



Office for
Nuclear Regulation

Gender Pay Report 2020

July 2020

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Foreword

At ONR, we understand the value of fostering diversity and that by building a culture of opportunity and fairness we will be better placed to attract talented people from a wider range of communities and backgrounds. We recognise the value of a diverse workforce, particularly when it comes to creative problem solving and informed decision making. We know that increased diversity of thought and perspective will enhance the quality of our decision making and capability as a regulator.

To achieve our strategic objectives, ONR needs an engaged, capable and diverse workforce that feels valued and is committed to our 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 their role.

To emphasise our commitment, we have a strategic theme to create a culture of inclusion and excellence and this is underpinned by a commitment to address concerns that this report highlights.

As we take steps to establish our own culture, with a particular focus on improving our diversity and inclusivity, we must ensure that how we recognise and reward the contribution of all our people is an important element of that. We are committed, including at Board and Senior Leadership Team level, to continue to take action and report on our progress.

This report highlights the degree of challenge that we face, but we are unwavering in our determination to maintain our commitment to reducing the gender pay gap.

Dave Caton
HR Director

23 June 2020

Introduction

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

It is based on a "snapshot" of the pay of all ONR employees as at 31 March 2020, as well as annual payments and performance awards, which were paid between 1 April 2019 and 31 March 2020.

The report has been produced in line with the guidance in the Equalities Act 2010 and associated ACAS guidance "Managing gender pay reporting", February 2019.

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 are 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 we are committed to our aim of making ONR a great place to work as 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 to show the difference between the average earnings of men and women in the 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 as ongoing plans to address issues relating to the gender pay gap.

We have included the summary in our Annual Reports and Accounts and the prescribed gender pay gap indicators have also been uploaded to the government website:

<https://gender-pay-gap.service.gov.uk/>

What do we have to report?

The legislation requires ONR to report against the following 6 prescribed organisation-wide gender pay gap indicators for 2020:

Prescribed Indicator	Definition	2020 Analysis
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	27.06% Difference in hourly rate of men (£38.01) and women (£27.52)
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	37.09% Difference in hourly rate of men (£40.90) and women (£25.40)
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	-7.9% Difference in bonus payment of men (£1,390.33) and women (£1,500.19)
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	15.40% Difference in bonus payment of men (£1,300.00) and women (£1,100.00)
Bonus proportions	The proportions of men who were paid a bonus and women paid a bonus	32.6% of men received a bonus payment compared to 36.4% of women

Prescribed Indicator	Definition	2020 Analysis	
Quartile pay bands	The proportions of men and women in the lower; lower middle; upper middle; and upper quartile pay bands	Men	Women
		Q1 (Lower)	40.00% 60.00%
		Q2	56.40% 43.60%
		Q3	81.20% 18.80%
		Q4 (Upper)	84.80% 15.20%

Overall results

Following a positive improvement in our gender pay gap in 2019, reducing by 8.2%, this year our mean gap increased slightly from 27% to 27.6%. This continued gap is not unexpected given ONR's workforce profile and it is a reflection of the demographics of the nuclear industry from which we draw; where there is a male dominated workforce with a pay premium required to attract and retain nuclear skilled employees in a competitive global market.

But we do not want to accept this position. We are determined to up our efforts to deliver on actions to improve the gender balance and wider diversity of our workforce, particularly within nuclear and senior roles as this is the key to delivering change.

Within ONR, the profile of our workforce is such that there remain a greater number of men employed at higher graded levels in nuclear specialist roles. The higher ratio of males promoted in 2019/20 within our higher paid nuclear specialist roles this year has resulted in a slowing in the previous downward trend in our gender pay gap. However, we expect to see the positive trend return in subsequent years as the increasing number of newly recruited female staff progress their career within ONR and our gender balance improves.

At present, a greater proportion of women are employed in lower graded and non-nuclear roles. This gender imbalance reflects that for many years ONR has recruited its nuclear specialists from an education system and nuclear industry where men have traditionally predominated in the Science, Technology, Engineering and Mathematics (STEM) subjects. We are starting to see this change and ONR is committed to continue to play an active and prominent role in ensuring a greater number of females consider study and careers in STEM subjects.

