

FCO gender pay gap report 2017 to 2018

Foreign and Commonwealth Office (FCO) data on the difference in employees' average earnings from April 2017 to March 2018.

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What is Gender Pay Gap Reporting?

In 2017, the Government introduced world-leading legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31st March 2017. These regulations underpin the Public Sector Equality Duty and require relevant organisations to publish their gender pay gap by 30th March annually. This includes the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

The **gender pay gap** shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be 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. It is unlawful to pay people unequally because they are a man or a woman.

The FCO supports the fair treatment and reward of all staff irrespective of gender. Our vision is for all FCO staff to be valued and able to contribute to the best of their abilities.

This report fulfils the Department's reporting requirements, analyses the figures in more detail in comparison with last year's data and sets out what we are doing to close the gender pay gap in the organisation.

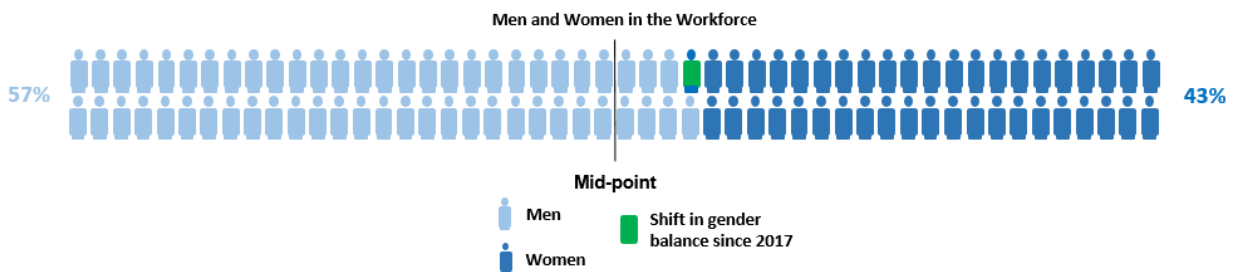
This report includes data for FCO staff as well as staff from our Trading Fund (FCO Services) and Executive Agency (Wilton Park). FCO Services will also publish a separate report for its own staff. In line with legislation, staff are defined as the UK based Civil Service staff that are on our payroll. It does not include data for Local Staff (staff who are locally engaged at post overseas) or Contractors (the FCO does not have any directly engaged non-employees).

Who We Are and What We Do

The FCO and our global diplomatic network advance British interests and act for the people of the UK around the world, supporting all UK Government activity overseas. 30 other UK Government partners and the Devolved Administrations share our global platform.

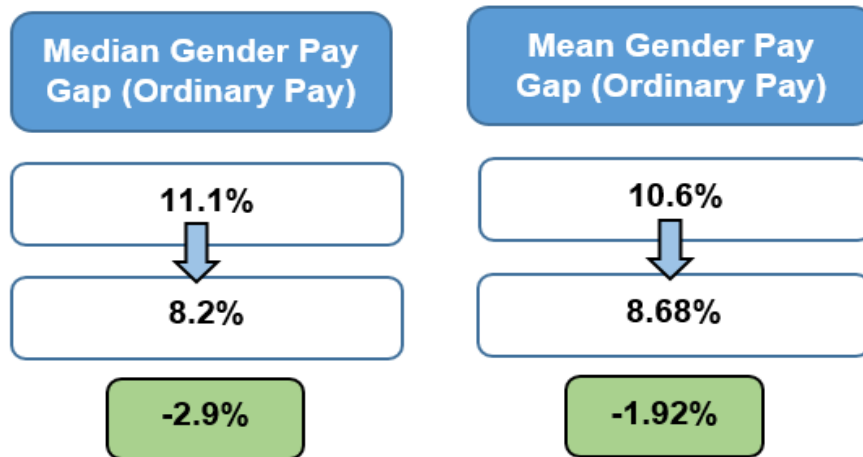
The FCO's Strategic Objectives are to 'Protect our People', 'Project our Global Influence' and 'Promote our Prosperity'. We use our knowledge of "abroad" – languages, cultures, politics, economics; and our diplomatic tradecraft - negotiating, influencing, policy and programme delivery to help achieve the goal of a more secure and prosperous United Kingdom.

Overall Proportion of Men to Women in the FCO



The graph above shows the proportion of men and women across the FCO. Overall, since 2017 there has been a shift of 2% in favour of women, reducing the gender imbalance.

