

UK Armed Forces Gender Pay Gap Reporting Year 2022/2023



21 March 2024

Contents

Headlines	2
Declaration	
Introduction	
What is the Gender Pay Gap?	3
Organisational context	
UK Armed Forces Gender Pay Gap	6
UK Armed Forces Gender Bonus Gap	
Gender Pay Quartiles	9
Targeted Action	10
Other Targeted Actions	11
Annex A –Gender Pay and Bonus Gap	12
Annex B – UK Armed Forces Pay Quartiles	13

Headlines

The UK national median gender pay gap in 2023 was **14.3%**, down from 14.4% in 2022¹. The UK Armed Forces compare favourably with this:

Gender Pay Gap

Median pay gap of 1.4%², down 0.2 percentage points from last year.

Mean pay gap of 1.1%, down 0.9 percentage points from last year.

Gender Bonus Gap³

Median bonus gap of **0%**, **0** percentage points (no change) from last year.

Mean bonus gap of 17.7%, up 1.9 percentage points from last year.

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 CB

MOD Permanent Secretary

Vice Admiral Phil Hally CB MBE

Chief of Defence People

¹ The UK National Median figure quoted as **14.3%** is for 2023 as quoted in the Gender Pay Gap in the UK 2023.

² Percentages are rounded to one decimal place. Changes in percentages are calculated on unrounded data therefore percentage point changes quoted in the tables and text may not always be the same as differences calculated from the rounded figures shown in the tables.

³ The UK Armed Forces do not receive any performance related bonus. However, there are payments which fall within the definition of a bonus in the 2017 Gender Pay Gap Regulation for more details see p.7.

Introduction

The Ministry of Defence (MOD) 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 a statutory requirement for organisations with 250 or more employees to report annually on their gender pay gap. The legislation underpins the Public Sector Equality Duty and requires relevant organisations to publish their gender pay gap by 30 March annually. This includes the median⁴ and mean⁵ gender pay gaps and gender bonus gaps; the proportions of male and female employees who received bonuses; and the proportions of male and female employees in each pay quartile. If a workforce has a high gender pay gap, signified by a positive result, this means on average one gender is paid more than the other and actions are needed to address this.

Since the first publication of the <u>Gender Pay Gap report</u> in 2017, there has been an increase in the median gender pay gap within the Armed Forces, increasing from **0.2% (2017)** to **1.4% (2023)** and mean gender pay gap increasing from **0.9% (2017)** to **1.1% (2023)**. More detailed information is contained in Annex A. Although this may appear to describe a worsening position, it reflects the UK Armed Forces base fed recruitment model, meaning Service personnel are recruited at the most junior rank (at low pay) and then promoted through the rank structure. As such, the greater proportion of females at the lower ranks (see Annex B) will increase the Gender Pay Gap in the short term, but it is expected to decrease as females are promoted.

This report fulfils the Department's reporting requirement and outlines our commitment to close the gender pay gap, covering the period from 1 April 2022 to 31 March 2023.

What is the Gender Pay Gap?

The gender pay gap⁶ is different to equal pay which relates to the pay differences between men and women who carry out the same or similar jobs or work of equal value. Under UK Law it is illegal to pay people differently simply because of their gender⁷. Gender pay gap shows the difference in the average pay between all men and women in a workforce, regardless of any differences in the work they do and as such can be influenced by how the workforce is made up (incl. profession, grade, location etc).

The gender pay gap is also based on hourly pay excluding overtime. This is calculated in line with the Armed Forces Continuous Working Pattern Survey⁸ and the 2017 gender pay gap regulations. Hourly pay is the sum of ordinary pay⁹ and any bonus pay (including any pro-rated bonus pay) that was paid in the pay period which ends on 31 March 2023.

⁴ 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 number of numbers.

⁵ The mean average is found by calculating the sum of the values and dividing by the number of values.

⁶ Within this report we use the terms male and female and man and woman interchangeably, aligning with statistical reporting and the Gender Pay Gap regulations.

⁷ https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/overview

⁸ CWP is used to determine the hours worked within each service, that then helps us to determine the hourly rate for personnel - CWP Survey

⁹ Based on guidance from the Cabinet Office on Gender Pay Gap, calculations are calculated off Ordinary Pay.

