

Gender Pay Gap Report

1 April 2016 – 31 March 2017

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Introduction

The Competition & Markets Authority (CMA) was formed in April 2014 following the merger between the Office of Fair Trading and the Competition Commission.

The CMA is a non-ministerial government department in the United Kingdom responsible for promoting competition for the benefit of consumers, both within and outside the UK. Our aim is to make markets work well for consumers, businesses and the economy, strengthening business competition and preventing and reducing anti-competitive activities.

The CMA is fully committed to minimising the Gender Pay Gap and our approach to pay seeks to reward staff fairly, regardless of gender. We are committed to developing a culture that is respectful, diverse and inclusive.

Background

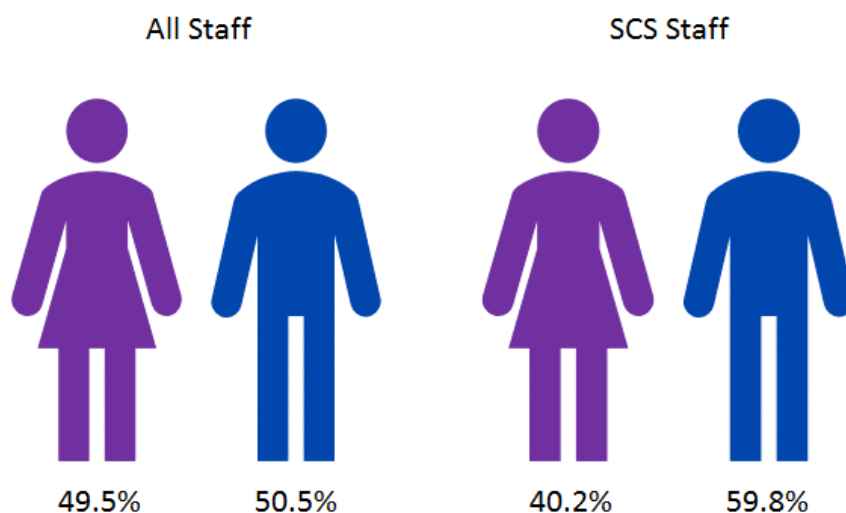
In 2017, the Government introduced world-leading legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require 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 pay 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 (mean and median) pay between all men and women in a workforce and is a measure of equality. Where we have a positive percentage, this means that the pay of male staff is higher than the pay of female staff. The higher the percentage, the greater the gender pay gap. This is a measurement of the workforce as a whole and is regardless of grades and levels.

The gender pay gap is different to equal pay. Equal pay deals with the difference 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 woman.

Gender Make-Up of the CMA

At 31 March 2017, the CMA had 580 staff in the UK, the majority of whom were based in London. The gender make-up of CMA staff was 50.5% male and 49.5% female. When looking at our Senior Civil Servants (SCS) only, 59.8% are male and 40.2% are female.



The gender pay gap calculations are based on the number of individual employees, and not on full-time equivalents. This means that each part-time employee counts as one employee.

Calculating the Gender Pay Gap

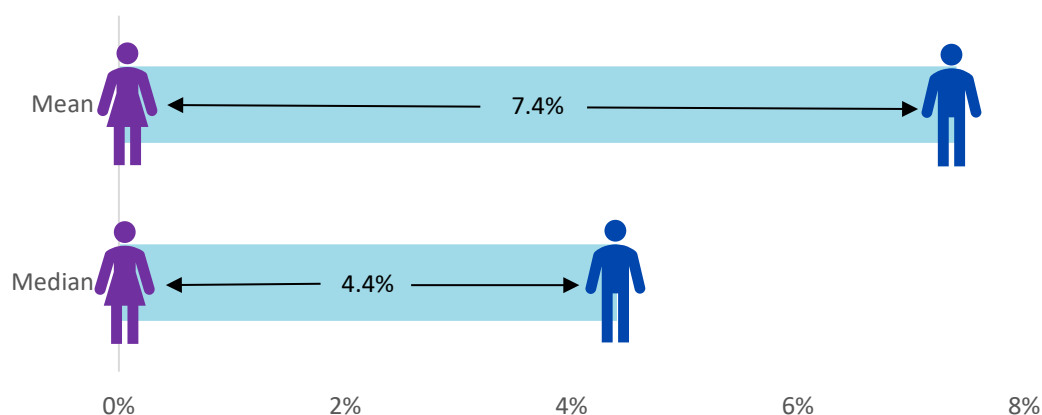
Ordinary Pay

Ordinary pay, expressed as hourly pay, is used to calculate the mean and median gender pay gaps. Ordinary pay includes basic pay, pay for work, pay for leave and allowances.

