

# Gender Pay Gap Report Report for the year 2017-2018

December 2018



#### © Crown copyright [2018]

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit <a href="nationalarchives.gov.uk/doc/open-government-licence/version/3">nationalarchives.gov.uk/doc/open-government-licence/version/3</a> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: <a href="psi@nationalarchives.gsi.gov.uk">psi@nationalarchives.gsi.gov.uk</a>.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.uk/government/publications or other web/intranet address]

Any enquiries regarding this publication should be sent to us at [insert contact details].

# **Contents**

Background	4	
Analysis	5	
Organisational context	5	
Hourly pay	7	
Gender pay gap	7	
Hourly pay quartiles	10	
Percentage of males and females in each pay quartile	10	
Bonus pay	11	
Bonus pay gap	11	
Proportion of employees receiving a bonus	11	
Actions	13	
Declaration	15	

# **Background**

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 31 March 2017. These regulations underpin the Public Sector Equality Duty and require relevant organisations to publish their gender pay gap by 30 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.

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.

The Home Office promotes the fair treatment and reward of all staff irrespective of gender. Our Diversity and Inclusion Strategy, *Inclusive by Instinct*, supports the Civil Service ambition to become the most inclusive employer in the UK by 2020. The Home Office is focused on demonstrating notable progress towards this important goal, not underestimating the level of challenge in making this a reality over the next 3 years. We continue on our journey to become a place where everyone feels valued, able to bring their whole selves to work and, importantly, reflect the communities we serve.

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

# **Analysis**

# **Organisational context**

At 31 March 2018, Home Office employed a total of 28,385 relevant employees of which 28,161 were full time equivalent staff below Senior Civil Servant (SCS), and 224 SCS staff.

The Home Office has the ability, within the frameworks set by HM Treasury and Cabinet Office, to determine its pay and grading structures for grades below the SCS (AO to Grade 6).

The SCS pay and grading structures are determined by the Cabinet Office. Home Office can make salary and bonus awards within centrally determined parameters.

The Home Office annually reviews pay for staff in grades below SCS, focusing on what steps might be taken to reduce identified disparities, as part of its pay policy.

Arm's Length Bodies of the Home Office, and National Crime Agency (NCA), will report separately. The gender pay gap analysis provided here is based on the methodology set out in the Equality Act (Specific Duties and Public Authorities) Regulations 2017.

Across all grades and business areas, our workforce constitutes 14,902 females and 13,483 males, 52% and 48% percent respectively (**figure 1**).

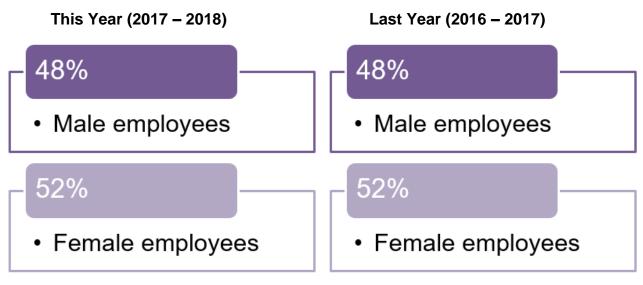


Figure 1

The overall Home Office female and male representation by grade is constituted by a well-balanced gender distribution as reported in **chart 1** and **table 1**.

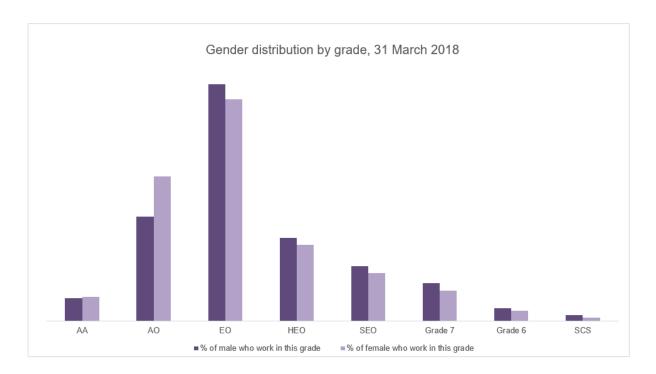


Chart 1

Grade (increasing seniority)	% of male who work in this grade	% of female who work in this grade	% female
AA	4% (548)	4% (640)	54%
AO	19% (2,499)	26% (3,838)	61%
EO	42% (5,679)	39% (5,874)	51%
HEO	15% (2,016)	14% (2,030)	50%
SEO	10% (1,313)	9% (1,271)	49%
Grade 7	7% (909)	5% (809)	47%
Grade 6	2% (301)	2% (266)	47%
SCS	1% (136)	1% (88)	39%

