HM Treasury

2023 Gender Pay Gap Report

Published 30 November 2023

Executive Summary

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 publish their gender pay gap annually.

As a department, we have published our Gender Pay Gap Report annually since the introduction of the legislation in 2017. These reports are an important tool to demonstrate our commitment to become a fully inclusive and diverse workforce. We recognise that greater transparency and accountability is key to enable us to demonstrate our commitment to equality, attracting talent and boosting staff engagement. We regularly publish information on the diversity of our workforce, including in the Treasury's Annual Report and Accounts which can be found here.

The gender pay gap measures the difference in pay between male and female employees. Within the HM Treasury Group, our gender pay gap has fallen by 2.8 percentage points from last year. The HM Treasury Core, which has almost equal numbers of men and women employees, the median pay gap has decreased this year by 10.1 percentage points. This shows that the long-term actions we have put in place are having a positive impact on reducing our gender pay gap.

We remain committed in our ambition to reduce the gender pay gaps further and are acting on the main contributors of the gap as explained within this report.

1. Introduction

HM Treasury is committed to building a department that is collaborative and embraces an inclusive culture that values diverse backgrounds, perspectives and experiences. We remain focussed on embedding inclusion across all areas and ensuring staff feel empowered to perform in their jobs to the best of their ability and in different ways. One area of focus is gender diversity, where this report covers our gender pay gap progress against our action plan to address this gap.

Last year we reported the main contributors of our gender pay gap as being an over-representation of women at lower grades and a slight under-representation of women at higher paying grades. We also found that the gender representation corresponded to our recruitment trends. We further highlighted that more men received allowances and started work in the organisation above the grade-minimum salary, compared to women.

We set out a bold long-term action plan and have since focussed on the following key pillars:

1. improving the gender balance at higher grades, while taking actions to redress imbalances in the junior grades;
2. reviewing allowances within the department;
3. improving pathways to promotion for those across lower grades;
4. ensuring part-time employees, those on a career break or parental/maternity leave; have equal opportunity to pursue career progression; and
5. increasing the monitoring and transparency of pay negotiations and supporting hiring managers to avoid gender bias.

We have taken action on all the above actions as reported in section 3 of this report. We believe long term-sustained actions and continuous monitoring and refinement of these will help us to close our gender pay gap over time.

Treasury Group

The following table shows the proportion of men and women in each of the organisations that make up the Treasury Group. The analysis of the Treasury Group includes 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.

Table 1

% of Male and Women in the Treasury Group

Organisation	% Men	% Women
HMT (excl. agencies)	50.6%	49.4%
GIAA	46.1%	53.9%
DMO	71.8%	28.2%
NIC	50.0%	50.0%
OBR	57.8%	42.2%

Table 1 shows that the organisations that contribute to the Treasury Group's Gender Pay Gap have differing gender balances.

Treasury Core

HM Treasury core is made up of 49.4% female staff and 50.6% male staff: 49.4% equates to 1,011 employees.

Most of the Treasury's employees are below SCS level. Since our last reporting there has been increased female representation at SCS level, including the appointment of three female second Permanent Secretaries. Whilst there is broadly equal gender representation across the department, there continues to be a higher proportion of women in junior grades but more parity with representation at middle management levels. The table below shows the distribution of men and women across the grades as of March 2023.

Table 2
Headcount % of Men and Women by Grade in Core Treasury

Grade (increasing seniority)	Men	Women	% of grade who are female
AA/AO (Range B)	17	32	65.3%
EO (Range C)	88	149	62.9%
HEO / SEO (Range D)	376	322	46.1%
Grade 7 (Range E)	342	294	46.2%
Grade 6 (Range E2)	144	143	49.8%
SCS	71	71	50%
Total (including those with unknown grades)	1038	1011	49.4%

