

MOD Civil Service Gender Pay Gap

Reporting Year 2024



17 December 2024

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Headlines

The UK national gender pay gap in 2024 was **13.1%**, down from **14.3%** in 2023¹. Ministry of Defence (MOD) Civil Servants compare favourably with this:

Gender Pay Gap:

Median pay gap of 9.0%², up 0.8 percentage points from last year.

Mean pay gap of **6.6%**, down **0.4 percentage points** from last year.

Gender Bonus Gap:

Median bonus gap of **12.0%**, up **3.8 percentage points** from last year.

Mean bonus gap of **18.3%**, down **4.0 percentage points** from last year.

Declaration

We confirm that data reported by the MOD 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

Esther Wallington

Director General People and Organisational Development

¹ The UK national figure quoted in the Gender Pay Gap in the UK 2024

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.

Introduction

The 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 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 <u>Public Sector Equality Duty</u> and requires relevant organisations to publish their gender pay gap by 30 March annually. This includes the median³ and mean⁴ gender pay gaps; the median and mean 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.

Since the MOD's first publication of the <u>Gender Pay Gap Report</u> in 2017, there has been a gradual reduction in the following: the median gender pay gap has reduced from **14.6%** (2017) to **9.0%** (2024), and the mean gender pay gap has reduced from **12.5%** (2017) to **6.6%** (2024), more information is contained at <u>Annex A</u>. From 2017 to 2024, there has been a sustained positive trend with increasing numbers of women in the upper pay quartiles **26%** (2017) to **36.0%** (2024); more information is contained at <u>Annex B</u>.

This report fulfils the Department's reporting requirement and outlines our commitment to close the gender pay gap, covering the period from 1 April 2023 to 31 March 2024.

What is the Gender Pay Gap?

The gender pay gap⁵ is different to equal pay which relates to the pay differences between men and women who carry out the same jobs or similar jobs or work of equal value. Under UK law it is illegal to pay people unequally because of their gender⁶. The 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 based on hourly pay excluding overtime. This is calculated in line with Civil Service statistics, Annual Civil Service Employment Survey and the 2017 gender pay gap regulations. Hourly pay is the sum of ordinary pay and any bonus pay (including any pro-rated bonus pay) that was paid in the pay period which ends on the snapshot date (31 March 2024). If a workforce has a high gender pay gap, signified by a positive result, it means that on average one gender is paid more than the other and that actions are needed to address this.

³ 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.

⁴ The mean average is found by calculating the sum of the values and dividing by the number of values.

⁵ Within this report we use the terms male and female in line with statistical reporting and the Gender Pay Gap regulations.

⁶ https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/overview

Organisational context

Strategic approach

Defence continues to challenge itself to become a more equal and inclusive organisation at all levels. We recognise that Diversity & Inclusion (D&I) is more than a legal requirement; it is mission critical, essential to our operational effectiveness, and it ensures we can safeguard the security, stability and prosperity of our nation.

An important component of our <u>Diversity and Inclusion Strategy 2018-2030</u> is making inclusion part of 'business as usual.' Defence has achieved this by integrating the <u>Public Sector Equality Duty</u> and embedding it within our leadership and culture so that we increase the retention and progression of people from under-represented groups. This holistic approach is essential if we are to attract and retain talent from all parts of society.

The MOD supports the fair treatment, reward and recognition of all staff, irrespective of gender. While we have made encouraging progress to improve D&I, reports including the House of Commons Defence Committee Inquiry into Women in the Armed Forces, the Wigston Review, the Gray Report into Unacceptable Behaviours and the Haythornthwaite Review have highlighted we still have more to do to deliver essential cultural change. Defence has acted decisively on these reports and is starting to make tangible progress (see Targeted Actions.)

The Department is committed to delivering against the <u>Defence Command Paper</u> (July 2023) and awaits the outcome of the ongoing <u>Strategic Defence Review 2024 / 2025</u> to ensure the United Kingdom is both secure at home and strong abroad – now and in the years to come.

