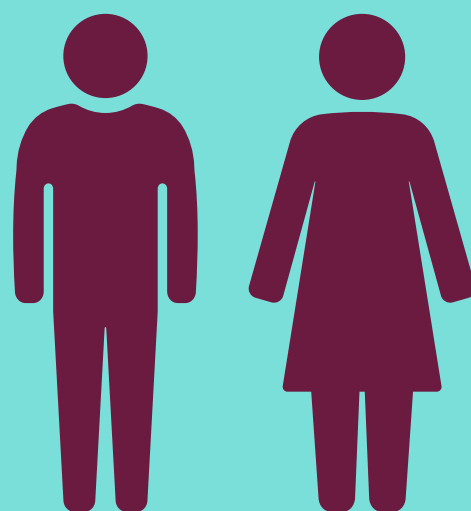


# Gender Pay Gap

Report for the year 2020



Department  
for Work &  
Pensions



# Gender Pay Gap - Report for the year 2020

## Background

In 2017, the government introduced world-leading legislation requiring 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 annually. This includes:

- the mean and median ordinary 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.

Gender pay gap is different from 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 gender pay gap shows the difference between the average pay for all men and women in a workforce.

If a workforce has a particularly high gender pay gap, there may be a number of issues to deal with, and the individual calculations can help to identify what those issues are.

For 2019/20, the Gender Pay Gap figures were published for the first time, in the Annual Civil Service Employment Survey (ACSES) to provide an overall picture across government.

This report fulfils DWP's reporting requirements and sets out the actions we are taking in relation to improving gender parity. This information is published on gov.uk and the Government Equality Office (GEO) portal.

In addition to the mandatory requirements, we have chosen to carry out further analysis to better understand DWP's gender pay gap and its causes, in order to tackle it more effectively going forward.

# Gender Pay Gap - Report for the year 2020

## Organisational context

DWP supports the fair treatment and reward of all staff irrespective of gender, and we are committed to making the department an inclusive place where people can be at their best. Our goal is to ensure that these commitments, reinforced by our values, are embedded in our day to day working practices with all our customers, colleagues and partners. We aim to be the most inclusive employer in the UK and to be representative of the communities that we serve.

We have set ourselves challenging objectives around ensuring that we have a diverse workforce which, in relation to gender, include:

- growing and supporting our internal pipeline of women progressing through the grades; and
- achieving gender parity in SCS for external recruitment.

## Organisation structure

DWP uses the Civil Service grading system ranging from Administrative Assistant (administration level grades) to Senior Civil Servant (director level grades). Grades are determined by the level of responsibility that employees have in their job roles. Each grade has a set pay range, with higher grades receiving higher salaries.

As a Civil Service department we are subject to current public sector pay policy and pay restrictions and comply fully with all requirements of Civil Service Pay Guidance.

Under the historical contractual pay progression policy, employees moved through the pay range for their grade annually. This meant that the longer someone had spent in a grade the more we would expect them to earn, irrespective of their gender.

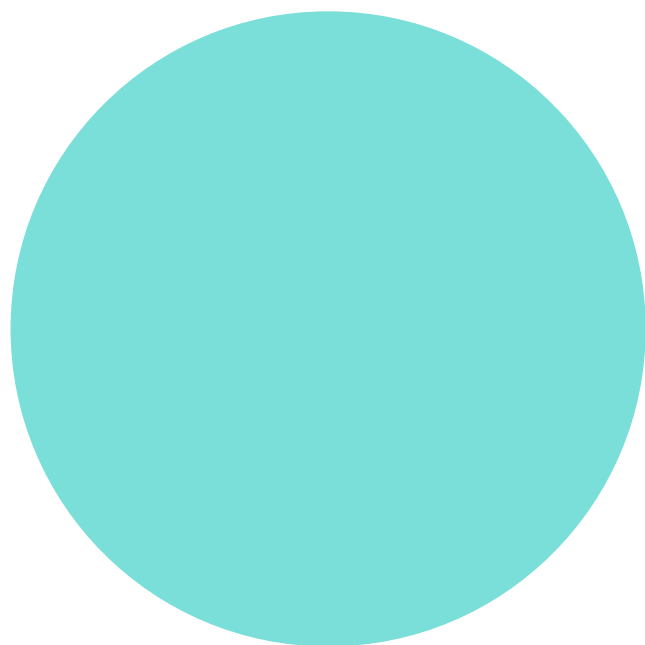
Contractual pay progression was removed from Civil Service pay in 2013. The majority of DWP employees are now on spot rates, where everyone within grade and pay zone is paid the same single rate. However, the historical impact still affects our gender pay gap, particularly where employees have remained on legacy terms and conditions following the introduction of the Employee Deal (ED) Collective Agreement in 2016.