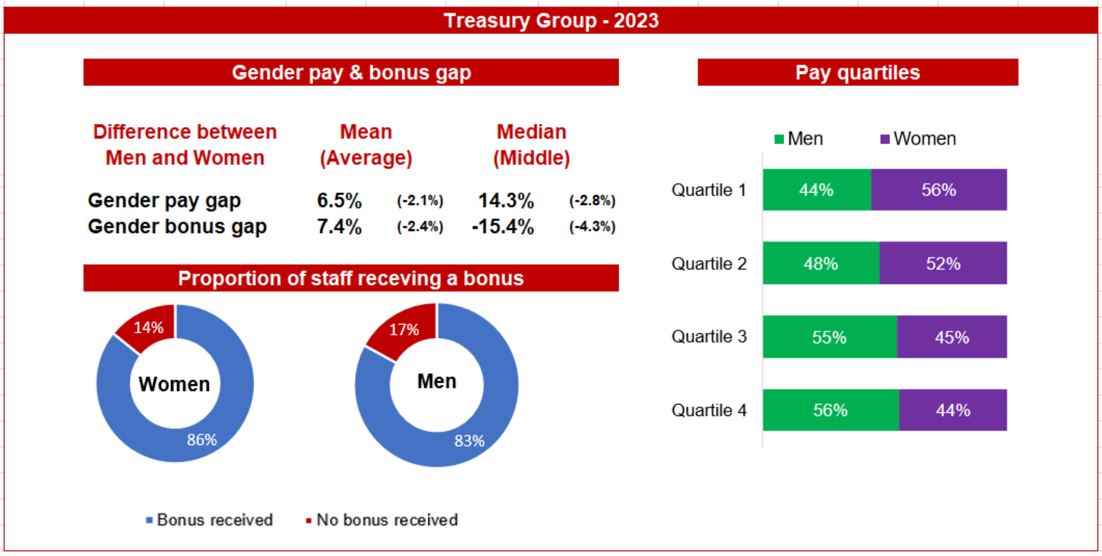
To note: HM Treasury operates a merged HEO/SEO grade which creates a large pay range. We are in the process of demerging this grade and will be monitoring any gender impacts of this grade split closely throughout the process. We anticipate that offering more *opportunities at SEO will lead to positive outcomes in relation to pay parity and career progression opportunities.*

2. Gender Pay Gap - Findings

The gender pay gap shows the difference in the average pay between all men and women in a workforce and 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 they are a man or a woman. 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.

To note - Figures detailed within the report are shown as positives and negatives. Negative figures illustrate that the gender pay gap is in favour of women, while positive figures highlight that a gap exists. Figures are presented as percentages, with the variance on the previous year's figures shown in brackets within the diagrams.

Treasury Group Gender Pay Gap 2023



2023 Treasury Group figures include the core department and 4 of its executive agencies: Government Internal Audit Agency; Debt Management Office; the National Infrastructure Commission; and the Office for Budget Responsibility.