Organisational context

Defence operates in a rapidly changing environment. The strategic context is complex, dynamic and competitive; threats are becoming more diverse, intense and persistent and this will shape the character of conflict both now and into the future. We must ensure that we can meet this challenge and to do this we need to recruit from the broadest base of UK society; only then will we deliver the skills and talent we need.

Our Armed Forces aim to be an employer of choice and the challenge is to balance the demands of military life with individual priorities such as family and caring commitments. As the Defence Command Paper¹⁰ highlights, work is underway to offer greater career flexibility and provide better opportunities both in the Regular and Reserve Forces, and to improve culture to attract, retain, and develop female talent. Given the needs of people can differ we must ensure equitable support is provided to ensure parity of outcome.

Defence has integrated diversity and inclusion guidance into all parts of its planning and decision making. And while we have made encouraging progress, reports including the House of Commons Defence Committee Inquiry into Women in the Armed Forces¹¹, the Wigston Report¹², the Gray Review into Unacceptable Behaviours¹³, and the review of UK Armed Forces incentivisation¹⁴ have all highlighted we still have further to go. Delivering against these reports will ensure we deliver the essential cultural change necessary so that we are as open, inclusive, and fair as all high-performing organisations need to be.



Figure 1 Military personnel from the Army, Royal Navy, and Royal Air Force marching.

The Department is delivering on its Defence Diversity and Inclusion Strategy¹⁵. This is designed to transform Defence, enabling a step-change in the diversity of our workforce whilst creating a culture centered on respect, integrity, and courage. Underpinning this is our commitment to the Public Sector Equality Duty, ensuring all our people are supported to be their best regardless of background. Defence has several initiatives in place specifically to improve the experience of women in the Armed Forces, in all areas of Service life, from body armour to uniform, women's health to Service Complaints transformation with much more planned (see <u>Targeted Actions</u>).

¹⁰ <u>Defence Command Paper 2023: Defence's response to a more contested and volatile world</u>

¹¹ Protecting those who protect us: Woman in the Armed Forces from Recruitment to Civilian Life

¹² Report on Inappropriate Behaviours (Wigston Review)

¹³ Unacceptable behaviours-progress review 2020

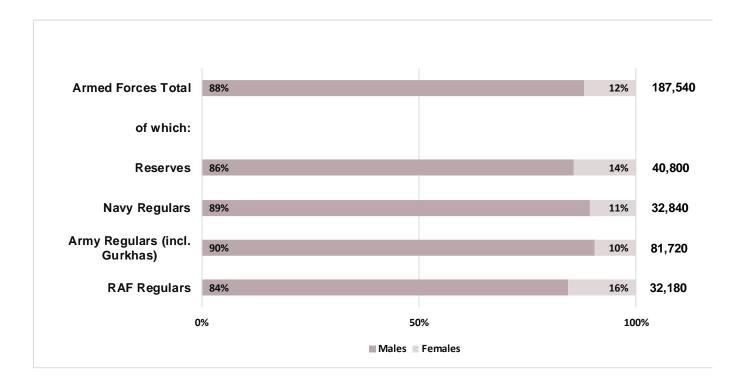
¹⁴ Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation

¹⁵ A Force for Inclusion: defence Diversity and Inclusion Strategy 2028-2030

Organisational structure

The Ministry of Defence is made up of 20 organisations, comprising Head Office, four Military Commands, the Defence Nuclear Organisation, UK Space Command and 13 Enabling Organisations.

The UK Armed Forces¹⁶ is defined as: Royal Navy (including Royal Marines), Army (including Gurkhas), Royal Air Force.



Graph 1. Gender ratio of UK Armed Forces personnel by service, as at 31 March 2023

As of 31 March 2023, the UK Armed Forces personnel headcount was 187,540.

¹⁶ The population examined in this report contain all Service Personnel, other than Cadet and University Personnel.

⁵ UK Armed Forces Gender Pay Gap 2023

UK Armed Forces Gender Pay Gap

For the financial year 2022/23, there is a median pay gap of 1.4%¹⁷ in favour of male personnel, a decrease of 0.2 percentage points from financial year 2021/22. There is a mean pay gap of 1.1%, a decrease of 0.9 percentage points from financial year 2021/22. There are a number of factors that could influence the size of the pay gap, and this report monitors such variables to explain the gap.