Table 1

## **Hourly pay**

The mean gender pay gap (the difference between men's and women's average hourly pay) is **9.6 percent** (10.1 percent in 2018 report) and the median gender pay gap is **14.5 percent** (15.1 percent in 2018 report), also shown in **figure 2.** 

## Gender pay gap

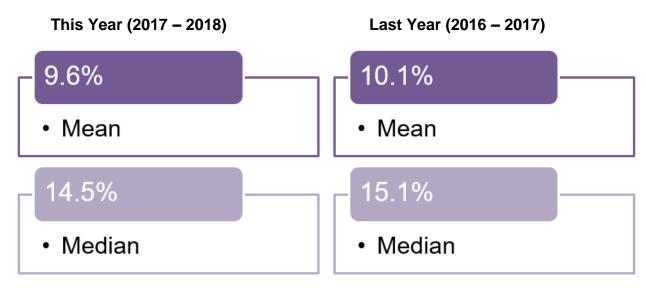
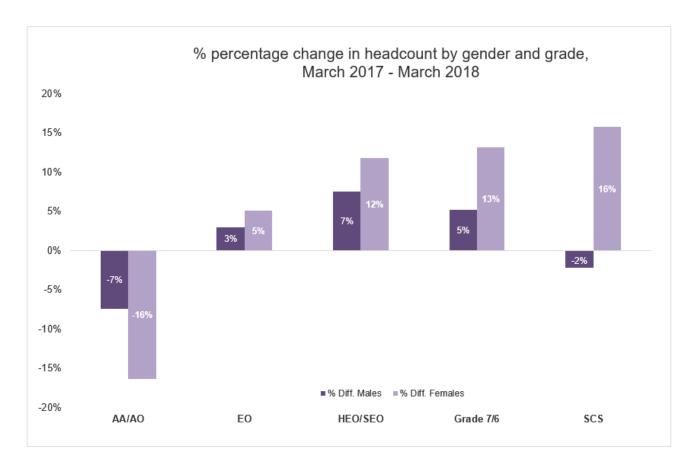


Figure 2

In comparison to last year published figures, there has been a reduction in the both the mean and median pay gap by 0.5 percent and 0.7, respectively.

Home Office median gender pay gap compares favourably with the UK 2018 gender pay gap of **17.9 percent** (Source: ONS *Annual Survey of Hours and Earnings (ASHE)*, published on 25<sup>th</sup> October 2018). The ASHE gender pay gap methodology uses average hourly earnings, excluding overtime, which is similar to the calculation used in this report.

The pay gap reduction can be attributed to a general increased representation of females at most grades, most notably at SCS level (16% up compared to previous year), combined with a reduced representation of females in the most junior grades. The detail is set out below in **chart 2**.



#### Chart 2

Whilst the Home Office employs a relatively even mix of men and women, there are different concentrations in different parts of the business. The Home Office is a diverse organisation, employing people across the grades in a variety of operational, policy and corporate service roles, and across a range of professions including digital and technology, scientists, statisticians, communications and finance. We offer flexibility in ways of working, with the majority of roles being made available on both a full or part time basis, across the UK and, with advances in technology, we are increasing the number of roles that are available to people who need to work at least some of their time from home.

The composition of the workforce varies in the different parts of our diverse organisation and this influences the pay gap this year, as it did previously. Our large-scale operations in the following business areas account for a significant part of the gap:

- Border Force (BF) and Immigration Enforcement (IE), which together employ 12% more males than females, both operate around the clock, 365 days a year. In these operations, more males than females undertake shift duties, which attract additional remuneration, and of those undertaking shifts, more males undertake those shifts that attract greatest compensation. Shift patterns are equally available to both sexes, but the different take-up causes the median and mean pay for males to be higher.
- HM Passport Office (HMPO) offers more flexible employment opportunities and is 64% resourced by females. The flexible roles offered by HMPO are different in terms of skills and responsibility and are typically graded at a lower level and attract fewer shift allowances. This results in the median and mean pay for females being lower.