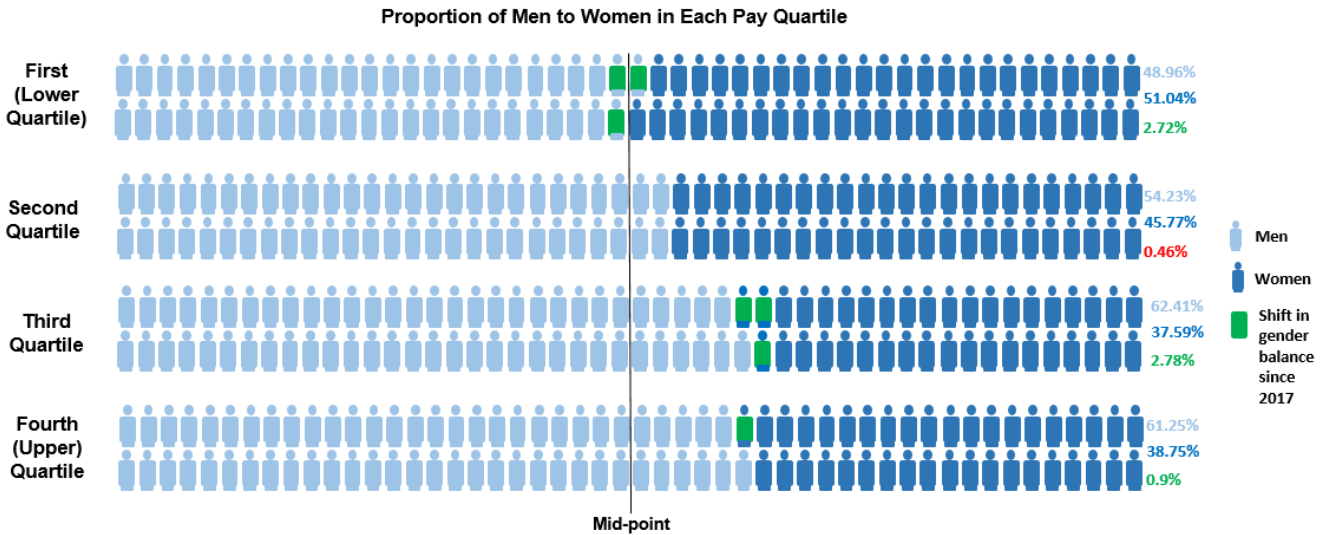
Median and Mean Ordinary Pay Gap Data



The mean gender pay gap is the difference between the mean “ordinary pay” for female and male employees. In the FCO, the mean “ordinary pay” for men is 8.68% higher than for women. This constitutes a 1.92% decrease in the mean ordinary pay gap since 2017.

The median gender pay gap is the difference between the median “ordinary pay” for female and male employees. In the FCO, the median “ordinary pay” for men is 8.2% higher than for women. This constitutes a 2.9% decrease in the median ordinary pay gap since 2017.

