

# Ministry of Defence

# Equal Pay Audit 2018

# **MOD Main Civilian**

# **Industrial Personnel**

This audit presents a comparison by Gender, and Ethnicity, of annualised average salaries in the period 1<sup>st</sup> November 2017 to 1<sup>st</sup> November 2018, in order 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 differences in pay that may be found between these groups.

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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 by Gender. 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 Human Resources Management System (HRMS) record, who are identified as being paid on the CHIPS pay extract as at 1<sup>st</sup> November 2018. The following exclusions were applied throughout:

- a. Defence, Equipment & Support Bespoke Trading Entity (DE&S) personnel
- b. Trading Fund and Executive agency personnel
- c. Royal Fleet Auxiliary personnel
- d. Locally engaged civilians
- e. Non-Industrial Grades (separate report for these grades)
- f. Analogue grades (which include: 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 2017
- 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 November 2018, 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<sup>st</sup> November 2017 to 1<sup>st</sup> November 2018
- 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 / Executive agency post into a MOD Main post.

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

**Average basic salary** figures for each individual are derived from the basic monthly salary rate they were paid as at 1<sup>st</sup> November 2018, 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.

#### MOD Main Total

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

**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 (36/37 hours in London), excluding meal breaks.

# Data comparisons

Data in this report is only directly comparable with data for 2015, 2016 and 2017 as MOD Main did not include Defence, Equipment and Support (DE&S) (since 1 July 2015 it has been reported as a bespoke trading entity). Due to the size and makeup of DE&S, its removal from MOD Main may have an impact on a number of variables which means that direct comparison with outputs prior to 2015 are not consistent.

# **Symbols and Conventions**

#### Symbols

- fewer than five
- \* not applicable and/or data is not of a sufficient size
- 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.

**To note:** Tables in this publication do not present adjusted average basic salary figures using analysis of Covariance methodology due to the small numbers of personnel.

#### SECTION A1:

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

Table EPA-A1 shows, for each Skill Zone, the FTE strength, average (arithmetic mean) length of service in grade and average (arithmetic mean) 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.

#### Summary

The differences between male and female average annual salary for Skill Zones 1 and 2 is 0.2 per cent. The difference at Skill Zone 3 is 2.2 per cent in favour of males. However, due to the low number of female personnel at this grade, this average may be exaggerated by outlying values.

No pay comparisons on the basis of gender can be made for individuals at Skill Zone 4 due to there being very few females at this grade.

Average length of service in grade was broadly comparable for Skill Zone 4 (8.1 years) and Skill Zone 2 (8.4 years), and was highest for Skill Zone 1 at 10.6 years. Within these grades males had a higher length of service at Skill Zone 2, 3 and 4, with females having a 1.0 year higher length of service for Skill Zone 1.

# Average length of service (years) in grade by MOD main broader banded industrial personnel, as at 1 November 2018

Grade	Total	Males	Females
SZ4	8.1	8.1	~
SZ3	9.3	9.4	8.1
SZ2	8.4	8.9	6.7
SZ1	10.6	10.3	11.3

### Average Annual Basic Salary - All Personnel

#### Table EPA - A1 - Average Basic Salary by Gender and Grade, as at 1 November 2018

SZ4	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
524	Male	200	0.99	8.1		24,240	
	Female	~	*	*		*	
	Total	200	0.99	8.1	*	24,240	*

SZ3	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
523	Male	1,120	0.99	9.4		20,430	
	Female	70	0.99	8.1		20,000	
	Total	1,190	0.99	9.3	1.3	20,400	2.2%

SZ2	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
522	Male	1,090	0.99	8.9		18,080	
	Female	300	0.95	6.7		18,040	
	Total	1,390	0.98	8.4	2.1	18,070	0.2%

SZ1	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
321	Male	430	0.98	10.3		16,570	
	Female	170	0.93	11.3		16,540	
	Total	600	0.97	10.6	-1.0	16,560	0.2%

Source: Defence Statistics (Civilian)

#### 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-A1, 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<sup>st</sup> November 2018 which they would receive if they worked full-time, multiplied by 12 to obtain the current annual basic salary level assuming 1 FTE.

#### Summary

There is no real difference between male and female average annual salary (differences for Skill Zone 1 and 2 are less than 0.5 per cent). There are a very small number of part time female personnel at Skill Zones 3 and 4, so no meaningful comparisons can be made at these grades.

#### 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.

#### Summary

The disparity in the annual average salary by ethnicity for Skill Zones 1 to 3 are no more than +/- 0.7 per cent.

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 0.2 years for Skill Zones 2 and 3, meaning that any effect of LOS in grade upon salaries will be small. LOS for White personnel at Skill Zone 1 is 5.1 years higher, but as BAME numbers are small for this grade, the average is subject to being exaggerated by any outlying values.