The female and male distribution by grade and by business area of the Home Office's full-pay equivalent relevant employee population can be found in the in **chart 3.** 

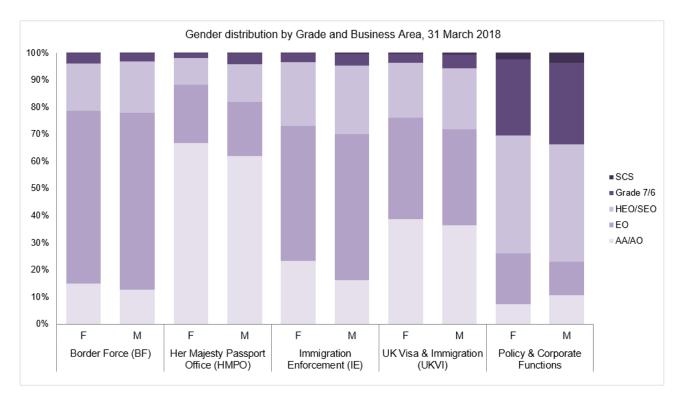


Chart 3

The pay gap based on base salaries alone (i.e. excluding shift payments) would be: **5.2 percent** (mean) and **4.2 percent** (median). These figures are in line with **5.5 percent** (mean) and **1.7 percent** (median) gender pay gap published in the ONS *Annual Civil Service Employment Statistics (ASCE)* report, in August 2018. Within this study, ONS methodology accounts of base salary only and excludes any allowances from their calculations.

# **Hourly pay quartiles**

The hourly pay quartiles data shows the proportion of men and women that are in each pay quartile, when we arrange staff in order of hourly pay rate.

The lower and second quartile have higher proportions of female staff than male staff, due largely to the number of female staff working in HMPO.

The third and upper quartiles have higher proportions of male staff, and this difference in distribution of staff across the pay quartiles also impacts the gender pay gap (**table 2**).

## Percentage of males and females in each pay quartile

	Male		Female	e
	2017-2018	2016-2017	2017-2018 20	016-2017
Lower quartile	39.0%	39.4%	61.0%	60.6%
Second quartile	40.6%	40.0%	59.4%	60.0%
Third quartile	53.4%	53.3%	46.6%	46.7%
Upper quartile	57.0%	58.1%	43.0%	41.9%

Table 2

## **Bonus pay**

The Home Office offers in-year reward and recognition, as well as end of year performance awards to staff receiving a top performance rating. In line with Cabinet Office policy, the Home Office has two performance schemes for both delegated grades and SCS. The year-end award, which reflects performance over a year end, is a set value depending upon grade while the in-year scheme, which rewards outstanding achievement in particularly demanding tasks or situations is variable. The bonus values in both schemes are set irrespective of gender.

The mean gender bonus gap (difference between men and women) is **12.2 percent** (16.6 percent in 2018 report) and the median gender bonus gap is **7.7 percent** (13.0 percent in 2018 report). Overall **57 percent** of women (25.5 percent in 2018 report) and **55 percent** of men (28.0 percent in 2018 report) received a bonus payment. See, **figure 3 and 4.** 

## **Bonus pay gap**

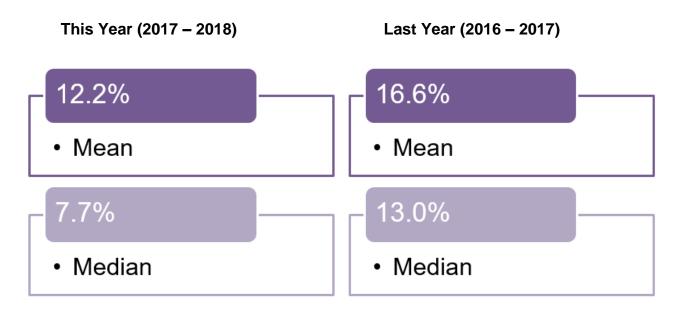


Figure 3

## Proportion of employees receiving a bonus

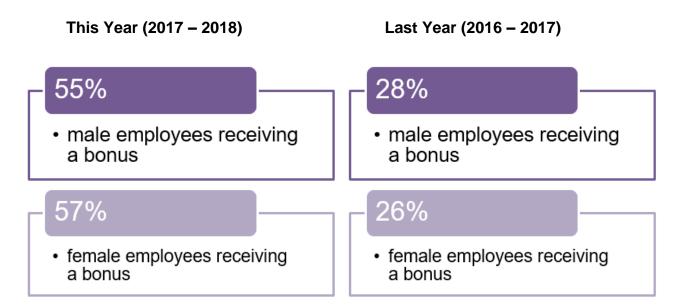


Figure 4

Despite more females proportionally receiving a bonus there is still a gap in both the mean and in the median values. The bonus gap is principally attributed to the gender mix by seniority. Those in higher grades get proportionately larger bonuses than those in lower grades. There are still fewer females in the upper quartile of earnings, even though the distribution of females by grade has improved over the last year.

As in 2017, the bonuses women received are, on average, lower. This is, in part, because year-end bonuses are pro-rated for part-time working and over 80% of part-time staff at Home Office are female.

