

Gender pay gap report

2021

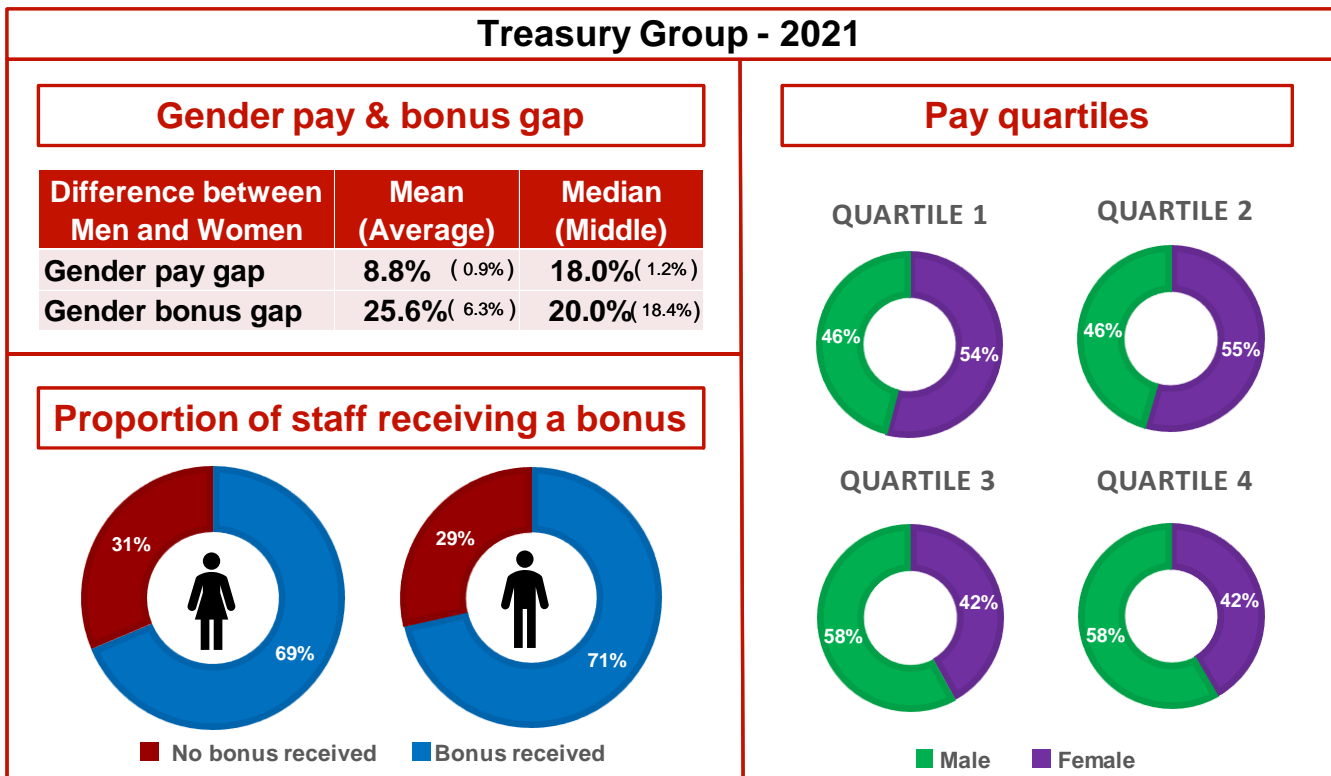


Introduction

Organisations with 250 or more employees are required to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. These regulations underpin the Public-Sector Equality Duty and require relevant organisations to annually publish their gender pay gap. Our report is also in line with the recommendations made from the [Inclusive Data Taskforce](#) report published in September 2021.

The gender pay gap is different to equal pay. The gender pay gap shows the difference in the average pay between all men and women in a workforce and the reporting requirements specify the calculations to include in the report. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. A gender pay gap does not equate to the existence of an equal pay problem but may be the trigger for investigating why the gap exists.

2021 Gender Pay Gap outcomes



Change from previous year shown in brackets. 2021 Treasury Group figures include the core department and 4 executive agencies: Government Internal Audit Agency; Debt Management Office; the National Infrastructure Commission; and the Office for Budget Responsibility¹.

