



Ministry of Housing,  
Communities &  
Local Government

# Gender Pay Gap Report

Report as of 31<sup>st</sup> March 2018



November 2018

Ministry of Housing, Communities and Local Government

## Contents

	Page
Background	3
MHCLG Group Mean and Median Gender Pay Gap 2018	4
Pay Quartile Distribution	5
Bonus Pay	5
MHCLG Core Department Mean and Median Gender Pay Gap	6
Closing the Gender Pay Gap – MHCLG Core Department Action Plan	8
Annex A – Group Structure and Gender Balance	12
Annex B – The Planning Inspectorate Gender Pay Gap Analysis	14
Annex C – The Queen Elizabeth II Conference Centre Gender Pay Gap Analysis	17

## 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 the relevant organisations to publish their gender pay gap data by March annually, including 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. MHCLG supports the fair treatment and reward of all staff irrespective of gender.

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

## Organisational Context for Gender Pay Gap Reporting

For the Ministry of Housing, Communities and Local Government Group, our overall gender pay gap figures incorporate data for The Planning Inspectorate and the Queen Elizabeth II Conference Centre as well as the core Department. A total of 2328 people are included in the dataset, with women making up 49%. This compares to a figure of 48% for women in 2017.

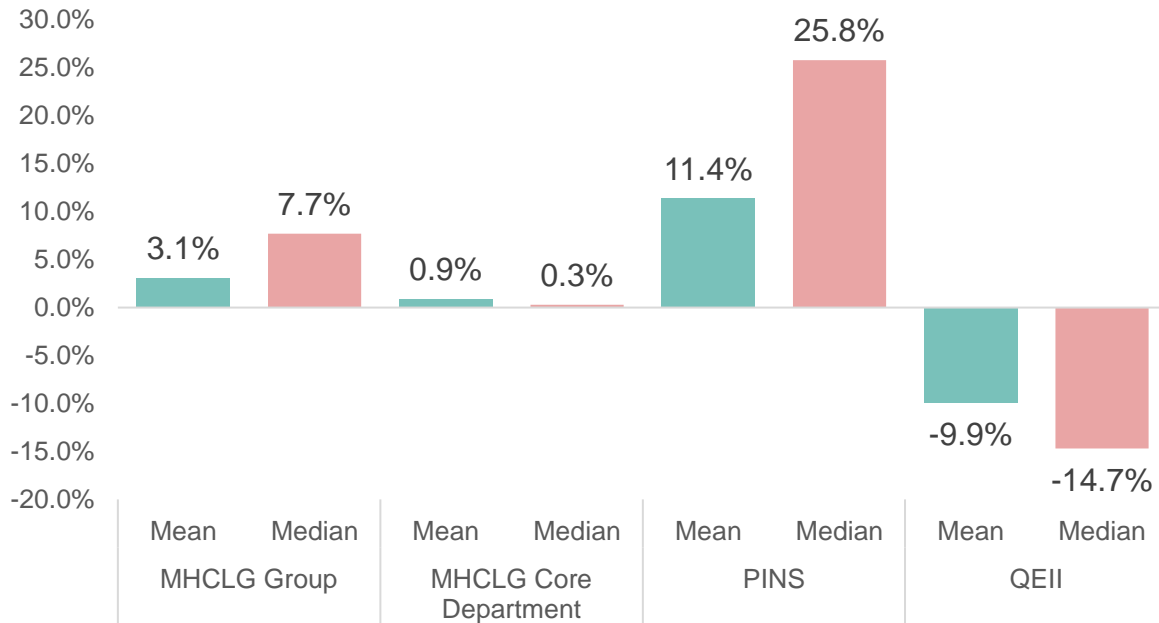
Proportion of male and female full-pay relevant staff in post as of 31st March 2018



## Gender Pay Gap

The Group (MHCLG core department and agencies) shows a mean pay gap of 3.1% and a median pay gap of 7.7%. This has improved since the reporting exercise for 2017 in which we reported a mean pay gap of 5.9% and a median pay gap of 9.8%.