#### 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.

### Average Annual Basic Salary - Part-Time Personnel

#### Table EPA - A2 Average annual basic salary of part-time personnel by Gender and Grade, as at 1 November 2018

SZ4	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
524	Male	~	*	*		*	
	Female	-	-	-		-	
	Total	~	*	*	*	*	*

SZ3	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
523	Male	30	0.63	10.3		20,760	
	Female	~	*	*		*	
	Total	30	0.66	10.2	*	20,620	*

SZ2	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
522	Male	30	0.71	11.6		18,060	
	Female	50	0.70	7.4		18,040	
	Total	80	0.71	8.8	4.2	18,050	0.1%

SZ1	Gender	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
321	Male	20	0.65	11.3		16,620	
	Female	30	0.61	11.0		16,560	
	Total	50	0.63	11.1	0.4	16,590	0.4%

# Average Annual Basic Salary - All Personnel

Table EPA - B1 - Average Basic Salar	by Ethnicity and Grade, as at 1 November 2018
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				Average LOS	Diff in	Average	
			Average	in Grade	LOS in Grade	Annualised	Av Basic Salary
<b>0-</b> <i>i</i>	Ethnicity	Headcount	FTE	(years)	(years)	Basic Salary	Diff %
SZ4	White	160	0.99	8.6	() /	24,250	
	BAME	~	*	*		*	
	Total	160	0.99	8.6	*	24,250	*
				Average LOS	Diff in	Average	
			Average	in Grade	LOS in Grade	Annualised	Av Basic Salary
SZ3	Ethnicity	Headcount	FTE	(years)	(years)	Basic Salary	Diff %
323	White	950	0.99	9.8		20,440	
	BAME	20	0.97	9.5		20,300	
	Total	970	0.99	9.8	0.2	20,440	0.7%
				Average LOS	Diff in	Average	
			Average	Average LOS in Grade	Diff in LOS in Grade	Average Annualised	Av Basic Salary
672	Ethnicity	Headcount	Average FTE	in Grade (years)		-	Av Basic Salary Diff %
SZ2	<b>Ethnicity</b> White	Headcount 1,050	•	in Grade	LOS in Grade	Annualised	•
SZ2			FTE	in Grade (years)	LOS in Grade	Annualised Basic Salary	•
SZ2	White	1,050	<b>FTE</b> 0.99	in Grade (years) 9.2	LOS in Grade	Annualised Basic Salary 18,090	•
SZ2	White BAME	1,050 40	<b>FTE</b> 0.99 1.00	in Grade (years) 9.2 9.1 <b>9.2</b>	LOS in Grade (years) 0.2	Annualised Basic Salary 18,090 18,100 18,090	Diff %
SZ2	White BAME	1,050 40	<b>FTE</b> 0.99 1.00	in Grade (years) 9.2 9.1	LOS in Grade (years)	Annualised Basic Salary 18,090 18,100	Diff %
SZ2	White BAME	1,050 40	<b>FTE</b> 0.99 1.00	in Grade (years) 9.2 9.1 <b>9.2</b>	LOS in Grade (years) 0.2	Annualised Basic Salary 18,090 18,100 18,090	Diff %
	White BAME	1,050 40	FTE 0.99 1.00 0.99	in Grade (years) 9.2 9.1 9.2 9.2 9.2 Average LOS	LOS in Grade (years) 0.2 Diff in	Annualised Basic Salary 18,090 18,100 18,090 Average	Diff % -0.1%
SZ2 SZ1	White BAME Total	1,050 40 <b>1,090</b>	FTE 0.99 1.00 0.99 Average	in Grade (years) 9.2 9.1 9.2 9.2 9.2 Average LOS in Grade	LOS in Grade (years) 0.2 Diff in LOS in Grade	Annualised Basic Salary 18,090 18,100 18,090 Average Annualised	Diff % -0.1% Av Basic Salary
	White BAME Total Ethnicity	1,050 40 <b>1,090</b> Headcount	FTE 0.99 1.00 0.99 Average FTE	in Grade (years) 9.2 9.1 9.2 9.2 9.2 Average LOS in Grade (years)	LOS in Grade (years) 0.2 Diff in LOS in Grade	Annualised Basic Salary 18,090 18,100 18,090 Average Annualised Basic Salary	Diff % -0.1% Av Basic Salary

Source: Defence Statistics (Civilian)

# Average Annual Basic Salary - Part-Time Personnel

\$74	Ethnicity	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
SZ4	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 %
323	White	30	0.66	10.4		20,750	
	BAME	~	*	*		*	
	Total	30	0.65	10.5	*	20,720	*

SZ2	Ethnicity	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
322	White	50	0.72	10.4		18,090	
	BAME	~	*	*		*	
	Total	50	0.72	10.5	*	18,090	*

SZ1	Ethnicity	Headcount	Average FTE	Average LOS in Grade (years)	Diff in LOS in Grade (years)	Average Annualised Basic Salary	Av Basic Salary Diff %
321	White	40	0.64	11.2		16,600	
	BAME	~	*	*		*	
	Total	40	0.64	11.3	*	16,600	*

Source: Defence Statistics (Civilian)

#### 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<sup>st</sup> November 2017 to 1<sup>st</sup> November 2018 (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<sup>st</sup> November 2017 to 1<sup>st</sup> November 2018.

