



CAA 2024 Pay Gap Report

CAP 3092

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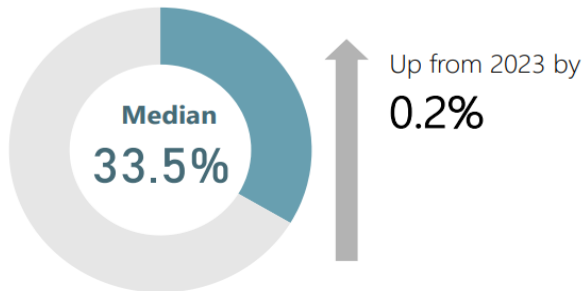
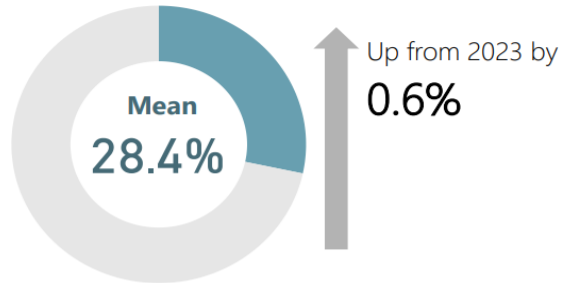
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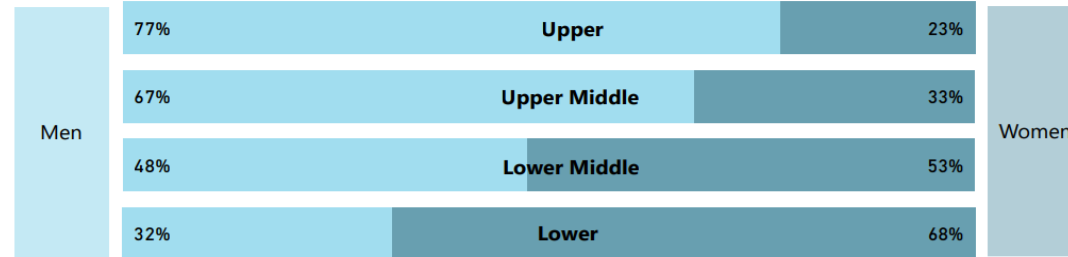
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Gender Pay Gap at a Glance as at 31 March 2024

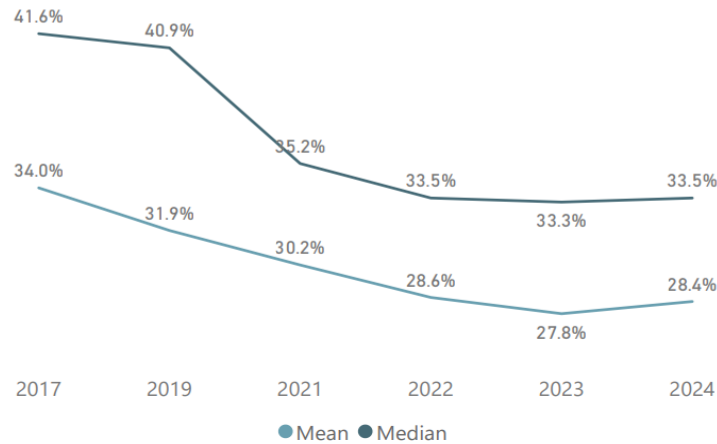
Gender Pay Gap



Gender Split by Quartile



Gender Pay Gap Trends



Percentage of Relevant Employees Receiving Bonus Pay

1.2% Men
0.1% Women

Bonus Pay Gap

47.2% Mean
25.0% Median

Number of colleagues as of 31st March 2024: 1609
Number of Relevant Employees from dataset: 1595