Median Gender Pay Gap



- 1.4% in favour of men, down 0.2 percentage points.
- Males earn £0.21 per hour more, at £15.50 compared to females at £15.29.

Mean Gender Pay Gap

- 1.1% in favour of men, down 0.9 percentage points.
- Males earn £0.19 more per hour, at £17.14 compared to females at £16.95.

The UK Armed Forces has a base-fed entry system. This means that most personnel¹⁸ are recruited at the most junior rank, be that as Officers or Other Ranks¹⁹.



Figure 2 Military personnel team activity using cannon.

Proportionally there are more women in the Officer Ranks than in Other Ranks. In pay terms, Other Ranks represent the lower pay quartiles. Increases in female representation will predominantly impact the 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. However, Defence continues in its drive to recruit the very best people representing the society it serves, whilst also closely monitoring and working to reduce the gender pay gap.

¹⁷ The middle female is a regular servicewoman and an Other Rank. The middle male is a Gurkha and an Other Rank.

¹⁸ A small number are recruited as Professionally Qualified Officers (Lawyers, Doctors etc) and enter some way up the organisational pyramid. ¹⁹ 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 Aviator.

UK Armed Forces Gender Bonus Gap

The UK Armed Forces do not receive any performance related bonuses. However, there are payments which fall within the definition of a bonus in the 2017 Gender Pay Gap Regulations such as:

- For UK Armed Forces Regular
 Personnel the most common bonus
 payment received for both genders in the UK Regular forces is "Operational Allowance," accounting for 17.4% of bonuses received by UK Regular personnel.
- For UK Armed Forces Reserve Personnel - the most common bonus payment received for both genders in the UK Reserve forces is the "Annual Bounty Payment," accounting for 91.8% of bonuses received by UK Reserve personnel.

For the financial year 2022/23, there is a median bonus gap of 0%, unchanged from last year. ²⁰ The Mean Bonus Gap for the financial year 2022/23 is 17.7% in favour of male personnel, an increase of 1.9 percentage points from financial year 2021/22. See Annex A for long term trends.

Median Gender Bonus Gap



- 0% in favour of men, unchanged from last year.
- Median bonus is at £1,899 for men and women.

Mean Gender Bonus Gap

- 17.7% in favour of men, up 1.9 percentage points.
- Males' mean bonus is £437 more than females at £2,246, compared to £2,683.



Figure 3 British Army personnel participating in an outdoor team exercise.

²⁰ The middle female is a Volunteer Reservist and Other Rank. The middle male is Volunteer Reservist and Officer. In both cases their bonus was the Annual Bounty Payment.

The percentage of male 13.99% and female 16.59% personnel receiving a bonus has decreased by 1.61 percentage points and 1.39 percentage points, respectively, since 2021/22.

Although females receive proportionally more bonus payments than males, the value of these bonus payments is lower, even though all roles in the Armed Forces are now open to women (including those who receive the higher value payment). The presence of a mean bonus gap reflects the fact that higher bonus payments are made to professions where women are heavily under-represented e.g. medical officers, pilots, engineers, submariners.



Graph 2. Proportion of UK Armed Forces by gender who received a bonus.

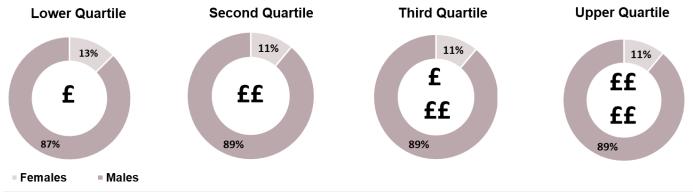
Gender Pay Quartiles

The gender pay quartiles data shows the proportion of men and women in each pay quartile (Graph 3) when Service personnel (both regular and reserve) are arranged in order of hourly pay rate (see Annex B for long term trends).

