

To:	Workforce & Organisational Development Committee
From:	Martin Rayson, Director of HR/OD
Date:	12 th February 2020

Title:	Gender Pay Gap Reporting 2020
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Responsible Director:
Martin Rayson, Director of Human Resources and Organisational Development

Purpose of the report:
To outline the gender pay gap position in ULHT (based on 31st March 2019 data) and provide assurance that there is fairness and equity in the way the Trust applies its pay policies across the genders and is taking appropriate action to address the pay gap that does exist.

The report is provided to the Board for:

Decision		Discussion	X
Assurance	X	Information	X

Summary/Key Points:

The Trust has been required to report on a range of specified indicators related to its gender pay gap since 2017. We now have three years of data to review. We have a significant gender pay gap, which has not changed markedly over the three years. It is difficult to benchmark this against other organisations, but it is recognised that a key driver of this is the gender balance in the main NHS professions, that is there are more females in nursing and more males in medical roles, which attract higher salaries.

We have seen an increase in the proportion of females in the top pay quartile. There are more females in roles banded up to 8D. Whilst there has been an improvement in the gap in the level of Clinical Excellence Awards (the only payment we categorise as a “bonus payment”), there is still a significant imbalance with the payments to males. The criteria for payments, linked to experience makes closing the imbalance in the short-term difficult.

We have looked at best practice to determine the actions we might take to address the issues we have. We will support national initiatives to address imbalances in the professions and alongside this:

- Focus on increasing the number of female applicants for the Clinical Excellence Awards
- Ensuring that within our new approach to talent development/management, we ensure that there are no impediments to females progressing
- Gather data through the recruitment process and take action where we have evidence that females are disadvantaged in the process.

1. Reporting Requirement

- 1.1 Since April 2017 gender pay reporting legislation has required employers with 250 or more employees to publish information on the pay gap is between male and female employees. Organisations in the public sector are required to report against a set of six key indicators, based on data from 31st March each year. They are then required to publish that data by the end of the following financial year.
- 1.2 The indicators 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.
- 1.3 To report against these indicators, we have used the national Electronic Staff Record (ESR) Business Intelligence standard report. For the purposes of these calculations, 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.
- 1.4 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.
- 1.5 In line with NHS Employers guidance, Clinical Excellence Awards have been categorised as bonuses.
- 1.6 We now have three years' worth of data and the opportunity is taken in this report to indicate trends in that data. There is an analysis in the report of the data and referencing to benchmark information. We have identified where we believe the Trust needs to take action. These actions will be taken forward within the context of the overall Integrated Improvement Plan.

2. Headlines

- 2.1 This section contains the headline figures from the 2019 gender pay gap analysis and makes comparisons with 2018 (figures in brackets).

Women’s mean hourly rate is 32% lower (33% in 2018)

Women’s median hourly rate is 15% lower (15% in 2018)

2.2 The proportion of men and women in each pay quartile is (2018 figures in brackets):

	Women	Men
1. Lowest Quartile	84% (84%)	16% (16%)
2. Lower Middle Quartile	84% (83%)	16% (17%)
3. Upper Middle Quartile	83% (85%)	17% (15%)
4. Top Quartile	67% (66%)	33% (34%)

2.3 The Clinical Excellence Awards paid to medical staff are the only bonus payments in the Trust.

Women’s mean bonus pay is 51% lower than men (54% in 2018)

Women’s median bonus pay is 59% lower than men (51% in 2018)

3. Detailed Results

Pay Data

3.1 Table 1 shows the mean and median hourly rates for men and women at ULHT (31st March data).

Table 1

Gender	Mean Hourly Rate	Median Hourly Rate
Male	£21.41	£15.28
Female	£14.65	£12.95
Difference	£6.76	£2.33
Pay Gap %	31.58%	15.25%

3.2 The two tables below (2 and 3) give the Average Hourly Rates and the Median Hourly Rates for the three years that we have been collecting data.

