

Department for Digital, Culture, Media & Sport

# **Gender Pay Gap Report**



Report for the year 2019

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# **Foreword from the Permanent Secretary**

As Permanent Secretary and Champion of the Women's Network, I am pleased that we are entering the third year of legislative gender pay gap reporting, with two years' worth of analysis to provide greater context and depth to our 2019 report.

I am committed to keeping DCMS a great place to work with a diverse and inclusive culture that engages and develops our people. Our Diversity and Inclusion Plan, first introduced in 2016 and refreshed annually, has been helping to improve our inclusive working environment and work towards equal outcomes for everyone in DCMS.



Each year we have looked deeper into the reasons for our gender pay gap to better understand our workforce and review and strengthen our actions. This year we have uncovered new evidence which has enabled us to develop targeted actions to tackle our gap and champion gender diversity, including using gender neutral language in recruitment and being more transparent about pay and progression. I remain concerned that our median gender pay gap is still high at 16.6% but I am encouraged that this is reduced from 22.9%, since our last report in 2018.

Closing the gaps is a challenging task and may, to some extent, be influenced by the sectors that we operate in and the talent pools that we draw from. However, our efforts to improve gender diversity in the digital and technology sectors, through our support of the Tech Talent Charter (TTC), demonstrates our desire to tackle gender pay holistically, both within our department and in our sectors.

I am confident that, with time and persistence, we can close our gender pay gap and empower employees of all genders to progress and succeed at DCMS.

nuchen

Sarah Healey, Principal Accounting Officer and Permanent Secretary Department for Digital, Culture, Media and Sport

# Introduction

The Department for Digital, Culture, Media & Sport (DCMS) has prepared this report as part of the legal requirement for public authorities to publish their gender pay gap on an annual basis.

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 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 pay between men and women in the workforce. If a workforce has a particularly high gender pay gap, this can indicate that 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** is a statutory requirement for employers rendering it unlawful to pay men and women different salaries, who carry out the same jobs, similar jobs or work of equal value.

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

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 by 2020. Our Diversity & 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 characteristics.

# Gender Pay Gap Data 2019



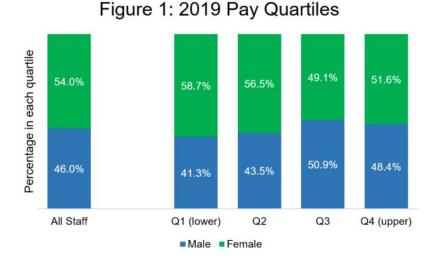
#### Reduced from 7.5% in 2018

#### **Reduced from 22.9% in 2018**

16.6%

Median

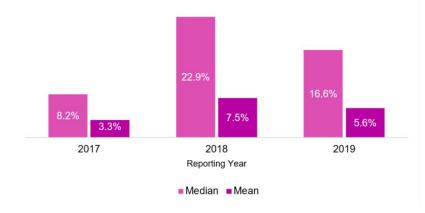
DCMS has reduced the gender pay gap since 31 March 2018. By improving the gender balance across grades A(U) - D we have seen a reduction in our gender pay gap.



The following pay quartile figures (Figure 1) are calculated by listing our department's hourly wages in ascending order and then splitting the department into four equal parts and showing the gender balance at each quartile. Those with the lowest hourly wages can be found at Q1 and those with the highest hourly wages can be found at Q4.

These pay quartiles demonstrate that in comparison to our overall gender distribution, there are a disproportionate number of women in the lower quartiles

#### Figure 2: DCMS Gender Pay Gap Trend



The mean gender pay gap is the difference between the average pay for women and average pay for men.

The median gender pay gap is the difference between the hourly rate of pay for the middle female and the hourly rate of pay for the middle male.

Figure 2 demonstrates the trend over three years in our mean and median pay gaps.

