

<b>Report to:</b>	Trust Public Board
<b>Date :</b>	27th March, 2019
<b>Division:</b>	Workforce & OD
<b>Report title:</b>	Gender Pay Gap Report
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<b>Equality and Diversity:</b>	This report covers services and individuals equally and there are no specific equality and diversity issues for consideration
<b>Freedom of Information Release:</b>	This report can be released under the Freedom of Information Act 2000

## 1. Introduction

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, employers with 250 or more employees are required to publish statutory calculations no later than 30 March each year. The information will demonstrate the pay gap between male and female employees as at 31 March the previous year. This year's report has data as at the 31<sup>st</sup> March 2018 and then publishes their findings by no later than 30<sup>th</sup> March 2019. The results must be published on the employer's website. This cycle will continue year on year going forward with organisations being required to maintain the data on their website for three years in order to show progress made.

The Equality and Human Rights Commission defines the difference between equal pay and the gender pay gap as follows:

- Equal Pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010.
- The Gender Pay Gap is a measure of the difference between men's and women's average earnings across an organisation. It is expressed as a percentage of men's earnings
- The Trust relies on national pay agreements and terms and conditions of service, supported by and a national NHS job evaluation scheme, to determine set pay grades and levels for roles.

The hourly rate is calculated for each employee based on 'ordinary pay' which includes:

- Basic pay
- Paid leave, including annual, sick, maternity, paternity, adoption or parental leave(except where an employee is paid less than usual or nothing because of being on leave)
- Area and other allowances
- Shift premium pay, defined as the difference between basic pay and any higher rate paid for work during different times of the day or night

It does not include:

- Remuneration referable to overtime, remuneration referable to redundancy or termination of employment or remuneration in lieu of leave

The relevant pay period means the pay period within which the snapshot date of 30 March falls, which for monthly-paid staff would be the month in which the date is included.

Bonus pay relates to performance, productivity, incentive, commission or profit-sharing, but excludes:

- Remuneration referable to overtime
- Remuneration referable to redundancy
- Remuneration referable to termination of employment

In the NHS, Consultants clinical distinction/excellence awards are regarded as bonus pay. The relevant period means the period for 12 months ending with the snapshot date.

## **2. Gender Pay Reporting and Gender Identity**

It is important for employers to be sensitive to how an employee chooses to self- identify in terms of their gender. The regulations do not define the terms 'male' and 'female' and the requirement to report gender pay should not result in employees being singled out and questioned about their gender. ESR data on gender, as confirmed by employees, is used as a basis for the analysis.

## **3. The Gender Pay Gap Metrics**

The legislation requires an employer to publish the following calculations:

- Average gender pay gap as a mean average
- Average gender pay gap as a median average
- Average bonus gender pay gap as a mean average
- Average bonus gender pay gap as a median average

## **4. Summary of Results – Government Reporting Requirements (deadline for reporting is 30 March 2019)**

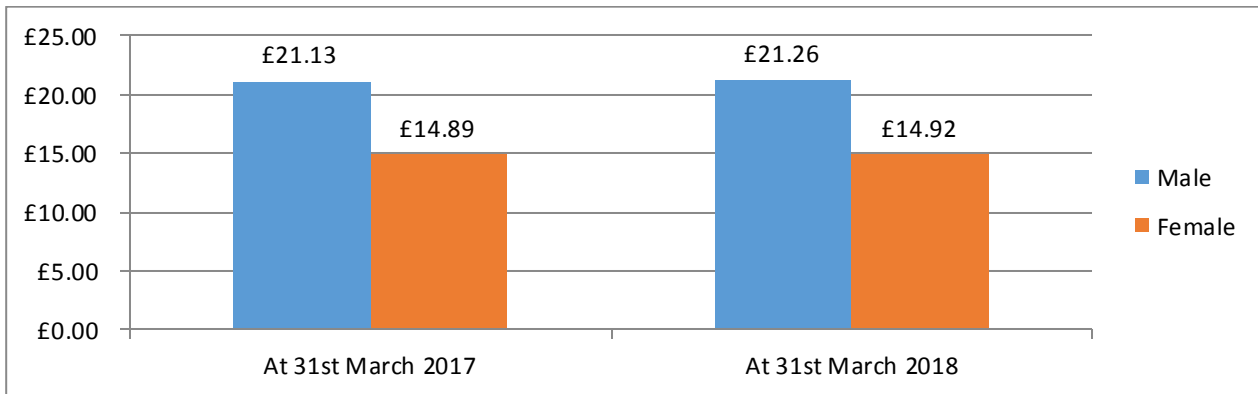
<b>Metric</b>	<b>Result</b>	<b>% Rates 31 March 2018</b>
<b>Gender pay gap as a mean average</b>	Significant difference between males/females	29.85%
<b>Gender pay gap as a median average</b>	Significant difference between males/females	16.65%
<b>Bonus gender pay gap as a mean average</b>	No Significant difference between males/females	1.41%
<b>Bonus gender pay gap as a median average</b>	No Significant difference between males/females	0.00%