Bonus analysis illustrated was based on a very small cohort of 12 colleagues

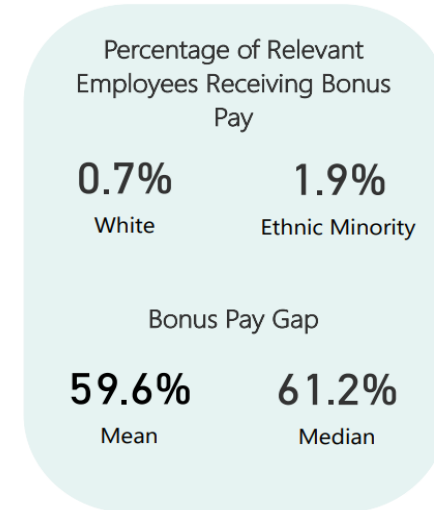
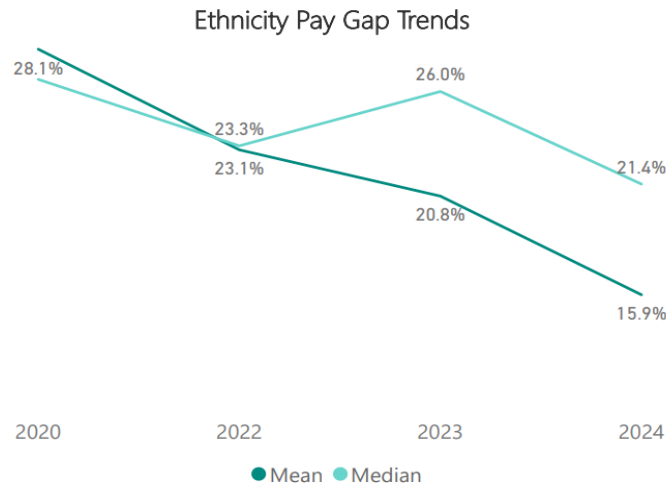
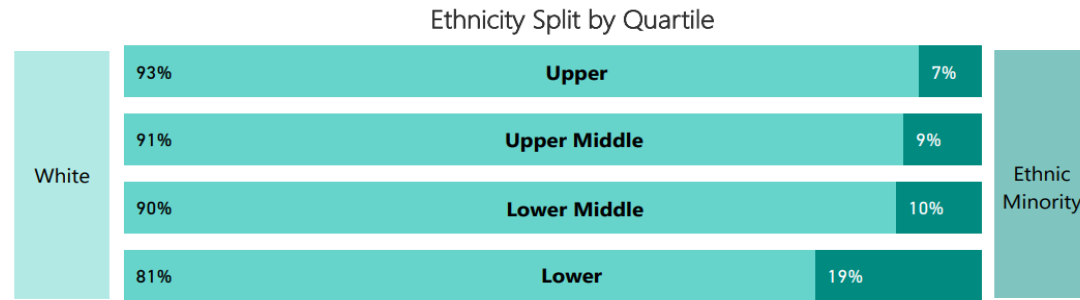
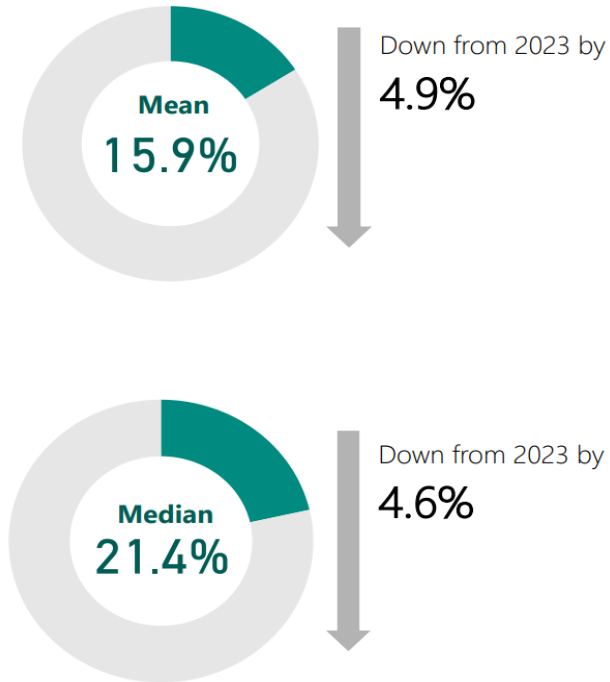
Definitions:

Mean (average) Gender Pay Gap – is the difference in average hourly pay between men and women.
Median Gender Pay Gap – is the difference between the median hourly earnings between men and women.

Material on pages 3 and 4 are discussed in depth later in this report.

Ethnicity Pay Gap at a Glance as at 31 March 2024

Ethnicity Pay Gap



Definitions:

Mean (average) Ethnicity Pay Gap – is the difference in average hourly pay between white and minority ethnic colleagues.

Median Ethnicity Pay Gap – is the difference between the median hourly earnings between white and minority ethnic colleagues.

Introducing our 2024 Pay Gap Report for the period 1 April 2023 to 31 March 2024

Introduction from the Lucy Robbins, Director of People and Culture

Pay gap reporting highlights the value and importance of the CAA's continued objective to promote diversity and inclusion in everything that we do. It is only by reviewing our position annually that we can monitor the progress we are making in reducing pay gaps that exist and to identify areas that require improvement.

