



# **Gender Pay Gap Report**

Report for the year 2016-17

# **Background**

The Department for International Trade (DIT) has prepared this report as part of the new legal requirement for public authorities to publish their gender pay gap on an annual basis.

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.

DIT supports the fair treatment and reward of all staff irrespective of gender. In October 2017 the new <u>Civil Service Diversity and Inclusion Strategy</u> was published. This important document sets out new programmes and initiatives to realise our ambition to become the UK's most inclusive employer by 2020. The Civil Service, including DIT, wants to create a diverse and representative workplace – one that will attract talented people from all backgrounds, and give everyone, including those already working for us, the opportunity to achieve their potential.

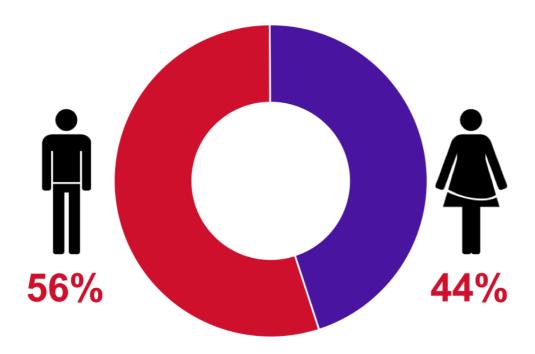
This report fulfils the Department's reporting requirements, analyses the figures in more detail and sets out what we are doing to close the gender pay gap in the organisation.

# **Analysis**

# Context

DIT is one of Whitehall's newest Departments, created in July 2016 following the EU Exit referendum result. We have overall responsibility for developing, coordinating and delivering a new trade and investment policy for the UK, including preparing for and then negotiating Free Trade Agreements and market access deals with non- EU countries, and promoting UK exports and investment across the world. We are a department for the whole of the UK and we work with business partners across the country.

The 2017 Gender Pay Gap analysis includes only those staff deemed to be full paid relevant employees based in the UK, on DIT payroll. As at 31 March 2017, 44% of staff on DIT payroll (and included in this analysis) were women.



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

# **Ordinary Pay**

The mean gender pay gap (the difference between men's and women's average hourly pay) is 3.6% and the median gender pay gap is 2.7%.

The department's pay gap is significantly lower than the Civil Service average (mean pay gap 11% and median pay gap 12.7%) as per the Office for National Statistics, March 2017. However, it should be noted this is not directly comparable in terms of methodology.

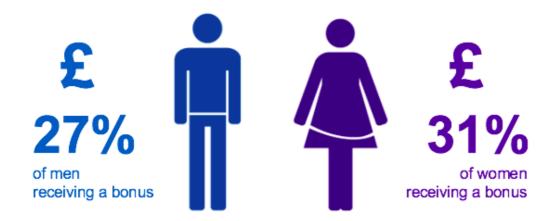
# **Bonus Pay**

DIT offers both an in-year reward scheme and performance awards to staff marked as "Exceeded" in any annual performance year.

For this analysis, in year reward and end of year bonus payments made in the 12 months ending 31 March were included. DIT performance awards for the 2015-16 performance year were paid as a set value depending on grade and performance level.

The mean gender bonus gap (difference between men and women) is -14.4% and the median gender bonus gap is 3.1%. 31% of females received a bonus payment, compared to 27% of men.

## Male vs Female



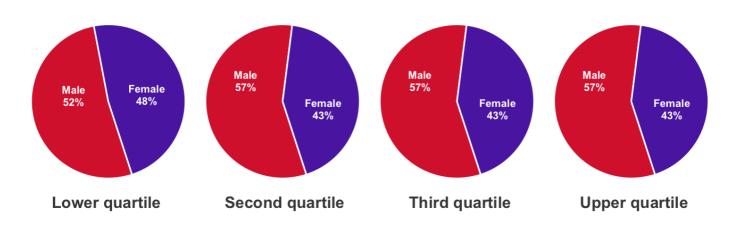
The fact that the mean gender bonus pay gap favours females suggests that the pay gap has been affected by extreme values, i.e. high bonus payments received by small numbers of high-earning females.

End of year performance awards and in-year awards in DIT are not pro-rated for part time staff (so these staff receive the full value of the bonus). Therefore, the bonus pay gap is not affected by the number of part time staff in either gender.

# Hourly pay quartiles

The hourly pay quartile data shows the proportion of men and women that are in each pay quartile, when we arrange staff in order of hourly pay rate. In DIT, the proportions of male vs. female staff are relatively stable throughout each quartile.