(NB: background data tables are loaded to the Gov website to support the above)

## **5. Results**

### **Average gender pay gap as a mean average**

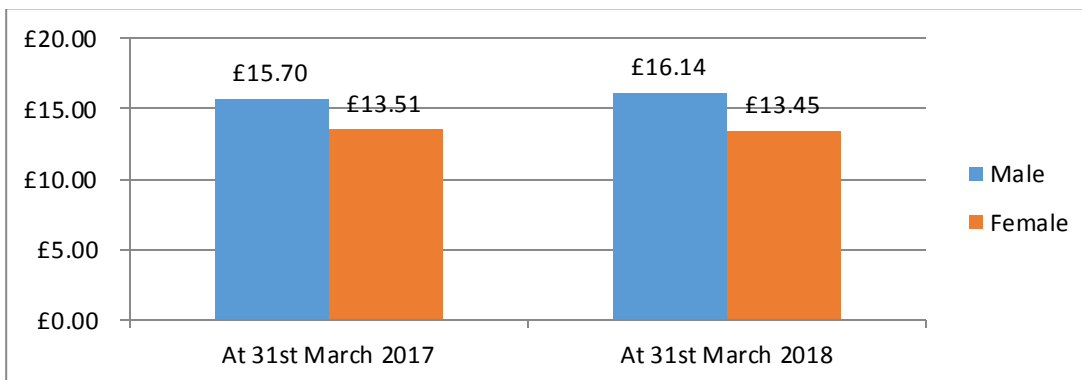
<b>Mean Hourly Rate</b>	<b>Male</b>	<b>Female</b>	<b>Pay Gap %</b>
<b>At 31<sup>st</sup> March 2017</b>	£21.13	£14.89	29.55%
<b>At 31<sup>st</sup> March 2018</b>	£21.26	£14.92	29.85%
<b>+/- Changes</b>	+ £0.13	+ £0.03	+ 0.3%



The hourly rate is calculated for each employee based on 'ordinary pay', which includes basic pay, allowances and shift premium pay. The percentage variance for the average hourly rate of pay is just under 30%. This calculation is based on the average hourly rate of 4989 female staff compared to 1261 male staff. When comparing with last year's results, we can see a +0.3% increase in the pay gap. The extent to which this mean average calculation is distorted, reflects the extent to which there are far more males in the higher remuneration positions. When comparing with last year's data for other NHS Acute Medium Trusts, the pay gap range ran from 10.6% to 38.5%.

**Average gender pay gap as a median average**

Median Hourly Rate	Male	Female	Pay Gap %
At 31 <sup>st</sup> March 2017	£15.70	£13.51	13.93%
At 31 <sup>st</sup> March 2018	£16.14	£13.45	16.65%
+/- Changes	+ £0.44	-£0.06	+ 2.72%

