



HM Treasury

Gender pay gap report 2019



Introduction

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 relevant organisations to publish their gender pay gap by 30 March annually. This includes the 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.

The Treasury is committed to fairness. In particular, promoting equality of opportunity for all and a culture which values differences. As an employer, we want to ensure our workforce is representative of the community it serves and attract and retain talented employees from a wide range of backgrounds and with diverse skills and experience. We regularly publish information on the wider diversity of our workforce, including in the Treasury's Annual Report and Accounts which can be found [here](#). The Treasury last undertook an equal pay audit in 2016.

Organisational context

Our aim is to build an organisation that is open to and supports and celebrates people from different backgrounds with different views and different ways of working; as well as to recruit, develop and retain a diverse workforce within an inclusive environment. As part of our Diversity and Inclusion Action Plan, we set out a number of areas of focus and key deliverables to achieve this vision.

Treasury uses a grading system which is linked to the Civil Service grades. For this report we will use the equivalent Civil Service grades, ranging from Administrative Officers to Senior Civil Servants. Within each grade there is a pay range, and irrespective of gender the longer someone remains in a grade the further along that pay scale they are expected to get. That being said, not all recruits start at the bottom of their pay range.

The Treasury Group is made up of a core department – HM Treasury, and three executive agencies - Government Internal Audit Agency, Debt Management Office, and the National Infrastructure Commission. In this report we detail figures for the whole group, in line with the legislation, but we also detail the figures for the core department only separately.

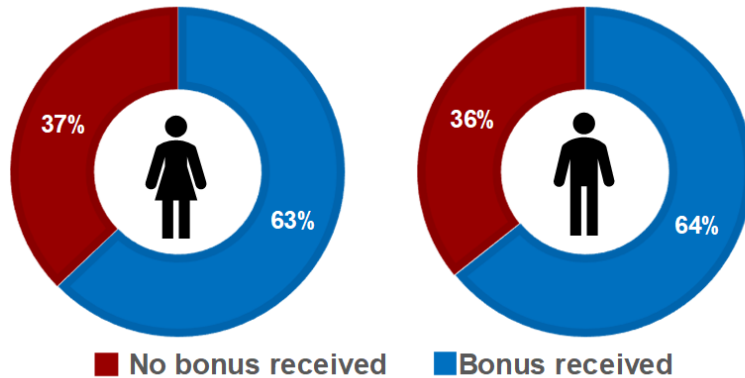


Treasury group - 2019

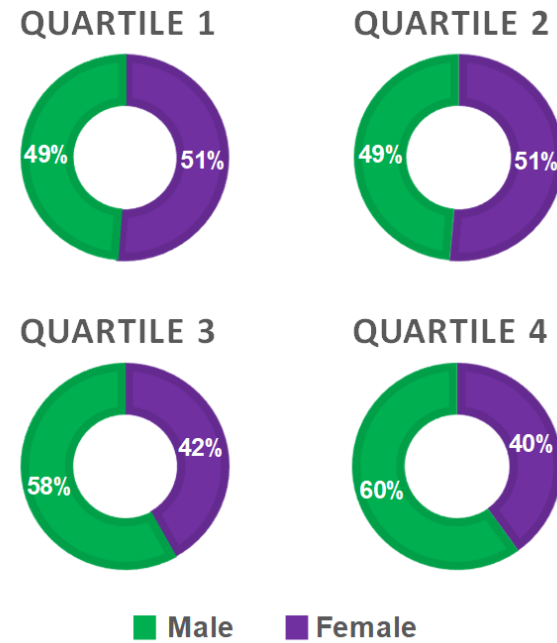
Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	7.2% (0.2%)	14.6% (-0.2%)
Gender bonus gap	22.7% (4.9%)	-5.0% (-5.0%)

Proportion of staff receiving a bonus



Pay quartiles



Proportion of males and females in each pay quartile, each quartile contains 501 employees

Change from previous year shown in brackets.