DWP's annual pay award consists of 2 main elements paid to all employees with satisfactory performance:

- a consolidated pay award
- a non-consolidated pay award

DWP's gender pay gap is not rooted in our pay strategy. We are confident that our strategy is non-discriminatory in its design and this is supported through our analysis, which demonstrates the pay gap to be largely attributed to the structure of the workforce, specifically lower female representation in higher grades and in higher paid specialist professions such as digital. However, the gender pay gap continues to be a key consideration as we develop our future reward approach.

DWP's total headcount on the 31 March 2020 snapshot date was 79,330 employees; this represents all paid and unpaid employees. Of this number, 78,075 employees were identified as 'full pay relevant employees', as set out in the regulations, and included in the calculations. This includes contractors who are on DWP payroll and provide a personal service to the department. DWP has no other contractors that should be included in the calculations, as set out in the legislation.



## Gender pay gap data

Gender pay gap				
	Mean		Median	
	2019	2020	2019	2020
Pay gap	5.2%	5.4%	0.0%	0.0%
Bonus pay gap	11.5%	15.3%	5.7%	9.1%

There has been a slight increase in the mean ordinary pay gap in 2020. This was anticipated as we move towards spot rates for the grades covering the majority of our employees. In the longer term we expect spot rates and shortened pay ranges to reduce the GPG.

The median pay gap remains at 0%. Almost 50% of DWP employees are at EO grade and most are on a spot rate; this means the median will generally fall within the EO range for both genders.

DWP's GPG figures compare favourably to both the 2020 Civil Service mean of 9.3% and median of 10.5%.

Nevertheless, we have carried out further analysis to identify and better understand the main causes of our gender pay gap so we can take mitigating action where needed.

## Analysis of ordinary pay gap

### 2020 Gender composition

The overall gender composition of DWP's workforce, in the scope of the calculation, is constituted of significantly more female (67%) than male (33%) employees.



**5.4%**

Mean pay gap

From 5.2% in 2019

**0.0%**

Median pay gap

Same as 2019



However, this is not consistent across the whole range of the grades. More women are employed in the junior grades where pay is lower (AA to HEO). In contrast, at the more senior, higher paid grades (SEO to SCS), the proportion of women is lower at 53.25%.

The most highly paid roles, those just in the Senior Civil Service, show that female representation is continuing to increase each year, up from 44.6% in 2019 to 48.6% in 2020, compared to men at 51.4%.

## Pay gap grade breakdown

The GPG increases as we add more senior grade groups.

Grade	AA-HEO	AA-G6	AA-SCS
Mean pay gap	1.2%	4.8%	5.4%

When we further analyse these figures by grade we can see a slight increase in the overall gender pay gap figure for AA to HEO grades from 1.0% in 2019 to 1.2% in 2020. Historically, in grades AA to EO, the gap has been in favour of women as they have been higher up the pay scales. This has offset some of the gender pay gap in the more senior grades.

As we reduce pay ranges and move towards spot rates, men have received higher annual pay increases, due to being lower down the pay ranges. This has resulted in less of an

offset, and therefore led to a widening of the gender pay gap overall.

Over time, as we reduce the pay ranges so all employees in grades AA to HEO are on the same, or similar, rates of pay, the gender pay gap will reduce significantly or disappear altogether in these grades. However, until we reach this point we expect the gap to continue to widen.

Although we have made improvements in the proportion of women in more senior grades (SEO and above), our analysis shows that DWP's gender pay gap can again be attributed, in part, to there being more males than females in senior level, higher paid roles. As female representation at these more senior levels increases we will continue to monitor rates of pay.

The table shows DWP's pay by quartiles. The quartiles approximately map with the gender composition of the department (67% female and 33% male). The proportion of females to males in the lower quartiles has increased slightly from 2019.

## Pay by quartiles

Quartile	Female	Male
Lower quartile	71.2%	28.8%
Lower middle quartile	71.5%	28.5%
Upper middle quartile	62.1%	37.9%
Upper quartile	62.3%	37.7%

## Employee Deal

DWP operates with 2 sets of core contractual terms and conditions, with accompanying pay scales:

1. Employees employed on DWP's modernised Employee Deal (ED) terms and conditions
2. Employees employed on DWP's legacy terms and conditions

The pay element of ED covered a contractual period of 4 years ending in July 2019 and applied to grades AA to HEO (around 94% of our workforce). It enabled us to start to reform our pay structures by:

- reducing the length of our pay scales,
- moving towards spot rates, and
- better aligning DWP's pay rates to other Civil Service departments for AA to HEO.

The majority of our employees are now on these modernised terms and conditions and associated pay rates, including all new recruits to DWP since 2016, but we have a minority of employees who opted to remain on legacy terms. We have analysed the pay gaps between ED and legacy employees, to understand how they impact the overall picture.