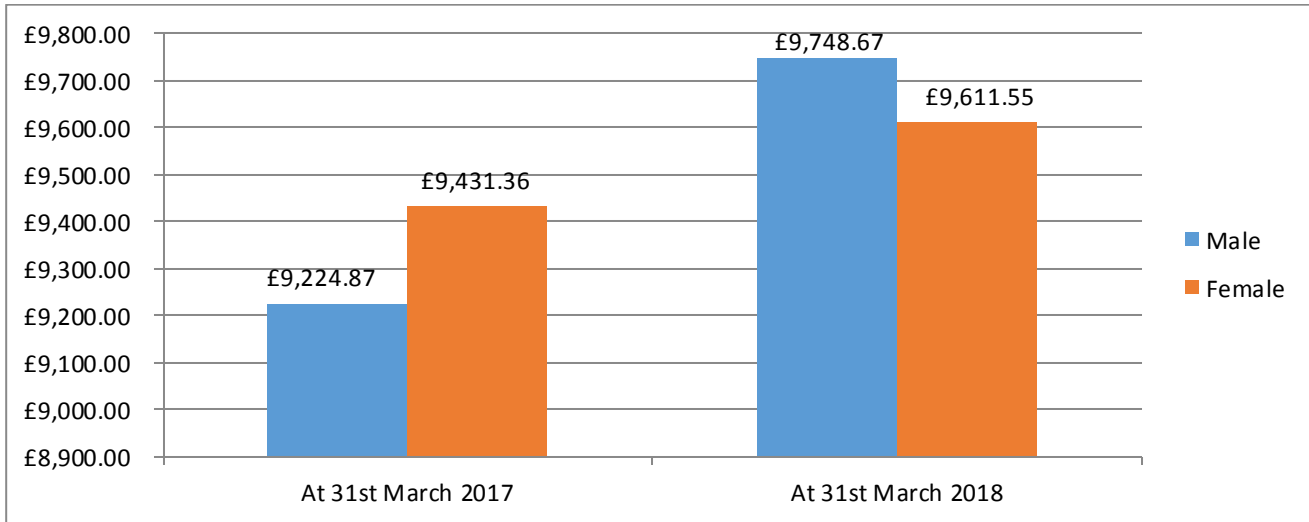


The median rate is calculated by selecting the average hourly rate at the mid-point for each gender group and is a better measure of central tendency in that it does not use outliers in its calculation. However, by removing these outliers from the calculation, it does ignore/mask the important consideration of which gender occupy the high remuneration positions across the organisation as a whole.

The percentage variance for the median hourly rate of pay has grown to 16.65%. We have seen a 2.72% variance over last year's result in favour of males. The increase we've seen in pay gap % would specifically be due to promotions and recruitment of male employees within Add Prof Scientific and Tech, Allied Health Professionals and Nursing and Midwifery. When comparing with last year's data for other NHS Acute Medium Trusts, the range ran from -2.9% to 23.6%.

**Average bonus gender pay gap as a mean average (Medical & Dental staff only)**

Mean Bonus Payment	Male	Female	Pay Gap %
At 31 <sup>st</sup> March 2017	£9,224.87	£9,431.36	-2.24%
At 31 <sup>st</sup> March 2018	£9,748.67	£9,611.55	1.41%
+/- Changes	+ £523.80	+ £180.19	+ 3.65%