¹ When comparing the gender bonus gap to 2018, the rounded figures show an increase of 5% however 4.9% is accurate.
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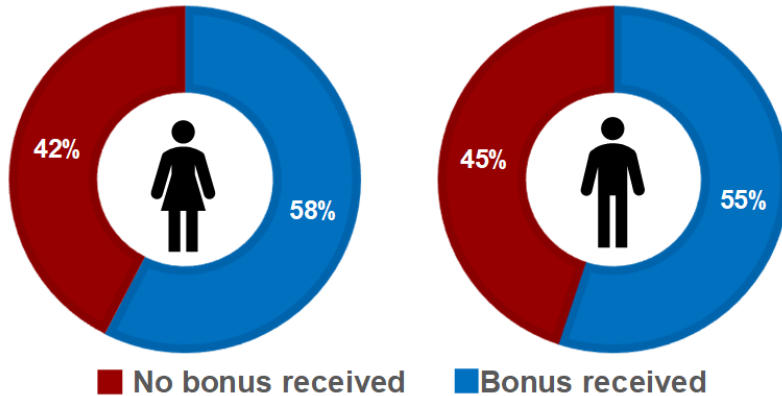


Treasury group - 2018

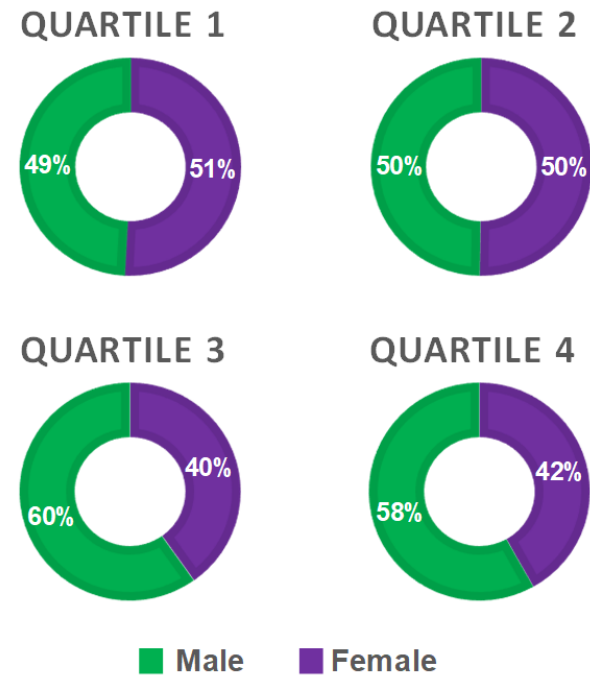
Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	7.0% (-0.1%)	14.8% (1.1%)
Gender bonus gap	17.7% (-15.8%)	0.0% (-20.0%)

Proportion of staff receiving a bonus



Pay quartiles



Proportion of males and females in each pay quartile, each quartile contains 468 employees

Change from previous year shown in brackets.

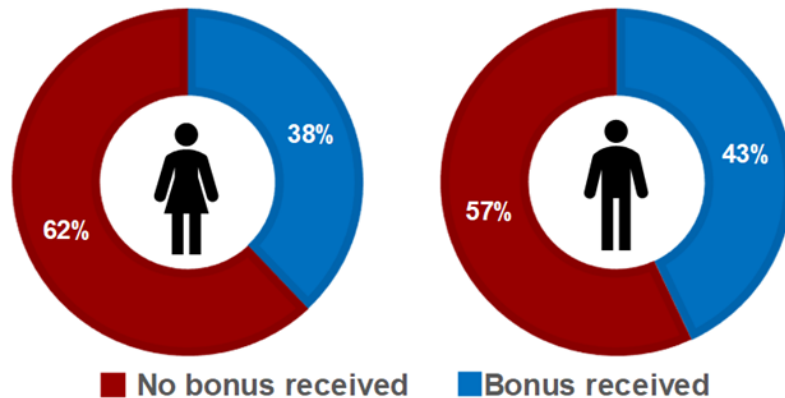


Treasury group - 2017

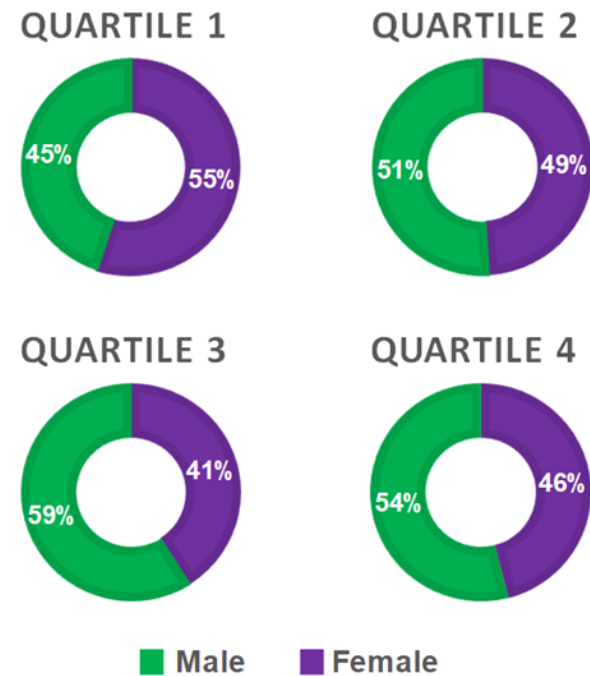
Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	7.1%	13.7%
Gender bonus gap	33.5%	20.0%

