

Gender Pay Gap Report

March 2018

Foreword

A message from the Executive Our commitment

At the CAA, we are focused on keeping people safe and secure when it comes to the business of aviation, whether or not they choose to fly. Our colleagues ensure consumers, industry stakeholders and the general public benefit from our expertise and commitment to service excellence, as the public regulator for civil aviation in the United Kingdom. Our people set us apart and the CAA's success depends on their contribution and support.

We are resolute in our commitment to attracting the very best people who want a rewarding career in aviation and are always looking at ways to do this even better. This is why we welcome the new gender pay reporting legislation and its requirement for us to publish our position. We appreciate that the gender pay gap identifies the difference in the average hourly pay of men and women and is different to equal pay comparisons, which involve comparing the pay people receive for carrying out the same, similar or equivalent work.

We are committed to ensuring a workplace where everyone is rewarded fairly for their efforts. To stay at the forefront of civil aviation, we need to ensure we are always evolving and enhancing the diverse range of competencies required within our organisation which in turn contributes to eliminating our gender pay gap. We are ambitious in our aspirations, which we believe are achievable over time. To continue making the right progress, recognising there is still much more we need and want to do, our colleagues are encouraged to share ideas and get involved in developing initiatives that aim to help accelerate the progress we make in this area. Whilst some initiatives are already underway, others need to be designed or are in the planning stage, including:

- Reviewing the capabilities required to fulfil a range of roles, so that the organisation is able to fully meet its evolving regulatory and business requirements, attracting a wider, more diverse mix of appropriately qualified, skilled and passionate colleagues;
- Understanding how we are perceived as a potential employer and review our recruitment strategy in order to attract a diverse range of talent across the CAA;
- The development and delivery of awareness and other appropriate training for managers and colleagues;
- Finding new ways to engage our colleagues in sharing their thoughts and suggestions for addressing the factors contributing to the gender pay gap;
- Delivering a people agenda that supports an inclusive working environment in which colleagues flourish.



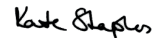
Andrew Haines
Chief Executive



Richard Moriarty
Director Consumers and Markets



Manisha Aatkar
Director HR



Kate Staples
General Counsel



Ben Alcott
Director International Directorate




Richard Stephenson
Director Communications



Peter Drissell
Director Aviation Security



Mark Swan
Director Safety and Airspace Regulation



Tim Johnson
Director Strategy & Policy



Chris Tingle
Chief Operating Officer

Understanding our gender pay gap

What is the gender pay gap?

The gender pay gap is a measure of the difference in the average hourly pay of men and women. It does not take into account:

- The nature of their work - across an entire organisation, business sector, industry or the economy as a whole;
- The competencies required to carry out one role compared with another;
- The size and accountabilities of a role;
- How well a role is performed.

What the gender pay gap is not

Gender pay is not a measure of whether a man and a woman receives “like pay for like work”; that is a measure of equal pay. An equal pay comparison involves a direct comparison of two people or groups of people of different genders carrying out the same, similar or equivalent work. The requirement to ensure equal pay is not a new one and we have a number of existing measures in place to ensure that we provide equal pay for work of the same or equal value.

Our gender pay gap

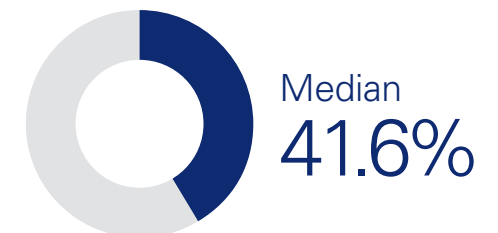
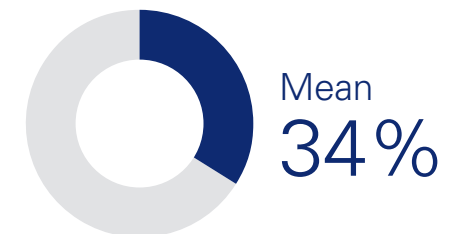
The mean average is calculated by adding up all men’s salaries and dividing the total by the number of men, then adding up all women’s salaries and dividing by the total number of women, to arrive at a mean average salary and hourly rate of pay both for men and for women. The mean gender pay gap is the percentage difference between the men’s and women’s average hourly rate of pay.

The median is calculated by listing all men’s salaries in ascending order and then taking the salary in the middle of the list and then doing the same for women’s salaries to arrive at a median salary and hourly rate of pay both for men and for women. The median gender pay gap is the percentage difference between the men’s and women’s median hourly rate of pay.

The CAA’s hourly gender pay gap is 34% based on the mean and 41.6% based on the median.

One of the contributing factors is our structure and the types of roles we have within the organisation. Everyone in the CAA contributes to regulation and protecting the public, however we have many more men than women in senior roles and by contrast many more women than men in junior roles.

