

# Gender Pay Gap Report

# 1 April 2019 - 31 March 2020

15 December 2020 CMA134 © Crown copyright 2020

You may reuse this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit www.nationalarchives.gov.uk/doc/open-governmentlicence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

# Contents

# Page

Introduction	2
Background	2
Gender make-up of the CMA	3
Calculating the Gender Pay Gap	4
Closing the Gap – Actions for the CMA	10
Declaration	16

# Introduction

- 1. 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.
- 2. The CMA is fully committed to minimising the gender gay 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

- 3. 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 annually. This includes:
  - (i) the mean and median gender pay gaps;
  - (ii) the mean and median gender bonus pay gaps;
  - (iii) the proportion of men and women who received bonuses; and
  - (iv) the proportions of male and female employees in each pay quartile.
- 4. 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. Where there is 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.
- 5. 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 of their gender.

6. The CMA supports the fair treatment and reward of all staff irrespective of gender. This report sets out the CMA's statutory requirements under gender pay legislation, extended analysis of our gender pay gap by grade and the CMA's action plan to tackling any arising issues.

## Gender make-up of the CMA

- 7. At 31 March 2020, the CMA had a total of 852 staff<sup>1</sup> in the UK, with 795 based in London, 53 in Edinburgh, 2 in Cardiff and 2 in Belfast. This is the number of staff deemed to be 'full pay relevant'; those employees who are not being paid or are on reduced, statutory or no pay during March 2019 are excluded as they are not 'full pay relevant' employees.
- 8. The gender profile of CMA staff is 50.6% male and 49.4% female. This is a slight increase in female representation since 2018 2019 when 49.2% of staff were female.
- Looking at our Senior Civil Servants (SCS), the proportion of male to female staff has also changed since 2018 - 2019. The proportion of male SCS decreased from 59.0% to 57.3% in 2019 - 2020 and the proportion of female SCS staff increased from 41.0% to 42.7%.

Civil Service grade	Total staff	Percentage male staff	Percentage female staff
Non-SCS staff	742	49.6%	50.4%
SCS staff	110	57.3%	42.7%
All staff	852	50.6%	49.4%

10. We know that an over representation of women at lower grades as well as an under representation of women at higher grades is a cause of the gender pay gap across the Civil Service<sup>2</sup>. Looking at our gender profile more closely, this is the same for the CMA.

<sup>&</sup>lt;sup>1</sup> This is the headcount of staff deemed to be full pay relevant employees on the CMA payroll for gender pay gap reporting purposes. There were 891 staff employed by the CMA at this date, not all were full pay relevant employees and so are not included in the gender pay gap report.

<sup>&</sup>lt;sup>2</sup> Source: Statistical Bulletin - Civil Service Statistics 2019, published October 2019

Civil Service grade	Total staff	Percentage male staff	Percentage female staff
AO	28	64.3%	35.7%
EO	80	47.5%	52.5%
HEO	157	48.4%	51.6%
SEO	60	38.3%	61.7%
Grade 7	225	52.0%	48.0%
Grade 6	192	50.0%	50.0%
SCS PB1	86	54.7%	45.3%
SCS PB2 and PB3	24	66.7%	33.3%
All staff	852	50.6%	49.4%

- 11. Improving the gender balance in senior grades will reduce both the mean and median gender pay gap. This is evidenced by the slightly increased representation of females in our SCS cadre amongst PB1s and the reduction of these ordinary pay measurements compared to the 2018 2019 report.
- 12. 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**

- 13. Ordinary pay, expressed as hourly pay, is used to calculate the mean and median gender pay gaps. Ordinary pay includes basic pay, any allowances and any bonus payments made in March 2020.
- 14. The calculation for the mean and median ordinary pay only includes 'full pay relevant' employees, as described in paragraph 7.
- 15. In 2020, the mean gender pay gap, which is the difference between the average hourly pay between men and women, is 5.6%. This is a decrease from last year, when the mean gender pay gap was 7.3%.
- 16. In 2020, the median gender pay gap, which is the difference between the midpoints of the average hourly pay of men and women, is 2.9%. This is a decrease from last year, when the median gender pay gap was 4.9%.

