context, with dynamism, rigour and professionalism,
- empowered to deliver, bringing new thinking to challenges we face together and
- fostering collaboration, through an environment that respects and values diversity.

To succeed, our culture must reflect those values, not least through a focus on well-being and diversity and inclusion, ensuring it is embedded in everything we do.

The Department's pay approach supports the fair treatment and reward of all staff irrespective of gender.

This report sets out where we are in terms of the gender pay gap in DExEU. It provides in an open way the evidence we need to further advance our agenda of inclusion and fair treatment for all.

We want everyone in DExEU to have the opportunity to develop their career, both while they are working with us and beyond. We will use the DExEU Difference to help us do that. We will use the evidence in this and future gender pay gap reports to ensure we do so in an inclusive and fair way and hope to see evidence of that in the makeup of the Department



Philip Rycroft
Permanent Secretary



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Summary of findings

This report sets out the Department's gender pay gap figures as at 31 March 2017. The report also sets out the how as a department we are closing the gap through a number of initiatives and working closely with our equalities network and womens network.

Mean pay in DExEU shows a gap in favour of men of 15.26%. The DExEU median pay shows a gap of 8.91% in favour of men.

Background

Earlier this year, the Government introduced world-leading legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data by 30 March 2018 [and then annually], including mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

The **gender pay gap** shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

The gender pay gap is different to equal pay. **Equal pay** deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

DExEU supports the fair treatment and reward of all staff irrespective of gender as set out above and supported by Permanent Secretary Philip Rycroft.

While the Department had less than the 250 staff on payroll as at 31 March 2017, we are publishing this report as part of an initiative to improve transparency across the Civil Service. This report fulfils the reporting requirements, analyses the figures in more detail and sets out what we are doing to close the gender pay gap in the organisation.

Organisational context

The Prime Minister established DExEU in July 2016 following the result of the UK's Referendum on membership of the European Union. From a standing start, the Department has increased significantly, with 228 staff on payroll at 31 March 2017, increasing to over 550 at the end of October 2017. This means we are not reviewing a static workforce as we have seen an increase of 125% between the snapshot date and now. Additionally, as a new Department there is no previous data we can use to review trends but we intend to use this report as the starting point. In the future we will use this data and other similar reports as a benchmark for the gender pay gap.

DExEU's employment model reflects the time limited nature of the Department through a non-permanent workforce made up of loans, secondments and fixed term appointments.

DExEU Pay Guidance

We are governed by the HM Treasury Civil Service pay guidance. As such, we are subject to current public sector pay rules and pay restraint.

DExEU uses the Civil Service grades ranging from administrative assistant / officer to senior manager roles. The grades represents the level of responsibility an employee has and there are set pay ranges within each grade. All staff are based in London so we only operate a London payscale.

DExEU grades	Civil Service common grades
Band A+	Grade 6
Band A	Grade 7
Band B2	HEO/SEO
Band B/Fast Stream	HEO (D)
Band B1	EO
Band C	AA/AO

Senior Civil Servants are covered by central pay arrangements which apply across the Civil Service.

Reporting requirements

What do we report on?

For the purpose of reporting, the definition of an employee follows the definition set out in section 83 of the Equality Act 2010. Public sector organisations are required to base their data on staff employed on the ‘snapshot’ date of 31 March 2017. The data is drawn from the payroll system and includes grade, gender, contractual hour, working pattern, gross monthly salary, salary sacrifice, overtime and allowances.

The gender pay gap differs from equal pay. The gender pay gap is defined as a measure of the difference between men and women’s average earnings across an organisation (no matter what their role is). Equal pay refers to the right to equal pay between women and men when carrying out the same or a similar role in an organisation. Both are set out in the Equality Act 2010¹.

¹ <https://www.legislation.gov.uk/ukpga/2010/15/section/78>

Table of definitions

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

Gender pay gap data

15.26% DEXEU mean gender pay gap - ordinary pay

8.91% DEXEU median gender pay gap - ordinary pay

Both the mean and median gender pay gap outcomes are in favour of men, based on a snapshot of earnings taken on 31 March 2017.

Mean pay in DExEU shows a gap in favour of men of 15.26%. The DExEU median pay shows a gap of 8.91% in favour of men.