Female representation in all pay quartiles has increased since last year's <u>Armed Forces Gender Pay Gap Report</u>, showing the progress of women through the UK Armed Forces. The increase in the quartiles are shown below:

- The proportion of female personnel in the **first** (lower) quartile **increased** by **0.25** percentage points.
- The proportion of female personnel in the **second** (lower middle) quartile **increased** by **0.21** percentage points.
- The proportion of female personnel in the third (upper middle) quartile increased by
 0.28 percentage points.
- The proportion of female personnel in the fourth (highest) quartile increased by 0.32 percentage points, the highest increase across all pay quartiles.

For the UK Armed Forces, pay scales are a function of rank, seniority and qualification and are gender blind. However, the Armed Forces is **88% male and 12% female** and the MOD recognises that more needs to be done to recruit, progress and retain women. Work is already ongoing to address this (see Targeted Action).



Graph 4. Percentage of UK Armed Forces Males and Female personnels in each pay quartile

Targeted Action

The Ministry of Defence is committed to continuing to create an inclusive culture for women to thrive and progress in their career and therefore receive the financial reward they deserve.

Haythornthwaite Review

• The Haythornthwaite Review's²¹ sets out 67 recommendations all of which were accepted in the Defence Command Paper²² refresh in 2023, and a formal response to each one of the recommendations will be published during 2024. This sets out the clear progress already made in priority areas and demonstrates how Defence is working fast to

speed up recruitment, support, and the retention of the people we have, to build a people system that is aligned to and evolves with society as a whole.

Progress already undertook on Haythornthwaite will move Defence away from a base-fed model and one-size-fits-all culture to one based on the agility and autonomy of a mission-command approach. The ability to manage the workforce with more flexibility and increased personal choice will be crucial to address the current and predicted skills gaps. By offering a Spectrum of Service allowing people to dial up or down their service depending on family needs, offering seamless transition in and out of formal service, simplifying policy & procedure, and creating a new approach to digital solutions.



Figure 4: Aircraft handlers on board HNLMS Zeven Provincien lash down a Wildcat helicopter from 847

Childcare and Flexible Service

- As of January 2024, there were around 10,500 children of Service personnel taking part in the Wrap Around Childcare²³. The challenges of accessing good quality, enriching and appropriate childcare are a societal issue, exacerbated by the mobility of Service life.
- The Armed Forces offer a range of Flexible Working opportunities²⁴. To date, over 500
 Service personnel and their families have benefited from Flexible Service since it was
 introduced in April 2019; while thousands benefit from Alternative Working Arrangements
 each year.

²¹ Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation

²² Defence's response to a more contested and volatile world

²³ Protecting those who protect us: Woman in the Armed Forces from Recruitment to Civilian Life

²⁴ These include Alternative Working Arrangements such as Remote Working and Compressed Working; and Flexible Service which offers temporary part-time working, and/or limited separation, where operationally possible.

 The single Services review of personnel and career management policy has resulted in changes to the way serving couples are assigned and deployed addressing issues such as returning to work after maternity leave and criteria for promotion.

Health & Wellbeing

- The Servicewomen's Health Improvement Focus Team was established in 2022 to accelerate delivery of Servicewomen's health policies, services, and education leading to the publication of the 'Servicewomen's Health Handbook,'25. A book for all Service personnel to improve understanding, assist with personal management and normalise conversations regarding female specific health issues. Other projects include:
 - Defence updated its policies on Breastfeeding to better support personnel who chose to breastfeed upon their return to work, as well as Menopause policy, helping to support personnel who are transitioning through menopause recognising the challenges that the operational environment has for personnel who are experiencing menopausal symptoms. Both policies provide guidance for Line Managers, Chain of Command with tools to effectively manage and support. The policies also aim to create wider awareness for all service personnel with continued commitment to improving cultures and behaviours in the workplace.
 - Defence recognises that female urination and menstrual management in austere
 conditions can be challenging. Defence investigated options to make urination easier
 for servicewomen and introduce the Urinary Support Device to enable Servicewomen
 to urinate easily and discreetly. In addition, Defence now provides a Menstrual Supply
 Box (MSB), comprising a variety of sanitary and hygiene products, to support
 Servicewomen to manage their menstruation while working in austere locations with
 appropriate waste pouch for safe and clean disposal.