Proportion of staff receiving a bonus



Pay quartiles



Proportion of males and females in each pay quartile, each quartile contains 436 employees

Change from previous year shown in brackets.



Pay gap

The overall mean gender pay gap for the Treasury Group has increased by 0.2% from last year to 7.2%. However, the median pay gap has reduced by 0.2% to 14.6% which is below the national median of 17.9%².

In HM Treasury only the mean gender pay gap has reduced by 0.6% to 3.7%, but the median pay gap has increased by 0.2% to 9%.

The existing pay gaps do not indicate that men and women are being paid differently for equal work, but as the data below for the Treasury group shows, there is a higher proportion of women in junior grades and lower representation at senior level, which affects the average and median pay for each gender. This has a greater impact on median pay which explains the difference between the mean and median pay gaps.

Grade (increasing seniority)	Number of men (% of men who work in this grade)	Number of women (% of women who work in this grade)	% female
AA/AO	32 (3%)	39 (4%)	55%
EO	72 (7%)	109 (12%)	60%
HEO / SEO	437 (41%)	299 (32%)	41%
Grade 6/7	466 (43%)	418 (45%)	47%
SCS ³ (centrally managed only)	71 (7%)	59 (6%)	45%
Total (including those with unknown grade)	1,078	924	46%

There is also a disparity in the gender balance between the different organisations that make up the Treasury Group. The following table shows the proportion of men and women in each of those organisations.

Organisation	% Male	% Female
HMT (exc. agencies)	54%	46%
GIAA	50%	50%
NIC	53%	47%
DMO	68%	32%
Total	54%	46%

² Office for national Statistics Annual Survey of Hours and Earnings: October 2018 results

³ Senior Civil Servants



Bonus Gap

The mean bonus gap for the Treasury Group has increased by 5% to 22.7%. However, the median bonus gap has increased by 5% to -5% in favour of women.

In HM Treasury only the mean bonus gap is 7.4%, last year this was -6.4% in favour of women, so the gap has increased by 1% in favour of men this year. However, the median bonus gap has decreased by 13% to -12% in favour of women.

We recognise there is still progress to be made on the distribution of performance bonuses, the group continues to moderate performance markings and undertake bi-annual reviews of our in-year bonus scheme and the Treasury Thanks voucher scheme, to ensure awards are being awarded fairly and consistently across all groups of staff.

The increase in bonuses awarded across genders is largely a result a new instant recognition voucher scheme – Treasury Thanks, which gives managers the ability to reward employees with low value vouchers for good pieces of work.

Difference in methodologies

The Office for National Statistics (ONS) is the UK's largest independent producer of official statistics and the recognised national statistical institute of the UK. Each year ONS undertakes two surveys and the published outputs include gender pay gap statistics. These are:

- Annual Survey of Hours and Earnings (ASHE)
- Annual Civil Service Employment Survey (ACSES).

It is important to note that the two surveys reference Gender Pay Gap but do not use exactly the same methodology to the Gender Pay Gap data contained in this report, which makes it difficult to make direct comparisons.

ASHE uses employee's actual earnings, excluding overtime, and actual working hours during a specified pay period. ASHE uses this data to calculate the hourly rate which is used to calculate the national gender pay gap figures.

ACSES uses employee's full time annual equivalent pay, excluding bonuses. This annual figure is used to calculate the gender pay gap. ACSES does not collect contracted hours and therefore, does not calculate hourly rate.



