



Ministry
of Defence

Gender Pay Gap Reporting Year 2020

Ministry of Defence Civil Servants (including MOD Agencies).
(snapshot taken 31st March 2020)

02 December 2020

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Background

What is Gender Pay Gap Reporting?

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 median and mean gender pay gaps¹; the median and mean 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, broadly similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

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. The Civil Service and MOD Diversity & Inclusion Strategies outline 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.

The Ministry of Defence supports the fair treatment and reward of all staff irrespective of gender. The Department is committed to developing a more inclusive culture within Defence and a diverse workforce at all levels.

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

Declaration

We confirm that data reported by the Ministry of Defence 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.

Chief of Defence People: Lt Gen James Swift

MOD Permanent Secretary: Stephen Lovegrove

¹ Based on average hourly pay

Headlines

UK National gender median pay gap 2020 was **15.5%**², MOD compares favourably with this:

Gender Pay Gap³:

MOD Civil Servants

Median pay gap of **9.9%**, down **0.6 percentage points** from last year.

Mean pay gap of **9.1%**, down **0.6 percentage points** from last year.

Bonus Pay Gap:

MOD Civil Servants

Median bonus gap of **8.5%**, up **7.0 percentage points** from last year.

Mean bonus gap of **18.0%**, up **0.2 percentage points** from last year.

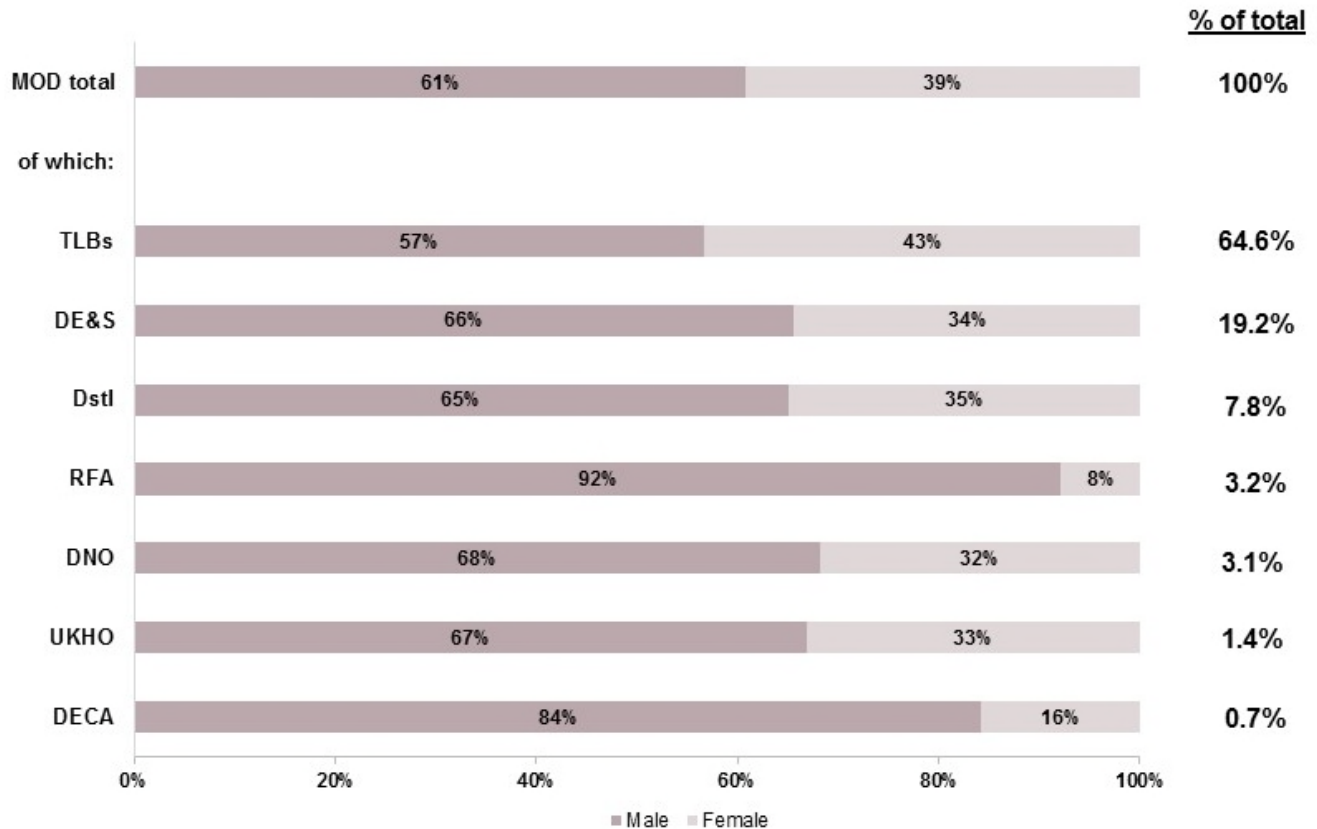
² The UK National Median figure quoted as **15.5%** is for 2020 as quoted in the 'Annual Survey of Household Earnings (ASHE)'. Which can be found here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020>