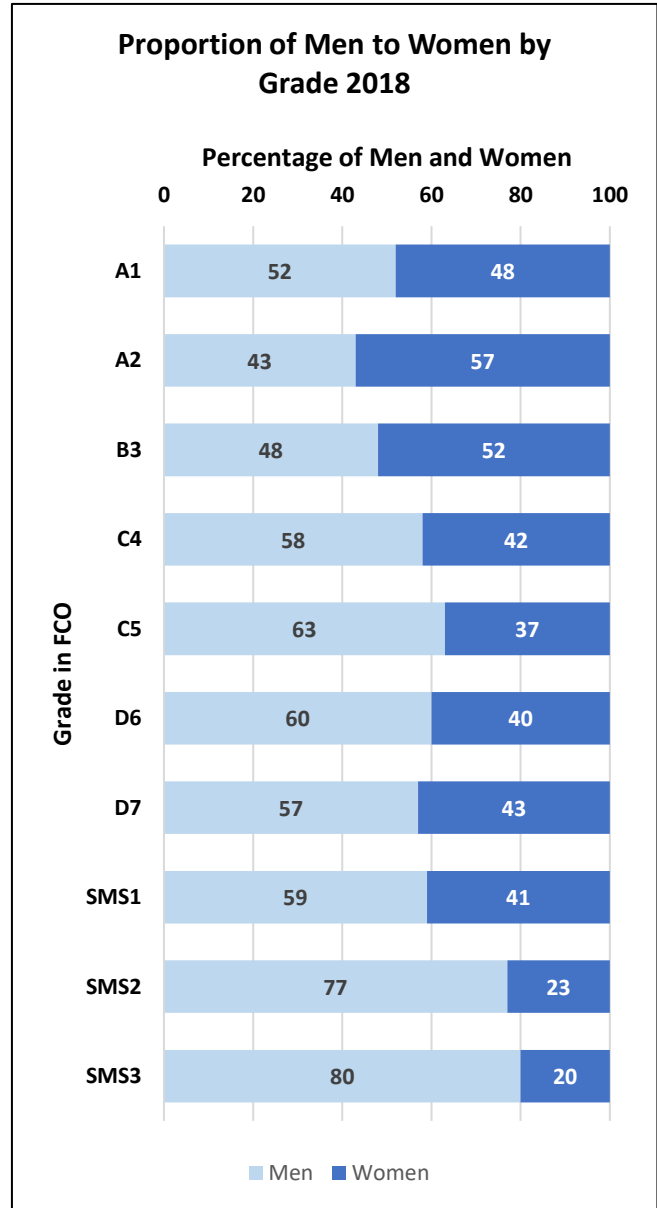
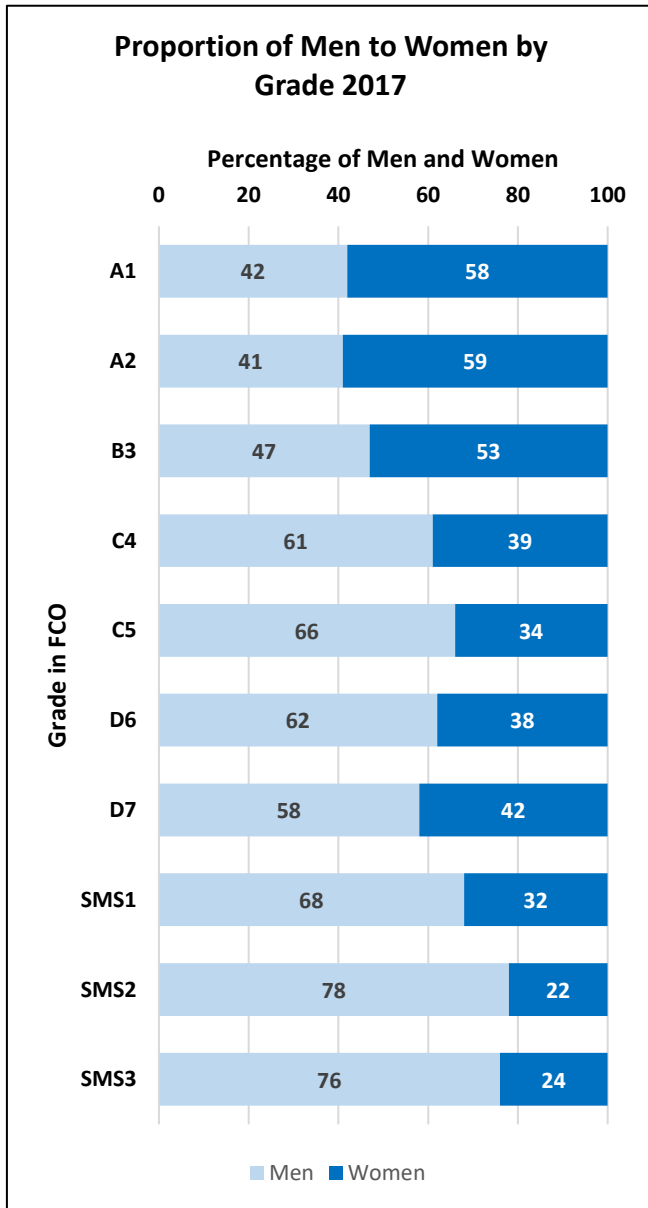
Proportion of Men to Women in Each Pay Quartile