The calculation for the mean and median ordinary pay only includes 'full pay relevant' employees. Those employees who are not being paid or are on reduced, statutory or no pay during March 2017 are excluded as they are not 'full pay relevant' employees.

The mean gender pay gap, which is the difference between the average hourly pay between men and women, is **7.4%**.

The median gender pay gap, which is the difference between the midpoints of the average hourly pay of men and women, is **4.4%**.



The CMA pay gap compares favourably with the rest of the Civil Service pay gap of 11.0% (mean) and 12.7% (median) as published by the Office of National Statistics in 2017.

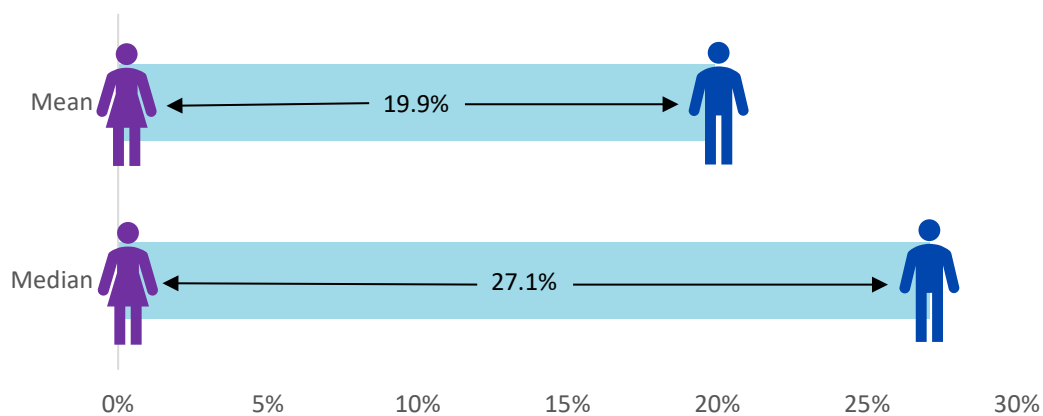
When looking at the mean and median pay gap analysis by grade, the differences are relatively small between male and female staff, apart from at our highest Senior Civil Service grades. Including the pay of our most senior executives in these figures has an effect on the mean and median pay gaps of the overall population.

Bonus Pay

Bonus pay, which is also calculated as mean and median, is based on bonus payments in the form of Performance Related Pay (PRP) and in-year cash awards paid to staff throughout the 2016 - 2017 financial year and up to 31 March 2017. As this covers a full year period, this calculation does include employees who are not 'full pay relevant' employees and can include employees who left the CMA before 31 March 2017.

In the 2016 - 2017 financial year, **54.4%** of men and **57.3%** of women received a bonus payment.

The mean bonus gender pay gap is **19.9%** and the median bonus gender pay gap is **27.1%**



At the CMA, bonus pay takes the form of Performance Related Pay (PRP) for all staff. There is a performance pay scheme for our non-SCS staff which is negotiated annually with our trade unions, and a separate scheme for our SCS staff which is determined centrally by government. Our non-SCS staff also have their own recognition scheme which allows for in-year cash awards that could be paid to staff throughout the 2016 - 2017 financial year.

When looking at our data, we can see that slightly less of our male population (54.4%) and slightly more of our female population (57.3%) are receiving bonus payments.

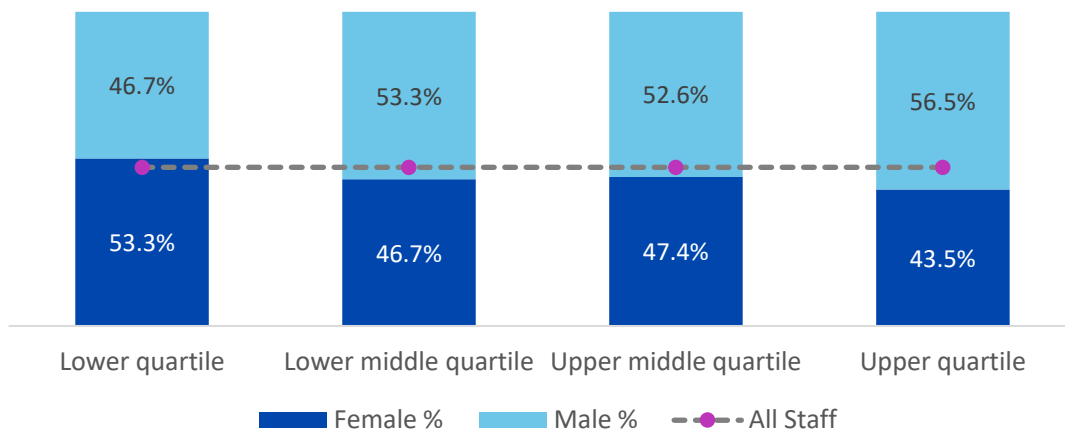
The mean bonus gender pay gap occurs because we have a higher male population in our more senior grades, particularly at SCS level. Staff in our senior grades (irrespective of whether they are male or female) earn the higher valued bonuses and, as 59.8% of our SCS is male and 56.5% of our male staff are in the upper pay quartile, this has meant that our mean for male staff is higher.