What this means?




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

The mean is significantly higher than the median, suggesting that the dataset is skewed this can be attributed to the presence of very low earners (where the mean is below the median), and/or by a group of very high earners (where the mean is above the median)².

The majority of DExEU's staff included in the snapshot date (90%) are on loan from 26 other government departments and devolved administrations, who operate their own pay scales and grading systems. Those staff who came across to DExEU on loan have their base pay determined by their home department which DExEU have no control over. As many staff come from departments with higher pay scales, this could have had an impact on skewing our data in terms of the mean being above the median.

² <https://www.cipd.co.uk/knowledge/fundamentals/relations/gender-pay-gap-reporting/guide>

This table shows the proportion of men and women at each grade on DExEU payroll:

Grade (increasing seniority)	 Number of Men (who work at this grade)	 Number of Women (who work at this grade)	 % Women in DExEU vs. Civil Service as a whole
Band C (AA/AO)	*	*	75% 58%
Band B1 (EO)	10	20	67% 56%
Band B/FS (HEO)	*	*	52% 48%
Band B2 (HEO/SEO)	38	41	52% 48%
Band A and A+ (Grade 7/6)	37	40	52% 52%
SCS (all pay bands)	21	11	38% 42%
Total gender %	48%	52%	

*Any figures fewer than 5 are exempt from disclosure as this could allow individuals to be identified and disclosure of the information would, among other things contravene one of the data protection principles in schedule 1 of the Data Protection Act 1998. Disclosure of this information would contravene the first Data Protection principle, which provides that personal data must be processed fairly and lawfully.

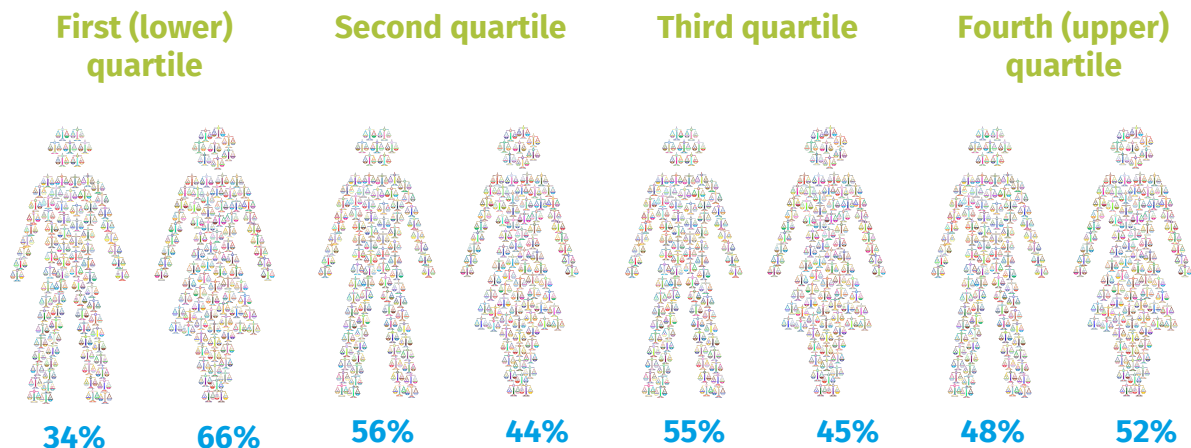
Women are overrepresented in more junior grades, where pay is lower, and they are under-represented in more senior grades. As set out in table 1, above, this is fairly consistent with the wider Civil Service but indicates an issue for the Department to address.

If we were to adjust this factor and remove the SCS from our calculations, our median pay gap drops to 2.06% and the mean gender pay gap drops to -0.39% - a negative percentage means that women are paid more than men. Therefore, it can be said that the lack of representation from women in the SCS is a significant contributing factor to our gender pay gap.

Pay by quartiles - hourly pay by quartiles

Pay quartiles are created by ranking all relevant employees (based on definition set out in section 83 of the Equality Act 2010) from highest to lowest paid and dividing them into 4 equal parts (quartiles). The percentage of men and women in each of the 4 quartiles is then calculated.