³ Percentages are rounded to one decimal place. Changes in percentages are calculated on unrounded data therefore percentage point changes quoted in the tables and text may not always be the same as differences calculated from the rounded figures shown in the tables.

Analysis

The MOD has several agencies⁴ whose staff have been included in these figures, as required by the legislation. These are Defence Electronics & Components Agency (DECA), Defence Equipment & Support (DE&S), Royal Fleet Auxiliary (RFA), Defence Science and Technology Laboratory (Dstl), Defence Nuclear Organisation⁵ (DNO) and the UK Hydrographic Office (UKHO).

Table 1. MOD Civilian personnel, by agency, and gender proportion, as at 31 March 2020



As at 31 March 2020, the MOD civilian personnel headcount was **57,600**.

Within MOD Main (defined as: Top Level Budgets (TLB)⁶), which make up **64.6%** of the total, the proportion of Senior Civil Servants who are women was **34.7%** down **0.8 percentage points** from last year. However, the proportion of Band B (41.8%) and Band C (44.4%) civil servants who are woman have increased by 2.0 and 0.6 percentage points, respectively.

⁴ 'Agencies' in this context is a collective term.

⁵ DNO is a Top Level Budget holder and SDA is an Enabling Organisation; however in this calculation they are grouped together.

⁶ The major organisational groupings of the MOD directly responsible for the planning, management & delivery of departmental capability.

Gender Pay Gap

Defence has traditionally been a male dominated organisation. As with other industries, the MOD struggles to recruit women into Science, Technology, Engineering and Maths (STEM) roles. However, a range of activities to promote opportunities for women in Defence take place annually, including increasing outreach, particularly with a STEM focus, and the signing of the Women in Defence Charter.

MOD Civil Servants:

As at 31 March 2020 the Department is reporting a median pay gap of **9.9%**, down **0.6 percentage points**, and a mean pay gap (i.e. the difference between average salaries for men and women) of **9.1%**, down **0.6 percentage points** from last year. The reduction in the Median and Mean gender pay gap in 2020 compared with 2019 is as a result of the changes in the proportion of male and females in each of the pay quartiles.

Positively, compared with March 2019, in MOD Main there has been an increase in the proportion of women from Band D (EO) to Band B1 (grade 6). There was a slight decrease in female representation for SCS grades (down 0.8 percentage points). Over the past seven years, MOD has made good progress in increasing the proportion of women in managerial grades, which has helped to reduce the gender pay gap. There is still a greater proportion of women at the minimum of each pay scale. Pay progression⁷ was removed in 2010. MOD pay awards since 2013 have provided greater increases to individuals at the bottom end of each pay scale in order to reduce the gap between the top and bottom of each pay scale. This has advantaged female staff (more of whom are at the bottom of the pay scale) and has allowed MOD to reduce the gender pay gap each year since 2013.