Measure	Gap
Mean pay gap	5.6%
Median pay gap	2.9%

- 17. The most significant contributor to CMA's change in gender pay gap is the approach to the 2019 2020 non-SCS pay award. The CMA implemented tiered pay awards based on each individual's position in their pay range, providing targeted pay progression for all staff particularly those lowest in their pay band. The CMA's participation in HM Treasury's Pay Bill Control Pilot (PBCP) provided the CMA with flexibility to pay awards ranging from 2.2% to 4.9%. This approach to pay awards enabled accelerated pay progression for females in particular, as almost two-thirds of female non-SCS staff were in the lowest quartile of their pay range prior to the pay award process.
- 18. Another contributor to the CMA's change in gender pay gap has been a change in gender representation at senior levels. In total, our SCS cohort numbers increased from 100 in 2019 to 110 in 2020. Female representation within the SCS cadre increased to 42.7% in 2018 2019 compared with 41.0% in 2018 2019. As a small department, our gender pay can be affected by small changes to our gender representation.
- 19. Looking at the mean and median gender pay gap analysis by grade, the differences are relatively small between male and female staff. The data shows that the mean pay gap is most pronounced within the SCS cohort. This can be attributed to the following factors:
  - (a) Of the female appointments to the SCS in the two years preceding 31 March 2020, 75% were internal promotions.
    Internal promotions within the Civil Service are governed by pay on promotion rules, which do not allow internal promotions to negotiate their starting salary.
  - (b) Payment of Pivotal Role Allowance payments (described in further detail in paragraph 26) in March Payroll. These exceptional bonus payments were made to four male staff and significantly increased their ordinary pay for the reporting period, which has contributed to the mean pay gap disparity.

Civil Service grade	Total staff	Mean pay gap*	Median pay gap*
AO	28	-2.2%	0.0%
EO	80	-0.3%	0.0%
HEO	157	-1.3%	0.0%
SEO	60	3.6%	3.0%
Grade 7	225	-0.2%	0.5%
Grade 6	192	0.4%	2.0%
SCS PB1	86	3.9%	2.0%
SCS PB2 and PB3	24	5.2%	0.0%
All staff	852	5.6%	2.9%

\*Where we have a negative percentage, this means that the pay of female staff is higher than the pay of male staff.

20. The CMA's gender pay gap compares favourably against the average ordinary pay gap for the rest of the Civil Service. The Cabinet Office reported that in 2019, the Civil Service average mean pay gap was 9.2% and the average median pay gap was 11.1%<sup>3</sup>.

#### **Bonus Pay**

- 21. Bonus pay, which is also calculated as mean and median, is based on bonus payments paid to staff throughout the 2019 2020 financial year and up to 31 March 2020.
- 22. As this covers a full year period, this calculation includes employees who are not 'full pay relevant' employees and can also include employees who left the CMA before 31 March 2020.
- 23. At the CMA, bonus pay includes performance related pay for all staff. There is a performance related pay scheme for our non-SCS staff which is negotiated annually with our trade unions. There is a separate performance related pay scheme for our SCS staff which is determined centrally by government.
- 24. This year, the proportion of staff eligible for performance bonuses was increased, enabling performance bonuses to be distributed more widely.
- 25. Our non-SCS staff also have their own in-year recognition scheme which allows cash awards worth between £25 and £750. The awards could be paid to staff at any time throughout the 2019 2020 financial year.

<sup>&</sup>lt;sup>3</sup> Source: Civil Service Diversity and Inclusion Dashboard 2019, published 11 September 2019

- 26. It should be noted that by definition, bonus calculations must also include Pivotal Role Allowances. These are payments, approved by a subgroup of the Civil Service Board and Chief Secretary to Treasury, aimed at retaining SCS staff in highly specialised roles and those delivering high-risk, major projects at the CMA. The allowances were paid in instalments on completion of key deliverables throughout the 2019 - 2020 financial year.
- 27. In the 2019 2020 financial year, 68.7% of men and 72.1% of women received a bonus payment compared with 50.4% of men and 49.7% of women in 2018 2019. This increase for both genders is due to the CMA paying a one-off organisational achievement award of £150 to qualifying non-SCS staff, in recognition of delivering corporate objectives amidst a challenging period notably, preparation for EU Exit, the CMA's office relocation to Canary Wharf and growth in Scotland and the Devolved Nations.
- 28. The mean bonus gender pay gap is **29.3%** and the median bonus gender pay gap is **-2.5%**. In 2019, the mean bonus gender pay gap was 15.3% and the median bonus gender pay gap was also -2.5%.