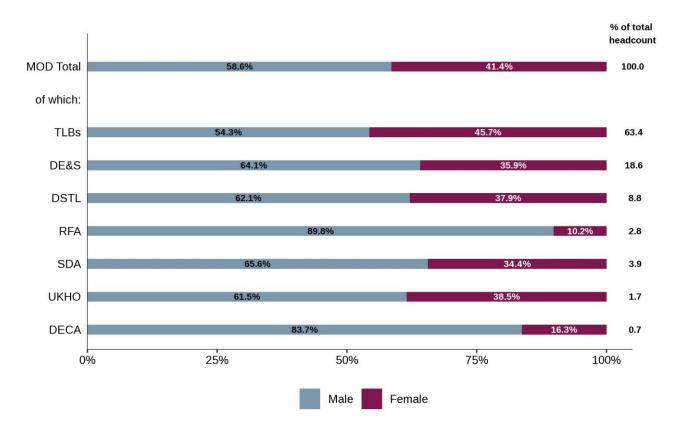


Figure 1 Civil Servants and Military personnel having a team engagement.

Organisational structure

The following organisations are in scope for this MOD Civil Service gender pay gap report:

- MOD Main Top Level Budget Holders (TLBs)⁷: Head Office, Defence Infrastructure Organisation, Military Commands (civil servants only), and Defence Nuclear Organisation.
- Agencies and Enabling Organisations: These include Defence Science and Technology Laboratory (Dstl), Defence Electronics & Components Agency (DECA)⁸, Defence Equipment & Support (DE&S), Royal Fleet Auxiliary (RFA), Submarine Delivery Agency (SDA) and the UK Hydrographic Office (UKHO).



As of 1 April 2024, the MOD civilian personnel was 63,702.

Graph 1. Gender ratio of MOD civilian personnel by agency, as at 31 March 2024.

⁷ The major organisational groupings of the MOD directly responsible for the planning, management & delivery of departmental capability.

⁸ From 1 April 2023 (after snapshot date for Gender Pay Gap data of 31 March 2023) DECA merged with DE&S - https://www.gov.uk/government/news/key-mod-strategic-asset-to-merge-into-mods-specialist-procurement-arm

MOD Civil Service Gender Pay Gap

Median Gender Pay Gap

- 9.0% in favour of men, up 0.8 percentage points.
- Men earn £1.81 per hour more, at £20.12 compared to women at £18.31.

Mean Gender Pay Gap

- 6.6% in favour of men, down 0.4 percentage points.
- Men earn £1.43 more per hour, at £21.83 compared to women at £20.40.

For financial year 2023 / 2024, there is a median pay gap of **9.0%** in favour of men, an **increase** of **0.8 percentage points**, and a mean pay gap of **6.6%** in favour of men, a **decrease** of **0.4 percentage points**.

Although the gender pay gap has fluctuated since reporting began in 2017, the data shows the trend of a reducing mean and medium gender pay gap (<u>Annex A</u>). This reduction reflects the movement of women up the pay quartiles (see Pay Quartile and <u>Annex B</u>). However, there remains a higher number of men in the highest pay quartile.

Looking across Defence, as reflected in Table 1 below, the reporting organisation with the lowest mean gender pay gap is the MOD Main TLB, with **3.0% in favour of men**, and the highest mean gender pay gap is the Submarine Delivery Agency, with **11.9% in favour of men**.

Controls on the headcount of the civil service workforce applied from 2023 had an impact on external recruitment. However, the new Government lifted these in August 2024 to allow departments to better plan workforce requirements within an affordability envelope.

Contractual time-served pay progression was removed under the Civil Service Pay Guidance in 2010. Since then, the department has been deliberately targeting greater pay increases towards the bottom of the pay scales, with the exception of 2021 when Civil Service pay awards were paused. In 2024, the department moved from paying awards as a percentage of salary to a fixed value award, where every eligible individual will receive the same monetary reward. This means employees near the bottom of pay scales will receive a higher percentage increase to their salaries. As there is generally a higher proportion of women in the bottom quartile of each pay scale, this approach is seen to have had a positive effect on reducing the gender pay gap.

An important part of the success criteria for ongoing civil servant pay awards is to drive a further reduction in the Department's civil servant gender pay gap. Not all the drivers of the gender pay gap are directly related to the Department's pay mechanisms, other factors such as societal, demographic, occupational segregation, and workforce location all play a part.

Overall, the Department's position compares favourably with the UK's national gender pay gap of **13.1% for 2024** but we will continue to look for ways in which this gap may be reduced further, see Targeted Actions.