Mean and Median Pay Gap by Organisation - 2018



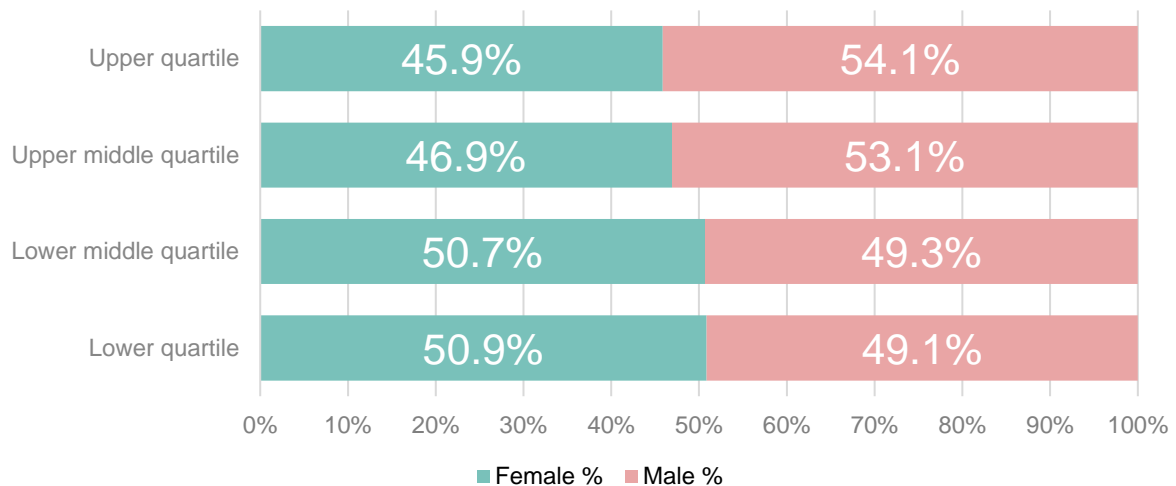
Gender pay gap results vary in different parts of the Group. For MHCLG core department we are pleased to report the gender pay gap at the mean is 0.9% and at the median is 0.3%, compared with 3.1% and 5.1% in 2017. For The Planning Inspectorate the mean pay gap is 11.4% and the median pay gap is 25.8%, compared with 14.9% and 26.8% in 2017. For the Queen Elizabeth II Conference Centre the mean pay gap is in favour of women at negative 9.9% and negative 14.7% at the median, compared with negative 10.9% and negative 14.2% in 2017. In the case of the Queen Elizabeth II Conference centre the negative pay gap indicates that women are paid more than men at both the average and median positions.

MHCLG has demonstrated its wholehearted commitment to equality of opportunity over a sustained period of several years, taking concrete steps to help us build a more inclusive and diverse organisation. We have an ambitious diversity and inclusion strategy, targeted at bringing in and advancing a diverse workforce, at all levels, including at our most senior levels. The objective of our strategy is that MHCLG should be one of the most diverse employers by 2020.

## Pay Quartile Distribution for the MHCLG Group

Pay quartiles have been calculated by splitting all MHCLG group employees into four even groups according to their level of pay. Looking at the proportion of women in each quartile gives an indication of women's representation at different levels of the group. An analysis of the MHCLG group showing the proportion of male and female employees in each quartile shows the following:

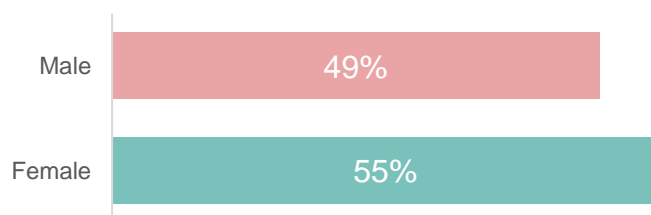
Proportion of male and female employees in each quartile

