



Ministry
of Defence

Gender Pay Gap Reporting Year 2021

Ministry of Defence UK Armed Forces
(snapshot taken 31 March 2021)

27 January 2022

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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 male or female.

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. MOD Diversity & Inclusion Strategy outlines how we plan to achieve this.

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. This report is also in line with the recommendations made from the National Statistician's Inclusive Data Taskforce report, published September 2021.

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.

David Williams, Permanent Secretary

Lieutenant General James Swift, Chief of Defence People

¹ Based on average hourly pay.

Headlines

The UK National gender median pay gap 2021 was **15.4%**² up from 14.9% in 2020. MOD compares favourably with this:

Gender Pay Gap:

UK Armed Forces

Median pay gap of **2.3%**, a rise of **1.6 percentage points** from last year.

Mean pay gap of **2.2%**, a rise of **1.0 percentage point** from last year.

Gender Bonus Gap:

UK Armed Forces

Median bonus gap of **0.0%**, down **3.5 percentage points** from last year.

Mean bonus gap of **12.2%**, down **3.0 percentage points** from last year.

Definitions

The **median** average is the middle number in a sorted dataset, taken as the average of the two middle numbers when the sequence has an even amount of numbers.

The **mean** average is found by calculating the sum of the values and dividing by the number of values.

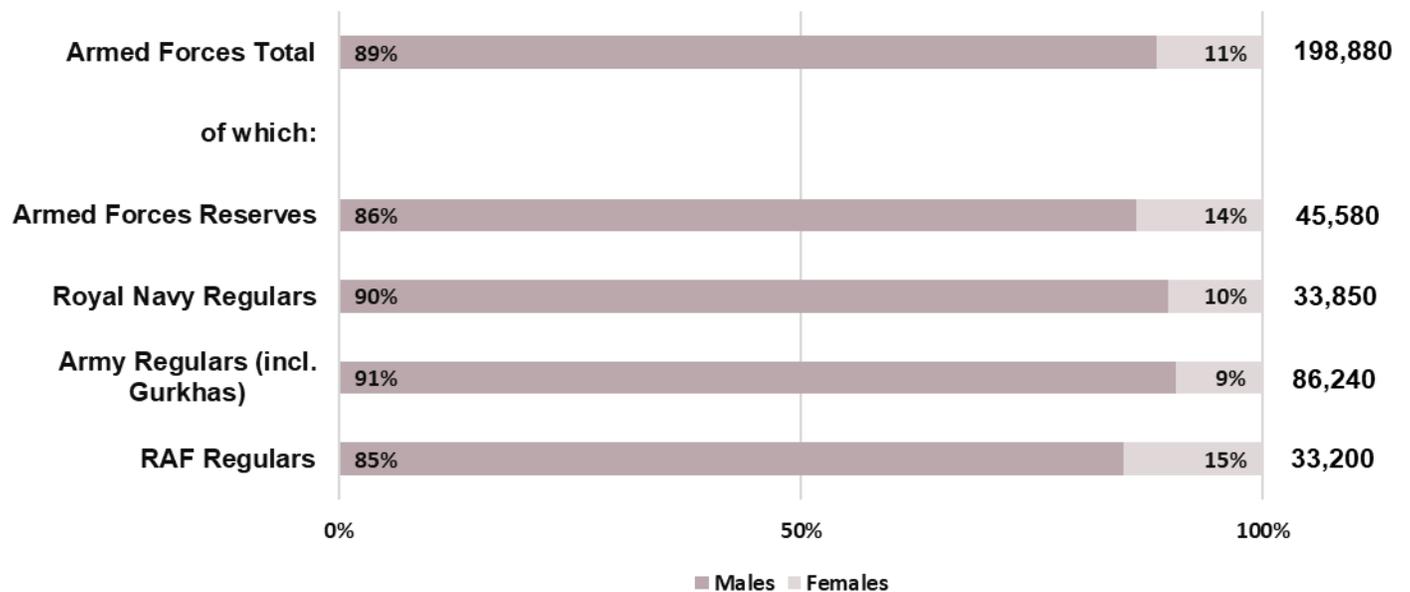
² The UK National Median figure quoted as **15.4%** is for 2021 as quoted in the 'Annual Survey of Household Earnings (ASHE)'. Which can be found here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2021>.

Analysis

The UK Armed Forces is defined as: Royal Navy and Royal Marines, Army (including Gurkhas), Royal Air Force. These all include the respective Reserve forces.

Graph 1. Gender ratio of MOD UK Armed Forces personnel by service, as at 31 March 2021

Total headcount



Gender Pay Gap

UK Armed Forces:

For the financial year 2020/21, there is a **median pay gap of 2.3%** in favour of men, an increase of 1.6 percentage points, and a **mean pay gap of 2.2%**, an increase of 1 percentage point from financial year 2019/20.

Defence is committed to its ambition to achieve 30% inflow of women into the Armed Forces by 2030. A consequence of increasing female representation in the Armed Forces is that we expect the gender pay gap to increase.

We are pleased that the number of female recruits joining the military continues to increase. We will continue to do all we can to increase female representation in the Armed Forces, while also closely monitoring and working to reduce the gender pay gap.

The UK Armed Forces as an organisation has a junior-level entry system. This means that the majority of personnel are recruited at the most junior rank and work their way up through the ranks and career structures. A smaller proportion of personnel are recruited at the junior Officer rank.

Proportionally there are more women in the Officer ranks than in Other ranks³. In pay terms, Other ranks represent the lower pay quartiles. Increases in female representation will predominantly impact the junior Other ranks, driving up the number of women in the lowest pay quartile which will in turn increase the overall UK Armed Forces gender pay gap. Early signs of this trend can be deduced from this year's figures, as the largest increase in female representation was in the lowest pay quartile (0.8 percentage point increase).

