

Gender Pay Gap Report

Second Report - March 2019

Foreword

This is our second gender pay report following our first report in March 2018. This report contains our gender pay position as at 31 March 2018 and covers the period 1 April 2017 to 31 March 2018. Our first report contained our gender pay position as at 31 March 2017 and covered the period 1 April 2016 to 31 March 2017.

In line with the approach established in our first report, addressing our gender pay position in a sustainable way requires a long-term approach. We set out our commitment and determination to continue to attract the very best people who want a rewarding career in aviation, in a workplace where everyone is rewarded fairly for their efforts. This commitment has not waived.

Our first report contained initiatives around 5 key areas:

- 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 reviewing 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.

We have included and built on these initiatives to create our wider Diversity and Inclusion strategy, which was designed with the input and involvement of our colleagues. This work continues, so that our organisation better reflects the public and consumers whose interests we serve, and so colleagues can bring their whole selves to work and give their best.



Richard Moriarty
Chief Executive



Manisha Aatkar
Director HR



Ben Alcott
Director International
Directorate



Peter Drissell
Director Aviation Security



Tim Johnson
Director Strategy & Policy



Paul Smith
Director Consumers
and Markets



Kate Staples
General Counsel



Richard Stephenson
Director Communications



Mark Swan
Director Safety and
Airspace Regulation



Chris Tingle
Chief Operating Officer

Understanding our gender pay gap

Everyone in the CAA contributes to regulation and protecting the public, however the main contributing factor to the data in this report are the type of roles we have within the CAA. These have typically attracted more men than women in to higher paid roles and conversely more women than men in lower paid roles.

Our gender pay position has changed between our first and second reports but not materially so. We were not surprised by this – as well as requiring a long-term approach, our 31 March 2018 position was largely established by the time we published our first report and commitments. We remain committed to our initiatives and wider Diversity and Inclusion strategy and believe this remains the right course over the longer term.

In this second report, our hourly gender pay gap is 32.9% based on the mean and 40.9% based on the median. This represents a change from our first gender pay gap report, which was 34% based on the mean and 41.6% based on the median.

What is the gender pay gap?

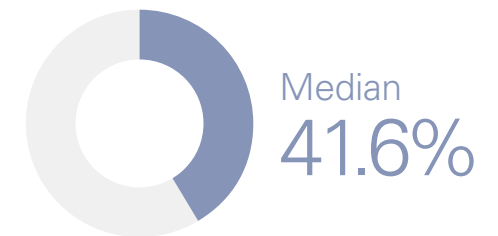
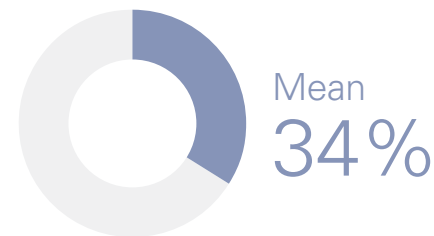
The gender pay gap is a measure of the difference in the average hourly pay of all men and all women across a whole organisation. It does not take into account:

- The nature of the work;
- The competencies required to carry out one role compared with another;
- The size and accountabilities of a role;
- How well a role is performed.

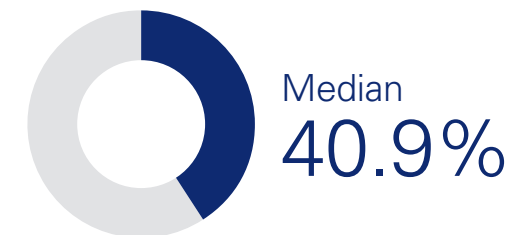
What the gender pay gap is not

Gender pay is not a measure of whether a man and a woman receive “like pay for like work”; that is a measure of equal pay. 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. For more information on how we calculate the gender pay gap, please see our Glossary of Terms on page 6.

Gender gap for hourly rate of pay (for the period 1 April 2016 to 31 March 2017)



Gender gap for hourly rate of pay (for the period 1 April 2017 to 31 March 2018)



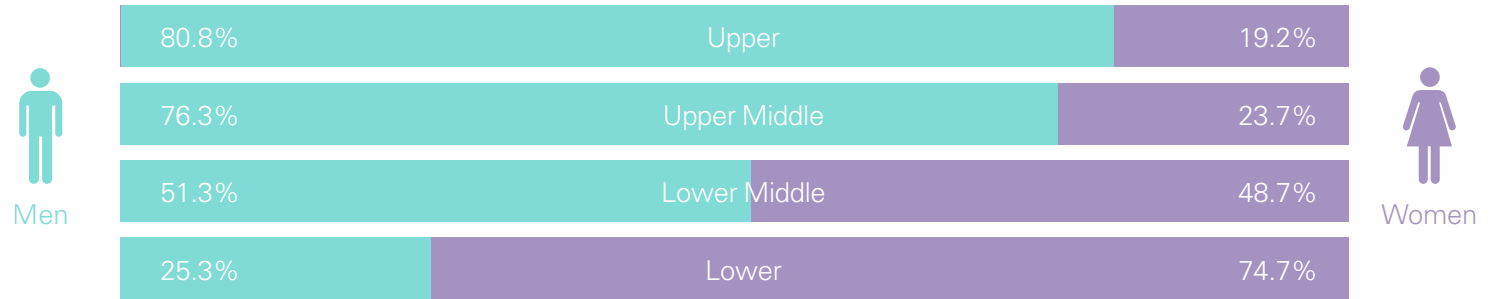
Gender pay by quartile

These quartiles are derived from taking the hourly rates of pay for all men and women, putting them in order from lowest to highest and then splitting the complete list into four equal parts, or quartiles.