Reporting organisation(s)	Mean	Mean	Median	Median
	2024	2024 vs	2024	2024 vs
		2023		2023
		Difference		Difference
MOD Main TLBs	3.0%	0.0%	0.6%	-3.4%
Defence Science and Technology Laboratory	8.4%	-1.0%	11.1%	-3.5%
Defence Electronics and Components Agency	3.7%	+2.9%	8.7%	-0.7%
Defence Equipment and Support	7.7%	-0.4%	15.2%	+1.4%
Royal Fleet Auxiliary	10.4%	+0.2%	4.0%	-5.4%
Submarine Delivery Agency	11.9%	+1.9%	7.0%	-3.7%
UK Hydrographic Office	8.7%	+0.7%	0.9%	+0.9%
Ministry of Defence (MOD Main TLBs + Agencies & Enabling Organisations)	6.6%	-0.4%	9.0%	+0.8%

Table 1. MOD Civil Servant Mean and Median Pay Gap for 2024, and comparisons between last year (2023) Mean and Median

MOD Civil Service Gender Bonus Gap

Median Gender Bonus Gap

- 12.0% in favour of men, up 3.8 percentage points.
- Men receive £120 more than women at £1000 compared to £880.

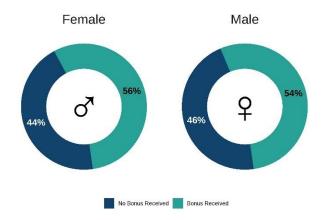
Mean Gender Bonus Gap

- 18.3% in favour of men, down 4.0 percentage points.
- Men receive £294 more than women at £1,603 compared to £1,309.

Ministry of Defence Overall

In 2024, there is a median bonus gap of **12.0%** in favour of men, an increase of **3.8 percentage points**, and a mean **bonus gap of 18.3%**, a decrease of **4.0 percentage points**.

In 2024, **54.0%** of men, an increase of **5.0 percentage points** and **56.0%** of women, a decrease of **6.0 percentage points** received a bonus (Graph 2).



Graph 2. Percentage of MOD Civil Servant Gender Bonus Gap Male and Female.

While a higher proportion of women received bonuses in 2024, the value of bonus payments to women was lower. The Performance Management team (within Civilian HR) continues to monitor these differences (see below) and make interventions, as necessary.

MOD Main Top Level Budgets

MOD Main TLBs⁹ represent the largest proportion of the MOD Civil Service workforce and therefore have a large impact on the overall MOD gender pay and bonus gap figures. The mean pay gap for MOD Main TLBs (3.0%) has remained the same as in 2023 and the median pay gap (0.6%) has dropped by 3.4 percentage points from last year (4.0%). Whilst overall this year's MOD mean and median bonus gaps were 18.3% and 12.0% respectively, the mean and median bonus gap for MOD Main TLBs was -6.3% and -7.1% respectively. This is an improvement on last year's bonus gap figures for MOD Main TLBs which were 0.0% on the mean and -0.3% on the median. The proportion of men receiving a bonus in MOD Main TLBs in 2024 was 33.6%. This is an increase of 1.5% compared to last year (32.1%). The proportion of women receiving a bonus in 2024 was 44.2%, an increase of 6.8 percentage points since last year (37.4%).

Since 2023 the in-year reward scheme allows staff to be rewarded for high performance. The scheme allows all staff (below Senior Civil Servant) the opportunity to receive up to 5 awards, with a maximum total value of £5000, in any financial year. This scheme is under review, with the intention of launching an improved approach in April 2025. This has been done in consultation with the wider organisation, Trade Union representatives and staff networks to make sure diversity considerations are taking into account.

Reporting organisation(s)	Mean	Mean	Median	Median
	2024	2024 v 2023 Difference	2024	2024 v 2023 Difference
MOD Main TLBs	-6.3%	-6.0%	-7.1%	-7.1%
Defence Science and Technology Laboratory	15.6%	+11.1%	18.7%	+13.1%
Defence Electronics and Components Agency	-35.0%	-39.7%	0.0%	0.0%
Defence Equipment and Support	17.1%	-2.0%	12.3%	-8.9%
Royal Fleet Auxiliary ¹⁰	2.7%	-	0.0%	-
Submarine Delivery Agency	22.1%	+5.9%	27.9%	+4.5%
UK Hydrographic Office	10.3%	+9.6%	0.0%	0.0%
Ministry of Defence (MOD Main TLBs + Agencies & Enabling Organisations)	18.3%	-4.0	12.0%	+3.8

Table 2. MOD Civil Servant Mean and Median Bonus Gap against the 2023 Mean and Median Bonus Gap

Defence Equipment & Support (DE&S)

DE&S bonus awards have had an impact on the median gender bonus gap for all MOD Civil Servants. Their median bonus gap has decreased by **8.9 percentage points** from the last financial year and stands at **12.3%** in favour of men. The mean gender bonus gap has decreased by **2.0 percentage points** to **17.1%** in favour of men in 2024.

