

<b>Report to:</b>	Trust Public Board
<b>Date :</b>	27 <sup>th</sup> March, 2018
<b>Division:</b>	Workforce & OD
<b>Report title:</b>	Gender Pay Gap Reporting
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<b>Job title:</b>	Workforce Information Manager
<b>Lead:</b>	Joanna Bainbridge , Acting Director of Workforce & OD
<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. Background**

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; commencing 2017/18. The information will demonstrate the pay gap between male and female employees as at 31 March the previous year. For example, 31 March 2017 pay information must be published by 30 March 2018. The results must be published on the employer's website.

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

The legislation requires an employer to publish six 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
- Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
- Proportion of males and females when divided into four groups ordered from lowest to highest pay.

### 3. Results for NWAFT

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

	Male	Female	% diff
Mean Hourly Rate	£21.13	£14.89	29.55

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 4943 female staff compared to 1215 male staff; because the average is calculated over different numbers of staff (there are 4 times more female staff), some variance is to be expected.

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

	Male	Female	% diff
Median Hourly Rate	£15.70	£13.51	13.93

The median rate is calculated by selecting the average hourly rate at the mid-point for each gender group.

The percentage variance for the median hourly rate of pay is just under 14%. For our organisation this is more indicative than the average hourly rate of pay as it is not impacted as much by the female to male ratio. When looking at the variance some consideration will need to be given to the variety of roles within the organisation.

#### **Average bonus\* gender pay gap as a mean average.**

	Male	Female	% diff
Mean bonus payment	£9,224.87	£9,431.36	-2.24

The percentage variance for average bonus payments is -2.24%. The staff group identified in this section only has 138 staff of which over two thirds are male.

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. As such, the relevance of this indicator is less significant for our organisation

#### **Average bonus\* gender pay gap as a median average.**

	Male	Female	% diff
Median bonus payment	£6,012.04	£5,579.08	7.2

The percentage variance for the median bonus payments is 7.2%. While this seems high, the staff group identified in this section only has 138 staff of which over two thirds are male. 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. As such, the relevance of this indicator is less significant for our organisation.

### Proportion of males/females receiving a bonus\* payment.

Gender	Number employed receiving bonus	Total staff employed	%
Male	95	1215	7.82
Female	43	4943	0.87

#### 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.

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

Group	Male	Female	% male of total employed	% female of total employed
Lower	225	1315	14.61	85.39
Lower middle	272	1267	17.67	82.33
Upper middle	238	1302	15.45	84.55
Upper	480	1059	31.19	68.81

#### Key Points:

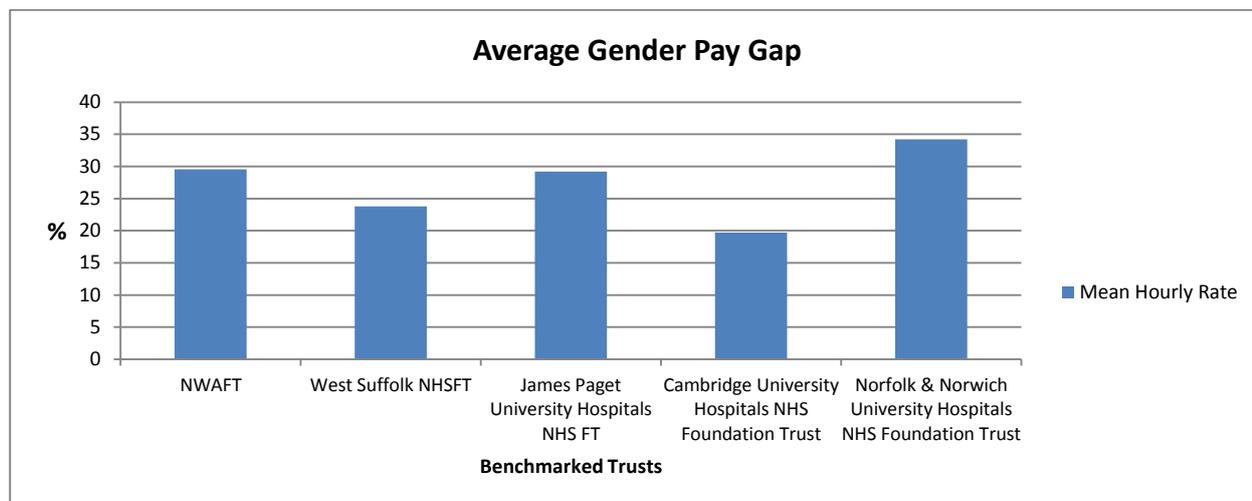
- When reviewing the quartile information it is important to take into account the types of roles available within the organisation and the different gender splits that occur within specific roles.
- The largest variance is in the upper quartile.
- The lower, lower middle and upper middle quartiles are representative of the Trust as a whole.
- The upper quartile has a higher proportion of male staff. The variance in this quartile is mainly due to significantly different gender splits in medical staffing and managerial roles in the trust.

## 4. Summary of Results

Metric	Result
Gender pay gap as a mean average	Significant difference between males/females
Gender pay gap as a median average	Significant difference between males/females
Bonus gender pay gap as a mean average	No Significant difference between males/females
Bonus gender pay gap as a median average	No Significant difference between males/females
Proportion of males/females receiving a bonus payment	Significant difference between males/females
Proportion of males/females when divided into quartiles ordered from low to high pay	Some significant difference between males/females

## 5. Comparative Data

The table below gives an indication of how our organisation compares with some of our acute partner trusts in terms of the “average gender pay gap as a mean average”.



This shows that our closest neighbours, Cambridge University Hospitals are reporting a 19.70% gender pay gap making them the lowest of the comparison group with Norfolk & Norwich NHSFT at 34.20% making them the highest. As part of next steps and action planning we will need to understand the demographic impact of our own area and those of our comparative organisations.

The table below shows the bonus\* gender pay gap as a mean average against our benchmarked trusts. \* Bonus is made up by consultant CEA payments

% diff	NWAFT	West Suffolk NHSFT	James Paget University Hospitals NHS FT	Cambridge University Hospitals NHS Foundation Trust	Norfolk & Norwich University Hospitals NHS Foundation Trust
Mean bonus payment	-2.24	33.1	-18.52	22.80	20.50

## 6. Next Steps

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 is a statutory requirement for all organisations. It is clear from the information that we need to take some actions related to understanding our differentials, particularly around median pay and the clinical excellence awards for consultants.

It is proposed to share these results with staff and managers from April 2018, as part of our strategic commitment to Equality action planning. The purpose of the exercise would be to scrutinise (at divisional and local level) our pay bands or levels to establish where we have the biggest gender pay gaps. From this data we can formulate specific actions to improve these pay differentials and understand whether gender composition is at different levels and in different occupations.

It is also important that we also a focus on our pay gap analysis within other key areas of our strategy, including our Recruitment and Retention plans to ensure that we have a

framework in place that encourages potential employees with caring responsibilities and other flexible working needs to join us. This will endorse our reputation as an outstanding employer and assist us to grow the workforce we need.

We will also develop a framework of regular reporting on our actions and progress on gender pay gap, through the Trust's monthly Workforce Committee and quarterly progress to the Trust's Board.