Table 2

	Mean Hourly Rate		
	2017	2018	2019
Male	£20.74	£21.22	£21.41
Female	£14.09	£14.25	£14.65
Difference	£6.65	£6.97	£6.76
Pay Gap %	32.08%	32.83%	31.58%

Table 3

	Median Hourly Rate		
	2017	2018	2019
Male	£14.74	£15.15	£15.28
Female	£12.79	£12.85	£12.95
Difference	£1.95	£2.30	£2.33
Pay Gap %	13.22%	15.21%	15.25%

- 3.3 What the tables indicate is that there is variance year on year. The number of male and female staff in each grade will vary year on year, dependent upon the gender of leavers and starters. Whilst over the three years that pay gap on mean pay across the Trust has decreased, it has increased in terms of the median pay gap. Without significant additional analysis it is difficult to be certain about the cause of the increase in median pay gap. The Trust has taken no action which may have caused it. Given the median will vary dependent upon changes in individual salaries, this could be a consequence of more new starters being female.
- 3.4 The underlying position is that as a Trust we have more female staff in lower paid roles and this has not altered significantly over the three years we have been collecting data. This is illustrated in table 4, which shows the proportion of men and women in each “pay quartile”. The quartiles are based on hourly rates, with the 25% of staff paid the lowest hourly rate included in quartile 1. The 25% of staff with the highest hourly rate are in quartile 4.

Table 4

Quartile	Female	Male	Female %	Male %
1	1646	316	83.89% (84.17%)	16.11% (15.83%)
2	1651	313	84.06% (83.09%)	15.94% (16.91%)
3	1637	326	83.39% (84.57%)	16.61% (15.43%)
4	1325	639	67.46% (66.00%)	32.54% (34.00%)

- 3.5 Table 5 shows the trend data since 2017 in percentage terms:

Table 5

Quartile	2017		2018		2019	
	Female %	Male %	Female %	Male %	Female %	Male %
1	83.53%	16.47%	84.17%	15.83%	83.89%	16.11%
2	83.39%	16.61%	83.09%	16.91%	84.06%	15.94%
3	85.47%	14.53%	84.57%	15.43%	83.39%	16.61%
4	65.94%	34.06	66.00%	34.00%	67.46%	32.54%

There has been a small increase over time in the proportion of female staff in the top pay quartile.

- 3.6 Table 6 gives more information and shows the mean salary for men and women within each pay band or grade within ULHT.

Table 6

Pay Band/Grade	Gender (Fte)		Mean Salary (£)	
	Female	Male	Female	Male
Band 1	315.18	48.87	£17,460	£17,460
Band 2	1207.94	270.15	£18,072	£18,138
Band 3	470.15	88.05	£19,411	£19,278
Band 4	310.95	86.99	£22,180	£21,866
Band 5	1157.36	193.82	£26,961	£26,552
Band 6	738.28	124.05	£33,132	£32,124
Band 7	381.05	93.51	£39,347	£39,120
Band 8A	120.03	36.39	£46,473	£46,628
Band 8B	36.34	14.75	£54,680	£58,181
Band 8C	18.60	17.20	£66,524	£65,032
Band 8D	7.00	5.85	£81,172	£81,470
Band 9	1.00	3.00	£92,814	£90,507
Director	1.00	6.00	£128,325	£144,560
Consultant	78.86	225.20	£90,142	£92,695
Associate Specialist	4.90	25.89	£87,363	£86,673
Staff Grade	0.30	0.73	£51,060	£67,787
Specialty Doctor	38.75	88.25	£60,721	£64,509
GPCA/Hospital Practitioner	1.14	0.59	£68,804	£57,741
Specialty Registrar	75.18	69.80	£41,388	£42,123
Foundation Year 2	38.00	33.00	£31,327	£31,071
Foundation Year 1	27.99	40.00	£27,146	£27,146

- 3.7 Within each pay band there are marginal differences between the pay rates of males and females. In some bands this favours males and in others it favours females. The formal job evaluation process to determine pay rates ensures there can be no significant discrimination. There could be discrimination in terms of the starting rate for