The same eligibility criteria were used as previous years for pay and reward, with performance ratings ranging from 1-5. Performance award levels varied according to grade within the

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⁹ Head Office, Defence Infrastructure Organisation, Military Commands, Defence Nuclear Organisation.

¹⁰ No Data on Royal Fleet Auxiliary was available before this year.

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organisation and are only paid to individuals with a performance rating of 1-3. Performance awards were paid as a one-off non-pensionable lump sum payment in July 2023. There is a greater number of male employees at the higher grades, with a higher percentage of award payable to the higher grades, also impacting the gender bonus gap.

Submarine Delivery Agency (SDA)

SDA recorded a **27.9%** median bonus gap and **22.1%** mean bonus gap in favour of men in 2024. The SDA gender split (civil servant population) is c.68% men to c.32% women, this has a big impact on all gender pay calculations for the SDA.

SDA Performance Awards paid in 2024 were calculated using the agreed methodology for performance year 2023. This was influenced by both individual and organisational performance and based on a percentage of individual salary. The performance awards provide a higher percentage award for staff in higher grades. One of the main reasons for the high level of median and mean bonus gap is the higher levels of performance award paid in the Senior Leadership Group which is also based on a percentage of salary. These roles attract a high rate of performance award based on external benchmarks. This combined with a low percentage of women in these grades represents c10% of the total bonus gap.

The top two grades have a lower percentage of women than the four lower grades. This leads to greater differentiation and a higher mean and median bonus gap. SDA implemented a new reward structure in 2022 and have implemented a new performance award methodology for performance year 2024. This should improve the gender pay gap differentials across the organisation although higher levels of women employed part-time, and lower representation at higher grades will continue to influence the outcome.

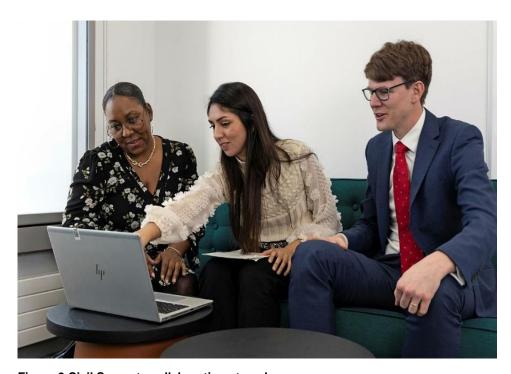


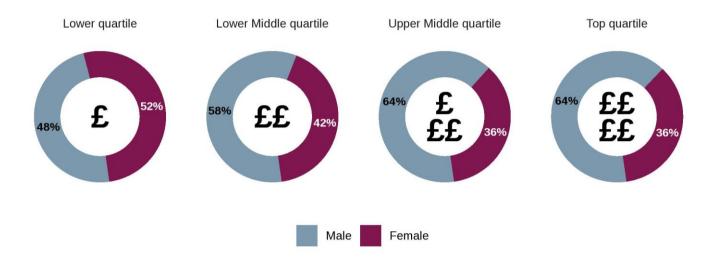
Figure 2 Civil Servants collaborating at work.

Gender Pay Quartiles

The gender pay quartiles data shows the proportion of men and women in each pay quartile (Graph 3) when MOD Civil Servants are arranged in order of hourly pay (see <u>Annex B</u> for long term trends.)

Changes to the pay quartiles since 2023:

- First (lower) quartile increased by **6.0 percentage points** in favour of women.
- Second (lower middle) quartile decreased by **4.0 percentage points** for women.
- Third (upper middle) quartile remained the same for women.
- Fourth (highest) quartile increased by **2.0 percentage points** in favour of women.



Graph 3. Percentage of MOD Male and Female in each pay quartile.