# Percentage of males and female in each pay quartile



Gender balance at different grades is one of the main contributing factors to an organisation's gender pay gap. In terms of gender representation the difference between DIT's overall gender breakdown and the upper quartile is negligible: 1% in favour of males. This small difference could perhaps be attributed to the fact that nearly 50% of senior appointments since DIT was formed have been women.

# **Actions**

Although DIT's gender pay gap for 2017 is well below the Civil Service average, the department is committed to continuing to reduce the overall gap. This is demonstrated through the following initiatives:

### Diversity and Inclusion (D&I) Action Plan

In support of the Civil Service Diversity and Inclusion Strategy, DIT is developing a departmental level Action Plan to focus on four themes: Leadership, Talent, Recruitment and Culture. The DIT D&I Action Plan will be linked to the overarching departmental People Plan. The People Plan is a vision to make DIT a GREAT place to work across seven cross cutting themes:

- Managing and Leadership
- People and Development
- Organisational and Alignment
- Global Communications
- Values and Behaviours
- Environment, Tools and Resources
- Pay, Benefits and Rewards

Our Diversity and Inclusion Committee will review and monitor our progress against the Diversity & Inclusion Action Plan. Our DIT leadership team are also spearheading these initiatives to show the seriousness with which we take them.

#### Staff Networks

The D&I Action plan will work alongside our new formal support networks, which provide advice and training to the business and their members. The support networks include a Parents Network, Religion/Belief Network, a Disability Network, a Race Network, a Social Mobility Network, an Age Network, an EU Nationals Network, an Ethnicity Network, an LGBT Network, a cross cutting D&I Network and of course a Women's Network. All Diversity Network Groups helps us to advertise DIT talent activities to potential candidates from under-represented groups.

## Crossing Thresholds

This is a female specific 12-month career mentoring programme for women who want to develop their career in a structured and supportive environment.

## Enhanced development opportunities

Further to the specific Crossing Thresholds programme, DIT engages in a number of talent activities to provide women with enhanced development opportunities. As part of the 2017 Future Leaders Scheme (FLS)/Senior Leaders Scheme (SLS) selection process, to ensure a robust and transparent process a Governance Board was convened. The Board had senior representatives from across DIT and the overseas network. The Board moderated and reviewed applications and diversity data at each stage of the process. 47% of applicants to FLS

were female and of the twenty who successfully gained a place on the scheme just under 64% were female. For the 2016 FLS/SLS selection process, near-miss female applicants were provided with the opportunity to attend the Leadership Summit. The 'Leadership Summit' is an external development programme, run by the MK-LF Partnership, designed to ensure that women at middle management level are retained and able to achieve their full potential in and for their organisation.

## • Gender-mixed interview panels

The department adheres to fair and open competition ensuring those involved in recruitment complete unconscious bias training and utilising gender mixed interview panels as a best practice approach. Where appropriate, cross-government representatives are sought to ensure a diversity of perspectives from panel members. Independent panel membership is provided by the HR Senior Leadership team. In addition, diversity monitoring forms are used as standard throughout the Senior Civil Servants selection process and external senior vacancies are posted on Mumsnet and Stonewall as standard. This supports DIT in actively seeking a diverse shortlist for senior posts.

## Flexible working

DIT supports all staff who wish to work more flexible, with options available for job sharing, reduced hours, compressed hours and term-time working, to help employees balance their work and personal commitments alongside the needs of the business.

# **Calculations**

Our calculations have followed the legislative requirements. We confirm that the data reported is accurate as of 31 March 2017.

DIT's workforce is based across the UK and also overseas, on the One HMG platform. DIT has faced challenges as a new department to accurately capture all required pay elements for the statutory gender pay gap reporting requirements. The 2017 Gender Pay Gap analysis includes only those staff deemed to be full paid relevant employees based in the UK, on DIT payroll. Contractors were not included, nor were overseas Civil Servants as obtaining data was impractical for this year's analysis. However, these will be included in future years' reporting and therefore it is likely DIT's overall figures will change.

Bonus data includes all in-year rewards made between July 2016 and 31 March 2017. Any in-year rewards paid before July 2016 were paid to staff in UK Trade and Investment, part of the former Department for Business, Innovation and Skills, and have therefore not been included in DIT's calculations.

#### gov.uk/dit

#### DIT

The UK's Department for International Trade (DIT) has overall responsibility for promoting UK trade across the world and attracting foreign investment to our economy. We are a specialised government body with responsibility for negotiating international trade policy, supporting business, as well as delivering an outward-looking trade diplomacy strategy.

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