### Mean Gender Pay Gap %

AA to HEO Grades	ED	Legacy
2020	0.4%	1.9%
2019	0.1%	2.4%

Due to the shortening of pay scales under ED we can again see significantly smaller gender pay gap figures of 0.4% for these employees, compared against 1.9% for legacy staff where pay ranges have not shortened. However, there has been a slight shift between ED and legacy employees although there are clear reasons for this.

- The AO National spot rate was finalised through the 2019 pay award. Prior to this a higher proportion of men than women were lower down the pay range, meaning they received a larger pay increase to bring them up to the spot rate. This has increased the gap for the ED group.
- Colleagues on the minimum of the AA and AO legacy grades (predominantly women) benefited most from the April 2019 National Living Wage increase. This pay uplift has helped to reduce the GPG in this group of legacy colleagues.



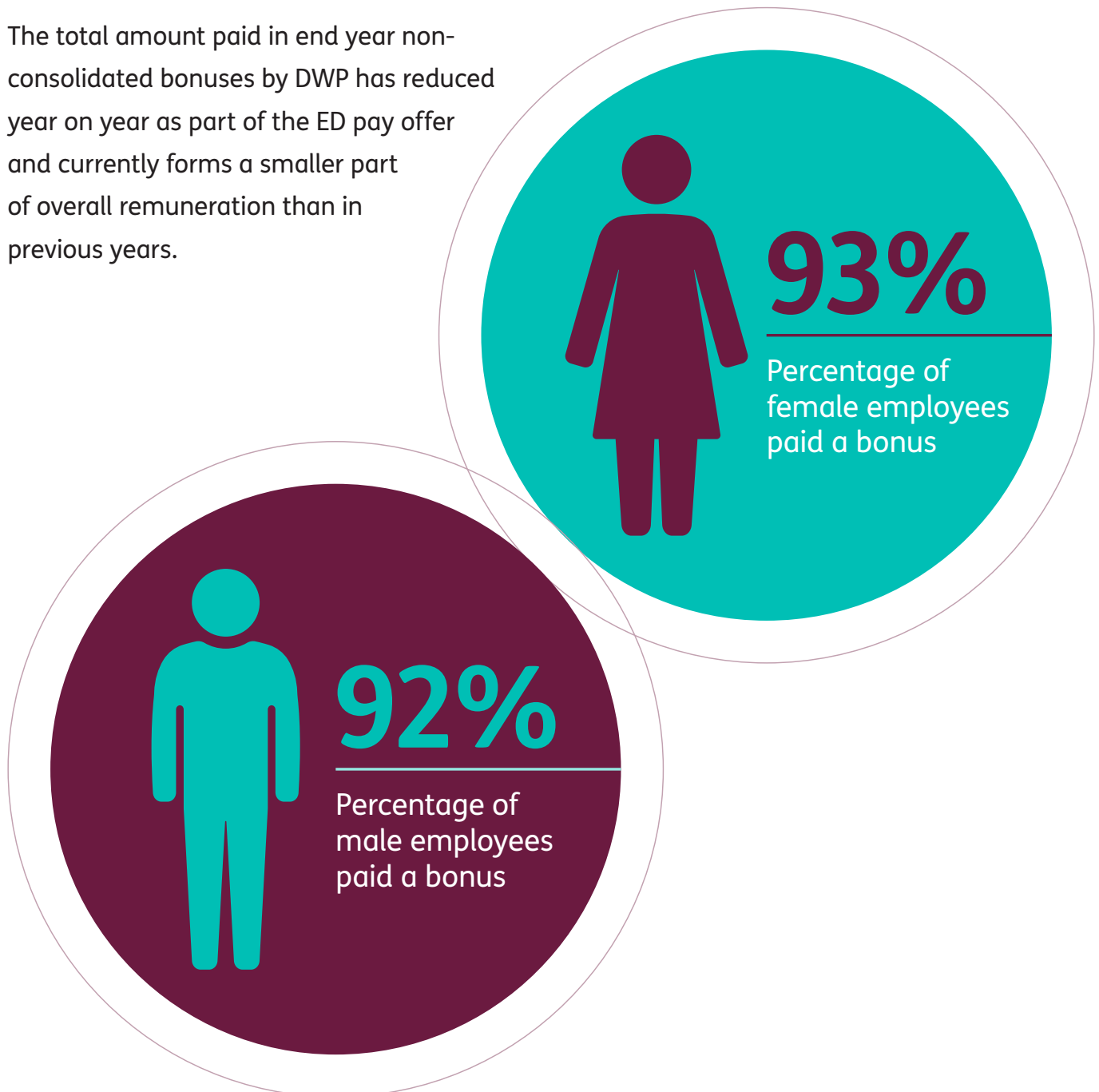
## Analysis of bonus pay gap

The significant majority of DWP's performance bonus awards were paid as end of year awards, dependent on grade. These are paid at set values irrespective of gender or any other protected characteristic.

