



HR Directorate

Office for Nuclear Regulation Gender Pay Report 2017

Gender Pay Report ONR-17-001
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**OFFICE FOR NUCLEAR REGULATION (ONR)
GENDER PAY REPORT 2017**

Foreword by David Caton, ONR's Human Resources Director

To achieve our strategic objectives, ONR needs an engaged, capable and diverse workforce that feels valued and is committed to ONR's goals. We understand that key to this is establishing a culture where our people feel proud to work for us and that they are all valued for their personal contribution regardless of role.

We understand that as ONR takes steps to establish its own culture, with a particular focus in improving its diversity and inclusivity, how we recognise and reward the contribution of all is an important element of that.

This report is seen as an important focus and catalyst to helping us understand and address some of the issues in making that change. We have already begun to identify and tackle concerns that this report highlights and are fully committed, including at Board and Executive Management Team level, to continue to take action and report on our progress.

The report highlights the degree of challenge that we face, but we remain resolute in our desire to work tirelessly to continuously improve to be able to meet those challenges.

Dave Caton

HR Director

September 2017

OFFICE FOR NUCLEAR REGULATION

GENDER PAY REPORT 2017

This is the Office for Nuclear Regulation's (ONR) first Gender Pay Report.

It is based on a "snapshot" of the pay of all ONR employees as at 31 March 2017, as well as annual payments and bonuses which were paid between 1 April 2016 and 31 March 2017.

The report has been produced in line the guidance in the Equalities Act 2010 and associated ACAS guidance "Managing gender pay reporting", 2017.

Why do we have to report on our gender pay gap?

The Equalities Act 2010 (Specific Duties and Public Authorities) came into force on 6 April 2017 and requires public sector organisations to publish their results against six prescribed indicators of gender pay equality.

As an organisation we should be interested in this information as we strive to build greater equality across a more diverse and inclusive workforce. This is in line with our People Strategy and our aim of making ONR a great place to work and to be expected of us as a world class regulator.

This report helps us to better understand and focus on the issues, holding ourselves to account as we plan actions to improve on our current position.

What do we have to report about our gender pay gap?

We need to report against six prescribed organisation-wide indicators, as do all other public sector organisations employing more than 250 people, to show the difference between the average earnings of men and women in our organisation. We have included additional information in this report to provide a broader context in understanding the organisation in relation to the gender pay gap.

When and how do we have to publish the information?

We are publishing ONR's gender pay gap results through this report. This report contains background context to the results as well plans to address issues relating to the gender pay gap moving forward.

The ONR organisation-wide prescribed gender pay gap indicators have also been uploaded to the designated government website about the gender pay gap.

What do we have to report?

The legislation requires ONR to report the following 6 prescribed organisation-wide gender pay gap indicators for 2017:

Mean gap	The difference between the mean* hourly rate of pay of men and women *average pay for all men and average for all women employees	32.94% Difference in hourly rate of men (£25.58) and women (£17.15)															
Median gap	The difference between the median* hourly rate of pay of men and women * middle value of pay for all men and middle value for all women employees	55.25% Difference in hourly rate of men (£26.48) and women (£11.85)															
Mean bonus gap	The difference between the mean* bonus paid to men and women *average bonus for all men and average for all women employees	22.43% Difference in bonus pay of men (£1,762.72) and women (£1,367.36)															
Median bonus gap	The difference between the median bonus pay paid to men and women *middle values of bonuses paid to all men compared to all women employees	9.17% Difference in bonus payment of men (£1,120.00) and women (£1017.28)															
Bonus proportions	The proportions of men who were paid a bonus and women paid a bonus	39.43% of men received a bonus payment compared to 32.02% of women															
Quartile pay bands	The proportions of men and women in the lower; lower middle; upper middle; and upper quartile pay bands	<table border="1"> <thead> <tr> <th></th> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Q1 (Lower)</td> <td>36.43%</td> <td>63.57%</td> </tr> <tr> <td>Q2</td> <td>65.71%</td> <td>34.29%</td> </tr> <tr> <td>Q3</td> <td>86.52%</td> <td>13.48%</td> </tr> <tr> <td>Q4 (Upper)</td> <td>85.00%</td> <td>15.00%</td> </tr> </tbody> </table>		Men	Women	Q1 (Lower)	36.43%	63.57%	Q2	65.71%	34.29%	Q3	86.52%	13.48%	Q4 (Upper)	85.00%	15.00%
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Q1 (Lower)	36.43%	63.57%															
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Overall results

These organisation-wide results show that ONR has a mean gender pay gap of 32.94%. This is not dissimilar to the rest of the UK nuclear industry, and to be expected given ONR's workforce profile (and that of the industry from which we recruit).