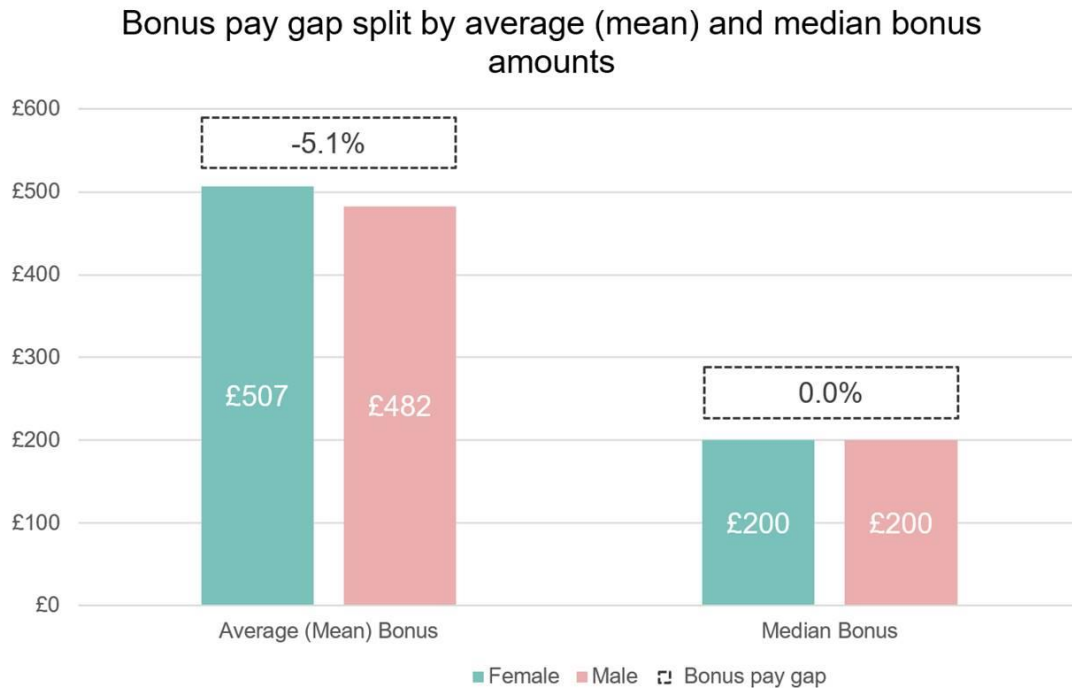


## Bonus Pay for the MHCLG Group

Bonus pay is included in all gender pay gap calculations. In the MHCLG Group this reflects a number of different schemes which operate, reflecting the different types of work that the organisations within the Group conduct. This included in-year Exceptional Performance schemes (cash awards and vouchers); end of year bonuses for a defined proportion of staff and specific profit-related incentive arrangements at the Queen Elizabeth II Conference Centre. More women (55.3%) received a bonus in the 12 months ending 31 March 2018 than men (48.6%), and similarly the average bonus paid to women (£507) was higher than the average bonus amount received by men (£482).