Reporting organisation(s)	Lower	Lower Middle	Upper Middle	Upper
MOD Main TLBs	53.6%	41.3%	44.3%	43.1%
Defence Science and Technology Laboratory	45.1%	42.4%	38.2%	26.8%
Defence Electronics and Components Agency	24.1%	17.2%	11.5%	14.9%
Defence Equipment and Support	43.6%	38.6%	30.9%	30.1%
Royal Fleet Auxiliary	13.5%	13.0%	7.6%	6.6%
Submarine Delivery Agency	48.3%	38.3%	28.2%	21.9%
UK Hydrographic Office	49.2%	42.4%	34.4%	27.6%
Ministry of Defence (MOD Main TLBs + Agencies & Enabling Organisations)	51.8%	41.8%	36.1%	35.7%

Table 2. Distribution of MOD Female Civil Servants through each pay quartile.

Targeted Action

The MOD is committed to continuing to reduce its gender pay gap and has a range of initiatives in place to do this.

Development Programmes and Support

- MOD has supported 734 individuals through various talent programmes since 2022, of which 57% are women.
- MOD Women's Leadership Programme is a bespoke programme for women at Senior Civil Service 1 (SCS1). It is designed to help develop women and strengthen the talent pipeline so that women with potential to reach Director feel supported and can increase their personal impact by facing and successfully resolving leadership challenges. Following its successful delivery in 2023, a second cohort was delivered in Nov 2023 - June 2024. Cohort 2 comprised a maximum of 24 participants and 21 women completed the programme.
- MOD has also supported women who are deemed to have high potential through the Leadership Summit programme. This is an accelerated development programme specifically designed for talented women at Grade 6 and Grade 7 looking to progress to the SCS.
- MOD participates in the Women in Defence UK cross sector mentoring programme, in
 which participants from the defence public sector mentor the defence private sector, and
 vice versa. This means that both members of the Armed Forces and Civil Servants, and
 those in the private sector, gain invaluable external feedback and perspectives from people with different experiences and background, but an in-depth knowledge of Defence.

Reward Strategy

- The annual pay awards for civil servants within MOD Main TLBs have, for many years, been targeted to provide greater increases to individuals at the bottom end of each pay scale. This has helped to shorten the gap between the top and bottom of each pay scale. As there is generally a higher proportion of women in the bottom quartile of each pay scale, this approach is having a positive effect on reducing the Department's gender pay gap.
- MOD has continued to voluntarily publish an <u>annual equal pay audit</u> highlighting that within the same grade, the difference in the average salary between female and male employees is lower than the overall gender pay gap figure. For example, when average basic salary is adjusted for length of service in substantive grade, there is no substantial difference (less than 0.5%) between male and female average annual salaries for all grades.

Flexible Working

 MOD offers a range of flexible working options to support employees, including job share and part-time employment opportunities. In addition, hybrid working is available alongside a Flexible Working Hours scheme. MOD also offers employees generous annual leave arrangements, an enhanced provision for Family Leave, and a range of Special Leave to help employees deal with planned or unplanned events.

Recruitment

- For all cross-Government and external adverts MOD has mandated the use of <u>Textio</u>, an
 augmented writing tool to improve the language in job advertisements. Since implementation we are seeing improved engagement in job adverts and positive line manager
 feedback.
- New guidance has been introduced on diversifying recruitment panels, anonymised applications, and on conducting virtual interviews to improve the experience and opportunity for candidates. Where appropriate, the requirement for the use of psychometric testing for promotion for roles below SCS has been removed.

