

FINANCE AND PERFORMANCE COMMITTEE – February 2020

Gender Pay Gap Report February 2020

Purpose of report and executive summary (250 words max):		
This paper outlines the Gender Pay Gap analysis and findings based on data as at March 2019.		
The board is asked to consider and note the content and approve the publication of the same on the Trust and national websites.		
Action required: For approval		
Previously considered by: HR senior team		
Director: Chief People Officer	Presented by: Chief People Officer	Author: Head of HR

Trust priorities to which the issue relates:	Tick applicable boxes
Quality: To deliver high quality, compassionate services, consistently across all our sites	<input checked="" type="checkbox"/>
People: To create an environment which retains staff, recruits the best and develops an engaged, flexible and skilled workforce	<input checked="" type="checkbox"/>
Pathways: To develop pathways across care boundaries, where this delivers best patient care	<input type="checkbox"/>
Ease of Use: To redesign and invest in our systems and processes to provide a simple and reliable experience for our patients, their referrers, and our staff	<input checked="" type="checkbox"/>
Sustainability: To provide a portfolio of services that is financially and clinically sustainable in the long term	<input type="checkbox"/>

Does the issue relate to a risk recorded on the Board Assurance Framework? YES
1. There is a risk that the trust is unable to recruit and retain sufficient supply of staff with the right skills to meet the demand for services
2. There is a risk that the culture and context of the organisation leaves the workforce insufficiently empowered and motivated, impacting on the trust's ability to deliver the required improvements and transformation and to enable people to feel proud to work here
Any other risk issues (quality, safety, financial, HR, legal, equality):
Ineffective or inefficient staff management is likely to increase negative staff survey results, turnover, sickness absence and replacement costs.

Proud to deliver high-quality, compassionate care to our community

Finance Performance & People Committee

Gender Pay Gap Report 2020 (data as at 31 March 2019)

1. ORGANISATIONAL BACKGROUND

East and North Hertfordshire NHS Trust provides secondary care services for a population of around 600,000 in East and North Hertfordshire as well as parts of South Bedfordshire and tertiary cancer services for a population of approximately 2,000,000 people in Hertfordshire, Bedfordshire, north-west London and parts of the Thames Valley.

We are committed to Equality, Diversity and Inclusion (EDI) being at the heart of everything we do and deliver for service users and their relatives, as well as our 6,000 plus staff.

The composition of our workforce presented in the table below is based on the staff list report from the Electronic Staff Record (ESR) as of 31st March 2019. It represents the ratio of females to males in each staff group; and females and males in relation to all staff in each staff group.

Main Staff Group	Males to females	Females to males	Males to all staff	Females to all staff
Add Prof Scientific and Technic (e.g Pharmacists Technicians)	20.50%	79.50%	0.68%	2.65%
Additional Clinical Services (e.g HCA's, health support workers)	16.07%	83.93%	2.40%	12.55%
Administrative and Clerical	15.24%	84.76%	3.54%	19.67%
Allied Health Professionals (e.g Occ Therapists, Physio's)	17.76%	82.24%	0.77%	3.55%
Estates and Ancillary	57.02%	42.98%	3.25%	2.45%
Healthcare Scientists (e.g Pathology staff)	36.68%	63.32%	1.22%	2.10%
Medical and Dental	55.04%	44.96%	7.66%	6.26%
Nursing and Midwifery Registered	8.92%	91.08%	2.79%	28.31%
Overall	22.31%	77.69%	22.31%	77.69%

2. CONTEXT AND REPORTING REQUIREMENTS

Gender pay gap reporting is a mandatory reporting requirement for public sector organisations employing in excess of 250 staff. The gender pay gap is the difference between average (mean and median) earnings of men and women, expressed relative to men's earnings. It should not be confused with unequal pay, which is the unlawful practice of paying men and women differently for performing the same or similar work or work of equal value.

The East and North Hertfordshire NHS Trust ("Trust") is therefore required to publish its gender pay gap data and any supportive narrative on its public facing website and submit its gender pay gap report/data to the government online reporting service.

The Trust is reporting the following information, as per these requirements:

1. The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

2. The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
3. The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
4. The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
5. The proportions of male and female relevant employees who were paid bonus pay
6. The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

The Trust will update our action plan to respond to these findings. Progress will be monitored and reported quarterly to the Finance, Performance and People Committee.