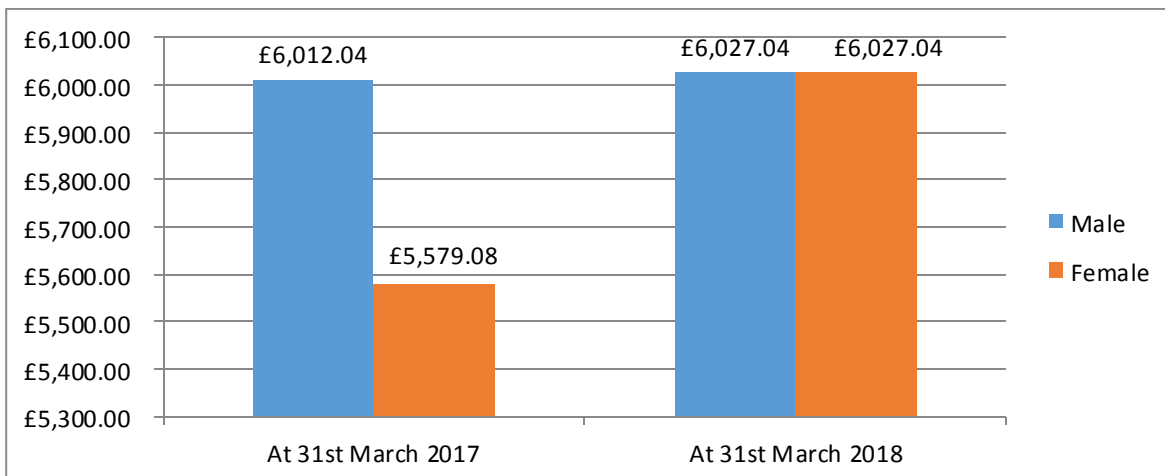


The percentage variance for average bonus payments is 1.41%. The staff group identified in this section only has 137 staff of which over two thirds are male. The staff members within this group had to apply to receive a Clinical Excellence Award. The pay gap % change in favour of males from last year to this year has grown by 3.65% meaning that on average male employees now have a 1.41% gap over female employees who receive a bonus. Over the year, male employees as a mean average have seen their bonuses increase by £523.80, whilst females only saw an increase of £180.19.

The pay elements that are used in this calculation are awarded as a result of recognition of excellent practice over and above contractual requirements and have no gender bias.

**Average bonus gender pay gap as a median average (Medical & Dental staff only)**

Median Bonus Payment	Male	Female	Difference %
At 31 <sup>st</sup> March 2017	£6,012.04	£5,579.08	7.20%
At 31 <sup>st</sup> March 2018	£6,027.04	£6,027.04	0.00%
+/- Changes	+ £15.00	+ £447.96	-7.20%



The percentage variance for the median bonus payments is 0%. Whilst this does seem positive, it does again mask what is happening at the higher end of these bonuses.

**Proportion of males/females receiving a bonus (CEA) payment**

Gender	Number employed receiving bonus	Total staff employed	%
Male	93	1261	7.30%
Female	44	4989	0.86%

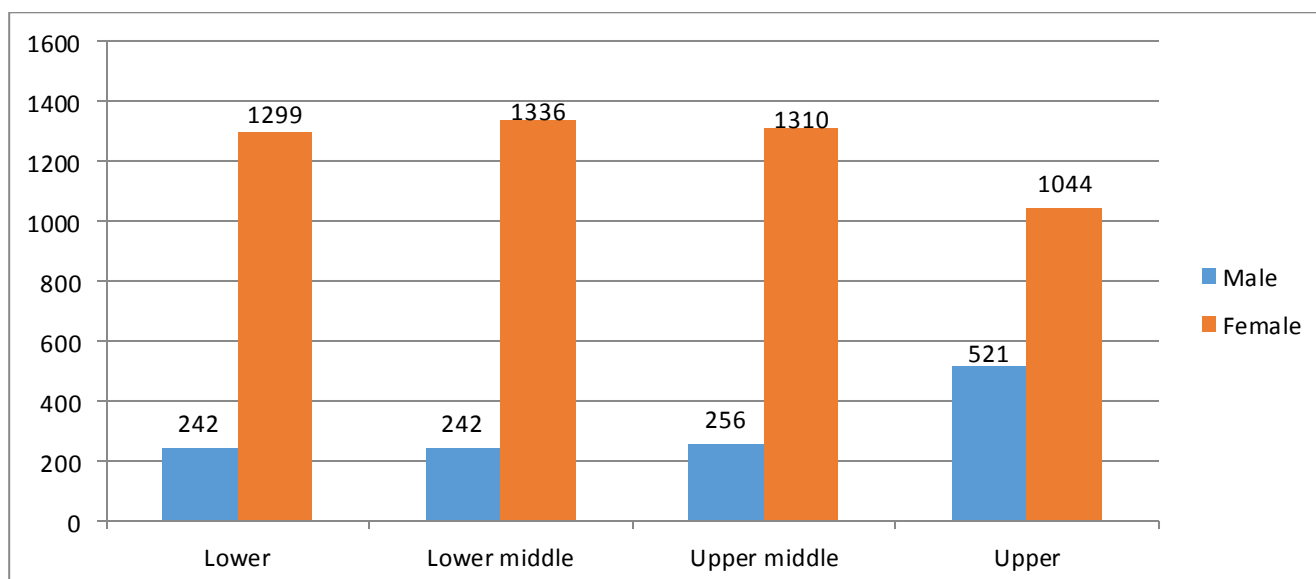
Gender	Number employed receiving bonus	Total Consultants employed	%
Male	93	199	46.73%
Female	44	103	42.72%