Other Targeted Actions

- The Armed Forces continue to deliver outreach and recruitment programmes designed to improve the number of women joining. This ambition is supported through improved support to candidates during the application process, running targeted marketing campaigns, increasing the representation of women in their recruiting teams, and increasing capacity for female recruits in training establishments.²⁶
- A selection of clothing and equipment suitable for those of smaller stature (including some women) has been developed²⁷, this will support women with maternity wear, sports bras, and other improved clothing/equipment to support training need.

²⁵ Servicewomen's Health Handbook

Royal Navy marketing has adopted a segmentation approach whereby women are considered as a 'standalone' segment to enable a deeper understanding of the lived experience and insights of women, including perceived barriers and motivations.

²⁷ The Army is leading on the provision of combat equipment for all three Services.

Annex A –Gender Pay and Bonus Gap

Table A1: UK Armed Forces Gender pay and bonus gap for 2021-22 and 2022-23, with percentage point (pp) change.

		2021-22	2022-23	pp change
Median Gender Pay Gap	1.54%	1.36%	-0.18	
Mean Gender Pay Gap	1.97%	1.08%	-0.89	
Median Gender Bonus Gap	0.00%	0.00%	0.00	
Mean Gender Bonus Gap	15.84%	17.72%	+1.88	
Proportion of male and female employees paid a bonus	Male	15.60%	13.99%	-1.61
in representation of many series of mproyector pand a portage	Female	17.98%	16.59%	-1.39

Table A2: UK Armed Forces pay and bonus gap summary from 2016-17 to 2022-23.

		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
UK National Median Gender Pay Gap		18.40%	17.80%	17.40%	14.90%	15.10%	14.40%	14.30%
UK National Mean Gender Pay	Gap	17.20%	17.20%	16.30%	13.90%	14.70%	13.40%	13.20%
Median Gender Pay Gap		0.22%	0.09%	0.46%	0.78%	2.3%	1.54%	1.36%
Mean Gender Pay Gap		0.93%	0.81%	0.88%	1.23%	2.2%	1.97%	1.08%
Median Gender Bonus Gap		0.00%	0.00%	0.00%	3.47%	0.0%	0.00%	0.00%
Mean Gender Bonus Gap		7.88%	11.12%	18.03%	15.17%	12.2%	15.84%	17.72%
Proportion of male and female employees paid a bonus	Male	20.09%	21.25%	20.33%	24.51%	21.4%	15.60%	13.99%
	Female	23.89%	24.16%	23.35%	25.59%	23.0%	17.98%	16.59%

Note: percentage point changes are based on raw figures.

Source: Gender Pay Gap in the UK.

Annex B – UK Armed Forces Pay Quartiles

Table B1: Proportion of male and female employees in each pay quartile 2020/21 and 2022/23.

Quartile	2021-	22	202	Female percentage point	
	Female (F) %	Male (M) %	Female (F) %	Male (M) %	change
First (lower) quartile	12.36%	87.64%	12.61%	87.39%	+0.25
Second quartile	10.83%	89.17%	11.04%	88.96%	+0.21
Third quartile	10.87%	89.13%	11.15%	88.85%	+0.28
Fourth (upper) quartile	10.72%	89.28%	11.04%	88.96%	+0.32

Table B2: Proportion of male and female employees in each pay quartile 2016 – 2023

Quartile	201	6-17	2017-18 2		201	2018-19 2019		19-20 202		0-21	2021-22		2022-23	
	М	F	M	F	M	F	M	F	M	F	M	F	M	F
First (lower) quartile	89%	11%	89%	11%	89%	11%	89%	12%	87.48%	12.52%	87.64%	12.36%	87.39%	12.61%
Second quartile	90%	10%	90%	10%	90%	10%	90%	11%	89.35%	10.65%	89.17%	10.83%	88.96%	11.04%
Third quartile	90%	10%	90%	10%	90%	10%	90%	11%	89.43%	10.47%	89.13%	10.87%	88.85%	11.15%
Fourth (upper) quartile	90%	10%	90%	10%	90%	10%	90%	11%	89.42%	10.58%	89.28%	10.72%	88.96%	11.04%

Note: percentage point changes are based on raw figures.