Other Targeted Actions

- The Conduct Equity and Justice Directorate, brings together Service Justice, Service Complaints and Diversity and Inclusion capabilities and reflects Defence's commitment to make significant progress to improve the experiences of its people.
- The Raising our Standards (RoS) Programme is part of the One Defence Culture initiative, aimed at creating an inclusive, supportive, and safe environment within Defence.
 The programme seeks to enhance culture, behaviours, and standards to provide a strategic competitive advantage. To achieve its goals, the RoS Programme will focus on four key areas:
 - 1. **Influencing Behaviours**: The programme will promote pride in service and individual responsibility, encouraging behaviours that members can be proud of.
 - Providing Evidence-Based Assurance: Using robust data, the programme will
 provide assurance to senior leaders and ministers that Defence personnel are
 meeting the required standards.
 - 3. **Tackling Unacceptable Behaviours**: The programme will take 100% action against unacceptable behaviours to build trust in policies and systems and reduce the risks and costs associated with poor behaviours.
 - 4. **Updating Training Materials**: Training and learning materials will be kept up to date, interesting, and targeted to their audience. This will ensure that Defence personnel understand what is expected of them and are equipped to manage their behaviour and intervene when necessary.
- Defence is improving the management of civil servants by improving line managers' training and increasing the capability of line managers to ensure fair treatment in their teams. Increased training for military personnel to improve their management of civil servants and vice versa is planned. Additionally, shared values will be embedded into personnel management systems to promote fair and inclusive behaviours and encourage a transparent challenge culture.
- Within MOD's large workforce, peer support is provided through gender specific focused employee support staff networks across Defence, with Armed Forces and Civil Service gender champions and advocates to ensure a range of views and experiences are heard at senior levels.

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Defence has a menopause policy for line managers and staff. There is also an active
whole force Menopause Network which is raising awareness, improving understanding,
highlighting sources of support, and providing a safe space for those experiencing menopause, their Chain of Command, colleagues, and friends to share experiences and learn
from each other.

Annex A – Gender Pay and Bonus Gap

		2023	2024	pp change
Median Gender Pay Gap		8.2%	9%	+0.8
Mean Gender Pay Gap		7.0%	6.6%	-0.4
Median Gender Bonus Gap		8.2%	12%	+3.8
Mean Gender Bonus Gap		22.3%	18.3%	-4.0
Proportion of male and female employees paid a bonus	Male	49.3%	54.1%	+4.8
	Female	50.0%	55.6%	+5.6

Table A1: Gender pay and bonus gap summary for 2023 and 2024, with percentage point (pp) change.

		2017	2018	2019	2020	2021	2022	2023
UK National Median Gender Pay Gap		n/a	17.9%	17.4%	15.5%	15.4%	14.9%	n/a
Median Gender Pay Gap		14.6%	10.9%	10.5%	9.9%	8.8%	7.8%	8.2%
Mean Gender Pay Gap		12.5%	10.5%	9.6%	9.1%	9.7%	7.9%	7.0%
Median Gender Bonus Gap		-14.3%	7.2%	1.6%	8.5%	19.4%	16.7%	8.2%
Mean Gender Bonus Gap		2.9%	14.5%	17.8%	18.0%	14.6%	14.7%	22.3%
Proportion of male and female employees paid a bonus	Male	38.2%	53.8%	55.8%	53.3%	59.0%	56.8%	49.3%
	Female	40.1%	54.8%	56.9%	53.8%	56.2%	55.9%	50.0%

Table A2: Gender pay and bonus gap summary from 2017 to 2023.

Annex B – Pay Quartiles

Quartile	2023	2023	2024	2024	Female percentage point change
	Female (F) %	Male (M) %	Female (F) %	Male (M) %	
First (lower) quartile	45.6%	54.4%	51.8%	48%	+6.2
Second quartile	45.7%	54.3%	41.8%	58%	-3.9
Third quartile	36.3%	63.7%	36.1%	64%	-0.2
Fourth (upper) quartile	34.4%	65.5%	35.7%	64%	+1.3

Table B1: Proportion of male and female employees in each pay quartile 2022/23 and 2023/24.

Quartile	2016	2016	2017	2017	2018	2018	2019	2019	2020	2020	2021	2021	2022	2022
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2017	2017	2018	2018	2019	2019	2020	2020	2021	2021	2022	2022	2023	2023
	F	M	F	М	F	M	F	M	F	M	F	M	F	М
First (lower) quartile	52%	48%	52%	48%	47%	53%	48.2%	51.8%	47.2%	52.8%	45.5%	54.5%	45.6%	54.4%
Second quartile	36%	64%	38%	62%	40%	60%	39.3%	60.7%	42.5%	57.5%	44.4%	55.6%	45.7%	54.3%
Third quartile	35%	65%	37%	63%	36%	64%	36.8%	63.2%	37.5%	62.5%	37.3%	62.7%	36.3%	63.7%
Fourth (upper) quartile	26%	74%	27%	73%	30%	70%	30.8%	69.2%	30.4%	69.6%	32.0%	68.0%	34.4%	65.6%

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

Note: percentage point changes are based on raw figures.

Source: Annual Civil Service Employment Survey