All information captured in this report is based on the calculations made relating to the pay period in which the snapshot day falls. For the purpose of the 2018/19 analysis, this has been set as 31st March 2019. (N.B. any enhancements for unsocial hours for staff on agenda for change and medical and dental contracts are paid a month in arrears). A detail of how the calculations are conducted is available at appendix 1.

3. DATA ANALYSIS

1. **Mean gender pay gap** – the data suggests that the gender pay gap for mean average ordinary earnings for women is **23%** less than for men an improvement of 4% compared to 2018.
2. **Median gender pay gap** – the data suggests that the gender pay gap for median average ordinary earnings for women is **12.4%** less than for men, which is 1.2% worse than in 2018.

Gender	Mean hourly rate 2018	Mean hourly rate 2019	Median hourly rate 2018	Median hourly rate 2019
Male	£21.95	£21.56	£16.23	£16.64
Female	£15.91	£16.61	£14.40	£14.57
Difference	£6.04	£4.95	£1.83	£2.07
Pay Gap %	27.53%	22.97%	11.27%	12.44%

3. **Mean bonus pay gap** – the data suggest that the gender pay gap for mean average bonus earnings for women is **5.4%** less than for men, a marked improvement of 21.43% compared to 2018.
4. **Median bonus pay gap** – the data suggests that the gender pay gap for median average bonus earnings for women is **7.6%** less than for men, a marked improvement of 25.73% compared to 2018.

Gender	Mean average bonus 2018	Mean average bonus 2019	Median average bonus 2018	Median average bonus 2019
Male	£14,668.64	£9383.32	£9,040.50	£9227.42
Female	£10,732.85	£8880.49	£6,027.04	£8524.57
Difference	£3,975.79	£502.38	£3,013.46	£702.85
Pay Gap %	26.83%	5.4%	33.33%	7.6%

As this represents a significant improvement, further analysis will be completed to understand if this relates to actions the Trust has taken to influence the change or whether this was an exception. This is essential to understand so that the improvement can be sustained.

5. **Gender composition of bonuses** – the data shows that the proportion of males receiving a bonus was **6.43%**, whilst **0.83%** of female employees were in receipt of a bonus payment. This is comparable with last year with only a 0.03% reduction for females receiving bonuses.

Gender	Employees Paid Bonus	Total Relevant Employees	%
Female	39	4657	0.83%
Male	86	1337	6.43%

Staff receiving bonus will only apply to medical consultants due to the merit awards, therefore when this is represented as a proportion of the entire Trust, which has a majority female workforce, it will show a far higher proportion in favour of males. However, of our total staff, only 317 employees (medical consultants) were eligible for bonus payments in 2019. The table below represents the consultant body with gender composition and bonus payments distribution. Out of 317 eligible staff, 125 were in receipt of clinical merit award, which equated to **39.43%** in total distributed by **36.11%** of female compared to **41.15%** of male medical consultants were paid the award. While additional people have received bonuses in both groups the percentage of males in receipt has increased this year compared to the previous.

Gender	2018 headcount Consultants	2018 % of consultants with bonus	2019 headcount Consultants	2019 % of consultants with bonus
Female	104	33.65%	108	36.11%
Male	210	39.05%	209	41.15%
Grand Total	314	37.26%	317	39.43%

6. **Gender composition in each quartile pay band** – the tables below represents the proportion of male and female employees in each quartile pay band:

Quartile (2018)	Female	Male	Female %	Male %
1 (lowest pay)	1071	299	78.18	21.82
2	1116	252	81.58	18.42
3	1158	211	84.59	15.41
4 (highest pay)	866	502	63.30	36.70
Overall gender split	4211	1264	76.91%	23.09%

Quartile (2019)	Female	Male	Female %	Male %
1 (lowest pay)	1116	288	79.49%	20.51%
2	1126	277	80.26%	16.74%
3	1191	222	84.29%	15.71%
4 (highest pay)	900	512	63.74%	36.26%
Overall gender split	4333	1299	76.94%	23.06%

The above tables highlight that although the representation at each quartile remains largely consistent. This demonstrates the disparity in tier 4 (highest pay) which is influenced mostly by admin staff, mostly in corporate areas where there are more males in senior positions.