Proportion of Men and Women paid a bonus





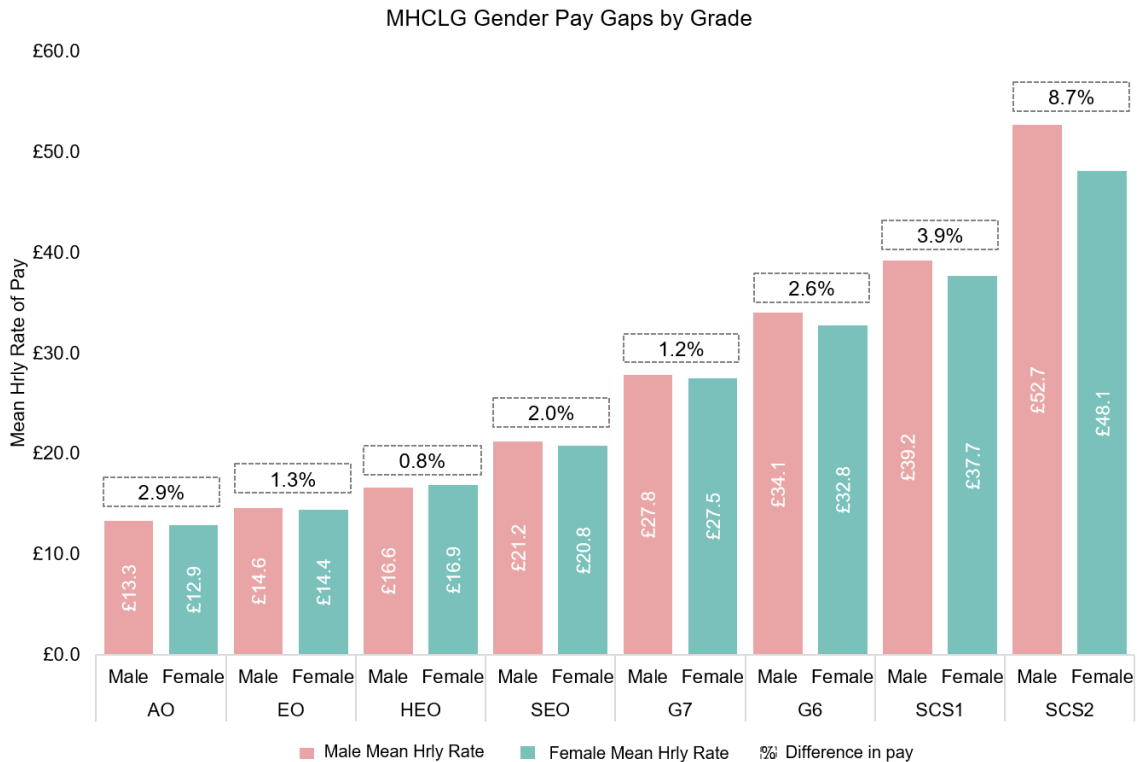
## Tackling the MHCLG Group Gender Pay Gap

MHCLG is committed to closing our gender pay gap, as a key part of our overarching ambition to have skilled, talented, committed, diverse and high performing people, supported by effective leaders. Evidence suggests that our actions over the last year have contributed towards closing the gender pay gaps for the core department.

**Each of our organisations has been directed to formulate a plan to address their gender pay gaps. The action plan for The Planning Inspectorate is set out in Annex B and the plan for the Queen Elizabeth II Conference centre is included in Annex C.**

## MHCLG – Core Department Gender Pay Gaps

While the gender pay gaps reported for the MHCLG core department last year were 3.1% at the mean and 5.1% at the median, our situation has improved considerably, in part as a result of the initiatives that we have put in place. The gender pay gap for the core department as at 31 March 2018 is 0.9% at the mean and 0.3% at the median. An analysis of the gender pay gaps by grade for the core department shows the following:



Gender pay gaps at the mean have narrowed for a number of grades. The gap has narrowed from 5.5% last year to 2.9% at our entry level grade, AO, which has been impacted by some voluntary exits between May – July 2017, as well as the fact that employees recruited at the minimum (more female than male) benefit from a higher annual pay award to move them towards the spot rate. The mean gap at the next grade, EO level, has also narrowed to 1.3% (from 2.9% last year) following a recruitment campaign which happened to bring in more male starters at the minimum than female.

Within the Senior Civil Service (SCS) the gap at Deputy Director has widened slightly from 2.6% last year to 3.9%. In the year, more females than males were appointed to the SCS level, with most at the minimum of the pay range. The gap at Director level has narrowed from 11.9% to 8.7% as a result of male appointments on or near the minimum of the Director pay range, however the mean gender pay gap is still impacted by outliers. The median pay gap at this grade is 2.2% which better reflects the distribution.