Key Points:

- This calculation expresses the number of staff receiving bonus pay as a percentage of the total number of staff in each gender group.
- Only certain medical staff receive pay that is classified as bonus pay. This group has a significantly different gender split when compared to the Trust as a whole. The relevance of this indicator for our organisation is less significant as bonus pay applies to just over 2% percent of all staff employed (significance doesn't equate to size of cohort). Significance must be judged against the objective being considered, i.e., the gender pay gap. Although 2% is a small proportion of the organisation's overall staffing levels, the measurement of significance must be about the size of the gap.
- The Clinical Excellence Awards (CEA) scheme is intended to recognise and reward those consultants who contribute most towards the delivery of safe and high quality care to patients and to the continuous improvement of NHS services. This includes those consultants and senior academic GPs who do so through their contribution to academic medicine.

**Proportion of males/females when divided into quartile ordered lowest to highest pay**

Group	Quartile Range	Male	Female	% male of total employed	% female of total employed
Lower	£3.50 to £10.15	242	1299	15.70%	84.30%
Lower middle	£10.15 to £13.95	242	1336	15.34%	84.66%
Upper middle	£13.95 to £18.51	256	1310	16.35%	83.65%
Upper	£18.52 to £89.84	521	1044	33.29%	66.71%



The table above shows the gender breakdown by quartile, it indicates that the quartiles 1, 2 and 3 are split at a comparable % to the overall gender split employed by the Trust, i.e., a ratio of 4 females to 1 male. However, in the upper quartile, this ratio reduces dramatically to 2 females to 1 male. This is due to a greater proportion of males in the senior positions specifically within the Medical & Dental staff group.

### **Pay Gap % by Medical and Non-Medical Staff**

Looking at the pay gap % by separating medical from non-medical staff shows a much different picture, to when they are combined as seen above. So looking at the mean average, which as a Trust is currently seen as 29.85%, we can see when broken down this now converts to 4.39% for non-medical staff, and 9.95% for medical staff. What is evident is that it is in the higher echelons of remuneration are where the pay gap issues lie, i.e. predominantly the Medical & Dental staff group and Directors as the table demonstrates.

Mean Hourly Rate	Male	Female	Pay Gap %
Non-Medical	£14.66	£14.04	4.39%
Medical	£35.03	£31.54	9.95%

