

# Gender pay gap 2019

January 2020

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## **Executive Summary**

The department's 2019 figures show a reduction in the Gender Pay Gap (GPG) for the third year in a row. The department's gender bonus gap has increased from previous years.

GPG figures for the department over the last three years, since reporting started:

	2019 Pay Gap	2018	2017 Pay Gap
	Gap	Pay Gap	гау бар
Median	5.3%	5.6%	5.9%
Mean	4.1%	4.5%	5.3%

	2019	2018	2017
	Bonus Gap	Bonus Gap	Bonus Gap
Median	3.8%	-2.0%	0%
Mean	4.3%	2.2%	0.8%

	2019		2018		2017	
	Female	Male	Female	Male	Female	Male
Lower Quartile	58%	42%	60%	40%	61%	39%
Lower Middle Quartile	52%	48%	58%	42%	61%	39%
Upper Middle Quartile	52%	48%	57%	43%	55%	45%
Upper Quartile	50%	50%	53%	47%	53%	47%

#### What is the legislation?

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, all organisations listed at Schedule 2 to the regulations that employ over 250 employees are required to report annually on their gender pay gap. Other organisations with 250 or more employees will need to comply with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

#### What does the gender pay gap mean?

The gender pay gap is a high-level snap-shot of pay within an organisation and shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly large gender pay gap, this can indicate there may 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, similar jobs or work of equal value. A gender pay gap does not equate to the existence of an equal pay problem, albeit a gender pay gap may be a trigger for further investigation about the reasons why the gap exists.

#### What is our approach to Diversity and Inclusion?

Building a diverse and inclusive workforce that reflects the people we serve is one of the Civil Service's top workforce priorities. Our collective aim is to make the Civil Service the UK's most inclusive employer by 2020. Our Diversity & Inclusion Strategy outlines how we plan to achieve this. The Civil Service should create opportunities for all in a truly meritocratic way and reward all civil servants fairly, regardless of gender, ethnicity or any other personal characteristic.

In 2018 Department for Education (DfE) launched it latest Diversity and Inclusion strategy for the next five years. It is shaped by and focused on what our staff say needs to change to meet our own aspiration to be the most inclusive Department in the Civil Service. Becoming a more diverse workforce and maximising that diversity helps us to become more **user centred** for a diverse population. It contributes to creating an inclusive environment, where staff are able to **empower themselves and others**. And it underpins all of our aims by being key to a **talented workforce**.

One of the five priorities set out in DfE's Diversity and Inclusion Plan is the strand of work to *ensure that all DfE staff are able to achieve their full potential.* Developing an action plan to reduce the department's pay gap is a key part of this. This supports DfE's ambition to be a leader in Whitehall on Gender Pay.

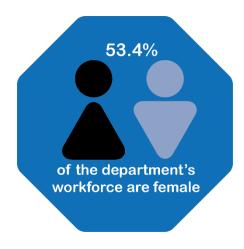
#### What is DfE's organisational structure?

For the purposes of this report, DfE includes the following Executive Agencies:

- Education and Skills Funding Agency;
- Standard and Testing Agency; and
- Teaching Regulation Agency.

The department uses Civil Service grades ranging from Executive Assistant (admin level grade) to Senior Civil Servant (executive level grade). Grades vary according to the level of responsibility that staff have. Each grade has a set pay range with pay gaps in between grades. Staff are expected to move through the pay range for their grade, therefore the longer period of time that someone has been in a grade the more we would expect them to earn irrespective of their gender.

#### **Gender Make-up of the Department**



#### What data do we need to include?

Included in the data is salary information as at 31 March 2019 as well as bonus payments made between 1 April 2018 and 31 March 2019. It uses all basic pay after salary sacrifice, allowances and paid leave processed in March but excludes overtime. The data includes all departmental staff paid via the payroll including the Executive Agencies and the European School Teachers. There are no contractors paid via the payroll in the department and therefore no contractor information has been included in the calculations.

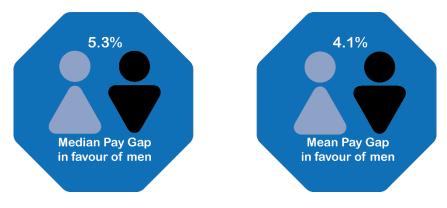
#### **Comparing Methodologies**

The Office for National Statistics (ONS) is the UK's largest independent producer of official statistics and the recognised national statistical institute of the UK. Each year

ONS undertakes two surveys and the published outputs include gender pay gap statistics. These are:

- Annual Survey of Hours and Earnings (ASHE). This uses employee's actual earnings, excluding overtime, and actual working hours during a specified pay period. ASHE uses this data to calculate the hourly rate which is used to calculate the national gender pay gap figures.
- Annual Civil Service Employment Survey (ACSES). This uses employee's full time annual equivalent pay, excluding bonuses. This annual figure is used to calculate the gender pay gap. ACSES does not collect contracted hours and therefore, does not calculate hourly rate.