7. **Additional reporting** – In looking to give greater detail around the mean difference, additional reports were taken from ESR – the following highlights the differences by staff group. Negative

figures in AHP and Nursing and Midwifery staff groups indicate a gender pay gap in favour of females. The most significant gender pay gap in favour of males are admin and clerical, healthcare scientists and, medical staff with a pay gap of **21.76%**, **12.9%** and **14.19%** respectively.

Main Staff Group	Male Avg. Hourly Rate	Female Avg. Hourly rate	Difference	Pay gap 2019	Pay gap 2018
Add Prof Scientific and Technic (e.g Pharmacists Technicians)	£19.33	£17.90	£1.43	7.38%	-0.13%
Additional Clinical Services (HCA's, health support workers)	£11.00	£10.98	£0.02	0.20%	3.41%
Administrative and Clerical	£17.40	£13.61	£3.79	21.76%	20.90%
Allied Health Professionals (Occ Therapists, Physio's)	£19.11	£20.12	-£1.02	-5.33%	-5.00%
Estates and Ancillary	£11.59	£10.81	£0.78	6.74%	7.58%
Healthcare Scientists (Pathology staff)	£20.46	£17.82	£2.64	12.90%	15.21%
Medical and Dental	£38.05	£32.65	£5.40	14.19%	15.40%
Nursing and Midwifery Registered	£16.68	£18.00	-£1.32	-7.91%	-9.35%

The RAG rating above is classified as follows compared to 2018:

- green highlights a positive change for female workers,
- amber shows a positive change towards female favour however remains a significantly in favour of males
- red shows a significant change / or significant level in favour of male workers.

Agenda for change vs. medical and dental – the trust has also undertaken analysis of staff pay in order to identify potential gender pay gap separating Agenda for Change and Medical and Dental terms and conditions of pay. The data suggests that gender pay gap for agenda for change employees is in favour of females, whilst the medical and dental staff group's gender pay gap is in favour of males.

	Mean average hourly rate Non Medical (AfC, Trust Pay & Tupe)	Mean average hourly rate Medical and Dental staff
All (hourly rate)	£15.65	£35.80
Female	£15.72	£32.65
Male	£15.30	£38.05
Difference	£0.42	£5.40
Pay Gap %	2.67% in females favour	14.19% in males favour

4. ENHT PAY ARRANGEMENTS

Gender Pay Gap is different to Equal Pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. The trust delivers equal pay through a number of means but primarily through adopting nationally agreed terms and conditions for our workforce:

5. RECOMMENDATIONS

The trust is committed to addressing issues identified within this Gender Pay Gap report. A number of actions are suggested to ensure that the trust continues to follow best practice in this area:

1. All female employees continue to be encouraged to submit applications for Clinical Excellence Awards.
2. Ensure the trust's recruitment and selection policy and process for internal and external candidates avoids potential bias against women.
3. Explore whether there are any genuine occupational requirements which may enable recruitment to post that are underrepresented by female employees.
4. Consider occupational stereotypes and create staff stories and share role models to reduce these.
5. To ensure that flexible arrangements apply equally to all posts irrespective of seniority which may assist female under representation at higher bandings.
6. Ensure that the Trusts talent conversations identify and remove barriers for all staff who would otherwise be dissuaded from exploring promotion.

Appendix 1 Details on how calculations are completed.

For the calculation of **ordinary pay** the following has been taken into consideration:

- 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 (N.B. the Trust, due to its sites geographical location, awards outer, fringe and no High Cost Area Supplement, depending on employees' main base of work)
- 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
- Pay for piecework

The calculation of an ordinary pay does not include any of the following:

- Remuneration referable to overtime.
- Remuneration referable to redundancy or termination of employment
- Remuneration in lieu of leave
- Remuneration provided otherwise than in money.

For the calculation of **bonus pay** the following has been taken into consideration:

- Any remuneration that is in the form of money, vouchers, securities, securities options, or interests in securities, and
- Relating to profit sharing, productivity, performance, incentive or commission.

The calculation of a bonus pay does not include any of the following:

- Ordinary pay
- Remuneration referable to overtime
- Remuneration referable to redundancy or termination of employment
- Remuneration in lieu of leave

NB – Bonus payments in the Trust are exclusively made up from Medical Consultants' merit awards (i.e. Clinical Excellence Awards)