Further breakdown of the results

Grading level

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

Table 1: ONR number of men and women employed at each grading level as at 31 March 2020

2020 ONR Employees by gender and grade	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	SCS 1	SCS 2	Non-Exec	Total
Female	10	36	64	32	42	36	3	1	4	228
Male	27	158	171	27	15	26	5	1	2	432
Total	37	194	235	59	57	62	8	2	6	660
% Female	27.0%	18.6%	27.2%	54.2%	73.7%	58.1%	37.5%	50.0%	66.7%	34.5%

ONR employs a higher percentage of men (65%) than women (35%). The proportion of men employed in higher grades is significantly greater at 76% within the senior Bands 1-3. While women strongly predominate in the lower non-technical grades (Bands 4 – 6). However, we are pleased to highlight that at the most senior levels (SCS 2 and Non-Executives) there is a representative balance.

Table 2: ONR 2020 mean gender pay gap at each grading level

ONR 2020 Mean gender pay gap calculation	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	SCS 1	ONR
A - Hourly pay rates of Males divided by number of Males	£53.63	£48.45	£37.95	£20.80	£17.92	£12.69	£81.64	£38.01
B - Hourly pay rates of Females divided by number of Females	£41.16	£43.95	£33.94	£21.38	£18.23	£13.46	£100.14	£27.52
Formula (A-B)/A x 100	23.3%	9.3%	10.6%	-2.8%	-1.8%	-6.1%	-22.7%	27.6%

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.

Following a positive improvement in 2019, ONR's mean gender pay gap has increased marginally by 0.6% to 27.6%. While the pay gap overall remains significant, we are confident that our gender pay gap does not reflect an equal pay issue nor that it is related to paying men and women differently. It continues as a result of historic structural factors that can only be fully addressed in the longer term.

We remain committed to improving our diversity and gender balance at all levels and, as an inclusive employer, to address the issues highlighted through our gender pay analysis.

A further breakdown of the ONR data for 2019-20 shows that across specific peer groups (grading level and specialism); the gender pay gap is far less pronounced. This will reduce as our pay progression enables a higher proportion of our female staff to reach the top of their pay range.

We have identified a negative shift for those at Bands 1 – 3 across all roles with an increase in favour of males in the pay gap of 14.1%. This reflects the relative increase in value from pay progression that has seen a cluster of longer serving nuclear specialist males who predominate at these higher paid grades reaching the maximum of their pay bands.

Although similar levels of females have progressed, they are principally employed in ONR's lower paid bands (Bands 5 and 6), and therefore the relative gap has continued. We will be reviewing our progression pay systems but recognise that until the workforce profile changes then there will continue to be a gender pay gap.

For staff at Director level (equivalent to (Senior Civil Service (SCS) levels 1 and 2) there is a 15.7% gap in favour of females compared with male equivalents. This reflects the continuing progression of females within the senior cadres including at Executive Director level.

Table 3: ONR 2020 median gender pay gap at each grading level

ONR 2020 Median hourly rate	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	SCS 1	Board member	ONR
A Median hourly rate of Males	£51.72	£47.77	£39.45	£17.78	£15.49	£11.23	£87.99	£74.26	£40.90
B Median hourly rate of Females	£36.98	£45.68	£34.51	£18.66	£15.49	£11.54	£118.57	£39.92	£25.40
Formula (A - B) / (A) x 100	28.5%	4.4%	12.5%	-4.9%	0.0%	-2.8%	-34.8%	46.2%	37.9%

Note: columns showing results for SCS 2 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 37.9%, and again reflects the greater prominence of men towards the top of the pay scales in nuclear specialist roles, which attract a market premium rate.