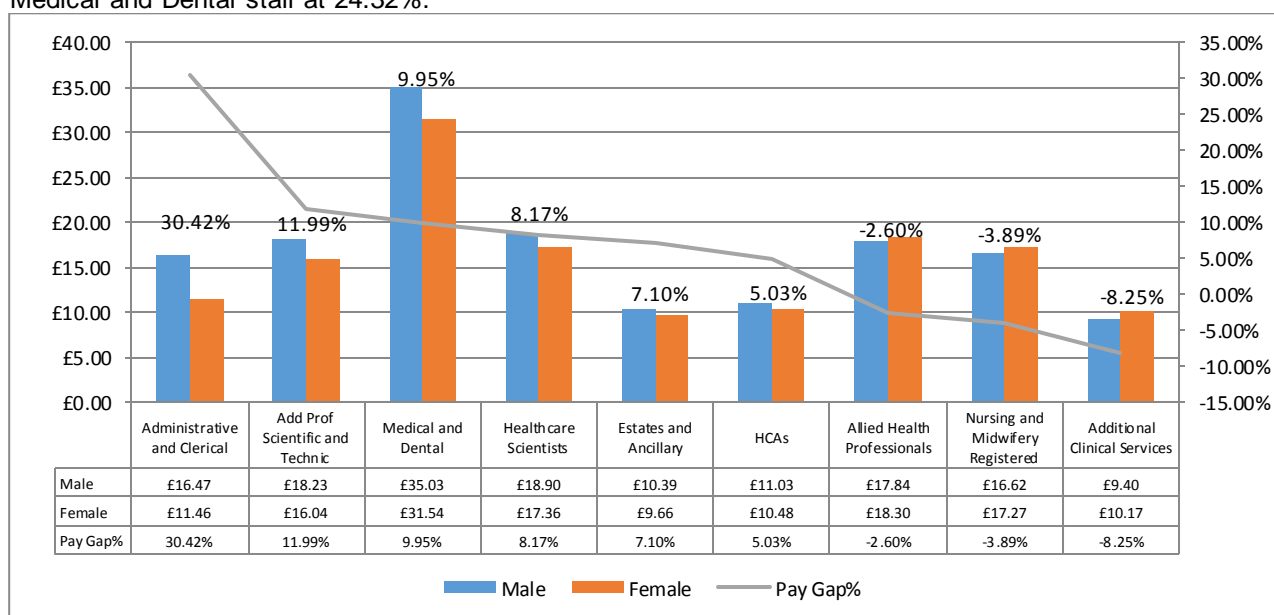
When comparing the median levels, this is a truer reflection of a pay gap at the Trust. Whilst as an overall, the figure is currently 16.65%. We can see that amongst non-medical staff, the pay gap % is actually 11.79% in favour of female employees. Whilst the medical pay gap % is much larger at 29.02% in favour of male employees.

Median Hourly Rate	Male	Female	Pay Gap %
Non-Medical	£12.72	£14.42	-11.79%
Medical	£36.72	£28.46	29.02%

Again the mean average calculation refers to higher end earners. It is telling that the median average calculation for non-medical staff shows a pay gap in favour of women whereas the mean average calculation shows a pay gap % in favour of males. The corollary of this is that the outliers in the mean average calculation significantly alter