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| --- | --- | --- | --- |
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| **Agenda Item:** | | | |
| **FINANCE AND PERFORMANCE COMMITTEE – February 2021** | | | |
| **Gender Pay Gap Report February 2021** | | | |
|  | | | |
| **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 2020.  The paper is split into two sections, the first on average pay and second on bonuses.  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:**  Interim Chief People Officer | **Presented by:**  Interim Deputy Chief People Officer | **Author:**  Interim Deputy Chief People Officer & EDI Lead | |
|  | | | |
| **Trust priorities to which the issue relates:** | | | **Tick applicable boxes** |
| **Quality:** To deliver high quality, compassionate services, consistently across all our sites | | |  |
| **People:** To create an environment which retains staff, recruits the best and develops an engaged, flexible and skilled workforce | | |  |
| **Pathways:** To develop pathways across care boundaries, where this delivers best patient care | | |  |
| **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 | | |  |
| **Sustainability:** To provide a portfolio of services that is financially and clinically sustainable in the long term | | |  |
|  | | |  |
| **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):**  **I**neffective 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 2021**

**(data as at 31 March 2020)**

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 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 2020. 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.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Staff Group 2019** | **Males to females** | **Females to males** | **Males to all staff** | **Females to all staff** |
| Add Prof Scientific and Technic | 20.50% | 79.50% | 0.68% | 2.65% |
| Additional Clinical Services | 16.07% | 83.93% | 2.40% | 12.55% |
| Administrative and Clerical | 15.24% | 84.76% | 3.54% | 19.67% |
| Allied Health Professionals | 17.76% | 82.24% | 0.77% | 3.55% |
| Estates and Ancillary | 57.02% | 42.98% | 3.25% | 2.45% |
| Healthcare Scientists | 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% |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Staff Group 2020** | **Males to Females** | **Females to Males** | **Males to all staff** | **Females to all**  **staff** |
| Add Prof Scientific and Technic | 20.21% | 79.79% | 0.63% | 2.48% |
| Additional Clinical Services | 16.56% | 83.44% | 2.52% | 12.68% |
| Administrative and Clerical | 15.74% | 84.26% | 3.74% | 20.04% |
| Allied Health Professionals | 16.89% | 83.11% | 0.81% | 3.97% |
| Estates and Ancillary | 57.38% | 42.62% | 3.32% | 2.47% |
| Healthcare Scientists | 40.31% | 59.69% | 1.27% | 1.89% |
| Medical and Dental | 55.34% | 44.66% | 7.78% | 6.28% |
| Nursing and Midwifery Registered | 9.48% | 90.52% | 2.86% | 27.28% |
| Overall | 22.92% | 77.08% | 22.92% | 77.08% |

1. **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 in sections:

Average pay section 3

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

Bonus pay section 4

1. The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
2. The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
3. The proportions of male and female relevant employees who were paid bonus pay
4. 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.

All information captured in this report is based on the calculations made relating to the pay period in which the snapshot day falls. Each snapshot is taken as at the 31 March of the previous year. (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.

1. **AVERAGE Pay**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gender** | **Mean hourly rate 2018** | **Mean hourly rate 2019** | **Mean hourly rate 2020** | **Median hourly rate 2018** | **Median hourly rate 2019** | **Median hourly rate 2020** |
| **Male** | £21.95 | £21.56 | £22.30 | £16.23 | £16.64 | £17.54 |
| **Female** | £15.91 | £16.61 | £17.19 | £14.40 | £14.57 | £15.40 |
| **Difference** | £6.04 | £4.95 | £5.11 | £1.83 | £2.07 | £2.14 |
| **Pay Gap %** | **27.53%** | **22.97%** | **23.00%** | **11.27%** | **12.44%** | **12.22%** |

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 which is very similar to 2019.
2. **Median gender pay gap** –the data suggests that the gender pay gap for median average ordinary earnings for women is **12.2%** less than for men, which is 0.2% improvement on 2019.
3. **Gender composition in each quartile pay band** – the tables below represent 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% |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Quartile 2020** | **Female** | **Male** | **Female** | **Male** |
| **1 (lowest pay)** | 1158 | 308 | 78.99% | 21.01% |
| **2** | 1186 | 287 | 80.52% | 19.48% |
| **3** | 1221 | 253 | 82.84% | 17.16% |
| **4 (highest pay)** | 937 | 538 | 63.53% | 36.47% |
| **Overall gender split** | 4502 | 1386 | 76.46% | 23.54% |

The above tables highlight that although the representation at each quartile remains largely consistent, there is a disparity in tier 4 (highest pay) which is influenced mostly by the ‘administrative and clerical’ staff group, in corporate areas where there are more males in senior positions (senior managers who are non-clinical staff are categorised as ‘administrative and clerical’ staff).