Overall, the Department's position compares favourably with the UK's national gender pay gap of **15.5%**⁸ for 2020, but highlights that the MOD still has further to go. We will continue to look for ways in which this may be reduced yet further⁹.

⁷ The Department moved away from time-served progression with effect from 2010. Since that time, any increase to pay has been through the annual pay award.

⁸ The UK National Median figure quoted as **15.5%** is for 2020 as quoted in the 'Annual Survey of Household Earnings (ASHE)'. Which can be found here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020>

⁹ See 'Actions' on pages 9 & 10.

Bonus Pay Gap

MOD Civil Servants:

For the financial year 2019/20, there was a median bonus pay gap of **8.5%**, up **7.0 percentage points** and a mean bonus pay gap of **18.0%** an increase of **0.2 percentage points**. **53.3%** of male employees (a decrease of **2.5 percentage points from last year**) and **53.8%** of female employees (a decrease of **3.2 percentage points from last year**) were paid a bonus.

There is now a more even split between the proportion of males and females getting bonuses. However, the value of bonus payments to women is lower than those awarded to men. The Performance Management teams continue to monitor these differences (see below) and make interventions as necessary.

MOD Main (defined as: Top Level Budgets¹⁰) - The 2019/20 in-year reward scheme allowed staff to be rewarded for high performance against one or more of their objectives and for demonstrating excellent behaviours. The scheme allows all staff (below Senior Civil Servants) the opportunity to receive 5 awards, up to a total value of £5000, in any financial year. This is monitored by the Performance Management team who receive management information reports on usage of the scheme outlining total spend, the number of awards given and the average value of awards each quarter. The team also receives a diversity report which breaks down the data by a number of characteristics, including gender.

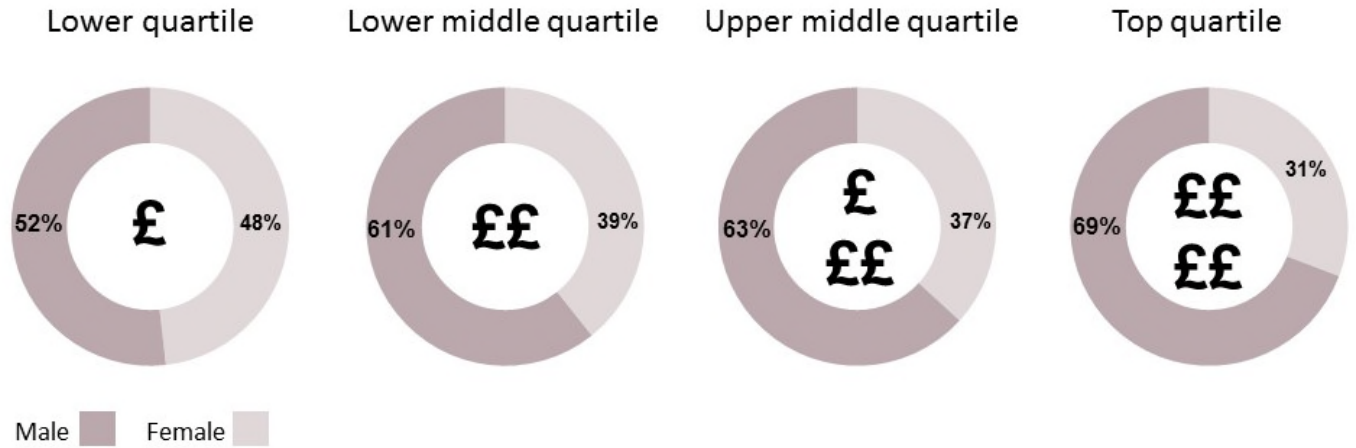
Defence Equipment & Support (DE&S) – The same eligibility criteria was used as previous years and through the performance management process employees who achieved a performance rating as ‘good’ or above related to their peers were eligible for a performance award. The percentage of employees eligible was consistent across both Men (68.7%) and Women (68.9%). In addition, delivery against the DE&S Organisational Objectives was improved resulting in a higher potential performance award in comparison to the previous year. Performance Awards were paid as a one-off non-pensionable lump sum payment in July 2019. To ensure fairness and consistency of decision making, particularly for employees from underrepresented groups, an audit of performance commentary and ratings was completed by the Performance Management team in HR.