An analysis of the quartile distribution for the core department by grade shows a relatively even distribution of men and women in all quartiles which plays a large part in explaining our modest gender pay gaps.

MHCLG Core Department Pay Quartiles	Female	Female %	Male	Male %
Lower quartile	202	49.9%	203	50.1%
Lower middle quartile	209	51.6%	196	48.4%
Upper middle quartile	205	50.6%	200	49.4%
Upper quartile	202	49.9%	203	50.1%
<b>Total</b>	<b>818</b>	<b>50.5%</b>	<b>802</b>	<b>49.5%</b>

## Closing the gender pay gap

MHCLG is encouraged by our progress towards closing the gender pay gap in the department, and is committed to eliminating it entirely. We will continue to work closely with our arms lengths bodies to address the gender pay gap across the Group. Our pay policy ensures that men and women in equivalent roles receive the same pay.

We also continue to work to meet our legislative responsibilities, ensuring that equality is an integral part of all our activities, including people management processes and procedures. We are acting to close the gender pay gap through a number of interventions:

### Diversity, inclusion and equality in MHCLG

MHCLG is fully committed to equality of opportunity for all its people. We have taken concrete steps within our diversity and inclusion strategy to improve representation and inclusion for different demographic groups, including a focus on gender. MHCLG will also publish a new diversity and inclusion action plan in November 2018 under the three strategic aims of 'Bring In', 'Bring On', and 'Inclusive'. We regularly monitor the outcomes of our interventions to measure what is having the most impact.

The department offers a range of support and development opportunities for women, including an active MHCLG's women's network that exists to promote gender equality.

### Family friendly HR policy:

MHCLG supports and encourages flexibility, and will challenge assumptions about traditional ways of working, taking account of the needs of our work, customers and employees. We will continue to support this through:

- Promoting the sharing of parental leave so that women can best manage their maternity provision where at least one partner works for the department.
- Several staff networks which champion and support issues of flexible working, such as: our Flexible Working; New Parents; and Carers networks.



Providing access to the Civil Service's job share finder tool. Accountability and transparency:

MHCLG has focused on greater accountability and transparency to demonstrate, and fulfil, our commitment to equality. To support this, we have recently:

- Analysed a comprehensive diversity and inclusion data set to measure the impact of our action plan, including reviewing data on reward, development, engagement and promotion by gender. We plan to use this information as a benchmark to monitor the impact and progress of our interventions over the next year.
- All Senior Civil Servants have committed to at least one personal objective relating to Diversity and Inclusion and at MHCLG these were published for staff to view, with many supporting women to progress or promoting gender equality within the department.

Recruitment, retaining and developing a diverse workforce:

MHCLG's external recruitment is carried out under Civil Service Commission Principles. All our recruitment must be based on fair and open competition and successful candidates selected on merit. We also continue to:

- Ensure all our roles are advertised on the external market, which has allowed us to recruit in a more inclusive, open and transparent manner.
- Extend our candidate reach by utilising social media, alternative recruitment and career platforms and network events to attract a wider and more diverse range of candidates.
- Utilise our new recruitment platform, build on our sifting and assessment approach that endeavours to remove bias, utilising strength-based interviews where possible.
- Mandate gender-mixed panels for all levels of recruitment including at our most senior roles.
- Encourage recruitment and selection training for hiring managers, colleagues who sift, and those who sit on interview panels to promote diversity and inclusion.

To build on this we will also:

- Roll out the new Civil Service recruitment tool, Success Profiles, aimed at identifying candidates for roles in the most appropriate way, including assessing strengths and behaviours.