¹ The Office for Budget Responsibility were not included in the Treasury Group's calculations in 2020.



Organisational context

Treasury Group

The Treasury is committed to ensuring our workforce is representative of the community it serves. Diversity of background, expertise and thought will mean the Treasury can design better policy, be informed by the best possible evidence, and provide the best advice to Ministers. A more diverse and inclusive Treasury will help ensure that talented people can thrive and perform, and that everyone feels they belong. We regularly publish information on the wider diversity of our workforce, including in the Treasury’s Annual Report and Accounts which can be found [here](#).

In relation to gender diversity, we have a particular focus on:

- i. improving gender diversity in applicant pools and increasing the representation of women in middle management grades to have a robust pipeline into the Senior Civil Service (SCS),
- ii. addressing the gender pay gap, with further analysis planned to understand the causes in more detail,
- iii. the introduction of a parental leave toolkit and measures to support employees that take periods of time out of the department for caring responsibilities or career breaks, which tend to disproportionately impact women.

The Treasury Group figures include the core department and four executive agencies: Government Internal Audit Agency (GIAA); Debt Management Office (DMO); the National Infrastructure Commission (NIC); and the Office for Budget Responsibility (OBR).

In this report we detail figures for the whole group, in line with the legislation, but we also detail the figures for the core department and the executive agencies separately.

The organisations that make up the Treasury Group’s gender pay gap figures have differing gender balances. The following table shows the proportion of men and women in each of those organisations.

Organisation	% Male	% Female
HMT (excl. agencies)	51%	49%
GIAA	49%	51%
DMO	66%	34%
NIC	51%	49%
OBR	57%	43%

Treasury Core

There is a government-wide pay strategy and framework for the SCS within which the Treasury operates.

For other grades, the responsibility for setting reward strategy and practices is delegated to departments, within the rules of the Civil Service Pay Remit Guidance, which is published annually. In 2019/20, the pay remit allowed for pay awards between 1.5% and 2.5%, and the Treasury used this to increase median pay across all delegated grades to continue its reward practice of making pay more competitive with other government departments.

The Treasury uses a grading system, which is linked to the Civil Service grades. For this report we will use the equivalent Civil Service grades, ranging from Administrative Officers to Senior Civil Servants. Within



each grade there is a pay range, and irrespective of gender the longer someone remains in a grade the further up that pay range they are expected to progress.

Our workforce changes quite significantly year on year:

- 31% of the employees included in this year's gender pay gap reporting were not in scope for reporting last year. Of these, approximately two-thirds were external new hires, just under a third were Civil Servants who permanently moved to the Treasury from another government department, and a small number were employees returning to the department's payroll following a loan or secondment, or employees transferring in on loan from other Government departments.
- Of the employees who were included in both years' reporting, 17% have changed grade since 2020.

The pay practices that the department operates are heavily influenced by Civil Service wide rules or standard practice.

Employees who are promoted or hired externally tend to start on a salary on or near the minimum of the Treasury's pay band, but salary levels for Civil Servants moving to the Treasury from another government department are determined by a Civil Service-wide policy, which may leave these individuals earning more than the Treasury's pay band minimum.

In previous years, the Treasury's gender pay gap action plan has focused on increasing representation of women at SCS Grades. The table below shows the current distribution of men and women across the grades.

Grade (increasing seniority)	Number of men	Number of women	% of grade who are female	% of total male staff in this grade	% of total female staff in this grade
AA/AO (Range B)	20	40	67%	8%	8%
EO (Range C)	80	130	62%	47%	38%
HEO / SEO (Range D)	370	360	49%	36%	36%
Grade 6/7 (Range E/E2)	480	380	44%	8%	13%
SCS	80	80	50%	2%	4%
Total (including those with unknown grade)	1030	990	49%		



Pay gap

The overall mean gender pay gap has increased by 0.9 percentage points from last year to 8.8%. The median pay gap has also increased by 1.2 percentage points to 18.0%.

In the core Treasury department, the mean gender pay gap has increased by 1.5 percentage points to 5.9% with the median pay gap increasing by 4.5 percentage points to 19.6%.

Despite there being equal representation of men and women in Senior Civil Service grades, there is a higher proportion of women in junior grades and lower representation at middle management levels. This leads to a lower representation of women in pay quartiles 3 and 4 and impacts the average and median pay for each gender. Although there is a balanced distribution of men and women joining the department as new hires, fewer women were promoted to grade 6/7 roles in the past year than men.