Similarly, when looking at our median bonus gender pay gap, as the CMA has a higher proportion of females in the lower grades, they have benefitted from being eligible to receive in-year cash awards that are paid to non-SCS staff. This has meant that, when working out the median, the comparator bonus pay rate for female staff falls much lower than for males.

Therefore, the spread of genders throughout the grades accounts for the larger mean and median bonus gender pay gap.

Pay by Quartiles

The hourly pay quartiles are calculated by listing all employees in order of hourly pay and splitting them into four equal parts. The chart below shows the proportion of men and women that are in each pay quartile.



The lower pay quartile at the CMA includes a higher proportion of females, as female staff make up a higher proportion of our lower grades. The lower middle, upper middle and upper quartiles all have a higher proportion of males.

Closing the Gap – Actions for the CMA

We are addressing our gender pay gap in a number of ways:

Ensuring our people policies are free from bias and are implemented fairly

The CMA’s Equality, Diversity & Inclusion Group was set up to ensure our people policies, and the way they are applied by managers, fully promote equality and diversity. The group works closely with HR to ensure the CMA has the data it needs to understand the diversity of our staff and to assess our progress. Its aim is to improve the way the CMA applies people policies, ensuring, for example, that our recruitment policies and processes do not act as a barrier to diversity and that our flexible working policies enable staff of all genders to work productively and in a way that enables good work-life balance.

We are committed to ensuring that our culture is one in which all colleagues are treated with respect. We have recently launched our Respect Commitment and have appointed a Board Respect Champion.

The CMA offers a wide range of family friendly policies. These include flexible working, flexitime, maternity, paternity and shared parental leave. We will continue to develop these policies which continue to be popular, as evidenced by the number of different working patterns that are currently in use by CMA staff.

The CMA asks all staff to undertake unconscious bias training which is available through Civil Service Learning.

Developing our Talent

We acknowledge that, to close our gender pay gap, we must increase the number of females joining our highest and most senior grades. We actively promote all development opportunities through the department's diversity networks and we offer a number of central cross-government talent and positive action schemes, all aimed at encouraging female staff to achieve their full potential in the Civil Service:

- **Crossing Thresholds** – this is a 12-month career mentoring programme for women to develop their career in a structured and supportive environment. The programme is aimed at non-SCS staff and is delivered through facilitated modules, mentoring sessions, and peer support groups.
- **Positive Action Pathways** – this is a scheme for staff in under-represented groups, aimed at women, and minority ethnic, disabled and LGBT staff in all Non-SCS grades. The 1 year programme consists of development workshops, action learning sets, and on-the-job learning.
- **Future Leaders Scheme (FLS)** and **Senior Leaders Scheme (SLS)** – these are accelerated development schemes for high potential G7 and G6 staff and Deputy Directors SCS Pay Band 1 staff.

Implementation of a new pay framework

The CMA has made substantial changes to its pay framework in 2017 – 2018 to further ensure pay equality.

The CMA has mitigated against the risk of gender pay inequality by reducing the length of the pay scales and ensuring meaningful progression through the pay scales. This helps reduce any salary differences between staff, irrespective of their gender, who are working at the same grade.

We also ensure that men and women who return from maternity leave, shared parental leave and / or career breaks are not detrimentally affected, and that their pay on return takes into account any pay settlements that have been implemented during their absence.

Encouraging diversity when recruiting

The CMA undertakes anonymised recruitment to ensure that candidates are selected for interview on the basis of competence. We also undertake thorough campaign and diversity analysis for every recruitment campaign, to ensure that successful candidates have been appointed on merit and the campaign has not been influenced by any irrelevant factors.

The CMA uses internal salary benchmarking data of current staff, which includes pay by gender, when considering pay offers for new entrants to the Civil Service. This ensures that fair pay is considered where pay offers are not made at the minimum of the grade. Since implementing the use of internal salary benchmarking information, there has been an increase in gender awareness of hiring managers and a positive impact on gender pay disparities. All offers above the minimum of the pay scale can only be made after a business case has been submitted and agreed by the HR Director. All such offers are further reviewed each quarter by the CMA's Audit Risk and Assurance Committee.

Declaration

The CMA confirms that all calculations have been carried out in line with the guidance and regulations, with all efforts made to ensure a robust and methodical approach to the production of our findings.