# Gender Bonus Gap Data 2019

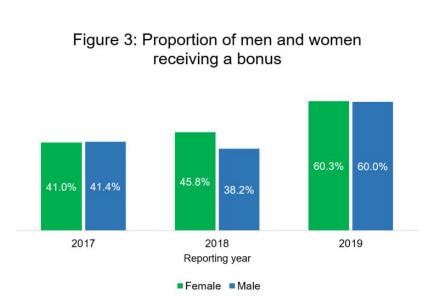


**Reduced from 25.4% in 2018** 

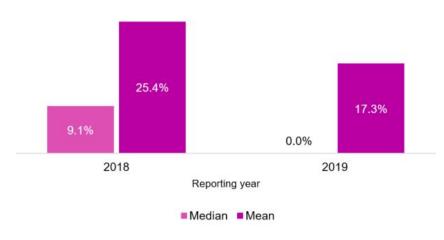
Reduced from 9.1% in 2018

0.0%

Median



## Figure 4: DCMS Gender Bonus Gap trend



Since 31 March 2018, we have reduced our gender bonus gap and are pleased to report that we have a 0.0% median gap for the 2019 reporting year (Fig 4) which means that the middle man and middle woman received the same bonus value.

In addition to this, the proportion of men and women receiving a bonus has increased significantly and is more equal on gender terms (Fig 3)

DCMS offers both in-year and end-of-year reward and recognition schemes for delegated grades and a separate scheme for Senior Civil Servants.

The department's end of year performance awards are paid as a set value depending on grade and performance level, irrespective of gender. The higher the grade, the higher the award. End of year performance awards were given to all staff who receive an 'exceeded' rating in their annual appraisal.

In-year awards are paid to staff, regardless of working hours, on an agreed range based on the level of service provided to the business from categories commendable, exceptional or outstanding. These can be cash payments or vouchers.

# **Organisational Structure**

Figure 5: Departmental gender distribution

# 46% i All 53% i SCS i 47%

DCMS' headcount for all employees in scope for the calculations on the 31 March 2019 snapshot date was 1168 employees. Of this headcount, 1141 employees were identified as 'full pay relevant employees', as set out in the regulations, and included in the calculations; of those included, 54% were women (Figure 5). On the same date, the Department had 78 Senior Civil Servants (SCS), 47% of whom were women. The proportion of women in the department and the Senior Civil Service has increased since our last report in 2018. DCMS has no Executive Agencies. We have Non-Ministerial Departments that will report their gender pay gap data separately.

DCMS consists of two business groups, each headed by a Director-General (DG): Digital & Media and Performance & Strategy. The DCMS grade structure, aligned against the standard Civil Service grading, can be seen in the table below.

DCMS Grade	Civil Service Grade	18/19 Pay Band Minimum	18/19 Pay Band Maximum
A(U)	Grade 6	£56,191	£67,632
Α	Grade 7	£49,601	£57,629
B - Finance	HEO/SEO	£37,922	£44,116
В		£32,618	£38,426
С	EO	£25,105	£27,126
D	AO/AA	£21,467	£21,756

DCMS has a non-discriminatory pay strategy and continuously aims to ensure a strong gender balance in the values and proportion of those receiving non-consolidated bonuses. Our analysis demonstrates that our gender pay gap can be largely attributed to the structure of our workforce, specifically the over-representation of women in the junior grades.

# **Gender Pay and Bonus Gap Analysis**

2019 marks the third year that DCMS has reported on its gender pay gap and analysed the factors that have influenced the headline figures. Although we should be held accountable to our headline figures, the calculation tells only part of the story and it is important that we interrogate the data more deeply to create targeted and evidence-based action plans.

In 2018, we identified the following contributing factors to our gender pay gap:

- → A number of highly paid male directors and fewer female directors
- → The increase in digital roles, filled mostly by men
- → A greater proportion of women in junior roles
- $\rightarrow$  The gap between the Band B maximum salary and Band A minimum salary.