More men than women received professional and retention allowances which also contributed to the pay gap.

Bonus Gap

The mean bonus gap for the Treasury group has increased by 6.3 percentage points to 25.6%, and the median bonus gap also increased by 18.4 percentage points to 20%.

In the core Treasury, the mean bonus gap is 9.4% when in 2020 it was 3.9%. The median bonus gap has reduced by 2 percentage points and is now 0%. In the core Treasury, the overall trend on bonus gap measures is a reduction in the gap since figures were first published in 2017.

In both the Treasury Group and the core Treasury, there is a small difference in the proportions of men and women receiving a bonus, and this gap has widened in the past year.

In the core Treasury, more women who received a bonus work part time than their male counterparts, and bonuses were pro-rated to reflect working hours, which has contributed to the bonus gap.

Non-consolidated payments made to individuals whose salaries were at the maximum of their pay bands during the pay award are included in the bonus gap calculations. In senior grades, more men received this type of payment than women, and this has also contributed to the bonus gap for the core Treasury.

Activities that support closing the Gender Pay Gap

The core department undertakes a wide range of activity to ensure that our processes and systems attract, retain, and support talented people from all backgrounds. Many of these activities will contribute to closing the gender pay gap. The effectiveness of these actions is reviewed regularly by HR and overseen by the Diversity Delivery Committee.

The variability in the workforce described earlier creates two issues relating to gender pay. It results in fluctuations in our gender pay gap results from year to year; and combined with some of the external factors that influence pay in the department, it is not practicable to narrow the pay gap by focusing on managing individuals' pay over several years.

Therefore, this year's action plan focuses on undertaking a detailed regression analysis to understand how closely correlated several factors are with the gender pay gap, to determine which are likely the biggest contributors, and to propose action on those which are within the department's control.



As a starting point, this analysis will consider employee characteristics (such as grade, length of service, time in grade, working pattern etc); the distribution of women within mid to senior grades; and factors more directly within the organisation’s control such as:

- Distribution of non-consolidated payments, including bonuses and allowances.
- External hires starting salary negotiation process

The intention is that this analysis will identify one or two key actions for implementation within the next performance year, which can be monitored and their impact on the gender pay gap understood.

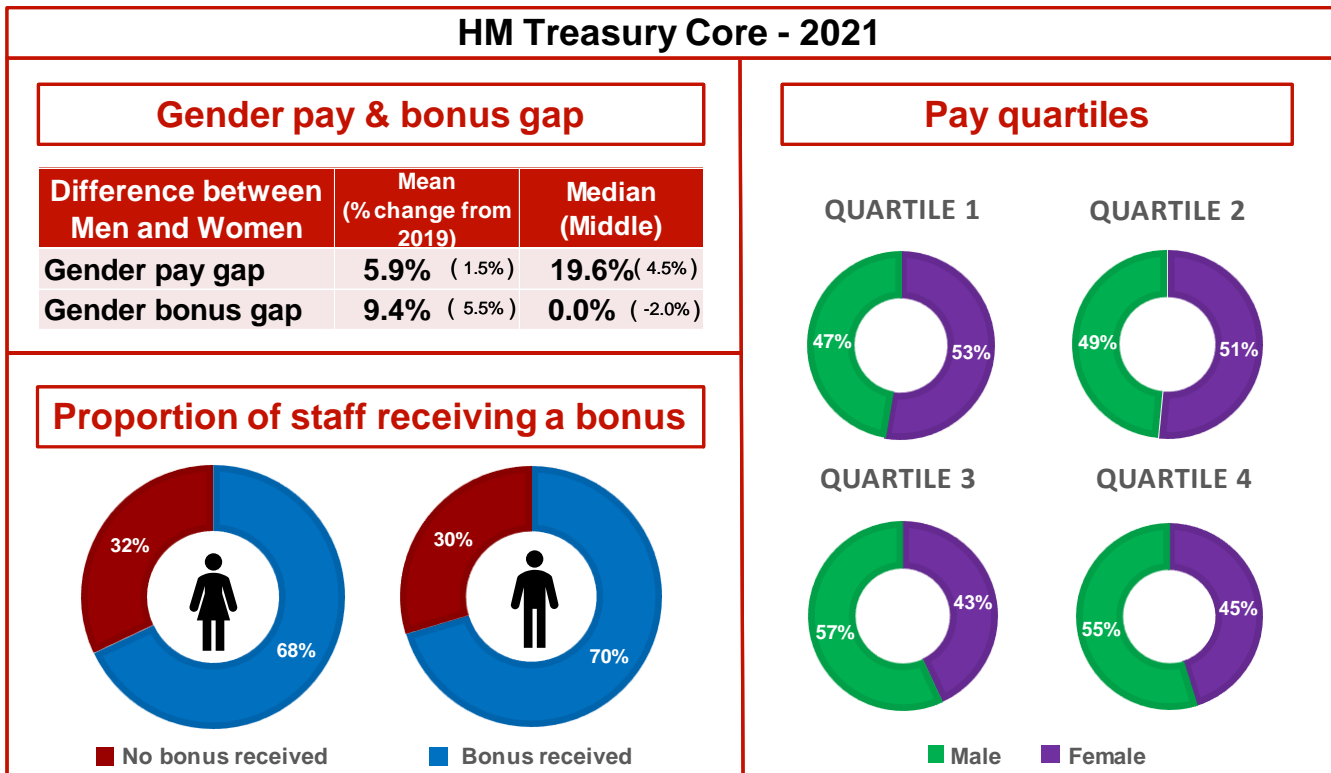
Our executive agencies have their own separate plans to help them address their own gender pay gaps.