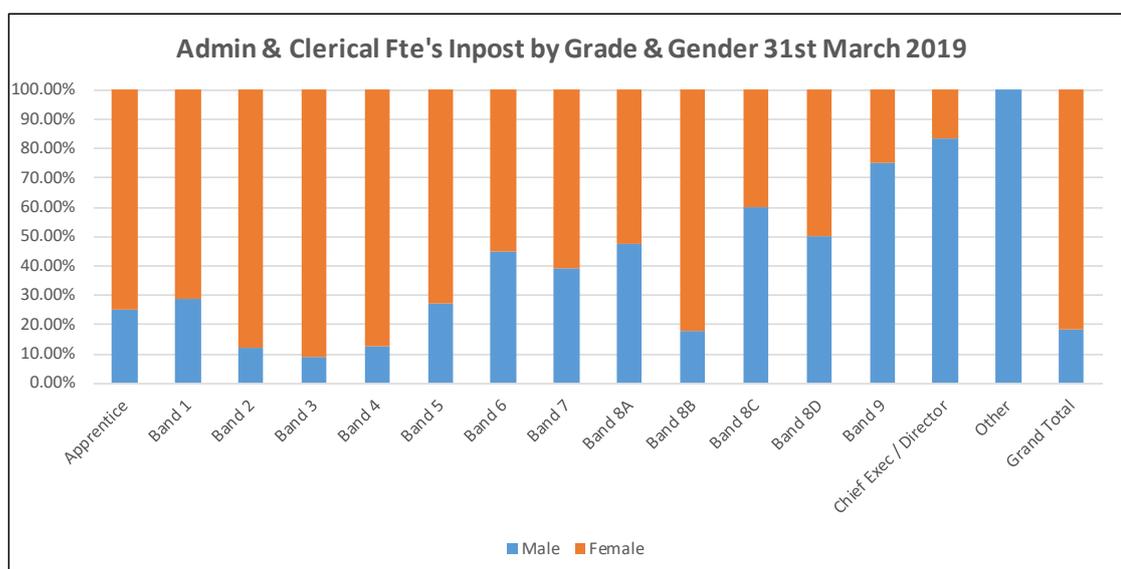
roles. Our pay policy does state that individuals should normally start at the bottom of the pay band. We cannot see a pattern where starting rates of pay are not at the bottom. The differences within grades appear to be a consequence of the length of service of those in those grades.

- 3.8 We have also looked at the pay gap by job type using the categories within ESR – see Table 7.

Table 7

Staff Group	Male		Female		Difference	Pay Gap %
	Percentage of Fte Workforce	Mean Hourly Rate	Percentage of Fte Workforce	Mean Hourly Rate		
Add Prof Scientific and Technic	33.75%	18.40	66.25%	17.36	1.04	5.65%
Additional Clinical Services	12.08%	10.63	87.92%	10.64	-0.01	-0.09%
Administrative and Clerical	18.18%	16.41	81.82%	11.75	4.66	28.40%
Allied Health Professionals	25.17%	16.83	74.83%	18.05	-1.22	-7.25%
Estates and Ancillary	40.49%	10.77	59.51%	10.44	0.33	3.06%
Healthcare Scientists	47.03%	21.17	52.97%	19.66	1.51	7.13%
Medical and Dental	64.63%	36.34	35.37%	29.60	6.74	18.55%
Nursing and Midwifery Registered	6.87%	17.70	93.13%	17.60	0.10	0.58%
Grand Total	22.65%	21.41	77.35%	14.65	6.76	31.58%

- 3.9 There are two clear anomalies in the table. Among medical staff, the disparity is due to the fact that our workforce is predominantly male, who are older and have more experience and as a consequence, have higher salary levels because of previous Clinical Excellence Awards.
- 3.10 The Admin and Clerical line is influenced by the preponderance of females in bands which attract a lower salary. In roles above Band 5, the proportion of males increases. There are a preponderance of females up to and including Band 8D (with the exception of Band 8C).



The following statistics emphasises the cause of the imbalance in this staff group. If Directors are excluded, the mean hourly rate for males reduces from £16.41 to £15.18 and for females reduces from £11.75 to £11.57. The pay gap reduces from 28.40% to 23.78%. If you also exclude all Band 8A's and above, the pay gap then reduces to 14.65%. If all band 6's and above are excluded (leaving only Apprentices and bands 1 to 5) the pay gap is then only 2.66%.