As a result, our main goals for 2019, to combat the increase in our pay gap, were:

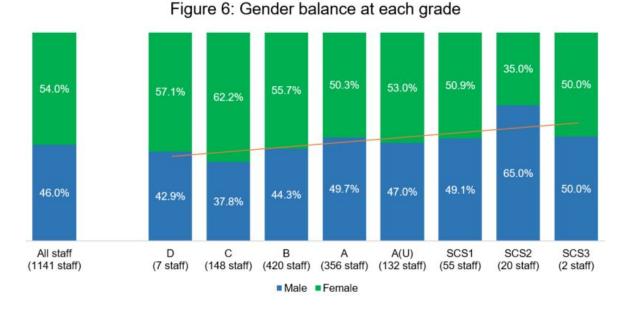
- ✓ To improve the gender balance in Grades D-B
- ✓ To increase the proportion of women in Grade A roles to 50%
- ✓ To increase the representation of women at senior grades

Whilst we have achieved these goals since our 2018 report, there is more work to be done to continue reducing our gender pay gap. Changing how our organisation is structured is complex and will not happen quickly, but we are committed to enact this by continuing to address the factors identified in the 2018 report. In addition to this, we have looked deeper into our data this year to better analyse the reasons for the gap and improve our actions. Building on last year's report, we have identified that roles in the digital sector, senior bonus pay and the modest uptake of Shared Parental Leave have likely contributed to our gender pay gap. However, we have also identified that internal promotions have supported a reduction in our gender pay gap, as well as aspects of bonus pay for our junior grades. To demonstrate our analysis, each of these areas will be explored:

- 1. Internal promotions
- 2. Roles in the digital sector
- 3. Bonus pay
- 4. Shared Parental Leave

## **Internal Promotions**

DCMS' gender pay gap is impacted by the disproportionate number of women in junior grades when compared to men (Figure 6).



However, when we compare these figures to the previous year there has been an increase in the proportion of women in the more senior grades, A(U) - B, and a decrease in the proportion of women in junior grades, C - D (Figure 7). Women now make up the majority of staff at all grades except Director-level (SCS2) where men make up 65% of staff at this grade.

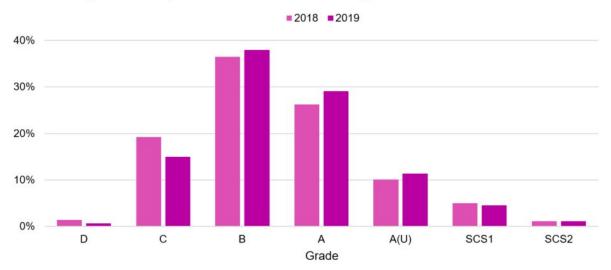


Figure 7: Proportion of women in each grade from 2018 to 2019

To better understand the improved gender balance, we identified the men and women who were included in both the 2018 and 2019 calculations. We then compared any individual changes in grade between the two calculations (Figure 8).

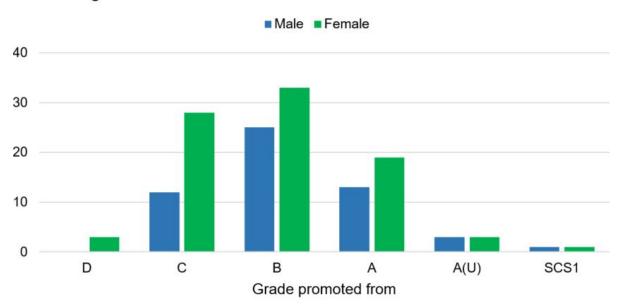


Figure 8: Promotions between March 2018 and March 2019

This identified that, between March 2018 and March 2019, 61.7% of internal promotions were women and more specifically, 63.4% of those promoted from grade D to C, or C to B, were women. These promotions have supported the progression of women into more senior grades and reduced our gender pay gap. Furthermore, an equal number of men and women secured promotions into SCS1 (Deputy Director) and SCS2 (Director) roles.