The total amount paid in end year non-consolidated bonuses by DWP has reduced year on year as part of the ED pay offer and currently forms a smaller part of overall remuneration than in previous years.

### Percentage of employees paid a bonus

Overall 93% of females and 92% of males were paid a bonus in the 12 months ending 31 March 2020.



## Mean and median bonus pay gap

Both the mean and median bonus pay gaps have increased since 2019.



**15.3%**  
Mean bonus  
pay gap

From 11.5% in 2019

**9.1%**  
Median bonus  
pay gap

From 5.7% in 2019

It is common standard practice across organisations for non-consolidated bonus payments to be pro-rated in accordance with the number of hours worked by each employee. Within DWP, 54% of women work part-time compared to only 17% of men.

As a result, women will show as receiving disproportionately lower bonuses than men, which accounts for a significant proportion of the 15.3% bonus pay gap.

The calculation for the bonus pay gap, which uses actual values received rather than

full time equivalent values, means we will always have a bonus pay gap which will fluctuate according to the number of part-time employees, most of whom (86%) are female. When awards are converted to full time equivalent the mean gap reduces to 7.41%.

In the 2019 pay award DWP applied a different approach to end year non-consolidated awards for AA-Grade 6, with the value of the award tiered by grade.

AO – HEO grades, with a high ratio of females to males (68% female: 32% male), received a flat award of a set value. An award of a higher value was paid to employees in the more senior grades - SEO to Grade 6, where the ratio of females to males is lower (53% female: 47% male). This tiered approach has resulted in an increase in both the mean and median pay gaps.

In-year recognition payments also fall within the bonus pay category, these include both cash payments and vouchers. The increase in the median is also in part due to males tending to receive higher value in-year cash awards.

DWP is currently reviewing its approach to recognition and reward as part of the wider pay and reward strategy over the longer term. The impact on gender and other protected characteristics forms one element of this review.

## How we are starting to address DWP's gender pay gap

Overall our analysis illustrates that DWP's gender pay gap is, in the main, as a result of the structure and gender composition of our workforce, exacerbated by the proportion of men in higher paid grades and roles compared to women. However, we know we have more work to do to improve this where possible.

Building a diverse and inclusive workforce that reflects the people we serve is one of the Civil Service's top workforce priorities. Our collective aim is to make the Civil Service the UK's most inclusive employer. Our Diversity and Inclusion Strategy outlines how we plan to achieve this. The Civil Service should create opportunities for all in a truly meritocratic way and reward all civil servants fairly, regardless of gender, ethnicity or any other personal characteristic.

DWP is committed to continuing to improve the gender pay gap. We are working closely with our Diversity and Inclusion team and other colleagues to continue to promote, build and further develop initiatives and programmes to support continued progress towards gender parity at senior levels, making improvements in representation in the higher grades, and gaining insight on what works year by year.

We continue to champion practices we believe should be as standard, such as name blind recruitment, as well as building on

innovative actions that we cited in our report last year.

In our 2019 report, we reinforced our commitment to change, with our newly published stretching target of 50% female on-flow into the SCS, in order to tackle the lower female representation at this level.

While there is still a slight under-representation of women in SCS grades, the figures have improved year on year over the last 5 years with an overall increase of women in the SCS of 9.7% as demonstrated below.

Year	Women	Men
2016	38.9%	61.1%
2017	39.2%	60.8%
2018	40.2%	59.8%
2019	44.6%	55.4%
2020	48.6%	51.4%

This year, we have exceeded the 50% gender parity on-flow target to SCS.

The commitment to our gender parity target was supported at the highest levels, with Director General sign off on SCS appointments, diverse panel make-up and all male shortlists by exception alongside our long standing commitment to significant investment in Civil Service talent schemes for under-represented groups.

We now need to maintain this progress and build on it by encouraging greater fairness and consistency of salaries between men and women.