Analysis Of Pay Data

- 3.11 Over the three years the Trust has been collecting data, there has been variation year on year in terms of the pay gap. It may be too early to discern any trends. The pay gap for mean pay has reduced marginally, but has increased for median pay. It is difficult to be certain as to the cause of the growth in the gap in median pay.
- 3.12 There has been an increase in the proportion of females in pay quartile 4. Indeed there are more females than males in bands 8A to 8D. There are significantly more females than males employed in Bands 1 to 7, reflecting the fact that both clinical and admin roles in the NHS tend to have high proportions of females employed in them.
- 3.13 The Executive Team remains largely male, but the group who tend to distort the figures (because of the significant salaries they attract, are the medics. There are three times as many male consultants than females and over twice as many middle grade doctors.
- 3.14 In terms of benchmarking ULHT against others, the NHS does not routinely publish data regarding the gender pay gap. The Nuffield Trust undertook a detailed analysis of

the 2017 data and calculated the median pay gap across the NHS as a whole as 8.6% in favour of men.

3.15 The Guardian newspaper reported in April 2019 that “whereas last year (2017) 19 NHS trusts had median pay gaps of 20% or above, this year (2018) 24 did, while 60 had gaps in excess of the public sector median of 14.1%. In all 125 trusts’ pay gaps have worsened, widening their average mean pay gap from 9.2% to 10%.

3.16 There is significant variation in what is being reported by individual Trusts. We can access a number of reports published on line, showing 2018 data.. Three other acute trusts are shown below for comparison:

	Mean Pay Gap	Median Pay Gap
ULHT	32.83%	15.21%
Pennine Acute Trust	23.7%	4.28%
Queen Victoria Hospital Trust	37%	41%
St Georges Hospital Trust	13.94%	2.11%

3.17 In terms of conclusions that can be drawn, the Nuffield Trust report concluded that “statistical decomposition of the overall pay gap indicated that occupational segregation is the main driver of pay differences between men and women.” It is that fundamental issue that nursing staff (and associated professions) tend to be female and medical staff, male. This is recognised nationally and there is currently a gender pay gap in medicine review that is being led by Dame Jane Dacre, which will publish its results in the next few months.

3.18 This does not mean we should be complacent at ULHT and take no action. The action that we propose is set out in section 4.

Bonus Payment

3.19 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.

3.20 In relation to bonus payments, there are three required statistics to report:

1. Number of employees in receipt of a bonus payment
2. Mean bonus payment
3. Median bonus payment

3.21 Two of these have shown an improvement year on year. These improvements are gradual, reflecting the demographic differences that persist (i.e. there are more male consultants and their length of service tends to be greater).

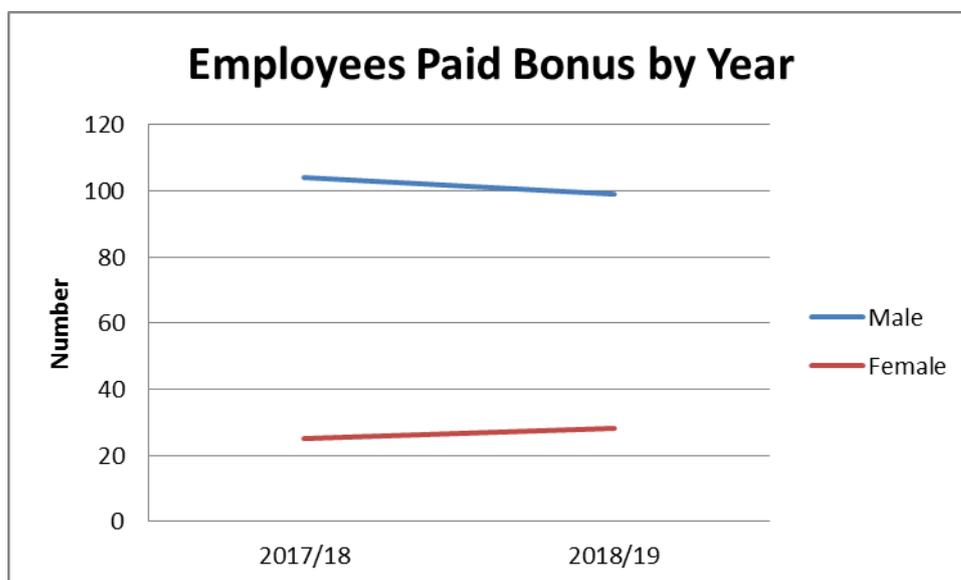
3.22 Table 8 shows the number of staff in ULHT receiving bonuses. In 2019 fewer males received bonuses and more females received bonuses compared to 2018.