Closing the Gender Pay Gap

Below we have set out the actions that the Department is taking to close the gender pay gap. The effectiveness of these actions are reviewed regularly by HR and overseen by the Diversity Delivery Committee. Our executive agencies also have their own separate plans to help them address their own gender pay gaps



Recruitment, retaining and developing a diverse workforce

- The implementation of a new recruitment policy in January last year which aimed to improve fairness and consistency and upskilled managers, removing bias in the recruitment process. Mixed gender selection panels are now mandatory at both application sift and interview stages, and all SCS panels must also include a panel member from a BAME background or who has a disability.
- Treasury will continue to carry out 'blind' recruitment where all personal information including gender is redacted and not visible to those making decisions until the interview stage.
- Treasury operates a 'flexible by default' approach to flexible working (such as part time working or job sharing). This means that by default, all jobs are advertised as open to those wishing to work part time or flexibly, with a review process requiring senior approval for any exceptions.
- New training and guidance on recruitment will cover writing inclusive, un-biased job descriptions. This was rolled out in 2019.



Progression and career paths

- Treasury runs an annual talent round to track progression into and within the SCS and includes a review of diversity to ensure fairness and that all employees are being provided with the right development opportunities.
- The Women in the Treasury network is closely involved in a number of initiatives to improve diversity and inclusion in Treasury. The network also holds events throughout the year to share experiences and provide a supportive community.
- The department runs internal talent programmes including Prospects (AO and EO staff); Catalyst (Grade 6); Accelerate (for Grade 6/7 staff from a BAME background, with disability or who identify as LGBT); and a talent offer for our HEO/SEO staff. In addition, we participate in the various cross-departmental programmes such as: Future Leaders and Senior Leaders Scheme; Positive Action Pathway; and various apprenticeships.



Performance management

- Treasury has a diversity panel which review the annual performance appraisal outcomes to ensure fairness.
- Treasury has also implemented a new performance management process this year which features more regular management conversations focusing on performance and development.



Pay systems

- Treasury has continued its strategy of shortening pay ranges and therefore improving internal equity.
- There has been a particular focus on providing quicker pay progression to staff lower down pay scales, in order to close the gaps in pay.
- Starting salaries for people joining is strictly monitored to ensure consistency and fairness of approach.
- Treasury aims to improve transparency, through enhanced communications, on the overall pay system including salary ranges, processes on promotion and the overall pay strategy.
- DMO carry out job evaluations and pay levels reviews annually to ensure pay parity.
- Achieving a neutral bonus gap is challenging as there are multiple different ways staff can receive bonus. Next year we will be reviewing the in-year bonuses which aren't centrally managed to ensure they are being awarded fairly and consistently.



Learning and development

- In 2019, Treasury launched a new L&D offer to all staff, including a new Management Development Pathway, which better signposts towards all existing diversity and inclusion related learning.
- Treasury introduced new recruitment workshops and are piloting new skills boosters about inclusion. In addition, Treasury has developed a range of bite sized resources aimed at building diversity.



Family friendly

- The Treasury is a keen supporter of flexible working and continues to promote alternative working patterns. We are reviewing our Special Leave and Career Break policies to ensure all staff have a positive experience of taking leave and returning to the Treasury.
- All staff have the capacity to work from home, and improved IT systems now allow access to Treasury system via a USB-drive and take part in meetings from any location.



Governance

- The Diversity Delivery Committee brings together the Executive Management Board diversity champions, the co-chairs of the Diversity and Inclusion Board and the Director of Corporate Services to lead and oversee the delivery of the Treasury Diversity and Inclusion Action Plan, which delivers initiatives aimed at developing and retaining a diverse workforce that fully reflects the Treasury's values. To achieve the scale of transformation needed, diversity needs to become central to every major decision the department makes and mainstreamed into everyday activity and culture of every group and team.
- The Women in the Treasury network is also closely involved in a number of initiatives to improve diversity.



Graduate scheme

- Treasury is continuing to take further steps to improve diversity on the HM Treasury graduate recruitment scheme including: changing our approach to university outreach, updating online content to ensure accessibility for all candidates, and removing barriers to employment through changes to our assessment centres.



Industry

- From an industry perspective, in 2016, the Treasury launched the 'Women in Finance Charter' which asks financial services firms to commit to implement four key industry actions. Details of the charter can be found [here](#). In full support of this initiative, the Treasury has signed the charter itself, which ties in with the target already set out in the Diversity and Inclusion action plan to increase the representation of women in Treasury's Senior Civil Service to 50% by 2020, a target we are currently on track to meet as 50% of our SCS were female as at March 2019.



Previous actions/milestones

- In 2018-19 our Executive Management Board became gender balanced, with an equal number of male and female members.
- We carried out an external review our graduate scheme. This resulted in changes to the language used on the job website being more attractive to female applicants. As a result, we received a higher proportion of female applications.