#### Next steps:

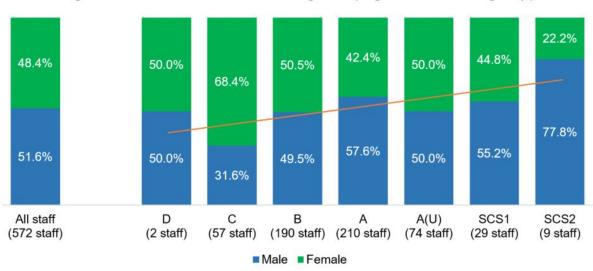
Although these figures are encouraging and the gender balance is improving, there is more to be done. As in 2018, our median gap continues to highlight that our median woman (a Grade B) still sits in the grade below the median man (a Grade A). To help empower staff to progress their careers, we are introducing greater transparency to pay, reward and promotion processes both internally and across government. This has been assessed by the Government Equalities Office as an action that has effective outcomes for reducing gender pay gaps.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Government Equalities Office, 'Actions to close the gender pay gap' *Gov.UK*, 1 December 2017. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/731288/Gender-Pay-Gap-act ions\_pdf

## Roles in the digital sector

As referenced in our 2018 report, the gender balance of the digital sector may influence the gender balance of the talent that we hire into DCMS. In 2018, of all jobs in DCMS' sectors, 55.8% were held by men and 44.2% by women. The gender balance varied across DCMS' sectors, with the Digital and Telecoms sectors having the highest proportions of male employees (72% male for both sectors).<sup>2</sup>

As the talent pool for Digital and Telecoms lacks gender-diversity, this is likely to have contributed to a greater number of men in senior roles in our Digital and Media business group and a greater gender imbalance (Figure 9). Of all the male employees in DCMS, 57% work in our Digital and Media business group.





When we compare the above chart to the grade distribution of the overall department (see page 8), men occupy a greater proportion of senior roles than women in the Digital and Media business group.

#### Next steps:

In order to tackle this issue in the round, we will continue to drive both internal and external diversity initiatives to transform the talent pool that we recruit from and increase the number of women in digital and technology roles across the industry. To support the transformation of our sectors we give funding to, and are a signatory of, the Tech Talent Charter (TTC), an industry collective to deliver greater diversity in the technology workforce across all industries. Since our last report, the number of signatories to the Tech Talent Charter has increased by over 100 organisations.

<sup>&</sup>lt;sup>2</sup> Department for Digital, Culture, Media and Sport, 'DCMS Sectors Economic Estimates 2018: Employment' *Gov.UK*, 26 June 2019, p. 10-11. Available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/811903/DCMS\_Sectors\_Economic\_Estimates\_2018\_Employment\_report.pdf

Whilst the number and proportion of women in the Digital and Media business group has increased since the 2018 snapshot (women now make up 48% of employees in this group, compared to 44% in 2018), 61% of women recruited were hired into roles at grades C and B. Therefore, to ensure that this brings positive impacts in the longer-term, we must ensure that we empower and develop employees to progress their careers through greater transparency and active promotion of development and talent schemes.

Internally, we will encourage all digital and technology job descriptions and recruitment adverts to be analysed by a language decoder to ensure that these have gender-neutral framing. This has been assessed by the Government Equalities Office as a promising action to reduce gender pay gaps.<sup>3</sup>

## Bonus Pay

Our gender bonus gap has been reduced for this reporting year by 8.1 percentage points on the mean measure and 9.1 percentage points on the median measure.

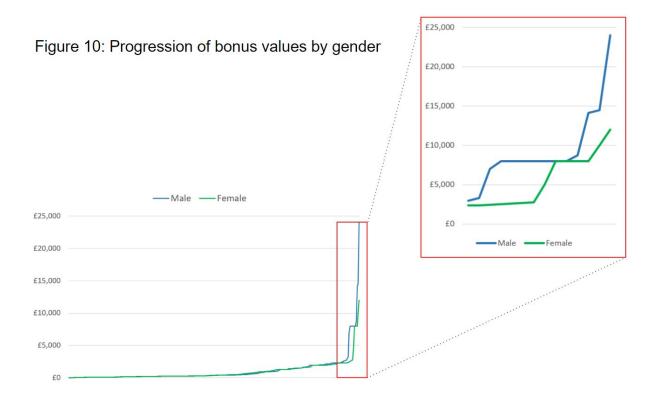
Our analysis has highlighted that between 1 April 2018 and 31 March 2019:

- $\checkmark$  In-year bonuses were awarded proportionally overall to men and women  $^4$ 
  - 54.0% of in-year bonuses were awarded to women
- ✓ Women received proportionally more end-of-year bonuses<sup>4</sup>
  - 56.0% of end-of-year bonuses were awarded to women
- ✓ More men and women overall are receiving bonuses than in the previous reporting years.
- ✓ Bonuses were awarded near equally to men and women
  - 60.0% of men and 60.3% of women in DCMS received a bonus between 1 April 2018 and 31 March 2019

<sup>&</sup>lt;sup>3</sup> Government Equalities Office, 'Actions to close the gender pay gap' *Gov.UK*, 1 December 2017. Available at: <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/731288/Gender-Pay-Gap-act</u> <u>ions\_pdf</u>

<sup>&</sup>lt;sup>4</sup> Based on the snapshot date 31 March 2019, 54% of DCMS employees in scope were female.

However, whilst our bonus gap has reduced and our median gap is 0.0%, our mean gap of 17.3% has highlighted the disproportionate allocation of end-of-year awards to men in our Senior Civil Service. The Senior Civil Service receive higher bonus amounts than our delegated grades and so the gender imbalance in the senior grades has a significant impact on both the mean bonus pay gap and mean pay gap.



The graph above (Figure 10) highlights that more higher-value awards were made to men. Of the end-of-year bonuses awarded to in-scope SCS employees, only 40% were awarded to women. Furthermore, 65% of the bonuses that were £7,000 or greater were awarded to men.

#### Next steps:

This analysis highlights that we need to do more to increase gender-diversity in our Senior Civil Service and carefully consider how bonuses are awarded at this level. In addition to monitoring gender outcomes with the annual Senior Civil Service pay award, we will make it mandatory for all senior job descriptions and recruitment adverts to be analysed by the language decoder to ensure that these have gender-neutral framing. This has been assessed by the Government Equalities Office as a promising action to reduce gender pay gaps.<sup>5</sup>

<sup>&</sup>lt;sup>5</sup> Government Equalities Office, 'Actions to close the gender pay gap' *Gov.UK*, 1 December 2017. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/731288/Gender-Pay-Gap-act ions\_pdf

## **Shared Parental Leave**

With the exception of our SCS2 (Director) grade, women make up the majority of part-time employees at all other grades. Considering data from the Government Equalities Office and the Institute of Fiscal Studies women are more likely to work part-time, particularly after they become mothers.<sup>6</sup> This can result in a loss of development or experience whilst on maternity leave or working part-time for parental reasons, which can reduce their growth in earnings.<sup>7</sup> We may be able to address this through increasing the uptake of Shared Parental Leave. In the 2017/2018 reporting year, 9 individuals took Shared Parental Leave (SPL) and another 8 individuals took SPL in the 2018/2019 reporting year.

#### Next steps:

We will be encouraging the uptake of Shared Parental Leave through increasing awareness about the initiative with the aim of increasing the number of men and women participating in the scheme. Our Senior Civil Servants are strong role models for flexible working arrangements and, with their support, we will aim to better champion flexible ways of working throughout the business. Both of these actions are considered to have promising effects on reducing the gender pay gap, as evidenced by the Government Equalities Office.

### Comparison to the wider Civil Service

The Cabinet Office publishes an annual National Statistics publication on the Civil Service workforce - Annual Civil Service Employment Survey (ACSES). Historically, ACSES has published a gender pay gap for the Civil Service using both the mean and median measure. In 2019, the language was changed to highlight that the presented measure is a difference in pay between men and women and does not reflect the official gender pay gap. ACSES uses employees' 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.

For 2019, the ACSES reported a wider Civil service 'gap' of 9.2% on the mean measure and 11.1% on the median measure.<sup>8</sup> Whilst DCMS' mean gap of 5.6% is more favourable, our median is greater.