1. **Additional reporting**

To give greater detail around the mean difference, additional reports were taken from the Electronic Staff record (ESR) – the following highlights the differences by staff group. Negative figures in Allied Health Professionals (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 **25.62%** (worse than 2019), **10.54**% (better than last year) and **12.93**% (better than last year) respectively.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Main Staff Group** | **Female Avg. Hourly Rate** | **Male Avg. Hourly rate** | **Difference** | **Pay gap**  **2018** | **Pay gap**  **2019** | **Pay gap**  **2020** |
| **Add Prof Scientific and Technic** | £19.03 | £20.46 | £1.43 | -0.13% | 7.38% | 6.99% |
| **Additional Clinical Services** | £11.16 | £11.37 | £0.22 | 3.41% | 0.20% | 1.90% |
| **Administrative and Clerical** | £14.02 | £18.85 | £4.83 | 20.90% | 21.76% | 25.62% |
| **Allied Health Professionals** | £20.64 | £19.82 | -£0.82 | -5.00% | -5.33% | -4.16% |
| **Estates and Ancillary** | £11.27 | £12.20 | £0.93 | 7.58% | 6.74% | 7.62% |
| **Healthcare Scientists** | £19.39 | £21.67 | £2.28 | 15.21% | 12.90% | 10.54% |
| **Medical and Dental** | £33.62 | £38.61 | £4.99 | 15.40% | 14.19% | 12.93% |
| **Nursing and Midwifery Registered** | £18.55 | £17.57 | -£0.98 | -9.35% | -7.91% | -5.55% |

The RAG rating above is classified as follows compared to 2019:

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

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 remains in favour of females, whilst the medical and dental staff group’s gender pay gap remains in favour of males.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2019**  **Mean average hourly rate** | **2019**  **Mean average hourly rate** | **2020**  **Mean average hourly rate** | **2020**  **Mean average hourly rate** |
|  | **Non Medical (AfC, Trust Pay, VSM & Tupe)** | **Medical and Dental staff** | **Non Medical (AfC, Trust Pay, VSM & Tupe)** | **Medical and Dental staff** |
| **Female** | £15.72 | £32.65 | £16.19 | £33.62 |
| **Male** | £15.30 | £38.05 | £16.10 | £38.61 |
| **Difference** | £0.42 | £5.40 | £0.09 | £4.99 |

1. **BONUS PAY**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gender** | **Mean average bonus**  **2018** | **Mean average bonus**  **2019** | **Mean average bonus 2020** | **Median average bonus**  **2018** | **Median average bonus**  **2019** | **Median average bonus**  **2020** |
| **Male** | £14,668.64 | £9383.32 | £9,607.81 | £9,040.50 | £9227.42 | £9,048 |
| **Female** | £10,732.85 | £8880.49 | £9,117.48 | £6.027.04 | £8524.57 | £6,032.04 |
| **Difference** | £3,975.79 | £502.38 | £490.33 | £3,013.46 | £702.85 | £3,015.96 |
| **Pay Gap %** | **26.83%** | **5.4%** | **5.10%** | **33.33%** | **7.6%** | **33.33%** |

1. **Mean bonus pay gap** – the data suggests that the gender pay gap for mean average bonus earnings for women is **5.1**% less than for men, a continuing improvement of 0.3% compared to 2019.
2. **Median bonus pay gap** – the data suggests that the gender pay gap for median average bonus earnings for women is **33.33%** less than for men, which is significantly worse than last year and returns to the 2018 gap.
3. **Gender composition of bonuses** – the data shows that the proportion of males receiving a bonus was **5.63**%, whilst **0.8**% of female employees were in receipt of a bonus payment. While the number of female recipients is comparable with last year the number of male recipients has reduced by 0.8% compared to 2019.

As this represents a significant deterioration, 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.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gender** | **No. Paid**  **Bonus** | **Total**  **Employees** | **%** | **No. Paid bonus** | **Total Employees** | **%** |
| **Female** | 39 | 4657 | 0.83% | 38 | 4778 | 0.8% |
| **Male** | 86 | 1337 | 6.43% | 80 | 1421 | 5.63% |

Staff receiving a bonus will only apply to medical consultants due to the awards known as Clinical Excellence 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 340 employees (medical consultants) were eligible for bonus payments in 2020. The table below represents the consultant body with gender composition and bonus payments distribution. Out of 340 eligible staff, 118 were in receipt of clinical excellence award, which equated to **34.71**% in total distributed by **31.15**% of female compared to **36.7**% of male medical consultants were paid the award. While fewer people have received bonuses, the distribution of bonuses for consultants remains comparable to previous years.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gender** | **2018**  **headcount consultants** | **2018**  **% of consultants with bonus** | **2019**  **headcount consultants** | **2019**  **% of consultants with bonus** | **2020 headcount consultants** | **2020**  **% of consultants with bonus** |
| **Female** | 104 | 33.65% | 108 | 36.11% | 122 | 31.15% |
| **Male** | 210 | 39.05% | 209 | 41.15% | 218 | 36.7% |
| **Grand Total** | 314 | 37.26% | 317 | 39.43% | 340 | 34.71% |

1. **KEY FINDINGS & ReCOMMENDATIONS**

Interventions are underway in the current year, for example, review of ‘Trust pay’ arrangements, and increased promotion of flexible working arrangements which are expected to make an impact in later years. National action is also being taken with regard to medical gender pay gaps following the publication of the report ‘Mend the gap: The Independent Review into Gender Pay Gaps in Medicine in England’ published in December 2020.

However, the key findings in this year’s report indicate that there is more to do and the Trust will carry out a deep dive into the quartile and staff groups to establish interventions that may be suitable to help identify the issues and address the gap. Secondly a deep dive into the clinical excellence awards for medics which again shows a significant disparity between male and female recipients.

It is therefore suggested that the trust implement the following actions to progress this agenda in the first half of 2021/22.

1. Development of a focus group to
   * Complete a deep dive on the data
   * Establish any interventions that have been taken and made a difference.
   * Consider the checklists and actions recommended in the NHS Employers guidance
   * Make additional recommendations for action
   * Develop internal aspirational targets for improvement
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.
7. Progress to be monitored and reported quarterly to the Finance, Performance and People Committee.
8. Early analyse of 2021 data to implement change in preparation for the March 2022 submission.

**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)