Our challenge remains constant – we must work hard to ensure more female and ethnic representation in our senior roles. Our Diversity Action Plan for 2025 – 2028 will help the CAA deliver on that commitment, both through the appointment of new diverse colleagues, and through the promotion and career development of colleagues already within the CAA. We will use a variety of tools to help us achieve our aims including further representation targets and improvements to our talent and succession planning framework and activities. And the CAA must apply its pay award more effectively in future years to further reduce the gaps.

2024 - 2025 represented an interim period for the organisation, as our previous Diversity and Inclusion Strategy launched in 2021 came to an end in 2024. A review of the progress, challenges and achievements during that period has been undertaken and will feed into planning for the next iteration of our Diversity and Inclusion Strategy for 2025 – 2028.

- We met our lower target of 7.5% for greater representation of colleagues from minority ethnic backgrounds at all senior levels with a representation level of 8.1%.
- Female representation has improved during 2021 - 2024 from 27.4% to 27.9% in our senior grades.
- For the period September 2023 to August 2024, which covers part of the reporting year for this pay gap report, a review of career progression within the CAA, illustrated that 45% of all successful internal candidates were female and 55% were male.

A Foreword from Jonathan Spence, our Executive Diversity & Inclusion Sponsor

The CAA pay gap analysis that was undertaken for 2024, shows that for the first time since mandatory gender pay gap reporting was introduced in 2017 for organisations with 250+ employees or more, an upward movement in both measures of our gender pay gap for this year. Specifically, our 'mean' gender pay gap has increased by 0.6 of a percentage point and 0.2 of a percentage point for our 'median' gender pay gap, since the last pay gap analysis was conducted in 2023. We understand the reasons for this which are covered later in this report and remain committed to reducing these pay gaps further and are focussed on making sure the actions we have in place to address these are effective.

Separately, as part of our on-going commitment to greater transparency, we have again this year, undertaken an analysis and published details of our ethnicity pay gap. The analysis showed that both our 'mean' ethnicity pay gap and 'median' ethnicity pay gaps have improved and reduced further since the last analysis was undertaken in 2023. Our 'mean' ethnicity pay gap has improved and reduced by 4.9 percentage points since 2023 and our 'median' ethnicity pay gap has reduced by 4.6 percentage points since our last report in 2023. Although, the reduction in both the 'mean' ethnicity pay gap and 'median' gender pay gaps are to be welcomed as they represent positive progress, there is still more work for the CAA to do to ensure that colleagues from minority ethnic backgrounds are represented at all levels across the CAA, particularly at senior levels.

Mean and Median Gender Pay Gaps

For 2024, our 'Mean' Gender Pay Gap is 28.4% and our 'Median' Gender Pay Gap is 33.5%. Since our first report in 2017, up until this year, we had seen year-on-year improvements in reducing the level of gender pay gaps that exist. However, 2024 has highlighted an increase in both measures of our gender pay gap reporting.

There are several factors contributing to the increase in both gender pay gap measures. One of the key issues that impacted both measures this year was the agreed application and backdating of some market related pay supplements for specific roles within the business. This has resulted in a significant number of colleagues, primarily males, moving from the upper middle quartile to upper quartile.

Other contributing factors to the increase in both gender pay gap measures this year include:

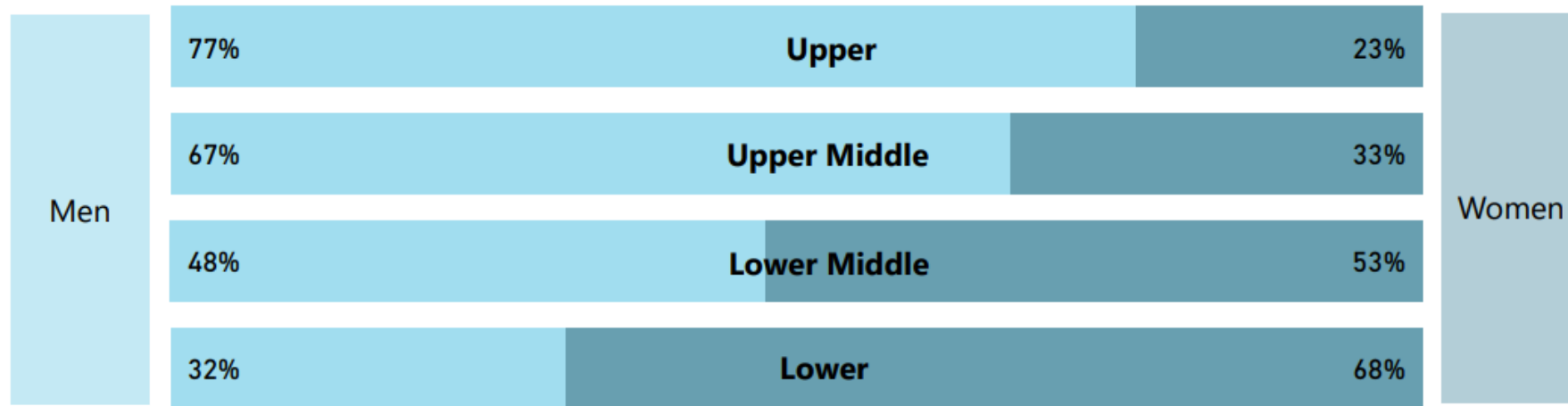
- Whilst female colleague representation in the upper middle quartile increased by 0.9 of a percentage point, representation in the upper quartile decreased by 1.2 of a percentage point, meaning a 0.3 of a percentage point decrease overall across the two quartiles. This can be explained by the fact that of the 23 new colleagues who entered that quartile during the 2023/24 pay gap reporting year, 18 were male and 5 were female.
- Of the new colleagues recorded in the upper quartile for the period 2023/2024, 76.7% were male and 21.7% were female, which explains the decrease in female colleague representation in that quartile.
- Although the average hourly rate for female colleagues has increased by 6.7%, the average hourly rate for male colleagues has increased by 7.5%.

In summary, the difference in the average hourly rates for female and male colleagues can be explained by several reasons:

1. Extension of Market Related Pay Supplements to existing colleagues in specific functional roles.
2. Highest increases in hourly rates were for male colleagues, partly due to the application of pay on promotion and partly because of the Market Related Pay Supplements.
3. Additionally, two senior female colleagues left and were replaced by male colleagues, which would've had an impact

To address our gender, pay gaps, we need to continue to see an increase in female representation at senior levels of our organisation, particularly for role types that sit within the upper middle quartile and upper quartile.

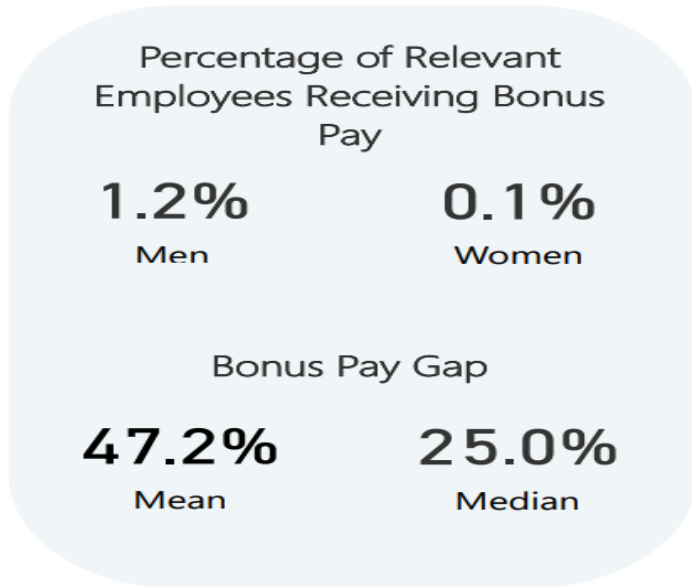
Our Gender Representation by Quartiles



The number of female colleagues represented in each of the lower, lower middle and upper middle quartiles has increased by 0.1, 1.6 and 0.9 of a percentage point respectively since we last reported in the 2023. However, the number of female colleagues represented in the upper quartile has decreased by 1.2 of a percentage point.

Correspondingly, the number of male colleagues in each of the lower, lower middle and upper middle quartiles has decreased by 0.1, 0.6 and 0.9 of a percentage point respectively. However, the number of male colleagues represented in the upper quartile has increased by 1.2 of a percentage point

Mean and Median Gender Bonus Gaps



Bonuses do not play a significant part in the CAA’s reward model and pay arrangements. However, for 2024, our analysis shows that our ‘mean’ gender bonus gap has changed significantly since we last reported in 2023, increasing from 5.02% to 47.2%.