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, 60 Skill Zone personnel were promoted in the year 1<sup>st</sup> November 2017 to 1<sup>st</sup> November 2018. 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<sup>st</sup> November 2017 to 1<sup>st</sup> November 2018 (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 not possible at any grade.

# 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 November 2017 to 1 November 2018

074	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)
SZ4	Male	30	23,700		9.3	
	Female	~	*		*	
	Total	30	23,700	*	9.0	*

070	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)
SZ3	Male	20	19,340		6.7	
	Female	~	*		*	
	Total	30	19,270	*	6.8	*

070	Gender	Number of Promotions grade	Average Basic into Salary on Promotion	Av Basic Salary Diff %	Average LOS to promotion (yrs)	Av LOS to promotion Diff (yrs)
SZ2	Male	~	*		*	
	Female	~	*		*	
	Total	10	17,890	*	2.5	*

Source: Defence Statistics (Civilian)

#### **Promotions/Advancements Rates**

	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at Iower grade	Percentage female - Iower grade		Promotion rate into grade	Promotion rate ppt difference
All Grades	Male	60		2,790				
	Female	10		570		-0.06		
	Total	60	10.9%	3,360	17.0%	Not significant	*	*

Table EPA - C2 - Number of Promotions/Advancements during the year 1 November 2017 to 1 November 2018

	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at lower grade	Percentage female - lower grade		Promotion rate into grade	Promotion rate ppt difference
SZ4	Male	30		1,180			2.3%	
	Female	~		70		*	*	
	Total	30	*	1,250	5.9%	*	2.2%	*

	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at Iower grade	Percentage female - Iower grade		Promotion rate into grade	Promotion rate ppt difference
SZ3	Male	20		1,160			2.2%	
	Female	~		300		*	*	
	Total	30	*	1,460	20.9%	*	2.0%	*

	Gender	Number of Promotions into grade	Percentage female - promotees	Average Strength at Iower grade	Percentage female - Iower grade	between female proportion in	Promotion rate into grade	Promotion rate ppt difference
SZ2	Male	~		450			*	
	Female	~		190		*	*	
	Total	10	*	650	29.9%	*	*	*

Source: Defence Statistics (Civilian)

#### 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 2018 followed the approach by recent settlements by providing larger increases for individuals towards the bottom of their pay scale. The following rates were applied:

- The minimum of each pay scale increased by 1.8%.
- The maximum of each pay scale increased by 0.8%.
- Those not on the minimum or maximum pay scale received a 1.3% increase unless it took them past the new maximum.

#### MOD main personnel salary ranges for Broader Banded personnel, Industrial (Skill Zones 4 to 1) 2013 to 2018

			2042	2014	2045	204.0	2047	2040	% change in the difference from
		1	2013	2014	2015	2016	2017	2018	2013 to 2018
	London	High	25,179	25,179	25,179	25,179	25,305	25,507	
SZ4	&	Low	22,372	22,714	23,024	23,300	23,556	23,980	
	National	Difference	2,807	2,465	2,155	1,879	1,749	1,527	-45.6%
	-								
	London	High	22,372	22,372	22,372	22,372	22,484	22,664	
SZ3	&	Low	18,190	18,480	18,742	18,977	19,186	19,531	
	National	Difference	4,182	3,892	3,630	3,395	3,298	3,133	-25.1%
	London	High	18,190	18,190	18,190	18,190	18,281	18,427	
SZ2	&	Low	16,647	16,904	17,137	17,346	17,537	17,853	
	National	Difference	1,543	1,286	1,053	844	744	574	-62.8%
		•							
	London	High	16,647	16,647	16,647	16,647	16,730	16,864	
SZ1	&	Low	15,234	15,468	15,681	15,872	16,047	16,336	
	National	Difference	1,413	1,179	966	775	683	528	-62.6%

#### 1. Data sources

Defence Statistics (DS) Civilian statistics are compiled from:

- i) MOD Main Personnel Data for MOD Main 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<sup>st</sup> November 2018 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<sup>st</sup> November 2018.

#### 2. Data definitions

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<sup>st</sup> November 2017 to 1<sup>st</sup> November 2018. 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.

**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	Senior Management				
SCS – Senior Civil Service	SCS – Senior Civil Service				
Other Management Grades	Other Management Grades				
B1 & equivalents	Grade 6				
B2 & equivalents	Grade 7				
C1 & equivalents	SEO - Senior Executive Officer				
C2 & equivalents	HEO - Higher Executive Officer				
D & equivalents	EO - Executive Officer				
Administrative Grades	Administrative Grades				
E1 & equivalents	AO - Administrative Officer				
E2 & equivalents	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-industrials 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.

**Top Level Budgetary area (TLB)** are the major organisational groupings of the MOD directly responsible for the planning, management and delivery of departmental capability.