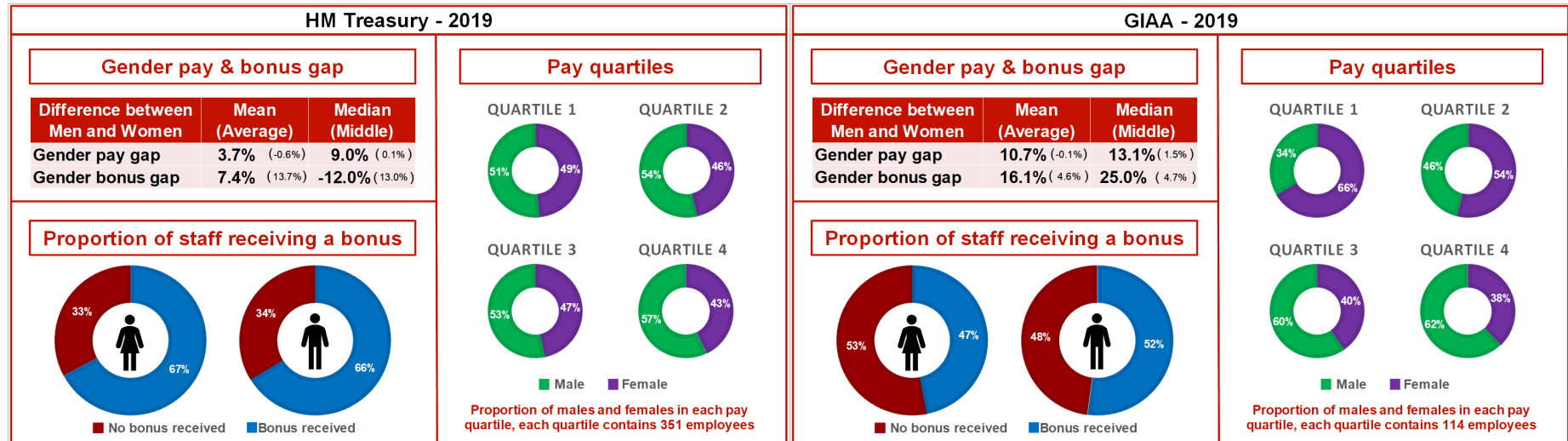
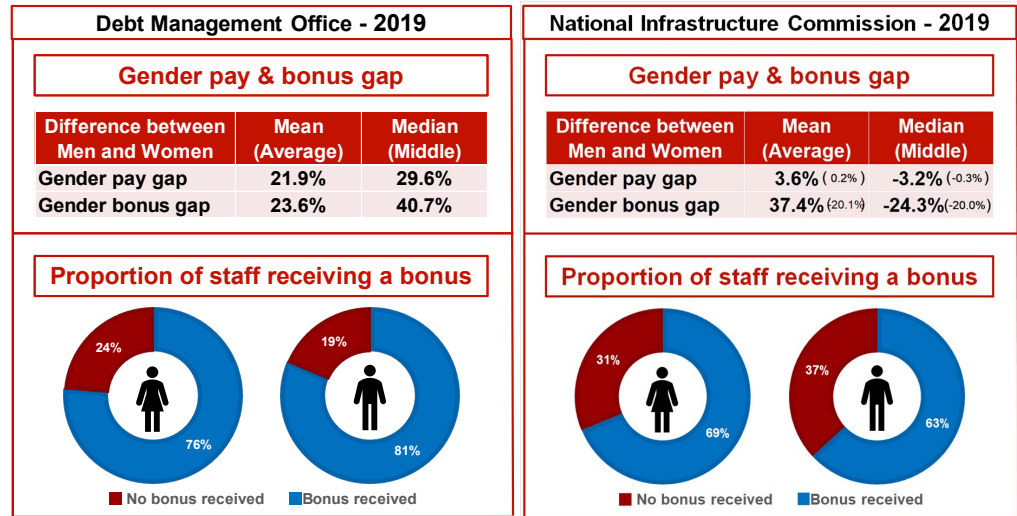
Statutory disclosures

On 31st March 2019 HM Treasury had 4 employee entities, the central Department and three executive agencies: Government Internal Audit Agency, Debt Management Office, and National Infrastructure Commission. Only the central Department and the Government Internal Audit Agency employ 250 or more employees and their individual figures are shown below.

Due to the National Infrastructure Commission's size their quartile data has been excluded.

Declaration

HM Treasury confirms that our data has been calculated according to the requirements of The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.



Change from previous year shown in brackets.