¹⁰ The major organisational groupings of the MOD directly responsible for the planning, management & delivery of departmental capability.

Pay quartiles

The pay quartiles data shows the proportion of men and women that are in each pay quartile, when we arrange staff in order of hourly pay rate.

Civilian: Pay quartiles



Actions

The Ministry of Defence is committed to continuing to reduce its gender pay gap and has a range of initiatives in place to do this, including:

D&I Strategy and Guidance

- The Department-wide Diversity and Inclusion Strategy, puts inclusion at the heart of the organisation to make it everyone's normal business and examine barriers to progression and ways to overcome those barriers.
- MOD have been working with the Cabinet Office's Behavioural Insights Team to better understand the causes of MOD's gender pay gap and the actions MOD could take to reduce it.
- The MOD civil service, signed the Women in Defence Charter in September 2019.

Flexible Working

- Support for all civilian staff returning to work: through shared parental leave, job sharing, part time opportunities, 'Keeping in Touch' and flexible working arrangements. The Department has also updated its guidance on supporting staff returning from maternity or adoption leave. The MOD is part of the Sodexo Childcare voucher scheme and we have a number of onsite nurseries.

Development Programmes & Support

- Helping women progress in their careers: through talent management schemes such as the Future Leaders Scheme, the Senior Leaders Scheme¹¹, and the Crossing Thresholds programme¹².
- Mentoring, reverse mentoring and shadowing opportunities are provided to encouraging staff to maximise their potential.

Staff Networks

- Providing support from staff networks: the Department's Civilian and Military Gender networks run upskilling events and other activities to support women in the workplace.

Champions & Allies

- Senior Gender Champions and Allies act as role models for inclusion in the Civil Service and provide support to the Networks.

¹¹ <https://www.gov.uk/government/publications/civil-service-talent-management/civil-service-talent-management>

¹² <https://www.thresholds.co.uk/crossing-thresholds>

Recruitment & Outreach

- Improving the recruitment process to reduce unconscious bias. The Civil Service Recruitment Toolkit was launched in January 2018 to support and upskill recruiting managers on the end-to-end recruitment process (includes guidance on using gender neutral language). Mandated minimum qualifications have been removed.
- Senior Civil Servants speaking and participating in Science, Technology, Engineering and Maths events alongside industry, Civil Service and Military colleagues.
- Anonymising the Civil Service job application process, and encouraging diverse recruitment panels and staff engagement panels (in line with Cabinet Office guidance). For Senior Civil Servant vacancies, the MOD Permanent Secretary must give express permission for interviews to progress to the next stage if there is an all male shortlist.
- Attracting women into the Senior Civil Service: we are working on targeted recruitment campaigns to improve job adverts and job descriptions, using gender neutral language, advertising more widely to encourage more women to apply and making better use of social media.
- Pay progression¹³ was removed in 2010. Over the past six years, MOD has made good progress in increasing the proportion of women in managerial grades, helping to reduce the gender pay gap. MOD pay awards since 2013 have provided greater increases to individuals at the bottom end of each pay scale in order to reduce the gap between the top and bottom of each pay scale. This has advantaged female staff (more of whom are at the bottom of the pay scale) and we have thus been able to reduce the gender pay gap each year since 2013.

¹³ The Department moved away from time-served progression with effect from 2010. Since that time, any increase to pay has been through the annual pay award.