It is important to note that the two surveys reference Gender Pay Gap but do not use exactly the same methodology to the Gender Pay Gap data contained in this report, which makes it difficult to make direct comparisons.

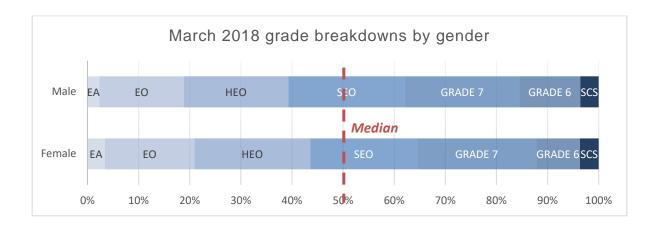


# **Department for Education's Gender Pay Gap**

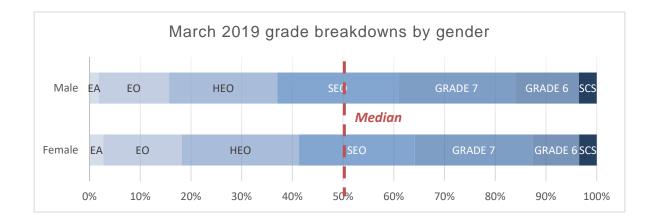
The department's 2019 figures show a reduction in the GPG for the third year in a row. The following table details the GPG figures for the last three years:

	2019	2018	2017	
	Pay Gap	Pay Gap	Pay Gap	
Median	5.3%	5.6%	5.9%	
Mean	4.1%	4.5%	5.3%	

The difference in the median pay gap can be explained by the shift in the "average" grade for males and females in the department. The chart below shows the median salary in March 2018.

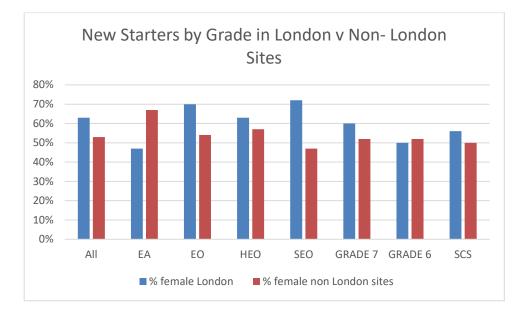


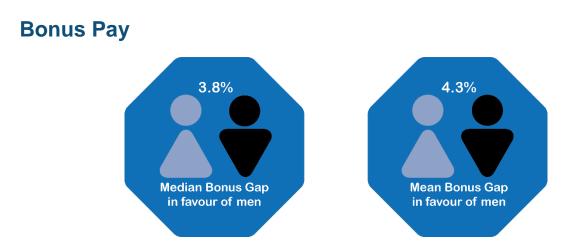
The next chart (2019) shows the movement through the Senior Executive Officer (middle management equivalent) pay band for the "average" female, whereas the "average" male has not shown the same level of movement in pay.



The change in the mean hourly rate is attributable to a number of factors and can be linked to the fact we are recruiting more women in London (63%) compared to nationally (53%). As the London pay bands are at a higher rate of pay than non-London sites this trend in recruitment is positively impacting the GPG.

The chart below shows this in more detail.



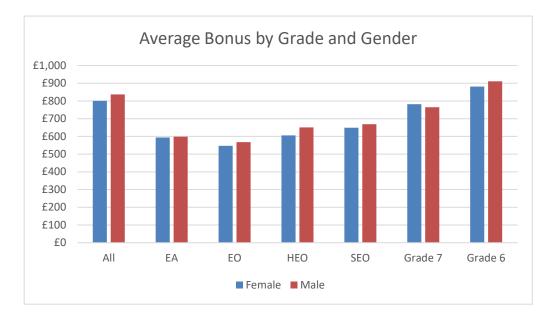


The department's 2019 figures show an increase in the median bonus pay gap when compared with last year. The following table details the bonus pay gaps for the last three years:

	2019	2018	2017
	Bonus Gap	Bonus Gap	Bonus Gap
Median	3.8%	-2.0%	0%
Mean	4.3%	2.2%	0.8%

2018-19 was the first full year of the new performance related reward approach using an In Year Award system to provide real time reward. 87% of staff received a bonus in the year ending March 2019 and a higher propotion of women received a bonus (88%) than men (85%). However the median bonus pay gap shifted from a -2% gap in favour of

women to a 3.8% gap in favour of men as the average award for women is lower (£801) compared to men (£837). This could be linked to underrepresentation of men at lower grades and the fact the value of bonuses have been lower in the junior grades. The graph below illustrates for non SCS grades the distribution is in favour of more senior staff.



SCS staff have different bonus arrangements set centrally by Cabinet Office. It includes differences such as higher value bonuses and a maximum of 45% of SCS staff can receive a bonus whereas 100% of non-SCS staff are eligible to receive a bonus.