Measure	Gap
Mean bonus gap	29.3%
Median bonus gap	-2.5%

- 29. We know that the bonus gap continues to be affected by the following factors, as cited in previous years:
  - (a) The value of the bonuses for SCS staff are significantly higher as their "performance pay pots" are different. SCS staff shared 3.3% of the SCS paybill in bonuses last year, whereas non-SCS staff received 1.5% of the non-SCS paybill to spend on bonus payments and in-year awards during the same period; and
  - (b) There are significantly more females than males doing part-time roles, with 77.5% of part-time working arrangements performed by females. This impacts bonus gap figures as performance-related payments for both non-SCS and SCS staff are pro-rated to account for working hours.
- 30. Additional factors which have contributed to the increase in the mean gap this year are:

- (a) Internal promotions of female staff from non-SCS to the SCS (PB1). These occurred late in the preceding performance year, which meant that these SCS staff members were not eligible to receive a SCS performance bonus, but instead received non-SCS organisational achievement awards of £150. This affected 21.5% of female staff captured in SCS bonus reporting; and
- (b) The inclusion of Pivotal Role Allowances in bonus calculations, as all current recipients are male.
- 31. However, the CMA continues to see a small variance for median bonuses. This can be attributed to the following factors:
  - (a) our recognition award scheme, which saw near-parity in the gender distribution of awards;
  - (b) continuing our approach to bonus payments by paying flat rates by grade to qualifying non-SCS and SCS staff; and
  - (c) our decision to pay a one-off organisational achievement award of £150 to qualifying non-SCS staff.
- 32. Looking at the mean bonus gap analysis by grade, the differences are in favour of men receiving higher mean awards at HEO, G6, and SCS grades, and women much higher at AO and SEO. For median bonus gap, the differences are in favour of men at G6 and SCS grades, and in favour of women at grades EO, SEO and G7.

Civil Service grade	Mean bonus gap *	Median bonus gap*
AO	-47.5%	0.0%
EO	-1.2%	-54.3%
HEO	10.9%	0.0%
SEO	-15.5%	-10.0%
Grade 7	-3.3%	-42.9%
Grade 6	13.6%	38.1%
SCS PB1	42.1%	53.8%
SCS PB2 and PB3	9.4%	21.5%
All staff	29.3%	-2.5%

\* Where we have a negative percentage, this means that the bonus pay of female staff is higher than the bonus pay of male staff.

#### Pay by Quartiles

33. 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.

Quartile	Female %	Male %
Lower quartile	49.8%	50.2%
Lower middle quartile	54.9%	45.1%
Upper middle quartile	48.8%	51.2%
Upper quartile	44.1%	55.9%

34. The proportion of female and male staff in the lower quartile reflects the overall gender profile of the CMA. The proportion of females within this quartile is 2.1 percentage points lower than 2018 - 2019. The lower middle pay quartile has a higher proportion of female staff, as women make up a higher proportion of our junior executive grades. The upper middle quartile has a slightly higher proportion of male staff. The upper quartile, which is mainly comprised of Grade 6 competition specialists and SCS staff, has a higher proportion of male staff. There has been an increase of 0.7 percentage points in female representation in the upper quartile compared with 2018 - 2019.

# **Closing the Gap – Actions for the CMA**

- 35. The Government Equalities Office have issued guidance on reducing the gender pay gap and improving gender equality<sup>4</sup>. They have produced a list of actions which are deemed effective in closing the gender pay gap, as well as actions that are promising or which have had mixed results.
- 36. We have assessed our own actions against this list to determine what activities we should continue and which actions we should focus on to improve our gender equality and close our gender pay gap. This assessment is in the table below.

Recommended	What the CMA does	What the CMA will do
action		in the future
Use skill- based assessment tasks in recruitment	The Success Profiles Framework has been operational in CMA since January 2019, which includes skill-based assessments. Rather than relying solely on interviews, candidates are asked to perform tasks that would ordinarily be expected for their role.	We will continue to use skill- based assessments in addition to inteviews in recruitment and selection. We will also apply capability- based assessments for upcoming recruitment on certain Digital, Data and Technology roles, as per the DDaT Profession Capability Framework. This will involve candidates evidencing their skill level for 'essential skills' – expected of their DDaT role within the Civil Service – through a combination of tasks, assessments and questions.
Use structured	All recruitment campaigns have	We will continue to use structured
interviews for	structured interview plans which	interview plans, asking
recruitment	are designed to ask questions	candidates the same questions,
and promotions	about role competency. This ensures that unfair questioning	and keep a record of interview notes and evidence centrally in
promotions	bias does not creep in and	HR recruitment.
	influence decisions. All	
	candidates are asked the same	
	questions. All interview plans and	
	notes are kept to evidence a fair	
	process has been followed.	

