

To:	Workforce & Transformation Committee
From:	Martin Rayson, Director of HR/OD
Date:	11 th March 2019

Title:	Gender Pay Gap Reporting 2019
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Responsible Director:
 Martin Rayson, Director of Human Resources and Organisational Development

Purpose of the report:
 To provide assurance on the gender pay gap position in ULHT and that the Trust is taking appropriate action to ensure that there is fairness and equity in the way it applies its pay policies across the genders.

The report is provided to the Board for:

Decision		Discussion	X
Assurance	X	Information	X

Summary/Key Points:

We are required to report annually on the pay gap between men and women working in the Trust and to publish data on our website. There is significant interest in the evident pay gaps across sectors. The mean hourly rate of female employees in ULHT is 33% lower than males. However this is an issue across the NHS, where the nursing workforce is predominantly female. The median rate is 14% lower. There has been no real change since 2018.

Tackling this issue is a matter for the NHS as a whole rather than ULHT, where we do encourage all genders into all roles within the organisation. Last year we did identify an issue around Clinical Excellence Awards and the fact that males received higher payments than females. Again this is common in the NHS, but we did take steps to ensure there was no opportunity for bias in the process and there has been improvement in the outcomes of the 2019 process.

We will through our People Strategy and our work on talent management, provide opportunities for people from any background to progress to senior roles in the Trust where there remains an imbalance.

Reporting Requirement

Gender pay reporting legislation requires employers with 250 or more employees from April 2017 to publish statutory calculations every year showing how large the pay gap is between male and female employees. There are two sets of regulations. The set of regulations that apply to United Lincolnshire Hospitals NHS Trust (ULHT) are those determined for the public sector, where a snapshot of pay is taken with effect from 31 March each year and data presented in line with 6 key indicators.

The indicators and calculations required are as follows:

- The hourly rate of ordinary pay relation to the pay period in which the snapshot day falls
- The difference between the mean hourly rate of ordinary pay of male and female employees
- The difference between the mean (and median) bonus pay paid to male and female employees
- The proportions of male and female employees who were paid bonus pay
- The proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands by number of employees rather than rate of pay.

The statutory calculations have been undertaken using the national Electronic Staff Record (ESR) Business Intelligence standard report. Pay includes: basic pay, full paid leave, including annual, sick, maternity, paternity, adoption or parental leave, bonus pay, area and other allowances, shift premium pay, pay for piecework. In line with NHS Employers guidance, Clinical Excellence Awards have been categorised as bonuses.

Pay does not include: overtime pay, expenses (payments made to reimburse expenditure wholly and necessarily incurred in the course of employment, e.g. mileage for use of vehicle), remuneration in lieu of leave, the value of salary sacrifice schemes, benefits in kind (e.g. child care vouchers), redundancy pay and tax credits.

Headlines

This section contains the headline figures from the 2018 gender pay gap analysis and makes comparisons with 2017 (figures in brackets).

Women's mean hourly rate is 33% lower (33% in 2017)

Women's median hourly rate is 14% (15% in 2017)

The proportion of men and women in each pay quartile is:

	Men	Women
1. Lowest Quartile	16% (16%)	84% (84%)
2. Lower Middle Quartile	17% (16%)	83% (84%)
3. Upper Middle Quartile	15% (14%)	85% (86%)

4. Top Quartile

34% (35%)

66% (65%)

These figures have changed marginally between 2017 & 2018. Women mainly proportionately under-represented at senior levels.

Less than 1% of women & 6% of men receive bonus payments

Women's mean bonus pay is 54% lower than men (64% in 2017)

Women's median bonus pay is 51% lower than men (62% in 2017)

The Clinical Excellence Awards paid to medical staff are the only bonus payments made. The evidence indicates some improvements in the parity of levels of awards reflecting the focus of the Trust on this issue.

Detailed Results

Average Gender Pay Gap

Table 1 shows the mean and median hourly rates for men and women at ULHT.

Gender	Avg. (Mean) Hourly Rate	Median Hourly Rate
Male	£21.22	£15.15
Female	£14.25	£12.85
Difference	£6.97	£2.30
Pay Gap %	32.83%	15.21%

The Trust workforce reflects that if the NHS hospital sector, where the majority of ? are women, but the proportion of women in lower graded roles (e.g. nurses) is much higher. There are far higher proportions of men in medical roles.