Table 8

Gender	Employees Paid Bonus	Total Relevant Employees	%
Female	28	7047	0.40%
Male	99	1804	5.49%

The percentage figure is based on the 'total relevant employees', but in reality only shows medical staff receiving Clinical Excellence Awards. The percentages have to be treated carefully, as they could be impacted by any significant change in the proportion of either male or female staff in the Trust as a whole.

- 3.23 With that caveat though, we can report a closing of the gap in terms of the number of male and female staff receiving bonus payments (see graph below)

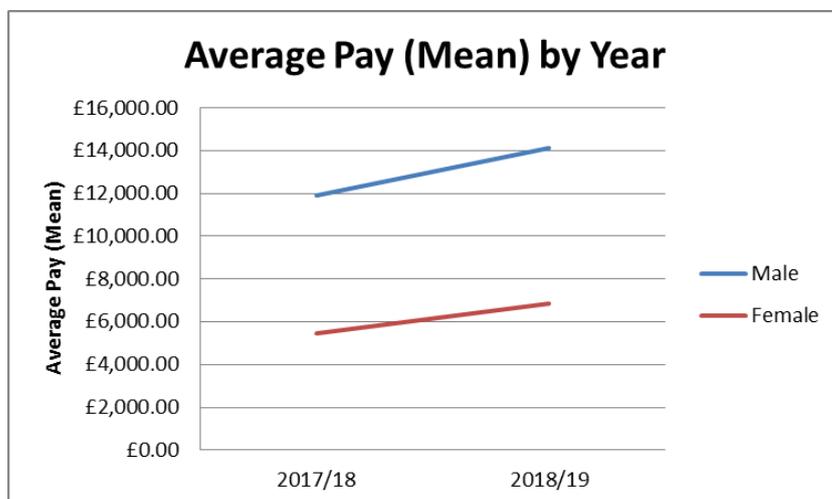


- 3.24 Table 9 summarises the position on mean and median payments in 2019. Mean bonus payments have increased for males and females year on year. For females, they have increased by 26.38% between 2018 and 2019 and for males, by 18.28%. Median bonus payments have increased for both groups. Female median bonus payments have increased by 52%. However, male median bonus payments have increased at the greater rate of 79.27%.

Table 9

Gender	Mean Bonus Payment	Median Bonus Payment
Male	£14,109.40	£11,029.98
Female	£6,868.29	£4,574.28
Difference	£7,241.11	£6,455.70
Bonus Payment Gap %	51.32%	58.53%

- 3.25 A significant gap in both mean and median bonus payments remains. The average bonus payment gap has reduced from 54.44% to 51.32% between 2018 and 2019 and this is illustrated in the graph below.



- 3.27 In terms of what is driving the data, whilst female applicants were more likely to receive an award during the 2018/19 Clinical Excellence Award round, males received more of the higher level awards. The gap between median levels of awards in particular increased. Females remain less likely to apply than their male counterparts. It should be noted that action was taken to ensure the panel reviewing the Clinical Excellence awards was more representative. 27% of the Consultant workforce was female in 2018/19. 4 out of 8 of the Consultant representatives on the panel were female (50%). 7 out of 13 of the entire panel were female (53%).

4 Proposed Actions

- 4.1 The fundamental issues regarding the gender construct of our workforce cannot be addressed by ULHT alone. We will embrace whatever action is taken nationally to change the gender balance within the professions that work within the NHS. Our ability to take local action is constrained to a degree by the high levels of vacancies that we have within both the nursing and medical staff groups. The level of choice our recruitment panels face can be limited.
- 4.2 Nonetheless there is action that this Trust can take. Those actions will form part of our Integrated Improvement Plan. Two priority workstreams for 2020/21 are relevant:
- Creating a framework for people to achieve their full potential
 - Revise our diversity action plan for 2020/21 to ensure concerns around equity of treatment and opportunity are tackled

We are putting in place an approach to talent management which ensures that the talent of all individuals in ULHT are maximised. We will particularly focus our efforts on those groups of staff who are under-represented at more senior levels in our structure. This will include females at the most senior level. Our Talent Academy will also

continue to work to open up professions to under-represented groups, particularly through apprenticeships.