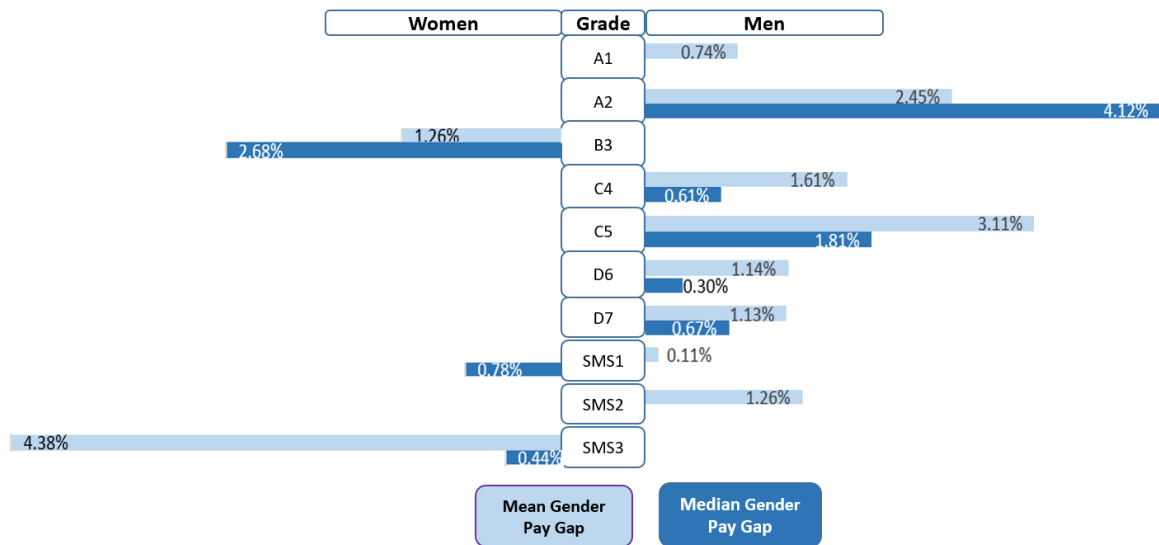
The graph above represents the pay of all staff in the FCO, divided into four quartiles, from lowest to highest pay. It highlights the fact that there continues to be a higher concentration of women in the lower pay quartiles compared to the upper pay quartiles. However, there has been a movement towards gender balance in the first, third and fourth quartiles, with only a minor decrease in the proportion of women in the second quartile. The movement towards gender balance has been the most significant in the first and third quartiles. The FCO is now very close to achieving gender balance in the first quartile. The biggest gender imbalance remains in the third and fourth quartiles. Some significant progress has been made at these higher grades but there is clearly a long way still to go to achieve gender balance at the more senior grades.

Proportion of Men to Women by Grade in the FCO

The graphs below set out the gender ratio at each grade for 2017 and 2018 with A1 being the lowest grade and SMS 3 the highest:

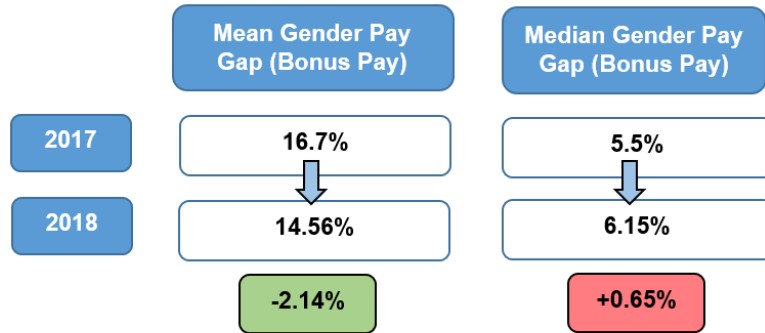


Broken down more specifically by grade, we can see that within the FCO, there continues to be a higher concentration of women at grades A2 and B3, while the highest concentration of men is most pronounced at SMS2 and SMS3 level. However, the data shows a movement towards gender balance at all grades except SMS3. The most significant change has happened at grades A1 (there are now 4% more men than women compared to last year's significant 16% majority of women) and SMS1 (the % of women has increased from 32% to 41%). The biggest gender imbalance remains at grades SMS2 and SMS3, with a large majority of male employees at these grades. Due to the small numbers of employees at these grades, any change in staff has a disproportionate impact on percentages.