This is demonstrated in table 2, which shows the proportion of men and women in each "pay quartile". The quartiles are based on hourly rates, with the 2.5% of staff paid the lowest hourly rate included in quartile 1. The 25% of staff with the highest hourly rate are in quartile 4.

Quartile	Female	Male	Female %	Male %
1	1601	301	84.17%	15.83%
2	1607	327	83.09%	16.91%
3	1606	293	84.57%	15.43%
4	1279	659	66.00%	34.00%

Table 3 shows the mean salary for men and women within each pay band or grade within ULHT.

Pay Band/Grade	Gender (Numbers)		Mean Salary (£)	
	Female	Male	Female	Male
Band 1	334.08	48.38	15652	15641
Band 2	1169.26	259.84	17149	17354
Band 3	437.12	91.61	19044	18780
Band 4	277.71	76.72	21810	21493
Band 5	1190.33	190.91	26405	25922
Band 6	739.71	124.05	32463	31482
Band 7	369.66	83.48	38764	39120
Band 8A	110.87	35.40	45440	45726
Band 8B	22.59	16.75	55138	56131
Band 8C	19.60	16.20	63856	62963
Band 8D	5.80	6.75	77074	80909
Band 9		3.00	Not Applicable	91893
Director	2.00	6.00	133125	137989
Consultant	82.87	229.57	88218	90479
Associate Specialist	5.21	27.00	84085	83676
Staff Grade	0.30	0.73	49573	65812
Specialty Doctor	39.70	88.97	57851	61138
GPCA/Hospital Practitioner	1.36	0.59	64365	56043
Specialty Registrar	58.13	75.78	40947	41478
Foundation Year 2	39.86	35.00	30754	30665
Foundation Year 1	35.47	34.94	26515	26513

Within each pay band there is a marginal difference between the pay rates of men and women. The formal job evaluation process in place prevents significant discrimination. We have looked at starting rates of pay to see whether this determines that difference in mean salary in grades, but can see no discernible pattern. The differences appear to be a consequence of length of service and men having longer NHS service.

Bonus Payment

Alongside average rates of pay, we are also required to report on bonus payments. The only payments of this nature that we pay are the clinical excellence awards payable to our medical consultants. Clinical excellence awards exist to recognise and reward the exceptional contribution of NHS consultants, over and above that normally expected in their role, to the values and goals of the NHS and to patient care. Awards are therefore dependent on the demonstration of such contributions, and not on factors such as seniority or age.

Table 4 demonstrates that there is a difference between the size of the bonus paid to men and women consultants who are eligible.

Gender	Avg. Pay	Median Pay
Male	£11,928.73	£6,152.70
Female	£5,434.53	£3,013.46
Difference	£6,494.20	£3,139.24
Pay Gap %	54.44%	51.02%

We placed particular emphasis in the 2018 award process on ensuring there was no bias in the process towards men. We have seen some reduction in the differential in payments made, but fundamentally the gap is caused by the “long years of service” phenomenon. Higher bonuses are achieved through cumulative awards based on longer years of service.

Table 5 shows the number of staff receiving a bonus.

Gender	Employees Paid Bonus	Total Relevant Employees	%
Female	25	6984.00	0.36
Male	104	1792.00	5.80

Only a small number of staff are eligible for awards. The Table 6 below gives more information by gender of staff receiving Clinical Excellence Awards:

	Male		Female		Total	
	#	%	#	%	#	%
Eligible Consultants	163	70.26%	69	29.74%	232	100.00%
Applicants	43	74.14%	15	25.86%	58	100.00%
Successful	18	72.00%	7	28.00%	25	100.00%
Unsuccessful	25	75.76%	8	24.24%	33	100.00%
Disqualified	12	80.00%	3	20.00%	15	100.00%

The key statistics are that of all those eligible 11% of men received awards and 10% of women. Of these who applied 41% of men received an award (57% in 2017) and 46% of women (40% in 2017). The percentage of women receiving awards has increased and the percentage of men decreased. Males seem more inclined to submit an application (although marginally so), which is an issue we will seek to address in 2019.

Proposed Actions

Our focus in the 2019/20 financial year will be on establishing a systematic talent management approval, giving every opportunity to women to progress in ULHT. We will also, through the talent academy, encourage all young people of whatever gender, to consider roles in ULHT.