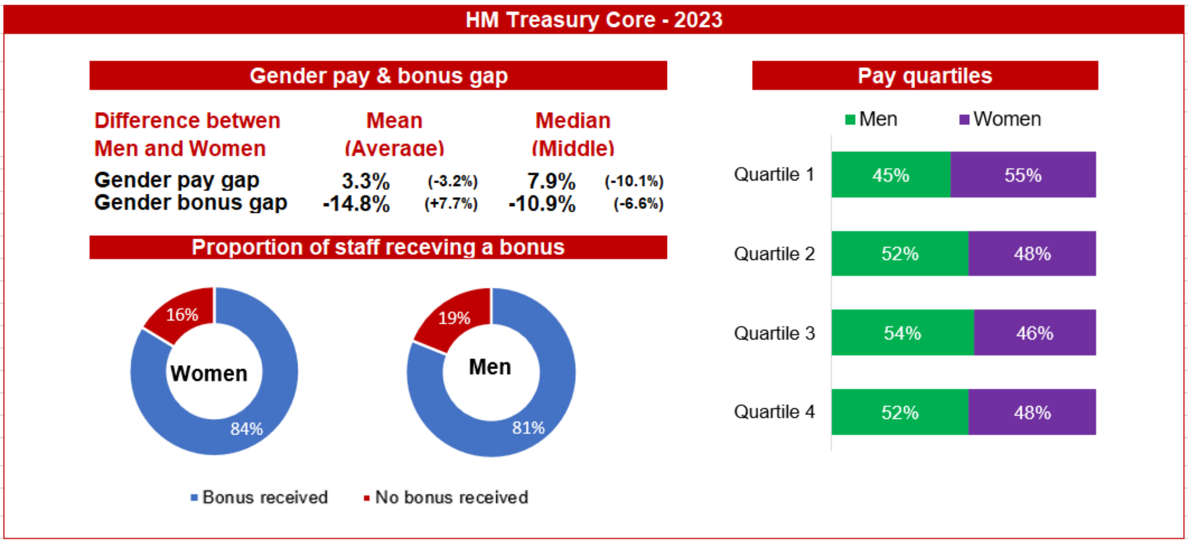
Analysis of the Treasury Group Pay Gap

The Treasury Group's overall mean Gender Pay Pap has decreased by 2.1 percentage points down to 6.5%; the median gap has decreased by 2.8 percentage points from the previous year's 17.1%, down to 14.3%. Whilst there has been a slight increase in the percentage of women in the highest pay quartiles (45% of women in quartile 3 and 44% in quartile 4), the lowest pay quartiles are still densely populated with more women than men, with 56% of women making up quartile 1 and 52% of women making up quartile 2.

Analysis of the Treasury Group Bonus Gap

The Treasury Group's overall mean bonus Gender Pay Gap has decreased further by 2.4% compared to 2022; the median gap has also decreased a further 4.3% in favour of women. A greater proportion of women received a bonus than men.

Treasury Core Gender Pay Gap 2023



2023 HM Treasury Core refers only to the department, excluding its 4 executive agencies.

Analysis of the Treasury Core Pay Gap

It is important to note that actions taken over the past year are long term measures, this is therefore the first year we are seeing the actions start to have a positive impact on the core Treasury pay gaps. This year, the mean Gender Pay Gap has decreased by 3.2 percentage pay points compared to 2022's 6.5%. The median gap has decreased by a substantial 10.1 percentage points from 2022's 18% to now 7.9%.

The percentage of women in the lowest pay quartiles has reduced slightly this year, with 55% of women in quartile 1 and 48% of women in quartile 2. The percentage of women have increased in quartile 3, however more men still make up quartile 3 and 4.

Analysis of the Treasury Core Bonus Gap

In the core Treasury, the mean bonus Gender Pay Gap is -14.8% in favour of women. The median bonus gap is further in favour of women at -10.9%.

Over the last few years, the core Treasury took action to provide end-year performance bonuses for both 'Top' and 'Middle' box performers across delegated grades. This was to extend financial support more widely across staff, while recognising our top performers. At SCS, we saw a broadly positive split of awards across all grades.

3. Closing the Gender Pay Gap

In the Treasury Core, we have implemented a long-term Gender Pay Gap action plan to help target areas that previous analysis determined were the main contributors to the gender pay gap. The effectiveness of these actions is reviewed regularly and overseen by the Treasury's People Committee.

We have made good progress against the action plan, and this has now started to contribute positively to the reduction of the Gender Pay Gaps we are seeing in this report.

Our progress against the action plan includes:

Recruitment and Progression:

- We have seen a 6.5% increase in the number of females being appointed into roles compared to 2022. This includes increased representation in our senior civil service, with 3 female appointments at second permanent secretary level.
- We set a target for 50% headcount representation at senior levels by 2024 and have met that target early, achieving a 50:50 split at senior civil service level.
- Our job adverts promote flexible working patterns. Training has been rolled out to hiring managers to reduce gender bias risks during the recruitment process and we are continuously improving this training to reflect current practice.
- We have internal and cross departmental talent schemes to support career progression into higher grades. These schemes have collectively had 59% female representation on average.
- We track outcomes and ensure inclusivity for women at different stages of the recruitment process to help ensure we meet our diversity ambitions across all grades.
- We also look to secure an equal gender split amongst applications for our Graduate Development Programme and apprenticeships.

Pay and Retention:

- We continue to target and monitor our delegated and SCS annual pay awards and review diversity and equality outcomes throughout the process.
- We have taken action to ensure that our allowances policy is visible, including ensuring job adverts are explicit where the job role attracts an allowance. This helps to improve our competitive offer.
- We undertook widespread communication to increase allowance uptake across the department for those eligible to receive one.
- We conducted analysis of existing allowance data and undertook a review of some legacy policy areas to ensure equitable and fair take up. This led to policy changes to a number of allowances in core business areas.
- We now better recognise external experience in recruitment and have documented salary negotiations, which actively include gender considerations. We are revising and developing our pay policy to increase transparency amongst all our staff.