We have a slight increase in the number of women in the upper pay quartile from 19.2% to 20.1% and the proportion of men in the lower quartile had increased from 25.3% to 29.3%

Gender pay by quartile

(for the period 1 April 2016 to 31 March 2017)



Gender pay by quartile

(for the period 1 April 2017 to 31 March 2018)



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.

Gender bonus gap

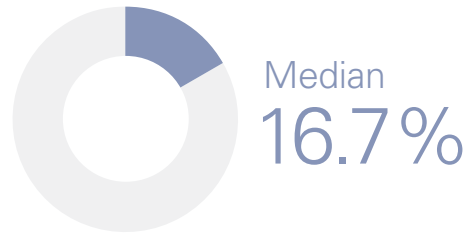
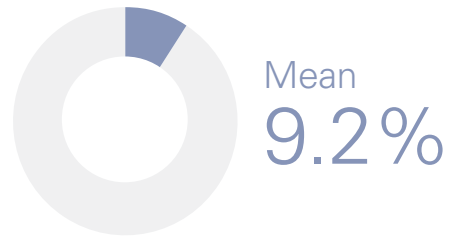
CAA bonus payments tend to be calculated relative to salary and based on individual performance; this is irrespective of gender. Our gender bonus gap as at March 2018 was 38.4% mean and 33.9% median. The increase in our gender bonus gap is a result of the combined effect of:

- Us spending more money on bonuses in the year to March 2018 than we did the year before, and,
- How we spent that money i.e. as a reasonably significant percentage of pay.

A greater proportion of women than men received a bonus, which is consistent with our first gender pay bonus reporting.

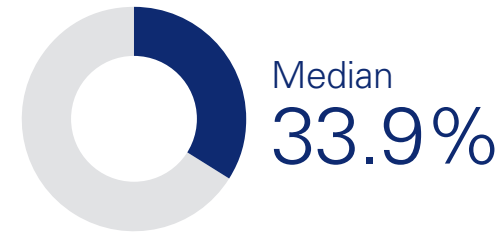
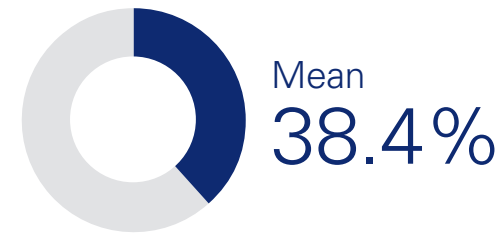
Gender bonus gap

(for the period 1 April 2016 to 31 March 2017)



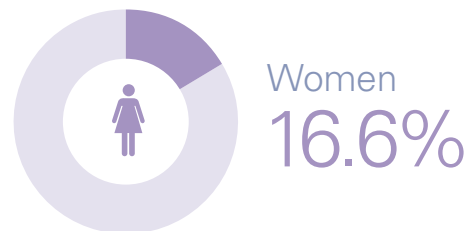
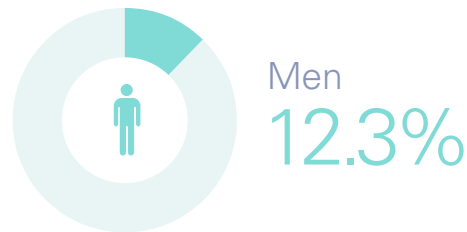
Gender bonus gap

(for the period 1 April 2017 to 31 March 2018)



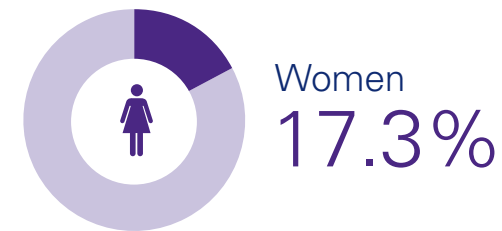
Colleagues who received a bonus

(for the period 1 April 2016 to 31 March 2017)



Colleagues who received a bonus

(for the period 1 April 2017 to 31 March 2018)



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.

Glossary

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 although the amount we spend varies from one year to another.

| | | First Report | Second Report |
|----------------------|---|-------------------------------|-------------------------------|
| Publication deadline | | 30 March 2018 | 30 March 2019 |
| Gender pay | Gender pay snapshot date: | 31 March 2017 | 31 March 2018 |
| | Gender pay by quartile snapshot date: | 31 March 2017 | 31 March 2018 |
| Gender bonus gap | Bonuses paid in period: | 1 April 2016 to 31 March 2017 | 1 April 2017 to 31 March 2018 |
| | Proportion of colleagues receiving a bonus in period: | 1 April 2016 to 31 March 2017 | 1 April 2017 to 31 March 2018 |