### Progression:

We aim to help women progress in their careers and achieve their full potential through improving the diversity of our participants in cross-government talent management schemes such as:

- Crossing Thresholds: a 12-month career mentoring programme for women to develop their career aimed at entry level to senior manager grades (AO to G6).
- Positive Action Pathways: a scheme for staff in under-represented groups, aimed at staff in all grades from entry (AA) to senior management (G6).
- Women's Leadership Summit: a programme that helps to create a sustainable pipeline of female talent ready to move into Senior Civil Service roles.

These programmes aim to overcome barriers and help women compete on equal footing for progression or other Civil Service talent schemes. MHCLG promotes, and will continue to support female applicants, in all cross-government talent schemes across the department.

We will also continue to:

- Offer internships to people from under-represented backgrounds through a Summer Diversity Internship Programme and the Early Diversity Internship Programme to provide people with an opportunity to learn about a career in the Civil Service and to prepare them for a place on the central Fast Stream graduate programme.
- Support all staff to develop their careers and reach their potential through promotion of learning and development opportunities including "de-mystifying" the talent grid; regular career conversations; and opportunities for coaching and mentoring.

Within our new Diversity and Inclusion action plan we will introduce and build on a number of initiatives to:

- Develop our new accelerated development scheme aimed at building our MHCLG pipeline for grades below SCS.
- Provide more confidence training across our staff diversity networks, including the women's network, to increase confidence and assertiveness of people from minority represented demographics both within their daily work and, crucially, at interview.
- Commence plans to raise our profile outside the Civil Service with targeted outreach initiatives.

## **Declaration**

*Our calculations followed the legislative requirements as set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. Data has been verified by an analyst and signed off by the Permanent Secretary.*

*All staff who were deemed to be full paid relevant employees at 31 March 2018 were included. Our data includes that of our Executive Agencies. The data set reflects a total workforce of 2328 individuals – MHCLG Core: 1620; Planning Inspectorate: 660 and Queen Elizabeth II Conference Centre: 48*

## Annex A

### Group Structure and Gender Balance

Women are slightly over-represented at AA/AO and HEO/SEO and under-represented at senior levels (Grade 6/7 to SCS). A large number of men have been recruited at EO level during 2017/18 and women are now under represented at this grade. Women are only slightly under represented at SCS level, with 4% of all female staff working at this level. This representation for SCS compares favourably with the rest of the Civil Service.

Grade Balance for the MHCLG Group as of 31st March 2018					
Grade (Increasing seniority)	Number of men (% of men who work at this grade)		Number of women (% of women who work at this grade)		% Female
AA/AO	108	9%	135	11%	56%
EO	195	16%	162	13%	45%
HEO/SEO	395	32%	442	37%	53%
Grade 7/6	484	39%	413	34%	46%
SCS	56	5%	53	4%	49%
Total	1238	100%	1205	100%	49%

In comparison, this table shows the proportion of men and women at each grade in the Civil Service overall.

Grade Balance for the Civil Service as of 31st March 2018					
Grade (Increasing seniority)	Number of men (% of men who work at this grade)		Number of women (% of women who work at this grade)		% Female
AA/AO	63,465	33%	84,814	38%	57%
EO	47,806	25%	62,295	28%	57%
HEO/SEO	53,705	28%	52,442	24%	49%
Grade 7/6	24,500	13%	21,110	9%	46%
SCS	3,152	2%	2,346	1%	43%
Total	192,628	100%	223,007	100%	54%

Grade balance information above is taken from the ONS Civil Service Statistical Release for 2018. These figures include all paid employees in the MHCLG Group and wider Civil Service as of 31<sup>st</sup> March 2018 and do not bear any correlation to the number of full-pay relevant staff in scope for Gender Pay Gap reporting purposes.

Please note that some non-CS standard roles are mapped to an equivalent Civil Service grade for the purpose of the ONS collection.

## Annex B

### The Planning Inspectorate – Gender Pay Gap Analysis

#### Context

We are in the process of creating our strategies on diversity and inclusion and on talent and progression. These will both be completed by the end of this financial year. We are currently working with Trade Union colleagues to come up with our future pay strategy which will complement our future organisational structure. Our aim is to complete the pay strategy by the time we need to submit our annual pay remit in August 2019.