- We monitor pay and performance awards across the year against diversity outcomes, including gender to ensure awards are being distributed fairly.

Culture:

- We continue to promote our wide range of flexible working options and our updated hybrid working policies to all staff.
- We are running a project to take proactive action on bullying, harassment, and discrimination. The project covers a range of activities including launching a new safeguarding policy, updates to existing HR policies and guidance, improving reporting mechanisms and better understanding experiences of discrimination so that we can design effective actions.

As explained earlier in the report, the actions we have identified within our Gender Pay Gap action plan are long-term actions which, over time, will support us to further close our pay gap. We will therefore continue to focus on those long-term actions (explained on page 3) and continue to monitor diversity data of in-year bonus awards and special bonuses.

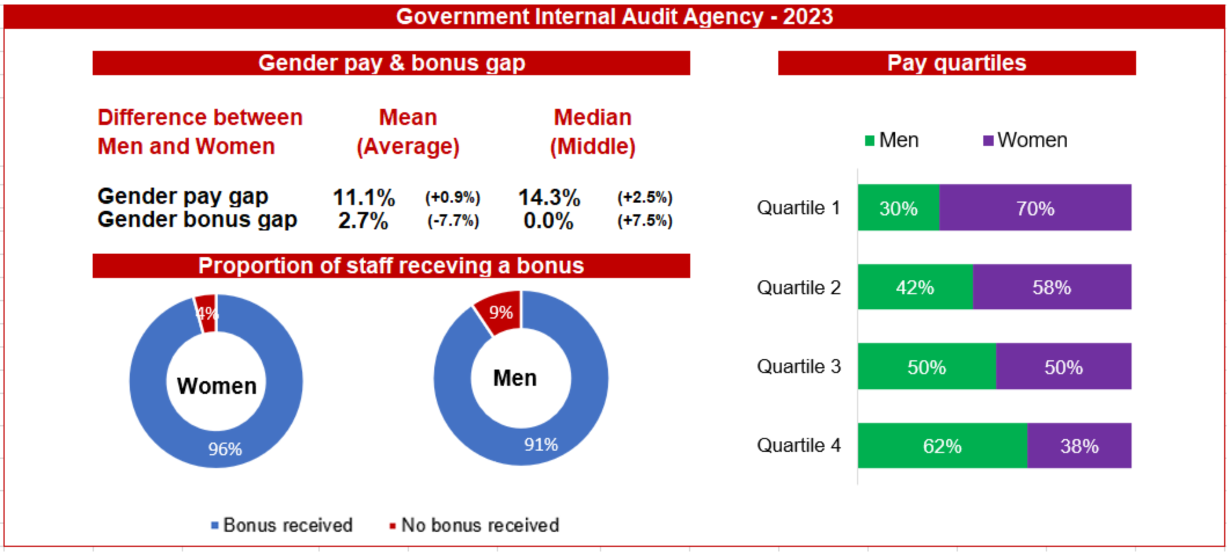
Over the next 12 months we will continue to monitor and track the impact of our continuing, long-standing actions on representation, progression and gender pay parity. Alongside this, we are de-merging our current Range D grade into the Civil Service recognised HEO and SEO grades. As part of this work we will continue to monitor gender impacts and wider diversity considerations.

The executive agencies that form part of the Treasury Group results have their own separate action plans to help them address their own gender pay gaps.

4. Statutory disclosures

On 31st March 2023, HM Treasury had 5 employee entities which formed this report: the core department and four executive agencies: Government Internal Audit Agency, Debt Management Office, National Infrastructure Commission (NIC), and the Office for Budget Responsibility (OBR).

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



This data is taken from Civil Service Statistics 2023. The NIC, DMO and OBR have an employee headcount below 250. As such these figures have been suppressed due to small numbers in the calculations.

5. 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.

Signed – Tamara Bruck, Director of Operations, Corporate Centre Group