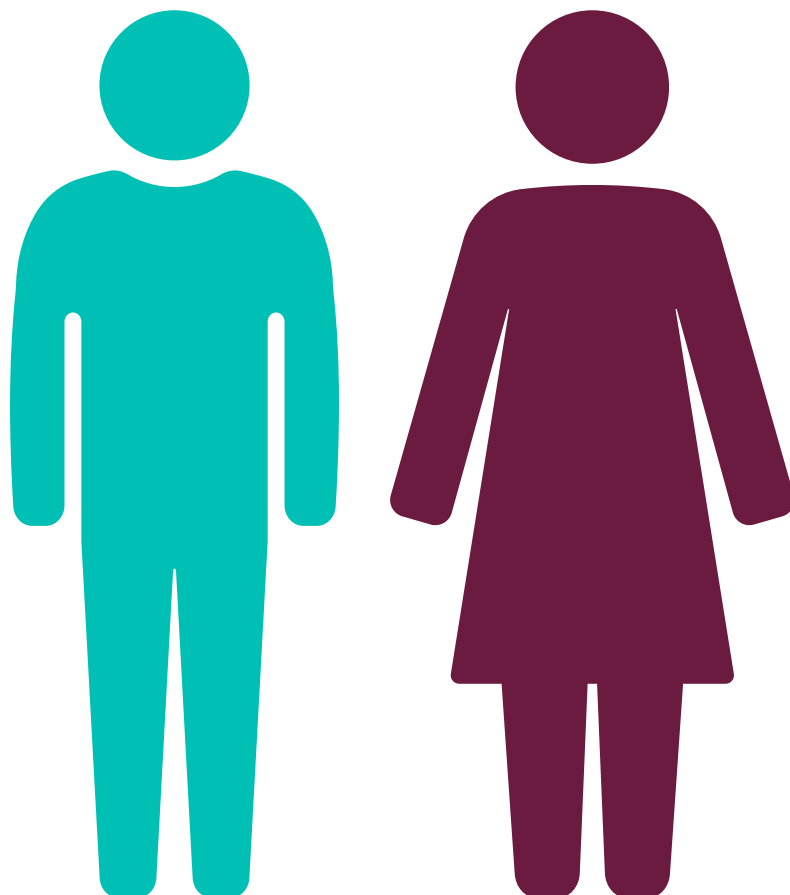
We have undertaken targeted work with the DWP Specialist Talent and Recruitment team to investigate and address gender balance during the attraction stage of our recruitment in areas with lower female representation. Digital Recruitment over the last three years has shown significant improvement in the numbers of female candidates hired:

- 2017/18                    27%
- 2018/19                    35%
- 2019/20                    41%

This area has also seen a decrease of 3.5% in their mean Gender Pay Gap, down from 7.5% in 2018 to 5.2% in 2019 and 4% in 2020. Work is continuing in this area, with recent funding of the Be Applied tool for six Digital recruitment campaigns, which is now being evaluated after the initial pilot phase.

In addition, we have taken new supplementary actions, piloting positive action initiatives targeting a number of areas for improvement.

We have specifically targeted areas where women may be slower to gain a promotion with our Crossing Thresholds Programme pilot in Service Delivery, and supporting near misses to SCS promotion through our “Catalyst” programme targeted at Grade 6/7, giving them access to monthly development days (inspirational speakers, application support, confidence building and an active SCS sponsor) over a six-month period.



# 1. Recruitment, retention and developing a diverse workforce

DWP understands that our recruitment and retention practices are pivotal to eliminating the gender pay gap; in our organisation this means breaking down the barriers faced by women progressing to senior roles. DWP is continuously improving how we attract women into the organisation, in both generalist and specialist roles, however our recruitment policies and selection guidance maintain the following as standard:

**1.1** Implementation of ‘name-anonymised’ recruitment since 2016.

**1.2** Selection panels must include female representation to ensure gender balance. DWP provides training for all selection panel members to highlight principles of fair recruitment.

**1.3** Use of gender-neutral language in job adverts and inclusive language in all communications to gain the attention and interest of diverse applicants; this is done through the use of language checking software where possible.

**1.4** Vacancies must be advertised as equally available to all working patterns, and must not be restricted unless there is a strong business justification. Vacancy holders must objectively consider any requests for alternative working patterns in order to attract and retain candidates that require flexible working.

**1.5** We have updated our recruitment methodology and use Success Profiles. The Success Profiles Framework moves recruitment away from using a purely competency based system of assessment.