Statutory disclosures

On 31st March 2021, HM Treasury had 5 employee entities: the core department and four executive agencies: Government Internal Audit Agency, Debt Management Office, National Infrastructure Commission, and the Office for Budget Responsibility.

Only the central Department and the Government Internal Audit Agency employ 250 or more employees.

Individual figures for the core department and each of the executive agencies are included below. This data is taken from Civil Service Statistics 2021. Where organisations have a headcount of less than 250 individuals, figures for bonus pay gaps and quartiles have been suppressed.



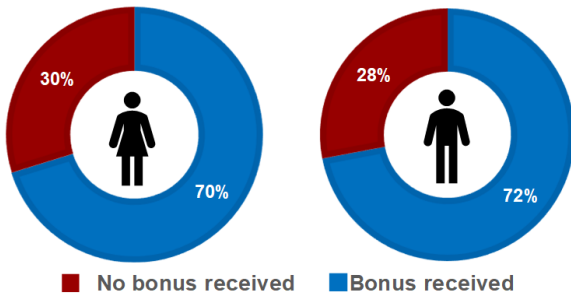


GIAA - 2021

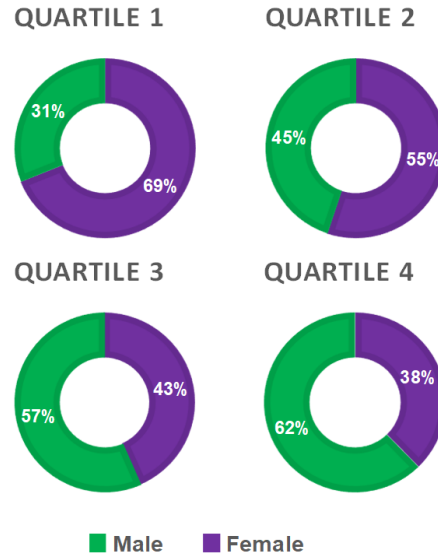
Gender pay & bonus gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	12.3% (0.9%)	13.2% (0.7%)
Gender bonus gap	2.8% (-12.1%)	-50.0% (-56.2%)

Proportion of staff receiving a bonus



Pay quartiles



Debt Management Office - 2021

Gender pay gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	20.8% (1.8%)	29.1% (3.8%)

National Infrastructure Commission - 2021

Gender pay gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	27.0% (13.3%)	23.2% (14.8%)

Office of Budget Responsibility - 2021

Gender pay gap

Difference between Men and Women	Mean (Average)	Median (Middle)
Gender pay gap	12.5%	15.7%

Declaration

HM Treasury confirms that our data has been calculated by the Cabinet Office, according to the requirements of The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.