the pay gap %. This indicates that there is a significant pay gap % issue for the higher paid posts. For example, from Band 8 – Range 8C and above, the pay gap % favours males and from Band 8 – Range D and above the pay gap % is well over 10%, rising to just under 30% for Directors. Due to being such small cohorts, this can easily change if certain posts are taken by female employees.

### **By Staff Group (Mean Average)**

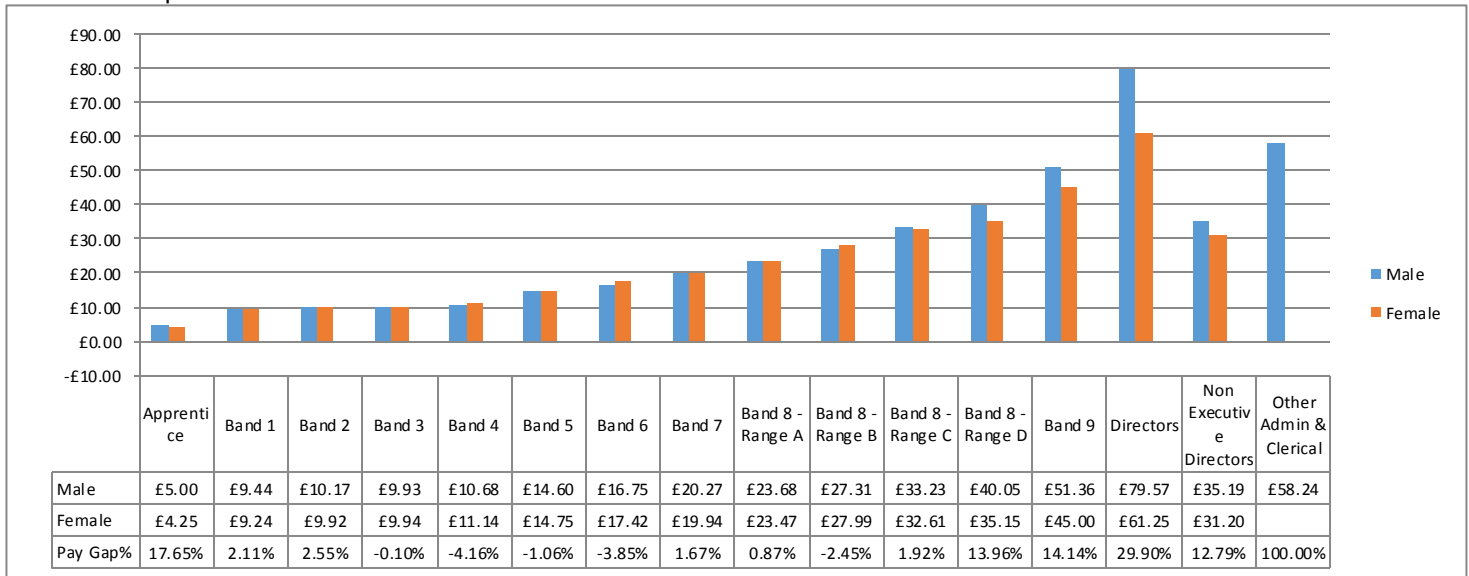
The breakdown of staff across the Trust by staff group, specifically it shows the differences in headcount between male and female employees. Across the board, female employees on average, there are 59.65 % more female employees at the Trust than male employees. The only staff group, where this is not the case is Medical and Dental staff at 24.32%.