Gender gap for hourly rate of pay



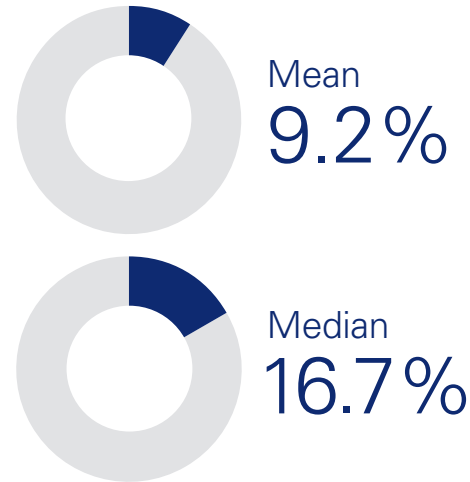
Gender pay by quartile

This is further illustrated when we look at gender pay by quartile. These quartiles are not set against CAA's pay zones, but are derived from the hourly rates for all men and women, from lowest to highest and then split into four equal parts, or quartiles. For each quartile we have then identified the percentage split of men and women. 74.7% of those in the lower pay quartile in the CAA are women. 80.8% of those in the higher pay quartile in the CAA are men.

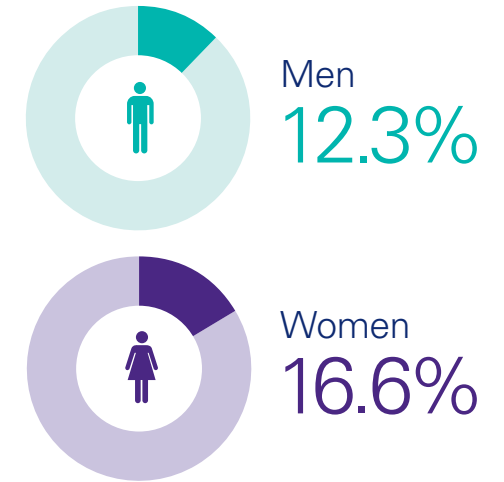
Gender bonus gap

CAA bonus payments tend to be calculated relative to salary and based on individual performance; this is irrespective of gender. The bonus gaps show that there is a difference between men and women of 9.2% at the mean and 16.7% at the median. Whilst more women than men receive a bonus, women's bonuses are smaller in cash terms.

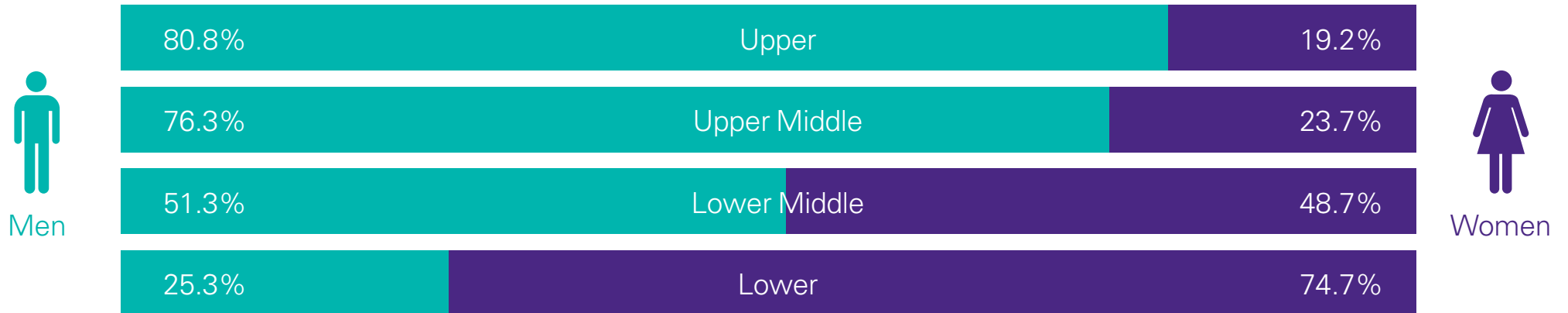
Gender bonus gap



Colleagues who received a bonus



Proportion of men and women in hourly rate of pay in quartile banding (%):



The data includes all those employed by the CAA and therefore paid via our payroll. There are no contractors paid via the payroll and therefore no contractor information has been included in the calculations.

Why does a gap exist at the CAA?

As an organisation committed to attracting, recognising and rewarding its people as a fair and equal opportunities employer there is much more we want to do. We know how important it is to understand and address our current gender pay gap situation and to continue tackling the contributory factors.

Early analysis indicates that the work we have done and continue to do to broaden the competencies at the CAA will, in turn, result in a much more diverse blend of roles and role-holders and contribute to addressing our gender pay gap over time.