As at 31 March 2017 the pay by quartiles was:



66% of the lower quartile earners in DExEU pay grades are women and 52% of the upper quartile are women. As 52% of the department's employees overall are women, this illustrates that the pay gap is largely as a result of a higher concentration of women in more junior grades.

What this means?

In the lower quartiles there is an uneven distribution of men and women with the lowest quartile made up of 66% women. Breaking down the gender pay gap by quartiles has helped the department to identify exactly where the attention should be focused on.

The highest quartile in DExEU is made up of 52% women despite only 38% of the SCS being women. This can be explained by the presence of slightly more women than men at Band A/A+ grade.

Bonus gap

As a new department, we did not have any bonuses paid in the snapshot period. However, the department has now developed and implemented a reward and recognition policy so we will be able to report on this in future years.

Closing the gap

DExEU is committed to tackling the gender pay gap and developing an inclusive culture where all staff are treated fairly and feel supported. Set out below are the key actions we are taking to close the gap:

Publicising Consistent Pay & Reward Processes

The majority of staff within DExEU (90% at snapshot date) are on loan from other government departments, meaning their salaries on joining are based on the salaries set by their home department. As each department can determine their own pay scales these vary widely across Government. Starting salaries are only determined by DExEU when an individual is joining from external to the Civil Service. The factors taken into account when assessing these starting salaries in DExEU are skills and experience.

DExEU has recently introduced a reward policy which encompasses a wide range of rewards and recognition options, both financial and non-financial. The policy encourages equal opportunities to always be at the forefront of all decisions with stock takes undertaken by HR to ensure consistency and fairness. We expect all reward decisions to be made collaboratively and in line with performance standards. Furthermore, certain rewards allow nominations from colleagues, not just managers, in order to create a more inclusive environment.

The introduction of this policy also means the Department will have data to publish on bonuses next year.

Supporting career progression

DExEU is committed to supporting the development of staff and has introduced talent management for all grades both at mid- and end-of-year. We encourage and support staff to create both short term and longer term development and career plans. We ensure all staff and managers take the time to have regular career

conversations. This dedicated focus will support all staff to identify their career aspirations and potential to progress within DExEU and the wider Civil Service.

DExEU has established an internal Talent and Workforce committee to take a more tailored and inclusive approach to improve our talent pipeline and maximise the benefits of a diverse workforce.

As we have identified an underrepresentation of women in the SCS we have supported talent management schemes to support career progression. This includes the Positive Action Pathways scheme which is a cross government development programme for staff in under-represented groups at all grades. This is currently open for nominations.

Over the course of the department's lifetime four women have progressed to the Civil Service Future Leaders Scheme and a total of seven women have or will be taking part in a cross government leadership programme. These development programmes are designed to give women the skills to progress into senior leadership roles.

Attracting diverse talent

DExEU has developed its recruitment processes in line with the Civil Service Commissioners' principles (appointments made on merit, fair and open competition) and cross government best practice.

The process provides a consistent approach for all campaigns and includes actions such as:

- ensuring all roles are available on full time, part time and jobshare basis apart from in exceptional circumstances;
- running an anonymous application process at sift stage;
- ensuring all interviews have gender balanced panels; and
- mandating that all panel members complete the CSL unconscious bias training within the past 12 months

The review of quartiles revealed that a majority of staff in the lower quartile are women. We would like to see a greater representation at all levels and will therefore be working to ensure a review of the diversity data from recruitment is undertaken to identify trends and identify any further actions that can be taken in attraction or recruitment.

Wider inclusion

We are also committed to supporting the wider inclusion agenda through the following activities:

Promoting Family-friendly Policies

DExEU supports and encourages flexibility, taking account of the needs of our work and employees. Therefore, DExEU operates a flexible working policy with a wide variety of options including home working, compressed hours, job sharing and flexitime to support staff the work-life balance of our staff.

Alongside this, DExEU has a range of policies in place to support parents, foster carers and carers. These policies and their corresponding toolkits cover the run up to the period of leave, the time away and return to work to support all staff the best we can. The policies cover maternity, shared parental leave, paternity, adoption, foster carers' and family and friends carers' leave.