Within ONR, the majority of men are employed at higher grading levels in technical specialist roles, for which a pay premium is required to attract new employees in a difficult recruitment market. Most women are employed at lower grading levels in support roles (corporate and operational), and are also more likely to work part-time (which is factored into these results). This gender split is largely structural as for many years ONR has recruited its technical specialists in the higher grades from an education system and nuclear industry where men predominated in the Science, Technology, Engineering and Mathematics (STEM) subjects.

Further breakdown of the results

A further breakdown of the ONR data for 2017 shows that across specific peer groups (grading level and specialism), the gender pay gap is far less pronounced.

Grading level

ONR's workforce profile by grading level is shown below:

Gender	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	SCS 1	SCS 2	Non-Exec	Total
Men	26	115	175	25	14	18	6		3	383
Women	7	25	46	26	31	37	2	1	3	178
Total	33	140	221	51	45	55	8	2	6	561
% Women	21.2%	17.9%	20.8%	51.0%	68.9%	67.3%	25.0%	50.0%	50.0%	31.7%

Table 1: ONR number of men and women employed at each grading level as at 31 March 2017

Overall, ONR employs a higher percentage of men (68%) than women (32%). The proportion of men employed is significantly greater (15% or more higher than women) in the higher grades (Bands 1 – 3 and SCS 1 levels).

Women strongly predominate in the lower grades (Bands 4 – 6). Significantly however, there are an equal number of men and women in the most senior grades/roles (SCS 2 and Non-Executives).

Mean gender pay gap (hourly rate)	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Board Member	SCS 1	ONR
Hourly pay rates of men divided by number of men	£33.62	£30.54	£24.69	£12.57	£9.60	£7.55	£42.63	39.872	£25.58
Hourly pay rates of men divided by number of women	£30.81	£27.01	£21.73	£11.90	£9.53	£7.57	£48.65	39.211	£17.15
Mean gap	8.34%	11.59%	12.00%	5.29%	0.78%	-0.26%	-14.14%	0.02%	32.94%

Table 2: ONR 2017 mean gender pay gap at each grading level

Note: columns showing results for SCS 2 and Assurance and Risk Assessment Committee Non-Executive have been excluded due to identifiable data. The data is included in the ONR total results.

Whilst the overall mean gender pay gap is significant at 32.94%, the breakdown for each grading level shows a more positive story.

At the Senior Civil Service (SCS) 1 level and for Board Members, the gender pay gap is negligible or even in favour of women with a range of 0.02% – minus 14.14%. All of these roles have been filled since ONR was established in April 2014 and reflect a positive approach to demonstrating pay equality in the most senior roles in the organisation.

For ONR's senior and middle managers (Bands 1 – 3) in nuclear technical specialist or for corporate support in functional specialist roles – most of which tend to attract a pay premium on recruitment, the widest gender pay gap is seen (between 8 and 12%). However, this is still significantly below the gap recorded for the organisation as a whole.

The split of men and women at the junior management level (Band 4) is fairly even at 5.29%. Here there is also a fairly even mix of technical specialist, corporate and operational support roles (with the latter not attracting a pay premium for specific specialist skills or qualifications on joining ONR).

Women are predominantly employed in ONR's lower paid bands (Bands 5 and 6), where there are a mix of corporate and operational support roles, neither of which require specific specialist skills or qualifications on joining ONR, or as a career role. The gap is minimal or in favour of women in the range 5.29% – minus 0.26%.

Median gender pay gap (hourly rate)	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	SCS 1	Board Member	ONR
Men	£35.76	£32.07	£25.62	£12.21	£9.34	£7.41	£42.14	£42.63	£26.48
Women	£35.76	£30.20	£24.75	£11.84	£9.34	£7.78	£39.21	£48.65	£11.85
Median gap	0.00%	5.84%	3.43%	2.98%	0.00%	-4.94%	6.96%	-14.14%	55.25%

Table 3: ONR 2017 median gender pay gap at each grading level

Note: columns showing results for SCS 2 and Assurance and Risk Assessment Committee Non-Executive have been excluded due to identifiable data. The data is included in the ONR total results.

The overall median gender pay gap is significant at 55.25%, but again the breakdown for each grading level is more positive. The gap at each grading level may be explained by men being in the majority with longer service in the grade and historic progression up the pay range.

Specialism: technical specialists / support (corporate and operational) roles

Across our technical specialists and support roles (corporate and operational), the number of staff is shown below:

Specialism	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Non Exec	SCS 1	SCS 2	Total
Technical specialists - men	24	105	168	16				4	1	318
Technical specialists - women	4	15	32	4				1		56
Technical specialists - % women	14.3%	12.5%	16%	20%				20%		15.0%
Support - men	2	10	7	9	14	18	3	2		65
Support - women	3	10	14	22	31	37	3	1	1	122
Support - % women	60%	50%	66.7%	71.0%	68.9%	67.3%	50%	33%	100%	65.2%

Table 4: ONR number of men and women by specialism and grading level as at 31 March 2017

For technical specialist roles, the number of women is low (20% or less) in all areas, and there is a need to improve the representation of women.