#### **Effective actions**

<sup>&</sup>lt;sup>4</sup> Source: https://gender-pay-gap.service.gov.uk/actions-to-close-the-gap/effective-actions

	1	
Introduce	Our pay policies and rules are	We will aim to continue, subject
transparency	published on our intranet. We	to negotiation with the CMA
to promotion,	have mitigated against the risk of	recognised trade unions to use
pay and	gender pay inequality at non-SCS	flat rate bonus payments for SCS
reward	level by reducing the length of the	and non-SCS staff in 2019 –
processes	pay scales and ensuring	2020.
	meaningful progression though	
	the pay scales This helps reduce	We will continue to apply our pay
	any salary differences between	on appointment rules and monitor
	staff, irrespective of their gender,	the effects of pay offers that are
	who are working at the same	not made at the minimum
	grade.	advertised salary.
	9	
	Flat rate bonus payments for non-	We continue to use business
	SCS and SCS staff have been in	cases to justify any request for
	place since 2018 - 2019. This	any non-SCS starting salaries
	means that high performing staff	above the minima. The business
	at each grade will get the same	cases are assessed by Senior
	bonus payment irrespective of	Recruitment Advisers, the Head
	their position on the pay scale.	of Recruitment and the HR
		Director. The salary business
	All CMA campaigns show the	case form includes assessing any
	minimum and maximum salary	impact an increased offer would
	that can be offered on	have on equal pay. It also
	appointment. We also abide by	
		includes internal salary
	rules on pay on promotion or level transfer set within the Civil	benchmarking data so that a considered decision is made.
	Service. We use internal salary	This data is updated quarterly to
	benchmarking data of current	capture changes in salaries.
	staff, which includes pay by	Quarterly and year and reports an
	gender, when considering pay	Quarterly and year end reports on
	offers for new entrants to the Civil	increased salary offers are
	Service. This ensures that fair pay	provided to Remuneration
	is considered where pay offers	Committee and the Staff
	are not made at the minimum	Management Council so effects
	advertised salary.	can be monitored.

	1	
Develop and	The CMA has ten active staff	We will continue to promote
empower staff	networks, including the Women's	equality and diversity across the
networks to	Network, which are sponsored by	CMA through a variety of
promote	senior CMA staff. In addition, we	channels, including
equality,	have two EDI governance groups:	empowerment of our staff
diversity and	the WIDE Steering Group and	networks and delivering EDI
inclusion	EDI Working Group.	initiatives set out in our Corporate
		Action Plan.
	The Wellness, Inclusion, Diversity	
	and Inclusion (WIDE) Steering	
	Group set the strategic direction	
	of EDI activities in the CMA with a	
	strong focus on driving	
	collaboration between	
	networks/groups and identifying	
	inter-sectional issues that need to	
	be addressed. The group	
	monitors progress of EDI activities	
	against published plans and	
	ensures that our people policies –	
	and their application by managers	
	– fully promote equality and	
	diversity.	
	,	
	The EDI Working Group focuses	
	on delivery of key EDI initiatives	
	and projects by generating ideas,	
	providing guidance to staff	
	networks, and providing a forum	
	for attendees to volunteer to take	
	on programmes/tasks that will	
	advance the CMA's EDI agenda.	
L	a station and only to Ebragonia.	1

# Promising actions or actions with mixed results

Recommended action	What the CMA does	What the CMA can do in the future
Improve workplace flexibility for	We have published a 'How we work flexibly at the CMA' document that sets out our	We will review periodically our flexible working policy to ensure it is in line with best practice and
men and women	commitment to enabling flexible working and our approach to accommodating flexible working	meets the needs of our staff as well as the CMA.
	requests where business needs can still be met. Our office space and technology has been designed to support more agile ways of working.	We will continue to promote workplace flexibility to our staff and in our attraction materials for candidates.