Our Values and Culture

Staff were fully involved in shaping and identifying the Department's values to ensure we have an inclusive culture in which all are valued. The DExEU values define what is important and what makes DExEU unique. They are:

- Embracing our exceptional context, with dynamism, rigour and professionalism;
- Empowered to deliver, bringing new thinking to challenges we face together; and
- Fostering collaboration, through an environment that respects and values diversity.

United by our strong sense of public service, we continue to live by the Civil Service values – integrity, honesty, impartiality and objectivity – that run through all that we do.

We are also guided by the vision for 'A Brilliant Civil Service', that is, one that is capable of serving modern Britain. One that truly reflects the people it serves and provides opportunity for talented people to fulfil their potential, regardless of their background.

Defining and valuing employees contribution: The DExEU Difference

'The DExEU Difference' was launched in November 2017 and encompasses a well rounded employee value proposition - it puts the focus on our staff, their health and wellbeing, support available in the department and their learning and development. It shows the department's commitment to diversity and inclusion and incorporates various tools staff might need or want to reach their full potential such as mentoring or coaching.



Supporting Learning and Development: The DExEU Academy

DExEU values learning and development (L&D) and wants to provide staff an equal opportunity to develop and succeed. We created the DExEU Academy which provides a 'one stop shop' for a range of different L&D opportunities. It provides access to learning which is specific to the unique and challenging context in which DExEU operates - designed to be accessible and relevant and tailored to personal development needs.

Along with a broad range of optional L&D opportunities, DExEU has mandatory training courses including one on Unconscious Bias. This online course helps staff understand unconscious bias and how it affects attitudes, behaviours and decision

making. The course provides practical techniques that help reduce the impact of unconscious bias and so, ultimately, create a more inclusive and diverse team. This training must be undertaken by all staff on an annual basis.

Promoting Employee Voice

We utilise a variety of channels for everyone in the Department to have their say and shape the department. One of these is a shadow board made up of a diverse range of staff from across the department which sees and discusses all the papers going to the Executive Board, offering feedback and inputting the views of staff so the Executive Board can take a well-rounded view before making decisions.

Collaborating with Equality, Diversity and Peer Networks

DExEU has a broad range of equality and diversity networks and peer networks available for all staff to access in the department. All of the DExEU diversity and equality networks have signed a charter which ensures that DExEU maintains an enjoyable, supportive and inclusive environment, where diversity is respected and everyone feels valued. The diversity and equality networks in the department include those relating to Age, BAME, Disability, LGBT, Mental Health, Social Mobility, Religion, Gender, Parenting and Flexible Working.

Alongside the equality and diversity networks, we also have peer networks for different pay grades. These networks run events and workshops to further help career progression within the department.

Transparent Performance Management approach

For the 2017/18 Performance Management year, DExEU has launched a new approach to reflect the exceptional context of the department. The new approach was created with, and by our staff to ensure a more transparent system based on merit, and removing forced distribution. Our new approach helps to bring individuals' areas of excellence to the forefront, as well as identifying areas for development against a set of consistent Performance Standards for each grade, centered around our DExEU values. It allows for a more supportive environment where managers can help their staff to reach their highest potential.

Embedding Diversity and Inclusion: Our Strategy

The department will be developing the 2018/19 Diversity and Inclusion strategy in line with the [Civil Service Diversity and Inclusion strategy](#). Gender equality will be an

area of focus within the strategy as we are keen to increase representation of women in senior roles in the department. In line with our Public Sector Equality Duties we will continue to advance equality of opportunity.

Conclusion

Overall the findings show that whilst our gender pay gap is lower than the national average there is still much more that needs to be done. We will continue to develop the initiatives set out above to help close the gap. We will continue to work with the women's network and the wider equalities network to promote the whole diversity and inclusion agenda.

The Department has grown significantly since 31 March 2017 and as such the findings in this report are based on 41% of our current workforce.

Why will we continue to work on this?

The business case for diversity and inclusion is well known and evidenced. As a Department we take the diversity and inclusion agenda seriously and have made good headway since the establishment last year. There is more we can and will be doing and the actions above set out our focus on tackling the gender pay gap and the wider diversity and inclusion strategy.

We will review and reassess these actions on an annual basis.

Declaration

The data presented in this report has been established in line with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The report has been reviewed by the Operations Committee and women's network who support the actions to close the gap and the wider diversity and inclusion agenda.