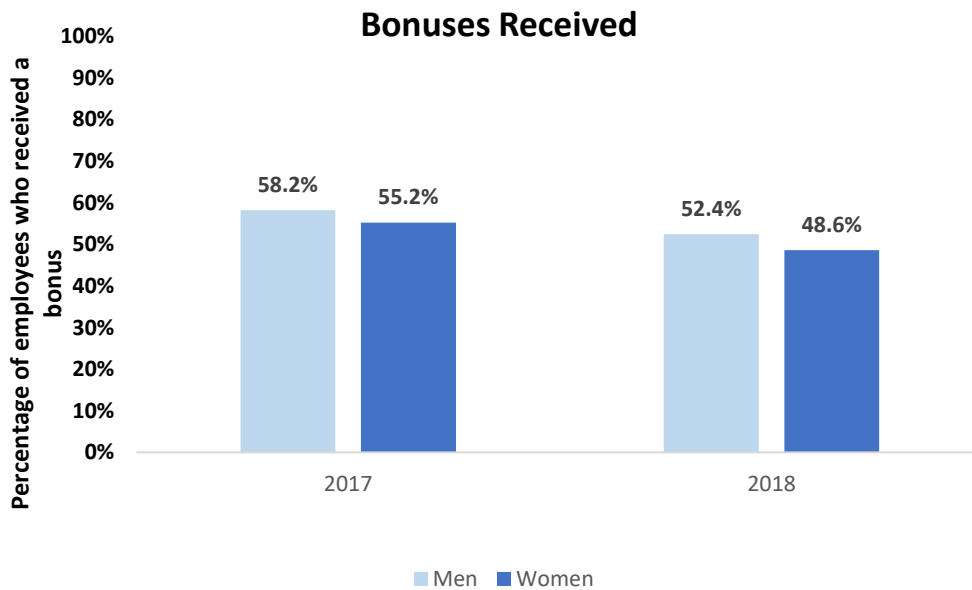
While the mean and median gender pay gap is 8.68% and 8.2% respectively, the gender pay gap at each individual grade is lower: the mean gender pay gap when broken down by grade ranges from 0.11% to 4.38% while the median ranges from 0% to 4.12%. This means that the issue is not so much the difference in pay within grades, but rather the proportion of men and women in the different grades.

Mean and Median Bonus Pay Gap Data

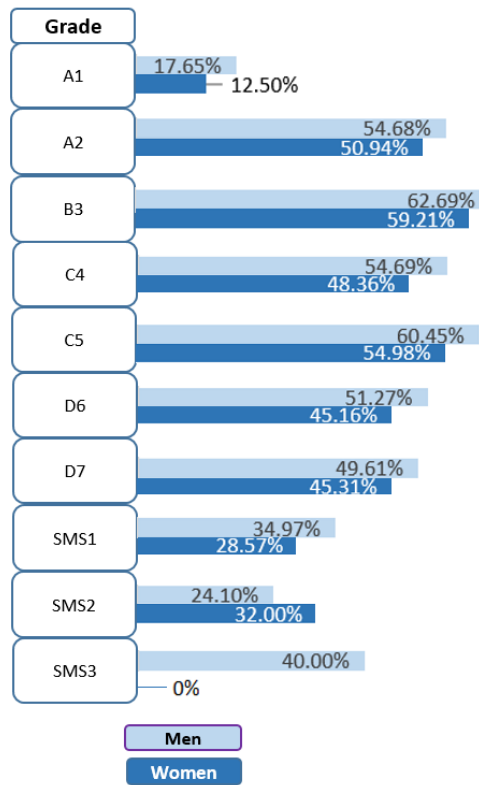


The mean gender bonus pay gap is the difference between the mean “bonus pay” for female and male employees. In the FCO, the mean “bonus pay” for men is 14.56% higher than for women. This constitutes a 2.14% decrease in the mean bonus pay gap since 2017.

The median bonus gender pay gap is the difference between the median “bonus pay” for female and male employees”. In the FCO, the median “bonus pay” for men is 6.15% higher than for women. This constitutes a 0.65% increase in the median bonus pay gap since 2017. We are exploring the causes of this increase further.



Percentage of men and women who received bonuses broken down by grade:



This year, the FCO paid End of Year Performance Related bonuses to 20% of its Senior Civil Service (SCS)/Senior Management Structure (SMS) staff and to 39.9% of its staff in the grades below the SCS/SMS (the Delegated Grades). The bonuses are fixed values depending on grade. Individual Directorates also run In Year recognition schemes to recognise specific examples of exceptional performance which contribute towards Directorate/Post objectives and/or to the corporate good. The Bonuses Received table includes these awards. The 2018 data shows that there has been an overall decrease in the number of employees paid a bonus, when compared with 2017 data. This decrease affects both men (5.8% decrease) and women (6.6% decrease). When broken down by grade, we can see that the biggest disparity between men and women in terms of the percentage of employees who receive bonuses is at SMS3.

Explaining our Gender Pay Gap

The FCO continues to have no issue with equal pay (men and women in the same employment, performing equal work and receiving the same pay). FCO pay, for both UK and local staff, is determined by a range of factors including grade, performance, and length of time in employment. As part of the FCO's commitment to putting equal pay in practice, regular monitoring of the impact of pay practices is carried out, including Annual Equal Pay Audits and reviews. FCO employees are paid according to standard scales which apply equally to all staff.