The workforce profile across all our roles and bands is shown below:

Table 4: ONR number of men and women by specialism and grading level as at 31 March 2020

Grade	Non-nuclear specialists Males	Non-nuclear specialists Females	Nuclear Specialists Males	Nuclear Specialists Females	Total
Band 1	2	7	25	3	37
Band 2	15	13	143	23	194
Band 3	15	23	157	40	235
Band 4	14	23	13	9	59
Band 5	15	42	0	0	57
Band 6	26	36	0	0	62
SCS1	1	2	4	1	8
SCS2	0	1	1	0	2
Total	88	147	343	76	654
Percentage	40.18%	67.12%	83.25%	18.45%	

For nuclear specialist roles, the ratio of women remains low (20% or less) in all areas. We are looking to improve this through more diverse recruitment channels and how we market ONR as an organisation seeking a more diverse workforce which enables everyone to progress. Addressing this gender imbalance is the key to making a substantial change to the gender pay gap.

In the non-nuclear specialist roles, the proportion of female employees is generally equal to or higher than the ratio of males.

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

New starters	2016/17		2017/18		2018/19		2019/20	
	Men	Women	Men	Women	Men	Women	Men	Women
Nuclear specialists	42	10	23	9	30	6	15	10
% Nuclear specialists		19.2%		28.1%		16.6%		40%
% Non-nuclear specialists	8	11	15	34	10	17	6	15
% Operational		57.9%		69.3%		29.8%		71.4%

We recognise the need to recruit a higher proportion of women into our workforce and particularly into our nuclear specialist roles and have sought to open new recruitment pipelines including degree level apprenticeships. We are determined to help drive awareness and encourage more females to enter our organisation as well as help develop strong action plans through sharing best practice; to support female talent and to promote the careers that are on offer in ONR to women.

Table 6: ONR 2020 mean gender pay gap by specialism

	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	SCS 1	SCS2	ONR
Nuclear Specialists									
A - Hourly pay rates of Men divided by number of Men	£54.71	£50.13	£39.00	£21.84	£-	£-	£89.84	£153.32	£45.15
B - Hourly pay rates of Women divided by number of Women	£51.72	£49.68	£38.05	£22.94	£ -	£ -	£118.57	£ -	£41.38
Formula (A-B)/A x 100	5.5%	0.9%	2.9%	-5.0%	N/A	N/A	-32.0%	N/A	8.3%
Non-nuclear									
A – Hourly pay rates of Men divided by number of Men	£40.15	£32.40	£24.87	£19.83	£17.92	£12.69	£48.85	N/A	£21.19
B - Hourly pay rates of Women divided by number of Women	£36.63	£33.80	£26.79	£20.76	£18.23	£13.46	£90.92	£177.36	£23.12
Formula (A-B)/A x 100	8.8%	-4.3%	-7.7%	-4.7%	-1.8%	-6.1%	-86.1%	N/A	-9.1%

Note: columns showing results for SCS 2 have been excluded due to identifiable data. The data is included in the ONR total results.

In considering whether there are any equal pay issues within ONR, we have compiled the data by band to compare nuclear specialists by gender and other roles by gender. We believe that any differences are not as a result of any equality pay issues but as a result of longer serving nuclear specialist males reaching the maximum of their pay band. Our progression pay process will enable the increasingly higher proportion of females joining the organisation to progress. However, we will be reviewing this and our existing pay and grading structure to ensure it provides pay equality and brings greater simplicity and transparency.

	Males	Females	Total	Average hourly rate	Males	Females
Non-nuclear specialists	51	87	138	£26.70	£25.73	£27.30
Operational support	37	60	97	£16.24	£14.91	£17.06
Nuclear specialists	343	76	419	£44.46	£45.15	£41.38
Totals	433	227	660	£87.40	£85.79	£85.74

What we are doing to close our gender pay gap

The gender pay analysis presented in this report is a tool in our wider approach to identifying and tackling areas of diversity and inclusion across the organisation. It is helpful in presenting an analysis of the organisation in relation to gender pay issues and for highlighting where we may need to focus our attention to better understand and address areas of concern. Many of the factors are structural and our strategy (running alongside that of the nuclear industry from which ONR draws most of its resource) is to seek a longer term improvement, over the next 5 – 10 years.