The graph above shows the average hourly rate broken down by gender and staff group, it highlights the largest pay gap is in respect of staff within the Administrative and Clerical group 30.42% and followed by staff within the Add Prof and Scientific grouping at 11.99%. However the table also highlights that the largest gender pay gap with female employees as a majority is Additional Clinical Services at -8.25%, followed by Nursing and Midwifery at -3.89%.

**By Pay Grade – Non-Medical & Dental (Mean Average)**

There is a pattern whereby the higher the pay grade, the wider the gap becomes between male and female employees. From the Apprentice level, up until Band 8 – Range C, we can see that female employees make up 84.95% (5563 overall employees, 4726 female employees) of all staff at the Trust. When we go higher, this then drops to only 48.28% of staff (29 overall employees, 14 female employees). So within the AFC and Director levels of pay, the main issue seems to be breaking the glass ceiling from progressing up the pay bands past a certain level.

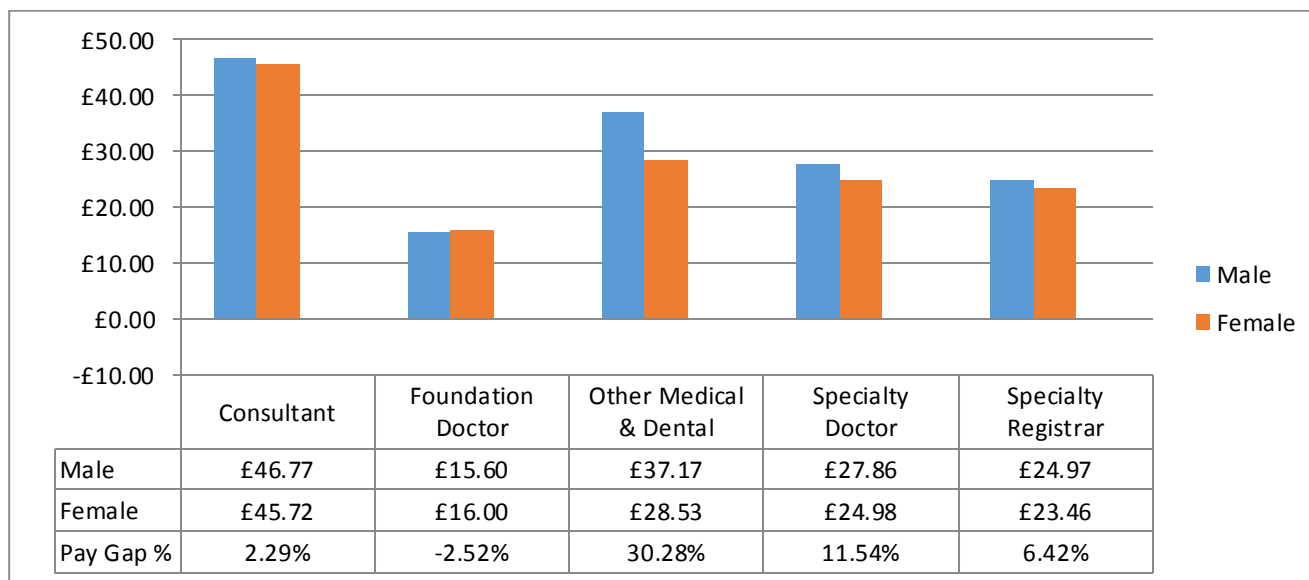


\*Other Administrative & Clerical includes employees not currently under AFC or Director/Non-Exec Director pay grades

The Turnover % rate is at 9.57% for both male and female employees. For Band 8A to Director, this figure rises to 16.47%. Viewing this within the male to female split, male employees are more likely to leave the organisation at 17.28%, compared to the female figure of 16.09%. But then when looking more closely at the leaver reasons for this group of employees we can start to see a pattern that although more male employees do leave the Trust, the reasons given are more positive (Resignation due to Promotion/Better Reward Package/Relocation) than those seen by female staff (Resignation due to Work Life Balance).

**By Pay Grade - Medical & Dental (Mean Average)**

The below details the pay gap within the Medical and Dental staff group. This is the only staffing group that actually has more male employees than female employees with 24.32% more male than female staff. This can specifically be seen within the Consultant grouping with only 34.11% of female employees making up this grouping.



\*Other Medical & Dental includes – Associate Specialists, Clinical Assistants, Hospital Practitioner, Staff Grades

When breaking these figures down, across the board male employees make up the majority of Medical & Dental staff at the Trust, specifically within the larger groups including Specialty Doctors and Consultants. For those currently in training (Foundation Doctors), there is 7.53% more female than male staff. When comparing the pay gaps, Other Medical & Dental (15 headcount) at 30.28%, Specialty Doctors (51 headcount) at 11.54% and Specialty Registrar (197 headcount) at 6.42% are the biggest pay gaps seen within this grouping. Both Consultants (2.52%, 301 headcount) and Foundation Doctors (-2.52%, 93 headcount) are the smallest pay gaps.

## 6. Issues Identified and Next Steps

This report has highlighted a number of issues, amongst them:

- The higher proportion of males in higher paid (upper quartile) roles especially within the Consultant grouping
- The growth in the Gender Pay Gap % from March 2017 to March 2018 for both mean and median averages specifically within the Medical & Dental grouping
- The higher proportion of Band 8A – Range A to Director level employees leaving the Trust
- Based off leaver reasons seen, providing more opportunities and support for qualified/higher-banded female employees (Non-Medical) seeking to progress in their career – Band 8 – Range A and above
- The higher proportion of male employees who received a bonus payment, compared to female employees. So we have a potential need to provide support to female consultants as to encourage applications for CEAs, and provide practical support in the process
- Due to wider spectrum of female employees compared to male, this impacts the pay gap, as the higher paid male employees will impact the pay gap more than their female equivalent. As the amount of lower banded females, lower the average wages overall for female employees.

## 7. Key Actions for 2019/20

- To establish a Gender Pay Gap Advisory or Working Group drawn from staff across the Trust
- To appoint an Board Level Champion for workforce equality and inclusion
- To determine specific objectives for reducing the Gender Pay Gap
- To undertake further analysis of workforce data to help inform improve pay differentials and understand whether gender composition is at different levels and in different occupations.
- To use learning from across the NHS and other sectors on how to successfully reduce the gender pay gap.
- To devise targeted strategies to address specific issues identifies. These are likely to include recruitment, retention, development support, and pay practice to ensure that we have a framework in place that encourages potential employees to see the Trust as Employer of Choice.
- To provide assurance to the Trust Board and workforce about progress on the gender pay gap outcomes