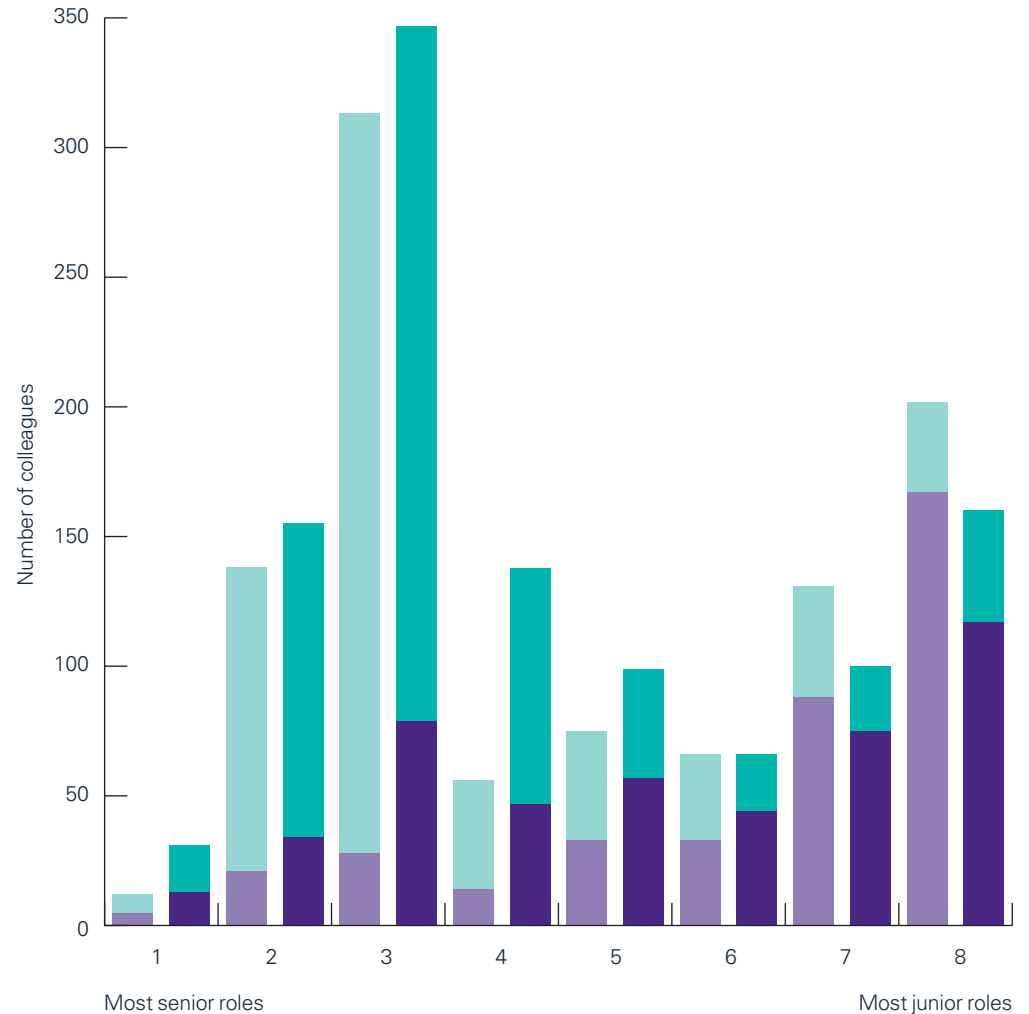
However, the current, main contributing factor is that we have more men than women in senior roles and this position is not what we want for our organisation.

What next?

To date, our efforts are evident in the progress we are making but it remains unsatisfactory and there is more to be done. The level in our grading structure at which there are proportionately more women than men is higher than it was in 2010, reflecting the changes we have already made and continue to make within the organisation, to ensure we remain relevant as a leading aviation regulator.

We are committed to seeing this continue as we further our investment in making sure the CAA attracts, values, develops and retains colleagues with a passion for the work that we do. There is much more that we want to do.

Pay levels



2010
 ● Women
 ● Men

2017
 ● Women
 ● Men

Glossary of terms

Mean: A method of arriving at an average. For gender pay gap reporting the mean average is calculated by adding up all men's salaries and dividing the total by the number of men, then adding up all women's salaries and dividing by the total number of women to arrive at a mean average salary and hourly rate of pay both for men and for women. The mean gender pay gap is the percentage difference between the men's and women's average hourly rate of pay. The same method is used for calculating the mean gender bonus gap.

Median: The middle point in a range. For gender pay gap reporting the median is calculated by listing all men's salaries in ascending order and then taking the salary in the middle of the list and then doing the same for women's salaries to arrive at a median salary and hourly rate of pay both for men and for women. The median gender pay gap is the percentage difference between the men's and women's median hourly rate of pay. The same method is used for calculating the median gender bonus gap.

Quartiles: These were calculated by placing all employees' salaries in ascending order and then dividing them into four equal groups. The upper quartile represents the 25% highest paid colleagues in the organisation; the upper middle quartile represents the 25% second highest paid group of colleagues; the lower middle quartile represents the 25% third highest paid group of colleagues; and the lower quartile represents the 25% of colleagues who are paid the lowest salaries in the organisation. Within each quartile the proportion of men and women occupants is expressed as percentage.

Bonus: Lump sum cash awards paid as non-consolidated payments. Typically, in the CAA, these are awarded to recognise outstanding performance.