Last year it was not possible to include voucher rewards for this report as the system used in 2016/17 did not record vouchers paid to individuals. In this year, it has been possible to include vouchers for the period August 2017 to March 2018.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> **Note**: The bonus gap reduction and increased number of receivers is partly attributable to: i). the inclusion of thank you vouchers (for 8 months of the reporting period) which we were unable to include in last year's report owing to data availability, and ii) the increase of bonuses given in recognition of colleagues' performance-led contribution, for example in response to increased pressures, such as Grenfell.

# **Actions**

The Home Office is committed to closing the gender pay gap, and we have a gender pay gap action plan dedicated to making our ambition a reality. Our Diversity and Inclusion Strategy – 'Inclusive by Instinct' sets out our aims for widening representation for underrepresented groups, including women and building an inclusive workplace to attract, engage, develop and retain talented, diverse staff. Specifically, we have set ourselves stretching, but achievable targets to address the under-representation of women in the Senior Civil Service (SCS). Our SCS targets are for 2025, but with a checkpoint in 2020 to assess our progress.

Amongst other interventions, we offer several development schemes that enable women to fairly progress their careers:

- Since 2016, we have run our own, award-winning development programme called the Access Programme to support the development of underrepresented groups, including women.
- We participate in **Crossing Thresholds**, a 12-month mentoring programme aimed exclusively for women in the Civil Service at all levels below the SCS.
- The **Positive Action Pathway** is a cross-government development programme available to staff in underrepresented groups and all levels below the SCS who have the potential and aspiration to progress in the Civil Service.
- The Future Leaders Scheme is a cross-government talent programme aimed at high
  potential senior managers, including from underrepresented groups to help them
  accelerate their development to the SCS and to create a strong, diverse talent pipeline
  across the Civil Service. Also, for SCS we have the Senior Leaders Scheme to
  accelerate the development of high potential SCS.
- We continue to support our Return to Work Programme, which provided a bridge back
  to work for experienced professionals who have taken an extended career break for
  typically two years or more.
- We are developing a Women's Leadership Summit to support our high performing women reach their potential in the department and a Senior Leaders Programme that will also target women (and men) "Returners" to help them reestablish their careers and increase diversity.
- We are piloting a 'Career Watch' Sponsorship Programme, initially for BAME and disabled senior managers but with a view to rolling it out more widely, where a senior leader will use their influence to support the development and progression of high performing staff in our underrepresented groups.

Our action plan recognises that addressing the gender pay gap is a holistic enterprise, which will flourish when supported appropriately at all levels:

- We have an ExCo level Gender Champion who is supported by a gender board which
  meets regularly to identify and address gender representation and inclusion issues at the
  Home Office.
- We have an established and active women's staff support network: Gender Equality
  Network (GEN) with an action plan to support women in the department through
  initiatives such as 'Lean in Circles' to equip and empower female talent with the right
  tools to develop in their careers and Gender Allies to encourage the involvement of men
  in gender equality.
- We provide flexible working to support staff who wish to work more flexibly, for example, posts being available on job-share and options for reduced hours, term-time working or compressed hours and the encouragement on the uptake of shared parental leave.
- We are continually implementing recruitment practices to create a diverse workforce, using non-discriminatory job descriptions and anonymised recruitment to eliminate potential bias in the recruitment process.
- We continue to shorten salary bands. As staff are recruited and promoted, they will
  enter the next grade at or near the grade minimum, and therefore at a disadvantage to
  established staff in those grades who will be at a more advanced salary. Reducing the
  range width of grade salary bands counters the potential for this to impact either gender.
- We are exploring how to adjust shift patterns and payment rates to make them more
  equally appealing to both sexes and further reduce the pay gap.

The Home Office continues to monitor trends in earnings by gender and to act as permitted within the parameters set by the Treasury's pay guidance, to further reduce any variances.

Overall, the Home Office has achieved a great deal on gender equality, being recognised by external benchmarking, for example, in The Times Top 50 Employers for Women, which considers both internal processes and external activity that promotes gender equality, diversity and inclusion and creates opportunities for women in a wider context. The Home Office will continue to work to ensure we have the right culture where women can thrive and have their voices heard on parity with men and by creating a more diverse gender promotion pipeline at all levels to support us in appropriately balancing our gender representation at senior grades, including the SCS.

# **Declaration**

We confirm that the data reported by Home Office 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.

All staff who were deemed to be full paid relevant employees were included.

Due to limited data available, contractor payments were unavailable for inclusion in this dataset but we will further explore its availability for inclusion in the next gender pay gap report.

Chief People Officer: Paula Leach

Philip Rutha

pureach

Home Office Permanent Secretary: Philip Rutnam