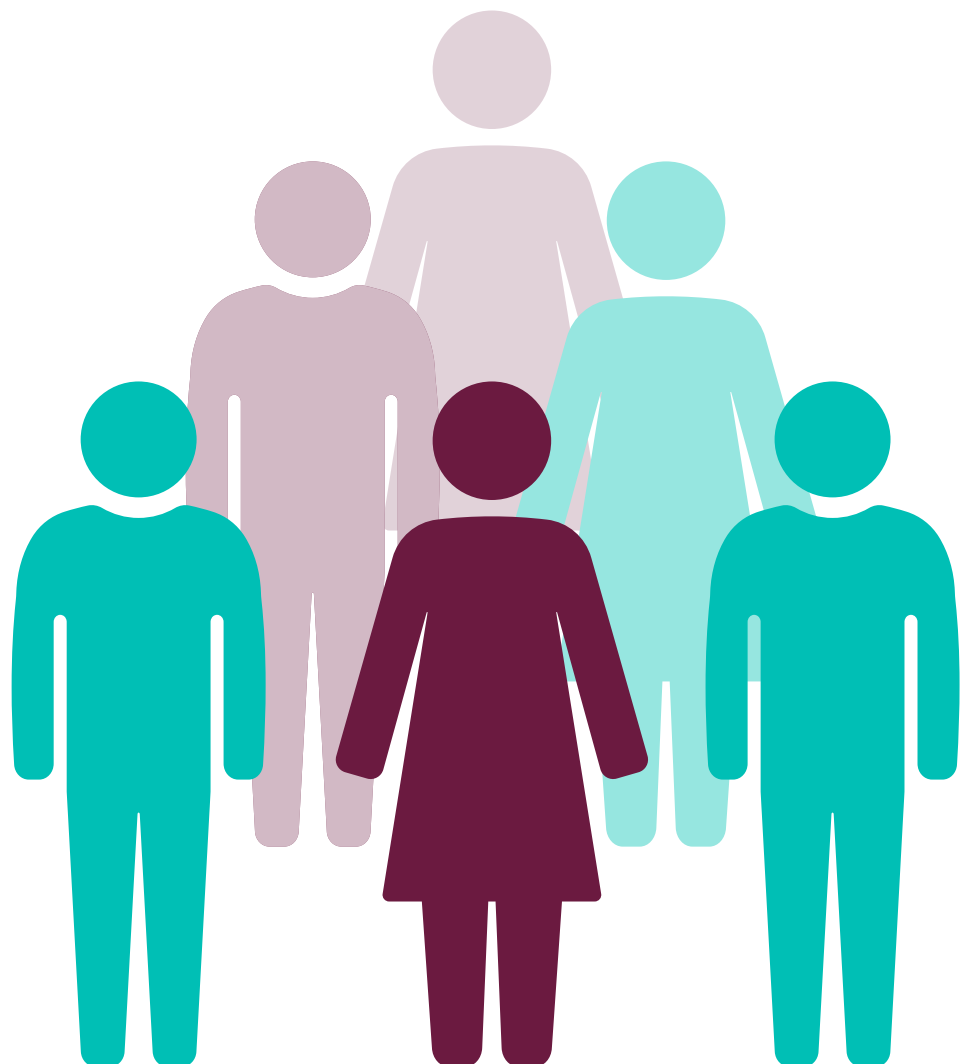
It introduces a more flexible framework which assesses candidates against a range of elements using a variety of selection methods. This will give the best possible chance of finding the right person for the job, driving up performance and improving diversity and inclusion. The elements that can be assessed to find the best candidate for the role are: behaviours, strengths, ability, experience and technical.

**1.6** Diverse shortlists as standard, with Director General (DG) sign-off required by exception for all male interview shortlists. DG sign-off is also required for all Senior Civil Servant (SCS) appointments.

**1.7** DWP has set the target that by 2025 we will achieve gender parity of 50% for all newly promoted SCS; this figure applies only to those new to DWP, or new to the SCS role within DWP and we reached over 50% female on-flow to SCS for the year 2019/20.

**1.8** Targeted work on addressing the gender balance during the attraction and recruitment stage is also being undertaken in tandem with the SCS Talent Recruitment team. This includes:

- Following the successful trial on Digital recruitment campaigns of the 'Be Applied' tool (developed by the Behavioral Insights Team, which anonymises applications in order to remove bias during the recruitment process), agreement and funding approved to extend the pilot to further recruitment campaigns.
- Investigation into external best practice in attraction and recruitment of women into under-represented business areas – enhanced LinkedIn and Glassdoor profiles are now in place to reach a wider audience in the technical and professional sphere
- Introduction of DWP pages on the new Civil Service Careers website
- Monitoring the pipeline into SCS with 6-monthly review of recruitment campaigns to understand where under-represented groups fall out of the process, with a view to providing additional support, or troubleshooting any diversity issues found in our application process



## 2. Progression and building a diverse talent pipeline

**2.1** We continue to actively promote participation in talent and leadership development programmes including: Civil Service Positive Action Pathway (PAP), which is a development scheme only open to colleagues from diverse or underrepresented groups, Civil Service HR are currently reviewing the programme and DWP are feeding into the future design of the programme; Future Leaders Scheme (FLS); and Senior Leaders Scheme (SLS). We closely monitor the diversity of all applicants throughout each stage of the application processes. To help build on the levels of successful female applications, G6/7 participants in PAP applying for FLS and SLS are given a guaranteed interview, and additional support with interview preparation.