We recognise a more diverse workforce will naturally lead to a more inclusive culture, and when an organisation feels fair and inclusive, all are happier and more likely to thrive, and evidence shows this enables women to progress in greater numbers.

Our aim going forward is to draw more women into nuclear specialist and more senior roles. This will largely be done by continuing to support the recruitment pipelines which reach a more diverse field of candidates and continuing with our gender neutral attraction and selection processes, aimed at both attracting and retaining the best person for the job.

Our support for STEM (Science, Technology, Engineering and Mathematics) activity

We recognise there is a shortage of skilled and trained people and in particular women in STEM related subjects. Therefore, it is in our interest to ensure we are attracting as many people as possible from a diverse background given the competitive market and that ONR is representative of our wider community.

We continue to support STEM initiatives working closely with educational and vocational third parties to bridge the talent supply and diversity issues faced in the nuclear sector in the UK. We look to grow and continue to support our STEM Ambassadors programme through our work with our external community stakeholders to promote STEM career opportunities for women.

- We are continuing to support the Nuclear Energy Agency on “Mentoring a Future Generation of Female Leaders in Science and Engineering.” We can impact directly young people and girls in particular by inspiring and supporting the next generation of nuclear specialists and positively improve the gender balance. Through our STEM strategy we continue to play a vital role in inspiring future generations of women engineers and scientists, both through our work in ONR or by supporting other bodies which we’re proud to be connected with.
- We have hosted a number of school-aged children undertaking a period of work experience in the organisation, recognising the impact on young people’s learning and enjoyment of STEM subjects. We will continue to engage with local schools, colleges and universities to encourage the 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 have developed a new leadership programme with a strategic partner with a greater focus on emotional intelligence, which is seen as an integral component of any comprehensive approach to developing a leadership programme. This will have a larger emphasis on leader's identity and authentic leadership voice, which will support our female leaders by increasing their understanding and access to a range of key leadership tools and techniques.
- Developing our talent management and succession planning initiatives to ensure we are an attractive employer, where women feel valued and able to contribute develop and build successful careers at the highest levels.
- Offering coaching and support to women returning to the workplace after an extended period of leave.
- Achieving the National Equality Standard and Disability Confident Leader awards has helped us recognise the strategic value of being a diverse and inclusive organisation; as we look to transform the way we attract, recruit and develop talented people from different backgrounds, and identify more ways we can create a "great place to work for everyone."
- We recognise and celebrate key days such as International Women's Day - using these opportunities to promote inspirational female role models in our organisation.

Flexible working

We have reviewed our flexible working arrangements to identify how we can support our staff in achieving a better work life balance and enable them to participate fully, and have access to opportunities at work. Often cited as an impediment to better gender balance, our policies on flexible working arrangements are consistent with best practice and recognise the benefits for our organisation and our staff.

- We actively encourage take up of our policies to support everyone with caring responsibilities and to achieve a good work-life balance.
- We provide policies and practices to support working parents and those returning from leave; including maternity, paternity, adoption and shared parental leave.
- We will continue to promote flexible working actively and positively at all levels in the organisation. This will remain a key focus for manager and staff briefings as well as core management development workshops and training.
- We advertise flexible working on our website and in our job vacancies in recognition that many highly skilled individuals are looking for flexibility in working hours.

Pay

We have undertaken a review by independent auditors (PwC) of our pay and grading structure to ensure that our approach is fit for purpose and to identify areas for improvement. The review was informed by benchmarking against external organisations and the consideration of best practice and will help us consider how we might rationalise our pay bands for greater clarity and ensure transparency around pay.

The review concluded that overall our pay policies are generally operating well. However, it suggested some areas for consideration to simplify and improve the benefits to be realised. This will inform our proposed review to reduce the complexity of our pay bands and enable greater rationalisation, simplicity and transparency. We will take full account of gender pay issues and any opportunities to make a more transparent and fairer approach to our reward systems.