In the support roles, the proportion of women employees is reasonably equal to, or in favour of, women compared with men (rated green), and is not in itself an area for particular concern.

New starters	2014/15		2015/16		2016/17		2017/18 (position as at 31.8.17)	
	Men	Women	Men	Women	Men	Women	Men	Women
Technical specialists	31	9	33	6	42	10	10	11
% Technical specialists		22.5%		15.4%		19.2%		52.4%
Support roles (corporate and operational)	18	15	1	4	8	11	6	12
% Support roles		45.5%		80%		57.9%		66.7%

Table 5: ONR new starters over last 3 years by specialism

Table 5 shows recruitment patterns since April 2014. Although in 2017/18 year so far, there has been shift towards recruiting a higher proportion of women. However, over the previous 3 years, women were a lower proportion of the intake of new starters and this will inevitably continue under-representation of women employed in the organisation in future years.

Mean gender pay gap calculation	Technical specialists	Support roles
Hourly rate of men divided by number of men	£27.55	£15.92
Hourly rate of women divided by number of women	£26.79	£12.73
Mean gap	2.77%	20.05%

Table 6: ONR 2017 mean gender pay gap by specialism

In terms of the mean gender pay gap across the specialism groups, the gap between men and women technical specialists is low – which is very positive. However, there is a significant gap between men and women in support roles and whilst men are proportionately less well-represented than women. This is largely explained by the fact that more women (45%) in support roles work part-time than men (7%).

What else do we need to do?

This report is just the start. It is helpful in presenting an analysis of the organisation in relation to gender pay issues and for highlighting where we may wish to focus attention in order to better understand and address areas of concern. It is a further tool in our wider approach to identifying and tackling areas of diversity and inclusion across the organisation. However, we recognise that there are few quick wins. This gender pay analysis indicates that many of the factors are structural and our strategy (running alongside that of the nuclear industry from which ONR necessarily draws most of its resource) is to see an improvement in the longer term, over the next 5 – 10 years or even longer.

The bottom line has to be getting more women into technical specialist roles and more senior jobs going forward. This will largely be done by continuing to support the recruitment pipeline and develop improved talent pipelines which will help us to make this happen.

What are we doing to close the gender pay gap?

We recognise, as reflected above, that the significantly higher proportion of men within our more highly paid technical specialist cadre results in a material gender pay gap on the basis of the required reporting methodology. We also recognise that the greater ratio of men in our higher grades is also reflected in the gender pay gap analysis. As an organisation, we have already acknowledged that a diverse workforce, that is more representative of the society on behalf of which we hold the industry to account, is key to achieving our strategic aims and being a world class regulator.

We are therefore committed in our strategies and plans to improve our diversity at all levels. Being successful in addressing these diversity issues will impact directly on addressing the issues that the gender pay analysis has highlighted. The work we have been doing recently to support this is outlined below:

Improving representation of women in our workforce

To close the current gender pay gap (and improve our diversity more generally) we will need to continue to improve our ability to attract females into the higher paid nuclear specialist and higher band roles. Our recruitment strategy aims to achieve this through a number of activities:

- *Promoting ONR to others* - In the last year, we have focused our recruitment campaigns and websites on demonstrating diversity of opportunities at all levels and specialisms for diverse candidates e.g. we have developed “YouTube” style video clips on our website which feature women role models including those in senior leadership roles.
- We are also engaging externally with organisations such as Women in Nuclear (our Chief Executive, Adrienne Kelbie is patron) and Powerful Women to increase our profile and explore further approaches to increasing ONR as an employer of choice across genders.
- *Selection arrangements* – In 2016, we introduced “name-anonymous” selection in our recruitment process, in a move to remove unconscious bias at that early stage. All selection panels (for external or internal recruitment) have a female panel member as far as practically possible. All selection panels have a HR professional involved as a panel member or advisor.
- *Senior leadership roles* - We are proud of the fact that our Chief Executive, recruited from outside the organisation in 2016, is a woman. Our Board is now equally split by gender and we have significantly increased the number of women on our top management teams.
- *Nucleargraduates scheme* - Since 2014, ONR has sponsored an annual cohort of around 8 individuals participating in the industry-wide “nucleargraduates” graduate training programme, and further cohort will start in autumn 2017. Nearly 50% of the ONR sponsored participants have been women, and we are very pleased that so far 9 women have subsequently joined ONR as technical specialists on permanent appointments or plan to do so when their current programme ends in October 2017.