<sup>&</sup>lt;sup>6</sup> F. McGuinness and D. Pyper, 'The Gender Pay Gap', *House of Commons Library*, Number 7068, 8 November 2018, p. 11 Available at: <u>http://researchbriefings.files.parliament.uk/documents/SN07068/SN07068.pdf</u> <sup>7</sup> See above

<sup>&</sup>lt;sup>8</sup> Cabinet Office, 'Civil Service Statistics 2019' GOV.UK 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/820198/Statistical\_tables\_Civil\_Service\_Statistics\_2019\_1\_xlsx

# **Action Plan**

DCMS is committed to reducing the gender pay gap, and our approach to pay and bonuses seeks to reward all staff fairly, regardless of gender. With the analysis and knowledge in this report, DCMS is better equipped to closing the gender pay gap.

In addition to the actions and initiatives raised in our 2018 report, the progress of which is outlined below, we have sought to refresh our plan and commit to new actions that target our gender pay gap as it changes.

## Progress from 2018 Actions

- Increase the number of women in Grade A to 50% from 47%.
  - ✓ As of 31 March 2019, women made up 50.3% of staff at Grade A.
- Review and consider the impact of the Senior Civil Service Pay Award on differences in gender pay
  - The impact on gender pay was taken into account when implementing the SCS Pay Award and we will continue to do this in future years.
- Improve the representation of women at senior grades
  - More women secured internal promotions than men between 2018 and 2019, improving the gender balance and representation of women at senior grades.
  - Our Senior Civil Service is more balanced on gender in 2019 compared to 2018.
- Progressing work to reassess pay structure of the Band B grade
  - Proposals to restructure the Band B grade were considered and will not be progressed at this time.
  - ✓ Other options to support development for Band B employees are now being explored and the decision will be revisited in 2020.

- Refreshing our Diversity and Inclusion Plan annually.
  - ✓ The Diversity and Inclusion Plan was refreshed in January 2019.
  - ✓ We also launched a Diversity and Inclusion Ambassador group with representation across DCMS. These ambassadors are dedicated to driving internal and external D&I considerations.
- Increase internal reporting of the gender pay gap
  - We have measured our gender pay gap every quarter to help us measure and manage the impact of our actions. We developed a simplified calculation to allow us to do this more regularly and report it to senior executives.
- Strengthen the messaging on higher starting salaries
  - We strengthened the messaging and improved guidance on submitting business cases for higher starting salaries.
  - We went further on our action and made these submissions name and gender-blind to prevent any possible bias when considering these cases.

## Actions for 2019

This report highlights that a digital/tech labour market, that is predominantly male, and a disproportionate number of women in junior grades are still impacting our gender pay gap. In order to tackle these we have refreshed our action plan to include:

- 1. Increasing transparency on pay and promotion processes, including bonuses
  - We have introduced greater transparency to our in-year bonus process. Teams now receive live updates on their overall gender balance of bonuses when they submit a nomination.
  - We have delivered sessions on understanding civil service pay, promotion and transfers.

- 2. Continuing to carefully consider the salaries and bonuses awarded for the Senior Civil Service
  - DCMS Senior Remuneration Committee considers a range of evidence to determine annual pay awards.
- 3. Reviewing job descriptions and job adverts with a language decoder to ensure no talent is deterred by masculine or feminine framing.
  - This will be strongly encouraged for digital roles and made mandatory for all Senior Civil Service roles.
- 4. Promote the uptake of Shared Parental Leave and flexible working patterns, using our Senior Civil Servants as role models and our D&I Ambassadors as champions
  - We are also undertaking a study to explore intersectionality to help inform our Diversity and Inclusion Plan 2020.

The goals we will endeavour to achieve by the 31 March 2020 snapshot are:

- → To improve the gender balance across the grades so that the median woman and median man both sit within the same grade.
- → Double the number of employees taking up Shared Parental Leave.
- → To improve the gender balance of end-of-year performance awards granted to senior leaders.

# Declaration

We confirm that data reported by the Department for Digital, Culture, Media and Sport 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.



Debra Lang, Director for People and Workplace



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Sarah Healey, Permanent Secretary

## Department for Digital, Culture, Media & Sport

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