**2.2** Identifying and developing talent through Talent Alliance which has remained a priority with Grade 6, Grade 7 and SCS1 colleagues supported through one-to-ones, mentoring, sponsorship and talent events to ensure a strong succession pipeline into the SCS.

**2.3** Within DWP we have a board level Gender Diversity Champion, who chairs bi-monthly Gender Steering Group meetings to identify and address gender representation and inclusion barriers. DWP also has a Deputy Director Gender Champion (based in the Operational arm of the Business) who

is role modelling and championing gender issues. Our Gender Champions ensure senior level buy-in and commitment required for a cultural shift in this area. Some specific actions taken include:

- Funding of a Crossing Thresholds Pilot aimed at SEOs within Operations who have been identified as ready to move into a Grade 6 and Grade 7 role;
- Funding of a SPRINGBOARD development programme pilot running in two cohorts: North and South aimed at HEO women who work in the operational arm of DWP and are ready to move into SEO grade roles;
- Continued membership to Business in the Community's (BITC) Gender Campaign which we have made extensive use of to gain knowledge of best-practice and are currently working with BITC to identify best practice in attracting women into DWP senior roles;
- We are currently working with BITC on a bespoke development initiative for talented women at grades EO – SEO, to ensure a healthy talent pipeline; and
- Commitment to introduce a DWP Returners Programme, to support talented women on their return to DWP.

## 3. Career paths

**3.1** Colleagues at all grades have access to a number of staff networks to support them throughout their careers and progression. Those specifically focused on supporting women include the DWP Women's Network, which has regional branch offshoots in the North East and North West, the Women in Digital Network, and the Menopause Network. The DWP Gender Champion continues to regularly meet with national staff network leads and this year funding has been made available to networks to support gender activities in service of meeting our gender objectives.

**3.2** DWP also provides guidance on planning and managing long-term breaks including advice and support on how to have career interviews. We are continuing to develop plans to introduce a DWP Returners Programme, with support from both the DG and Deputy Director Gender Champions in order to maintain the female talent within the department. We are also currently piloting 'Career Reviews' to explore career options and financial wellbeing, well in advance of retirement.

**3.3** We are participating in the Civil Service Returners Programme which offers placements to individuals who have been out of work for an extended period and provides the opportunity to experience the breadth and depth of careers in the Civil Service. The returner placements will provide the opportunity for people to be involved in delivering key government objectives, providing the chance to refresh and test their skills and experience, or build up and gain insight into new areas of interest.

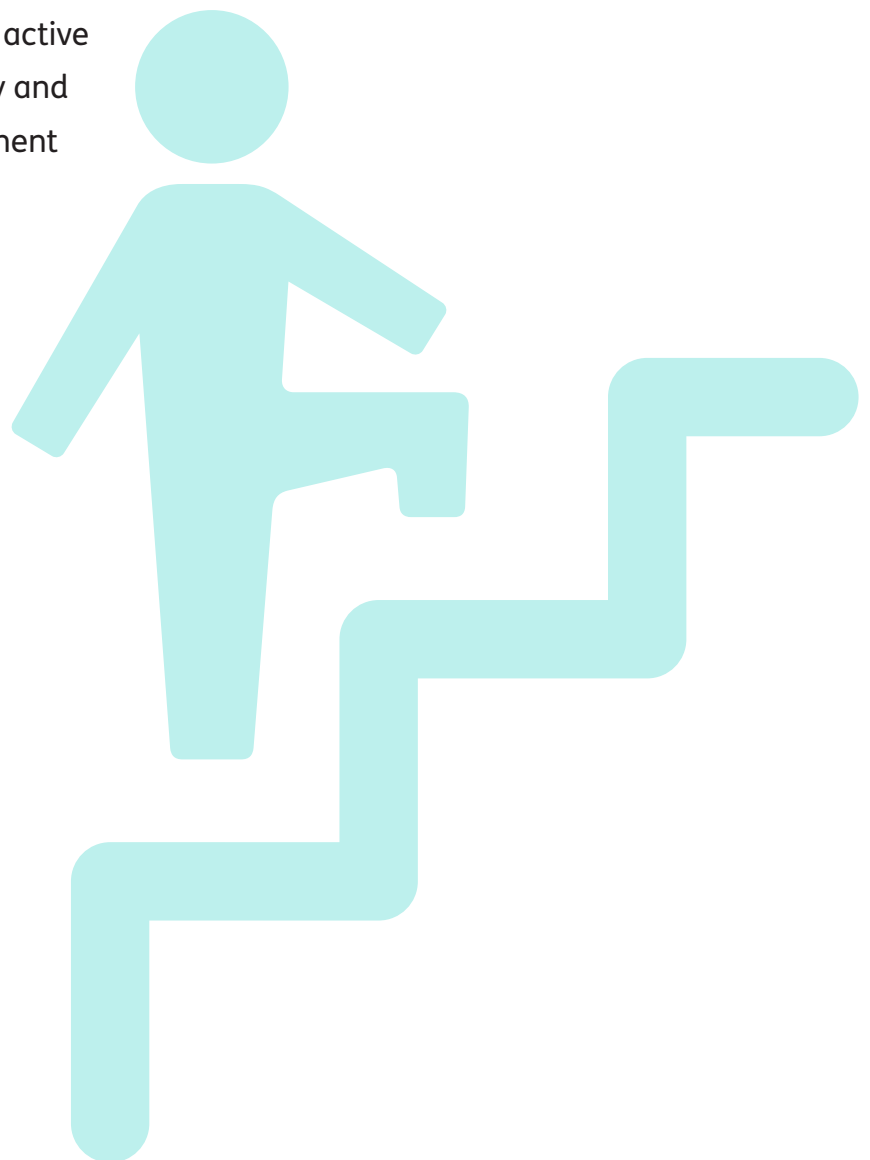
**3.4** We are also participating in a cross Civil Service Social Mobility Mentoring Pilot, matching mentors and mentees from across the wider Civil Service. The Pilot gives access to informal advice and guidance, networks and contacts, and the confidence that goes alongside that. We hope that being part of this pilot further builds on our commitment to drive Social Mobility throughout DWP.