Starting young – our support for STEM activity

- We know that ONR staff can play a vital role in inspiring future generations of women engineers and scientists, both through our work within ONR or by supporting other bodies with which we’re proud to be connected. In relation to gender equality, ONR actively supports staff who wish to volunteer as Science, Technology, Engineering and Maths (STEM) Ambassadors getting involved in a range of activities which can have an impact on young people’s learning and enjoyment of STEM subjects by providing a living example of how STEM subjects can lead to interesting, successful and rewarding careers. Our staff have been active in the local community giving careers talks or helping at careers fairs, and providing technical advice or practical support to STEM projects in the classroom. We have also hosted a number of school-aged children undertaking a period of work experience in the organisation.
- We will continue to engage with schools, colleges and universities as part of encouraging take up of STEM subjects by all genders and seek to attract more female applications into the industry and potentially ONR.

Developing our women

- We were pleased to see 4 women promoted to Band 2 nuclear specialist roles in 2017. We found that 12% of applicants were women, 80% of whom were successful, compared to 75% of men who applied. A lessons-learned exercise will be conducted shortly and will include an examination of any emerging equality issues. Of the remaining 27 women Band 3 nuclear specialists, 14 joined the organisation in 2015 or later. These individuals will be developing their regulatory knowledge, skills and experience and will hopefully be ready to be recommended for promotion in the near future.
- We have had some success in increasing the gender balance within higher grades. The issues around this were the focus of external research that we recently commissioned on Women and Leadership to identify experiences and barriers that may exist across ONR to inform our leadership development approach.
- At the heart of increasing the gender balance at higher grades is ensuring that development addresses any inherent barriers and this is one of the key topics being considered by the ONR Diversity and Inclusion Group (under the governance of our Executive Management Team). This work will input into development of our leadership behavioural competence framework and linked leadership and management development programmes.
- We are working to achieve the National Equality Standard by September 2018 and expect to learn a lot from the assessment process about our development policy and process. Working with our Diversity and Inclusion Group (DIG) we plan to address and tackle any barriers identified as part of that assessment.

Flexible working

Often cited as an impediment to better gender balance, our policies on flexible working arrangements are consistent with best practice but we recognise that their understanding and application is not as consistent as we would want.

We actively encourage take up of our policies to support women with caring responsibilities and to achieve a good work/life balance. This includes opportunities to:

- work from home;
- adopt alternative working patterns, including compressed hours, part-time working, and part year working;
- make use of wide range of family friendly policies – for those with caring responsibilities;
- take partial retirement;
- take paid and unpaid time off to undertake training, studies and voluntary work.

We will continue to promote actively and positively at all levels in the organisation, and this will remain a key focus for manager and staff briefings as well as core management development workshops and training.

Performance bonuses

- We undertake challenge and analysis at key stages of our performance management process including moderation panels at both mid and end year. These panels are required to focus on diversity specific issues and we require panel chairs and independent HR observers to confirm no evidence of conscious or unconscious bias.
- For the next report in 2018, we expect to see a significant reduction in the gender gap between bonus values as we have reduced the range of level of awards and also used a salary average for the grade. We will also continue to focus on ensuring challenge to prevent bias throughout the process. We are reviewing our performance system for 2018 onwards and this will include an equality assessment for any changes.

Pay

- In 2017, we introduced competence-based pay progression, providing between 2 and 4 specified pay steps to achieve pay range maxima. We expect this to have a positive impact on addressing the gender pay gap across grading levels given the higher ratio of men already at the top of their respective pay scales (a legacy based on length of service that has now been removed). This however will have minimal positive impact on the overall pay gap given the continued higher proportion of males in the higher pay bands.
- We will be developing a new pay deal from 2018-19 and this will include a formal equality impact assessment to identify any potential gender issues and seek to address them.

Why should we do this?

The business case for diversity and inclusion is already well known and evidenced. From creating a more motivated, engaged and therefore more productive workforce, to the positive impact that a more diverse and balanced team has on improved decision making and strategic focus for an organisation.

We recognise the benefits of a more gender balanced workforce will help us meet our strategic aims, through enhancing our professional knowledge, bringing challenge and new perspectives, and providing a working environment in which everyone achieves their full potential. To do this we are positive that ONR must have a culture which supports women and their progression to greater levels of representation at more senior levels.

ONR is committed to its vision of being an exemplary regulator that inspires respect, trust and confidence. We recognise the important obligation we have, on behalf of the public, in holding the nuclear industry to account. We do this through our people and therefore it is incumbent on us to provide a great workplace and positive culture that enables us to get the best out of all our staff. Identifying and addressing diversity issues, including those highlighted within this report, are therefore integral to our improving our delivery and influence on issues of nuclear safety and security.