	A 11 61 11 1 1 1	1
	As well as our flexible working policy we offer a range of other policies that support staff to balance their work, home and family life These include a flexitime scheme, maternity, adoption, paternity, shared parental leave and career breaks. We advertise and offer all jobs as having flexible working options, such as part-time work or compressed hours. Staff testimonials on flexible working are included on our online promotional materials as part of our employee value proposition.	
Encourage the uptake of Shared Parental Leave	We offer Shared Parental Leave, including enhanced Shared Parental Pay at the same level as enhanced maternity pay, to all eligible staff.	We will continue to promote the opportunities that our shared parental leave policy gives to our staff and monitor take-up.
Offer mentoring and sponsorship	We offer "Crossing Thresholds" which 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 delivered through facilitated modules, mentoring sessions, and peer support groups.	We will develop greater awareness of our mentoring and ensure these are targeted to support career development. We will monitor take-up of these schemes. We will be providing further training to develop our internal pool of coaches.
	We have extended our coaching offer to provide expert support alongside informal workplace mentoring. This is available for all staff to access.	We will launch a Mutual Mentoring pilot programme for Grade 6 and 7 colleagues from under-represented groups ,including women, to enter into a partnership with a more senior colleague in a joint learning experience. This will offer colleagues from under- represented groups insight into senior decision-making and thought processes and help our senior colleagues to gain a better understanding of the motivators, barriers and blockers that exist for individuals within the

		organisation that they may not have experienced personally.
Offer networking programmes	Our Women's Network – one of our ten active staff networks – aims to challenge stereotypes and bias and provides a forum for sharing ideas, insights and support. The network has delivered a rich programme of activities in 2019-2020 including a number of well attended events and working with the charity, the Girl's Network, to encourage staff to be mentors for teenage girls from underprivileged backgrounds to raise aspirations and provide role models.	We will continue to fully support the Women's Network.
Set internal targets	The CMA has set no specific internal targets for gender equality.	We will undertake research on how setting equality targets might work at the CMA. This will include finding examples of best practice and interventions that have removed barriers at senior levels, enabling any equality targets to be achieved. We will consider, in light of our research and Cabinet Office guidance, whether to use internal targets to monitor and drive progress towards equality.
Unconscious bias training	We ask all staff to undertake mandatory unconscious bias training which is available through Civil Service Learning, and this forms part of the induction for all new starters. Staff are also directed to this training via the CMA recruitment training module.	Unconscious bias has been included as a key subject in our new training course to hiring managers which launched in January 2020. The course also includes training on best practice interviewing skills. This training is scheduled monthly for the entirety of 2020.
Diversity training	All new staff complete the CMA induction programme which	We will continue to ensure that all new staff receive diversity training.

	includes a workshop activity on culture, respect and inclusion. We also ask all staff to undertake "Equality and Diversity Essentials" training and a "Respect in the Workplace" course which is available through Civil Service Learning, and this forms part of the induction for all new starters.	We will be exploring options for further organisational wide learning on bias.
Leadership development training for women	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. These include the Future Leaders Scheme (FLS) and Senior Leaders Scheme (SLS), which are accelerated development schemes for high potential Grade 7 and Grade 6 staff and also SCS Pay Band 1 staff.	We will continue to provide targeted support to enable individuals to better consider and apply for these opportunities and support individuals on programmes with coaching.
Performance self- assessments	We include self-assessment in our performance management processes but know that there is some evidence that women underestimate their abilities and performance or are more conservative in their assessment of their abilities and performance than men. Therefore, our performance management processes also include assessments by the line manager and a countersigning manager and are also moderated by a management group.	We will continue self-assessment and will continue to monitor the ratios of men and women that receive each of our performance ratings to ensure there is no bias.

Diverse selection panels	All CMA recruitment selection panels contain a mix of men and women. To encourage bias-free selection methods, diverse hiring panels (including BAME and / or a panel member with a disability) are mandatory for all SCS interviews.	We will continue to use diverse interview panels as best practice.
Recruit returners (people who have taken an extended break from paid work for caring or other reasons)	All non-SCS interviews have diverse gender panels, wherever possible. We have a career break policy which allows people to leave the CMA for an extended period of time without resigning from their position. 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. We launched a Legal Returnship programme in September 2019.	We will run a further Legal Returnship campaign.

# **Declaration**

37. 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.