Performance Pay Awards

We do analysis at key stages of our performance management process including moderation panels at both mid and end of year. These panels focus on diversity specific issues and panel chairs and independent HR observers need to confirm no evidence of conscious or unconscious bias. We have strengthened our guidance to ensure there is clarity for panel chairs and to provide support and guidance to line managers making assessments; facilitate sharing best practice and experiences; and support and test fairness and transparency in the performance review process.

We have seen a gender balance in performance award values with an increase in performance payments in favour of women. This has followed the use of an average salary for the grade to set award levels to remove some of the inherent disparity between genders and significant focus on addressing any unconscious bias in the application of our performance management arrangements.

What else we will do

We recognise that the significantly higher proportion of men in our more highly paid nuclear specialist roles will continue to result in a gender pay gap. We have already acknowledged that a diverse workforce, that is more representative of 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 committed in our strategies and plans to improve our diversity at all levels. Being successful in addressing these diversity issues will impact directly on tackling the gender pay concerns highlighted. Some of the work we have been doing recently to support this is outlined below:

To close the gender pay gap (and improve our diversity more generally) we must continue to improve our ability to attract females into higher paid nuclear specialist and higher band roles. Our recruitment strategy aims to achieve this by the following activities:

- **We are engaging externally with wider sector organisations** including the Nuclear Skills Strategy Group (NSSG) and National Skills Academy for Nuclear (NSAN) to continue to play a lead role in bringing positive change across the sector. We are committed to supporting the Nuclear Sector Deal, which commits to meeting the government's target for 40% of nuclear industry employees to be female by 2030.
- **Promoting ONR to others** - over the last year we have focused our recruitment campaigns and website on demonstrating diversity of opportunities at all levels and specialisms for diverse candidates. For example we have developed "YouTube" style video clips on our website which feature female role models including those in senior leadership roles.
- **Selection arrangements** – we have "name/gender-anonymous" selection and use gender neutral wording throughout our recruitment process, to remove unconscious bias. All selection panels (for external or internal recruitment) have at least one female panel member as far as practically possible. All selection panels have a HR professional involved as a panel member or advisor. We review our recruitment and selection processes annually to ensure any equality issues are identified.
- **Recognising unconscious bias** can play a large role in determining who is recruited or promoted. We provide all of our recruitment panels with unconscious bias training to ensure that they do not make unfair and gendered assumptions about candidates.
- **Senior leadership roles** - we are proud of the fact our Board is now equally split by gender and we have 21% of women in senior leadership roles at SCS to Band 2.
- **Nucleargraduates scheme** - since 2014, ONR has sponsored an annual cohort participating in the industry-wide "nucleargraduates" graduate training programme. To date, over 30% of the ONR sponsored participants have been women. We are also pleased that 12 women have subsequently joined or committed to join ONR as nuclear specialists on permanent appointments through this route.

- **Degree level apprenticeships** – in September 2019, we launched our first degree level apprenticeships in Nuclear Engineering and Science. This is a change to our traditional practice of recruiting nuclear specialists with a minimum of a first degree. We are looking to develop a new talent pipeline that allows people to combine both the academic study from a traditional university degree and the practical experience and wider employment skills from working in a nuclear environment. We are encouraged to see that two of our three degree level apprentices are female and this an important change in work place culture for ONR - one we hope will encourage girls and women in the future to consider studying STEM related subjects and a career in nuclear.

Why we are doing this

The business case for diversity and inclusion is already well known and evidenced. From creating a motivated, engaged and more productive workforce, to the positive impact that an increasingly 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 to help us meet our strategic aims, by enhancing our professional knowledge, bringing challenge and new perspectives, and providing a working environment in which everyone can achieve 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 a modern transparent regulator delivering trusted outcomes and value. We recognise the important obligation we have to protect society by securing safe nuclear operations. We do this through our people and 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 in this report are integral to improving our delivery and influence on issues of nuclear safety and security.