**3.5** In line with our ambitions to increase the diversity of our workforce and improve the experiences of our ethnic minority colleagues, we have committed to implement a range of additional actions which include:

- The introduction of Shadow Board opportunities for colleagues to inform and influence senior decision-making and increase individuals exposure and experience;
- Increasing the level of project work/ development opportunities and active Sponsorship to increase visibility and advocacy and support development needs; and

- The implementation of Let's Talk about Race conversations and Listening Circles as platforms for colleagues to share details of their lived experiences, the career challenges they have faced and foster greater understanding throughout our organisation.



## 4. Promoting a family friendly DWP

**4.1** We at DWP actively promote flexible, home-working, job-sharing and part-time working to support employees with caring responsibilities and encourage a good work-life balance. Awareness and support of those with caring responsibilities is embedded into all of our HR policies and our commitment to this is strengthened by DWP's membership to the Employers for Carers forum.

**4.2** DWP promotes Shared Parental Leave (SPL), in order to provide parents with more flexibility in how to share time off work after their child is born or placed for adoption, we encourage and support a shared parental leave policy that exceeds statutory provisions throughout the department.

**4.3** Information on SPL is specifically targeted towards men during International Men's Day with the goal of increasing awareness and uptake amongst men. We have reviewed our intranet pages to ensure information regarding policies on childcare and carers leave is delivered in a gender balanced fashion.

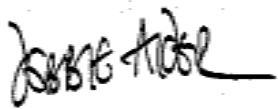
**4.4** The 'I Can be me in DWP' campaign was launched in September 2017 during National Inclusion week, with the simple aim to encourage and enable people and teams to talk about inclusion openly, and what it takes for them to feel they can be themselves at work. Sharing of 'I Can Be Me' stories to promote inclusion and increase awareness and understanding of personal differences which has included candid stories and blogs from Senior Leaders on their own personal and family circumstances. This ongoing campaign has not only brought inclusion to the forefront, but has driven a cultural shift towards embracing that we are all individuals with lives and responsibilities outside of the workplace that can affect our health, wellbeing and work. Through 'I Can Be Me' colleagues are now proactively sharing their stories and are encouraged to ask DWP for what they need to bring their full self to work.

## 5. Covid-19

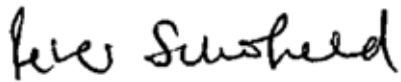
**5.1** Covid-19 has presented challenges for DWP employees, all of whom are designated key workers, and we recognise that this may have had a particular impact upon many women (who make up 67% of our workforce), with increased pressures around work/life balance due to school closures and caring responsibilities. We continue to provide a strong support offer to all employees through our family-friendly approach, including a range of flexible and remote working options, our special leave policies and our wellbeing offer. These have enabled those self-isolating, and employees with childcare or other caring responsibilities, typically female, to remain in work throughout the pandemic in the vast majority of cases. We are confident that our supportive actions mean that our 2021 gender pay gap data will show no adverse impacts as a result of Covid-19.

## Declaration

We confirm that data reported by DWP is accurate and has been calculated according to the requirements and methodology set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.



**People and Capability Director General:**  
Debbie Alder



**DWP Permanent Secretary:**  
Peter Schofield





Department  
for Work &  
Pensions

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Designed by the

**Department for Work & Pensions**

Date: December 2020

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