The Planning Inspectorate has two distinct groups of staff: office-based staff and home-based Inspectors who determine Planning Appeals throughout England and Wales. Office-based staff follow the traditional Civil Service grading structure. Inspectors are graded into three bands according to the complexity of the casework: Band 1 being the least complex and Band 3 the most complex. Due to the unique role of our Planning Inspectors it is not helpful to compare the role of an Inspector to office-based staff being paid a comparable salary.

#### Organisation Structure and Gender Balance

Table 1 shows the salary scales and the number of staff in each grade.

Table 1

	Male	Female	Total	Range Min	Range Max
GM	3	0	3		£78,300
G6	5	4	9	£58,656	£70,891
G7	4	7	11	£49,624	£57,733
SEO	17	16	33	£37,390	£42,206
HEO	32	28	60	£30,132	£33,638
EO	43	48	91	£24,162	£26,562
AO	59	71	130	£19,680	£21,768
AA	7	6	13	£16,779	£18,292
<b>Total</b>	<b>170</b>	<b>180</b>	<b>350</b>		
BAND 3	26	21	47	£66,732	£74,694
BAND 2	69	24	93	£52,774	£62,978
BAND 1	90	64	154	£39,936	£49,309
<b>Total</b>	<b>185</b>	<b>109</b>	<b>294</b>		

The gender pay gaps at the Planning Inspectorate are structural - the overall gender pay gap of 11.4% is directly attributable to the large proportion of our senior male Inspectors. Inspectors are recruited from the following professions: Architects, Town

Planners, Surveyors, Legal Profession and Civil Engineers which are all male dominated professions. Females only represent 21% of Architect, Town Planners and Surveyors which is predominately where our Inspectors are recruited from.

## Progress and Action Plan

The pay gap reported as at 31<sup>st</sup> March 2017 was 14.9%, the current gender pay gap has reduced by 3.5 percentage points to 11.4%.

During 2017 PINS commissioned Korn Ferry to undertake an audit of the pay structure. Although no discriminatory practices were found, the report did highlight two Grades where there was a potential for an equal pay challenge. As part of the 2017 pay award PINs targeted these grades which has helped to reduce the overall gender pay gap. PINS is committed to reducing the pay gap further and we aim to do this in the forthcoming pay award.

We have recently undertaken a recruitment exercise for Band 1 Planning Inspectors. Table 2 gives a breakdown by gender of the number of people who applied and the percentage who were successful.

**Table 2**

	Male	Female
Applications	121	72
Offers accepted	24	15
% of successful applicants	19.8%	20.8%

Table 2 shows that although the proportion of successful female candidates was 1% greater than male, females only represented 37% of applicants. This highlights the challenge PINS faces to address the gender pay gap.

## Diversity, Inclusion and Equality in the Planning Inspectorate

PINS is committed to addressing the gender pay gap and are undertaking the following initiatives to help us achieve this:

	Initiative	Progress so far
1	Terms and conditions: the terms and conditions for Inspectors are to be changed to make it easier for those with caring responsibilities to fulfil their potential as an Inspector;	We have updated the Inspector working patterns to attract candidates with child care or caring responsibilities.
2	Carry out a full review of our pay and reward structure to develop a strategy to provide an excellent public service and value for money;	In the 2018 pay remit, we have revalorised the minimum pay ranges to 30% of the pay range; 35% for the Inspector cohort to shorten the pay ranges. This will go some way in addressing the historical structural pay issues.
3	Set up a graduate scheme to attract and develop them to achieve their full potential as an Inspector. Historically Planning Inspectors have been recruited from male dominated professions. We are looking to recruit female trainees to develop our talent pipeline.	This is a new initiative championed by our Chief Executive. We are working in partnership with UWE and are in the process of developing learning portfolio. We are aiming to recruit our first graduate trainees in January 2019.
4	Develop a Diversity and Inclusion strategy to create an inclusive organisation that reflects the people who use our services. The strategy aim is to bring about inclusive behaviours as well as get some of the hard measures right.	As part of this strategy, PINS have set up Women's network. Set up mediation provision so that female employees feel confident in raising concerns in a safe environment.
5	Conduct Diversity analysis from the recruitment campaigns to develop strategies to target more female candidates	Analysis now carried out on all volume recruitment. Changes to the working pattern were made following the previous Inspectors recruitment campaign.
6	Set up and support Women's' Network	This network is supported by the Chief Executive to ensure that female employees have a strong voice in the organisation. This group is in its infancy. This group would provide coaching mentoring to female staff who wish to progress their career within or outside PINS.



## **Annex C**

### **The Queen Elizabeth II Conference Centre – Gender Pay Gap Analysis**

#### **Context**

QEII Centre is a small Executive Agency of MHCLG. On 31 March 2018 the Centre employed 48 staff in 36 different roles, many of which are unique to the Centre within the Civil Service. The Centre employs a spot salary system, determining pay on a role-by-role basis rather than through a centralised pay and grading structure. Together the size of the organisation and the lack of grading system make comparative analysis of pay and gender difficult and removes any ability to generalise the findings.

As at 31 March 2018 the Centre employed 19 women and 29 men, compared with 20 women and 29 men respectively in the previous year. There was very little change in the distribution of men and women across the different grades from last year.

#### **Gender Pay Gap**

The total gender pay gap for the Centre as of 31 March 2018 was 9.9% (14.7% median) in favour of women.

Gender pay gaps are impacted by length of service, as those with longer service benefited from the period where pay progression was still in force. For those in AO to HEO roles, women on average have longer service than men, contributing to the positive gender pay gap.

However, other factors have contributed to gender pay gaps at senior management levels. Despite the fact that women have longer service here, market forces have impacted the pay of different individuals and as there are only a few employees this has had a disproportionate impact on gender pay gaps.

#### **Bonus Pay Gap**

The bonus scheme employed by the Centre awards a percentage of the individual's salary as a one-off non-consolidated payment. The award is calculated based on the performance of the Centre as a whole, determined through the audited accounts, together with the individual's performance, determined by their end-of-year performance assessment. Whilst everyone receives the same amount (as a percentage of their salary) for the element based on corporate performance, the amount payable for personal performance is variable.

The mean average bonus awarded to women in 2017-18 was 25.1% higher than that awarded to men, which is perhaps unsurprising as the bonus is calculated as a proportion of salary which, as discussed above, is on average higher for women than men. Though there are few women in the organisation as a whole, three of the five highest-paid individuals are women, compared with three of the ten lowest-paid individuals. This then skews the mean average pay for women upwards when compared with men.

Bonus payments are also pro-rated for new starters, more of whom were male than female in the last reporting year.

### **Comparison with previous year**

As at 31 March 2017 the Centre's mean gender pay gap was 10.9% in favour of women (-14.2% at the median). The mean gap has narrowed slightly to 9.9% in favour of women as at 31 March 2018, whilst the median gap has varied only slightly at -14.7%. The modest changes are likely to be the result of changed incumbents as in a small organisation differences in the pay of only 1 or 2 individuals can have a disproportionate impact.

### **Progress and Action Plan**

As demonstrated, gender pay gaps at the Queen Elizabeth II Centre are in favour of women. There is little to suggest that gender constitutes a significant factor in salary differentials at the QEII Centre, with market forces and length of service appearing to produce a more reliable impact on pay.

Whilst the Centre has no plans to take specific D&I action relating to gender pay, plans are in motion to implement a more structured approach to pay and grading to replace the current spot salary method, and our recruitment processes are being reviewed to ensure consistency and remove any scope for bias.