## **Pay by Quartiles**

The overall percentage of women in the department has reduced from 57% to 53.4% in the last year. There has been a slight reduction in the percentage of women in both the

lower and upper quartiles between 2018 and 2019. In 2019, 51.7% of the department's Senior Civil Servants were women compared with 58% in 2018.

The following table details the representation by gender in each quartile for the last three years:

	2019		2018		2017	
	Female	Male	Female	Male	Female	Male
Lower Quartile	58%	42%	60%	40%	61%	39%
Lower Middle Quartile	52%	48%	58%	42%	61%	39%
Upper Middle Quartile	52%	48%	57%	43%	55%	45%
Upper Quartile	50%	50%	53%	47%	53%	47%

The distribution of men and women in the pay quartiles continues to illustrate that the department's pay gap is largely as a result of a higher concentration of women in more junior grades. Despite having recruitment strategies in place to ensure women have the opportunity and ability to progress their careers within the department women are more likely to remain in the junior grades for longer than men.

# **Closing the Gender Pay Gap**

DfE have undertaken a number of activities to focus on closing the Gender Pay Gap since first reporting in 2017 and continue to review and refresh all activities on an annual basis.

Key actions have included:

- Reviewing the impact of a new recruitment method (success profiles) on the gender balance of candidtes appointed through external recruitment and internal promotion.
- Increasing focus on developing routes into the department at EA/EO for apprentices and graduates to increase the number of employees at these grades and providing a springboard to professions-based careers.

- Developed an approach with the women's network to promote awareness of the GPG within the department including a programme of sessions hosted by SCS females targeted at building confidence and different leadership styles.
- Establishing programmes for women returning to work from a career break to recruit them into the department. As well as continuing to promote Shared Parental Leave and Job Sharing to get managers to think differently about structuring roles.
- Ensuring that the Gender Pay Gap is taken into consideration when reviewing and updating the department's strategic workforce plan and locations strategy.
- Analysis on part time workers to better understand barriers to progression.
- Continuation of central controls on starting pay, particularly at more senior grades.
- Continuing to review on a six month basis a predefined set of data including recruitment, talent, starting salaries and In Year Awards to determine any impact or change on the department's GPG.

These targeted actions have had a number of successes, notably in terms of a reduction in the number of new employees starting on higher pay due to tighter central controls, particularly at Senior Civil Service level. Staff are also better informed about the GPG and understand how recruitment can have an impact. These actions are reviewed monthly at scheduled Gender Pay Gap meetings comprising a range of staff who are responsible for delivering the initiatives to close the gap.

# What is DfE doing to attract women to the department and support them to progress their careers?





Active support for women returning to work following maternity or adoption leave. We encourage employees to take advantage of shared parental leave, job share or part time opportunities, and plan to promote the department's flexible working and family friendly policies to help line managers structure roles differently and ensure those returning from maternity/adoption leave feel supported and welcomed.

Ensuring women have the opportunity and ability to progress their careers within the department through talent management schemes, such as the Positive Action Pathway (PAP) that is open to all from protected characteristic groups. Those staff to successfully complete PAP are fast tracked through to interview stage for internal roles on promotion.

Supporting, our departmental Women's equality Network. The DfE Women's Network actively promote gender equality, run upskilling events, promote campaigns and hold talks to inspire and support other women in the department.



Taking targeted action as part of the annual pay increase to ensure pay differences in grades are reduced where possible. We will be promoting the existing In Year Awards (IYA) and Instant Reward (IR) schemes and will work with the SCS and managers to raise awareness of the impact of the distribution of awards on the GPG to try and improve the bonus gap. We will also conduct a regression analysis to identify any trends that need targeting.



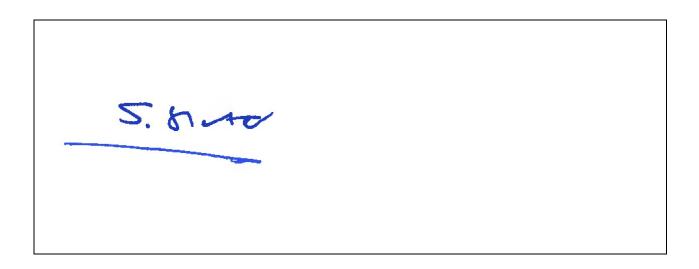
Reviewing our recruitment processes, so we continue to attract women into the Senior Civil Service. We will be ensuring all job adverts are free from gender bias language while all applications are anonymised and all selection panels are mixed gender. We will continue to develop entry routes into the department that will build a more diverse workforce.

Ensuring that gender equality is a central point in the departmental Diversity and Inclusion strategy. Gender is also part of the department's Strategic Workforce Plan to reduce any potential negative impact on the GPG.

# **Declaration**

We confirm that data reported by the Department for Education 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.

#### DfE Permanent Secretary: Jonathan Slater





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