- 4.3 On the Clinical Excellence Awards, we will work to encourage a greater proportion of female consultants to apply for awards and will continue to ensure that the panel is representative and is aware of the disparity in awards in previous years. They must however operate according to the established rules for Clinical Excellence Awards.
- 4.4 To identify other actions, we have benchmarked ourselves against best practice guidance from NHSI/E. This analysis is included in Appendix A. From that analysis our areas of proposed action are focused on the recruitment process, namely:
- Collection and analysis of data to determine whether there is the potential for bias and whether there is more we need to do to attract female staff
 - Review recruitment processes to determine whether alternative mechanisms for assessing against agreed criteria may help to attract a broader range of candidates
 - Ensure adverts are gender neutral, particularly reviewing medical recruitment documentation.

SELF ASSESSMENT AGAINST NATIONAL BEST PRACTICE

Best Practice	ULHT Position	Potential Further Action
Branding / communication / transparency		
We are transparent about our promotion, pay and reward processes	Our approach is set out in our workforce policies available through the intranet	
We consider the language, images and branding that we use to promote and advertise roles and careers within our organisation	We have recently agreed a branding for nursing/midwifery recruitment – “One Trust, Every Opportunity”, which focuses on promoting opportunities for all. The Talent Academy is very active in promoting roles in schools, emphasising the opportunity in all roles irrespective of gender	Reviewing branding of medical roles
We encourage salary negotiation by showing salary ranges when advertising vacancies	We do not encourage salary negotiation. Our starting point is that people start at the bottom of bands, unless there are exceptional circumstances. This is to ensure fairness and equity	
Make a public statement regarding the Trust’s commitment to reducing the gender pay gap		To be considered by the Committee
Recruitment and promotion processes		
We provide good-quality interview training to our line managers	Recruitment training is compulsory for recruiting managers. This will cover potential for bias	
We support progression for part-time and flexible workers	We offer support to part-time and flexible working. We promote parental leave policies	Explore as part of talent management approach, whether we need to do more to enable progression for those who are working part-time or flexibly
We give recruiters structured interview templates so they give every candidate an equal chance	The recruitment process requires recruiting managers to complete templates to ensure equality of opportunity	Regularly review recruitment data to ensure that there is no evidence of bias against particular characteristics As part of our talent management approach,

		encourage alternatives to the traditional application form and interview process, so that we are maximising the chance to spot potential in candidates
Maternity and paternity and parental leave policies		
We actively support women on maternity leave and encourage line managers to ensure staff use keeping in touch days as a stepping stone to creating a positive return to work experience	Included in our policies on maternity and parental leave	
We actively target women who have not returned to the organisation after maternity leave and encourage them to return in a way that works for them	We have a “return to practice” initiative for nurses	
We actively promote the existence of a shared parental leave policy and encourage new parents to take advantage of the scheme	The policy is actively promoted	
Wellbeing and retention		
We offer and actively promote a range of opportunities for flexible working to all staff, to suit their parental and caring responsibilities and commitments outside of work	In place	
We actively analyse our staff survey data from a gender perspective by comparing the experiences of our male and female staff, particularly	Our 2019 NSS results show a mixed picture. Female responses are across the Board close to the average of Trust. Males score higher around: <ul style="list-style-type: none"> - Involvement - Access to learning 	The differences are likely to be the result of a preponderance of female staff in clinical roles and on wards, where we know there is an issue about feeling pressurised and having

around the themes of equality, diversity and inclusion, line management and appraisals	and lower on: - Feeling under pressure	opportunities to be released to do appraisals and undertake training. These issues will be addressed in the Integrated Improvement Plan
Supporting female staff		
We identify and support aspiring women leaders within our organisation by providing them with opportunities for development and career progression		This will be addressed through the Talent Management approach under development
We have a women's network which offers staff the opportunity to access mentoring and coaching from colleagues and peers	This is planned for 2020	
We actively support our female staff in considering and applying for clinical excellence awards (if appropriate) and other opportunities to seek recognition for their work		Further action to be taken on Clinical Excellence Awards
Data analysis		
We have published our gender pay gap data on our website and produced a narrative that clearly explains the issues and what we are doing to address them	In place	
We fully understand our gender pay gap data and have analysed it to identify patterns and trends within service areas, departments and occupations, and across other protected characteristics	We take a proportional approach to the amount of analysis undertaken. We are aware of the issues, but will continue to review to determine whether further action is necessary.	