Similarly, our ‘median’ gender bonus gap has changed significantly, increasing from 0.00% in 2023 to 25% in 2024. The main reason for the changes to both pay gaps is the fact that unlike in 2023, when all eligible colleagues received £1,000 non-consolidated, non-pensionable payment there was no such award in 2024.

Consequently, as only 12 colleagues received a non-consolidated award in 2024, this has resulted in the significant increases in our ‘mean’ and ‘median’ gender pay gap values.

The reference period for the bonus analysis was 1st April 2023 to 31st March 2024.

Mean and Median Ethnicity Pay Gaps

For 2024, our 'Mean' Ethnicity Pay Gap is 15.9% and our 'median' Ethnicity Pay gap is 21.4%. Since our last analysis was conducted for the 2023 report, the 'Mean' Ethnicity Pay Gap has reduced by 4.9 percentage points and the 'Median' Ethnicity Pay Gap has reduced by 4.6 percentage points.

In summary, there are several reasons for this:

- 47% of colleagues from a minority ethnic background, not included in last year's report placed in the upper two quartiles compared to 36% of colleagues from a white background.
- Representation of colleagues from a minority ethnic background in the upper two quartiles has increased by 1.3%.
- The average hourly rate for minority ethnic colleagues has increased by 13.5% compared to 6.9% for white colleagues.
- The maximum hourly rate for minority ethnic has increased by £5.82, whereas the maximum hourly rate for white colleagues has decreased by £46.44, prompted by senior level recruitment.

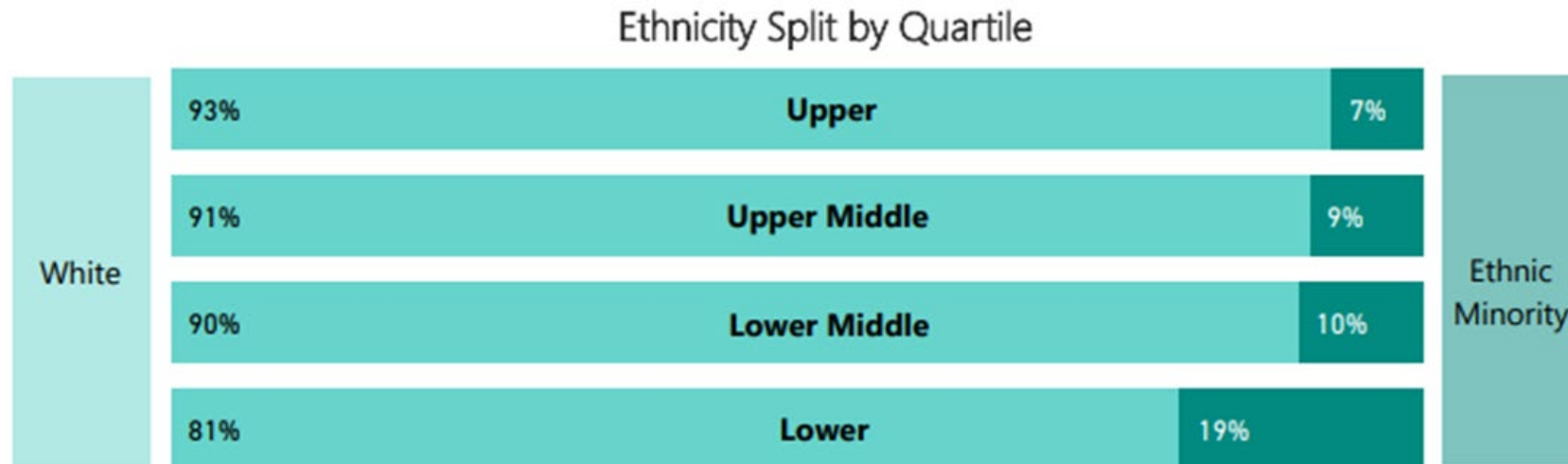
Our Minority Ethnic Representation by Quartiles

With our ethnicity pay gaps continuing in a downward trajectory since we first started reporting these in 2020, we need to maintain that momentum and see a sustained increase in the representation of minority ethnic colleagues across all our quartiles and in particular at senior levels of our organisation.