We are making progress in reducing the gender pay gap. There has been a decrease in both the mean and median gender ordinary pay gap in the last year across the FCO. We are moving towards achieving gender balance at the majority of grades. However, despite this improvement, our analysis shows that the main issue that the FCO faces when tackling the gender pay gap continues to be the numbers of male and female employees at different grades. Current data shows that the proportion of female employees working in senior grades is lower than male employees. Due to the proportional increase in salary associated with senior grade roles, the mean and median hourly rate of pay for women is consequently currently lower than for men. An important challenge for the FCO is increasing the proportion of women in senior grades. We have an active campaign to address this. The significant decrease in the gender imbalance at the lower grades should, in time, also allow more women to work through the talent pipeline to senior grades. For the last 3 years, we have recruited at least 50% women in the fast stream cohort.

The FCO's mean gender bonus pay gap has decreased by 2.14% since last year, while the median has increased slightly by 0.65% since last year. The data tells us that of the 43% population of women in the FCO, 48.6% received bonuses. Of the 57% of men in the FCO, 52.44% of men receive bonuses.

Taking Action

The FCO Board is committed to promoting a diverse talent pipeline: levelling the playing field by providing further support for talent from under-represented groups including women. To achieve this, the Board is working with FCO Women, a staff association that supports female employees throughout every stage of their career, to enable every woman to reach the peak of her potential. FCO Women offers mentoring and developmental opportunities, organises events and speakers, and is active on policy development. We also work closely with our Diversity Board Champion Deborah Bronnert and our Special Envoy for Gender Equality Joanna Roper.

Upon publication of the first [FCO Gender Pay Gap Report](#), the Permanent Under-Secretary (PUS) agreed a 10-Point Gender Plan, developed in consultation with FCO Women, with actions aimed at supporting women to progress through the organisation. These actions included:

- Encouraging women to stay in the FCO and supporting leavers to return, at all grades;
- Offering mentoring and/or sponsorship to women aspiring to promotion or returning from a period of time outside the FCO, at all grades;
- Encouraging women to apply for promotion and supporting their preparation for the step up, at all grades;
- Targeted inward interchange and recruitment of women with relevant skills into the SMS;
- Supporting the work of the FCO's staff association FCO Women;
- Offering bespoke careers advice to aspiring Band D and SMS women;
- Encouraging women to take part in talent schemes, including Civil Service wide schemes such as the Future Leaders, Senior Leaders and High Potential Directors schemes;
- Widening shortlists for Ambassador and SMS positions, and reinforce measures to reduce unconscious bias in the appointments process (including analysis of appointment outcomes and creation of independent observer role on appointment board); and
- Conducting an external audit of our actions through gender benchmarking by NGO Business in the Community.
- Encouraging all roles to be advertised as flexible by default and challenging hiring managers where this is not deemed to be.

This action plan, co-owned between the FCO's Human Resources Directorate and FCO Women, continues to be refreshed and adapted through ongoing dialogue.

FCO Services will issue a separate report setting out the reasons behind its gender pay gap and what it is doing to tackle them. As a Science, Technology, Engineering and Mathematics (STEM) organisation, its focus is on improving how it attracts and retains the best talent when the labour market is in short supply; only 17% of females in the UK work in the Technical industry and 11% of females in engineering.

Pay Policy

In December 2016, the FCO Board agreed its Workforce Strategy which provides the strategic framework and direction for the FCO workforce between 2016 and 2020. Its Pay and Benefits Principles emphasise the FCO's commitment to offering competitive reward packages that enable us to recruit, retain and motivate staff with the skills and qualities we will continue to need to deliver the FCO's business objectives. Ensuring equal pay for equal work is one of these principles.

Last year, we introduced two specific pay policy changes which continue to help reduce our gender pay gap:-

In April 2017, we created a Senior Pay Committee to improve remuneration governance for our SCS and SMS staff. One of its first decisions was to change the approach for SCS/SMS bonuses so that they are the same regardless of pay band. This should reduce the mean bonus gender pay gap for future years; and

In 2016 and 2017, the FCO's Executive Committee agreed that annual salary increases for the Delegated Grades should be determined by the level of performance and the position in the pay range. As a result, the largest increases were targeted at the best performers who were the lowest paid in each grade. This will shorten the distribution of salaries within our pay ranges and so will help to reduce the gender pay gap. This continues to be part of our pay strategy.