Overall, the Armed Forces compares favourably with the UK's national gender pay gap of 15.4% for 2021. While the increase on 2019/20 pay gap figures show there is room for improvement, the MOD is committed to achieving increases in female representation first, before reducing its gender pay gap.

³ Other Ranks in the Armed Forces refer to personnel who are not commissioned officers. The ranks for the Royal Navy and Royal Marines are: Warrant Officer Class 1 and 2, Chief Petty Officer, Colour Sergeant, Petty Officer, Sergeant, Leading Rate, Corporal, Lance Corporal and Able Rate. For Army these ranks are: Warrant Officer Class 1 and 2, Staff Sergeant, Sergeant, Corporal, Lance Corporal and Private. For RAF these ranks are: Warrant Officer, Flight Sergeant, Chief Technician, Sergeant, Corporal and Aircraftmen/women.

Gender Bonus Gap

UK Armed Forces:

For the financial year 2020/21, there is a **median bonus gap of 0%**⁴, a decrease of 3.5 percentage points, and a **mean bonus pay gap of 12.2%** in favour of men, a decrease of 3.0 percentage points from financial year 2019/20.

The percentage of personnel receiving a bonus was 21.4% of males and 23.0% of females, this represents a decrease from last year of 3.2 percentage points and 1.5 percentage points respectively.

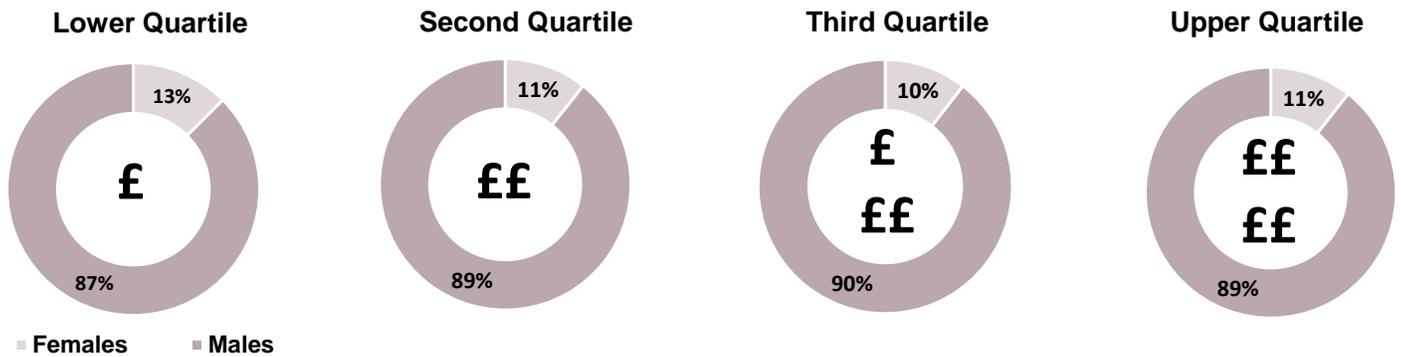
There are no performance-related bonuses for the Armed Forces. There are, however, a range of other payments which fall within the definition of a bonus in the 2017 Gender Pay Gap Regulations. These mainly support recruitment and retention rather than rewarding good performance. The most common bonus payment received for both genders is the 'Annual Bounty Payment', which is awarded to Reservists. Although all roles in the Armed Forces are now open to women (including those that receive the higher value payment), the mean gap reflects the fact that higher bonus payments are made to professions where women are still heavily under-represented e.g. submariners, pilots, engineers. The mean bonus pay gap should start to decrease, and we are seeing evidence of this.

⁴ The median bonus payment is £1,862 for both men and women.

Pay quartiles

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

Graph 2. Percentage of men and women in each pay quartile (UK Armed Forces personnel)



For UK Armed Forces, pay scales are a function of rank, seniority and qualification and are gender blind. However, the Armed Forces are 89% male and the MOD recognises that more needs to be done to recruit, progress and retain women. Work to address this continues (see 'Actions' on page 9).

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

- Diversity and Inclusion in Defence has had a significant resource uplift establishing a new central D&I Directorate. This additional resource reflects Defence's commitment to make significant progress across Defence to improve the experiences of its people.
- The number of posts in single Services D&I teams has also increased, with Army D&I leadership elevated to the rank of Brigadier (1*).
- Defence continues to develop and implement a wide range of interventions to ensure that all of our people, regardless of gender or other characteristics, can have their effort and their skills recognised, their individuality and experience respected and are able to achieve their full potential.

Flexible Service

- The Armed Forces already have a range of Flexible Service opportunities in place. From April 2019, Regular Service personnel have been able to request fixed periods of part-time working, or limited separation, as long as operational requirements have allowed it. We are exploring how to make it easier for people to transfer between the Regulars and Reserves to make the most of opportunities within the Reserves to work on a full-time, part-time or voluntary basis. Defence will continue to undertake targeted initiatives to promote Flexible Service.

Staff Networks & Champions

- Defence provides peer support through 9 gender focused employee support networks across Defence, with over 24 gender champions and advocates to ensure a range of views and experiences are heard at senior levels.

Recruitment & Outreach

- A new, central lateral entry policy was published in Aug 2021 to better support lateral entry into the Services and attract and retain the right people in the right roles. This includes Direct Entry schemes and Accelerated programmes.
- Each of the single Services has focussed outreach programmes and recruiting campaigns designed to increase the number of women recruited into the UK Armed Forces.