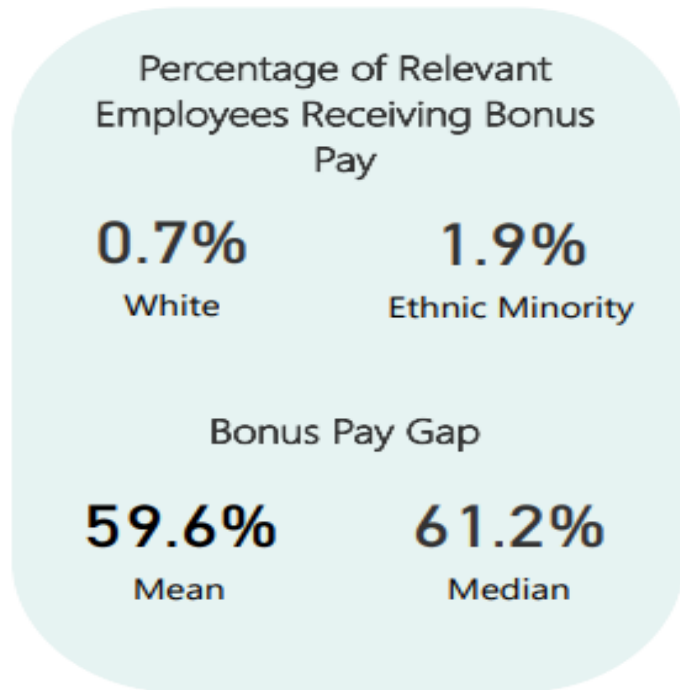
Since our last report in 2023, we have seen a 2.5 percentage points increase in terms of representation at the upper middle quartile, but 1.2 percentage points reduction in representation in our upper quartile.

In our lowest two quartiles, the lower middle and lower, representation has decreased in both from our last report by 2.4 percentage points and 1.6 percentage points respectively.

We continue to focus on encouraging colleagues to self-declare their ethnicity, where they have not already done so. The purpose of this is to try and improve confidence in how representative our pay gap data is and to help ensure that we put the appropriate actions in place to address these.



Mean and Median Ethnicity Bonus Gaps



Bonuses do not play a significant part in the CAA’s reward model and pay arrangements. However, for 2024, our analysis shows that our ‘mean’ ethnicity bonus gap has changed significantly since we last reported in 2023, increasing from -0.09% to 59.6%.

Similarly, our ‘median’ ethnicity bonus gap has changed significantly, increasing from 0.00% in 2023 to 61.2% in 2024. The main reason for the changes to both pay gaps is the fact that unlike in 2023, when all eligible colleagues received £1,000 non-consolidated, non-pensionable payment there was no such award in 2024.

Consequently, as only 12 colleagues overall across the organisation received a non-consolidated award in 2024, this has resulted in the significant increases in our ‘mean’ and ‘median’ ethnicity pay gap values.

The reference period for the bonus analysis was 1st April 2023 to 31st March 2024.

Our on-going commitment to closing our pay gaps

As in previous years, the dedication from our Diversity & Inclusion Board and colleagues' network to make a tangible difference to the experience of all our colleagues and progress against our targets has continued. To build a truly inclusive culture requires focus, building on success and learning from others.

As our Director of People and Culture highlighted earlier in their introduction to this report, 2024/2025 represented an interim period for the organisation, as our previous Diversity and Inclusion Strategy launched 2021 came to an end in 2024. A review of the progress, challenges and achievements during that period was undertaken and will feed into planning for the next iteration of our Diversity Action Plan for 2025-2028, which we hope will support our commitment to increase our female and minority ethnic representation in our senior roles e.g., through the appointment of new diverse colleagues, and through the promotion and career development of existing colleagues within the CAA.

Moving forward, we aim to increase representation at all senior levels, including through promotions and recruitment of more diverse talent. We will use our talent management and succession planning framework and activities to ensure colleagues are supported to successfully gain promotions. We will continue to improve the makeup of our recruitment panels by ensuring more diverse panel membership. More work needs to be done to develop the capability of our hiring managers to attract an improved external pool of diverse talent.

Notes on Methodology

Our statutory gender pay gap reporting under the Regulations is based on an overall average across all roles and seniorities at the snapshot date 31st March 2024. For more information on methodology, please [Making your calculations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/making-your-calculations)

We used the same methodology when calculating our ethnicity pay gaps. At the snapshot date, our minority ethnic population accounted for 10% of our workforce based on 82% of colleagues self-identifying their ethnicity. By comparison, our March 2023 data was based on our minority ethnic population being 11.2% of our workforce (with 89.2% of colleagues self-identifying their ethnicity at that time), representing a reduction of 1.2% in declaration levels.

By voluntarily publishing data on our Ethnicity Pay Gaps, we are underlining our on-going commitment to greater transparency and to use it as a positive driver for change.