



Meeting	People & OD Committee
Date of Meeting	16 th June 2021
Item Number	Item 10.3
Gender Pay Gap	
Accountable Director	Martin Rayson, Director of People and OD
Presented by	Martin Rayson, Director of People and OD
Author(s)	Martin Rayson/Tim Couchman
Report previously considered at	Workforce Strategy Group/ELT

How the report supports the delivery of the priorities within the Board Assurance Framework	
1a Deliver harm free care	
1b Improve patient experience	
1c Improve clinical outcomes	
2a A modern and progressive workforce	X
2b Making ULHT the best place to work	X
2c Well Led Services	
3a A modern, clean and fit for purpose environment	
3b Efficient use of resources	
3c Enhanced data and digital capability	
4a Establish new evidence based models of care	
4b Advancing professional practice with partners	
4c To become a university hospitals teaching trust	

Risk Assessment	<i>In order to address the workforce risks in the BAF, we need to demonstrate that we are an organisation focused on fairness and equity and we provide every opportunity to enable talent to flourish</i>
Financial Impact Assessment	<i>There are no financial implications of what the data identifies as the gender pay gap, nor in the action proposed to address it</i>
Quality Impact Assessment	<i>The quality of services will be enhanced through ensuring that the workforce mix reflects the population and that talent in the organisation is enabled to flourish. The actions proposed are designed to achieve that end</i>
Equality Impact Assessment	<i>The paper is about a key equality issue, the gender pay gap. The paper sets out the position in ULHT and the actions being taken to address the issues that clearly exist</i>

Assurance Level Assessment	<i>Moderate Assurance</i>
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Recommendations/ Decision Required	<ul style="list-style-type: none"><i>The Committee are asked to comment on the report and endorse the actions proposed to address the gender pay gap identified</i>
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Executive Summary

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, usually by the end of the following financial year. However, owing to COVID, the deadline for the publication of the data from 31st March 2020 was extended to October 2021. As the data we are required to publish is over 12 months old, I have include additionally the data from 31st March 2021. We will however not be able to publish this until early in 2022.

The headlines from the 31st March 2021 data are as follows:

Female mean hourly rate is 28.64% lower (31.35% in 2020)

Female median hourly rate is 14.58% lower (16.75% in 2020)

The main driver of this remains the structure of the NHS workforce, with females being predominate in lower paid roles (nursing) and males in higher paid roles (medical staff). This needs to be addressed by the NHS nationally. However the Talent Academy in Lincolnshire does, in its work with schools, does try to address issues of gender stereotyping around roles.

83% of the workforce in the lowest pay quartile is female, but only 67% in the top pay quartile.

We will address this through our talent management approach, which will encourage the progression of under-represented groups and by offering greater flexibility in contracts, which will be a requirement as part of the roll-out of the NHS People Plan.

Women's mean bonus pay is 50.29% lower than male staff (48.77% in previous year)

This relates to the CEA awards to consultants. We have ensured a gender balance on the awarding panel and taken steps to encourage applications from female consultants, but the gap has increased. The Government has announced a standard award to all consultants for 2020/21 and 2021/22 and then a review of the scheme, which is generally seen as inequitable and not delivering its intent, which was to improve performance.

Moderate assurance is given, as the data suggests that progress is being made. ULHT is not out of step with equivalent NHS organisations and some of the fundamental issues relating to the make-up of the NHS workforce can only be addressed at national level and not by ULHT alone.

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, usually by the end of the following financial year. However, owing to COVID, the deadline for the publication of the data from 31st March 2020 was extended to October 2021.
- 1.2 In advance of publishing the data, a report is prepared first for ELT and then People and OD Committee, to ensure there is transparency in the organisation around the data and to focus on the key issues identified and the action to be taken. As the data we are required to publish is over 12 months old, I have include additionally the data from 31st March 2021. We will however not be able to publish this until early in 2022.
- 1.3 The indicators on which we are required to report 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.
- 1.4 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.
- 1.5 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.
- 1.6 In line with NHS Employers guidance, Clinical Excellence Awards have been categorised as bonuses.
- 1.7 We now have several 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.
- 1.8 This report has been shared with the Women's Network and their views have been incorporated into the actions identified.

2. Headlines

- 2.1 This section contains the headline figures from the 2021 gender pay gap analysis and makes comparisons with 2020 (figures in brackets).

Female mean hourly rate is 28.64% lower (31.35% in 2020)

Female median hourly rate is 14.58% lower (16.75% in 2020)

- 2.2 The proportion of men and women in each pay quartile at 31st March 2021 is (2020 figures in brackets):

	Females	Males
1. Lowest Quartile	82.69% (83.69%)	17.31% (16.07%)
2. Lower Middle Quartile	82.1% (82.7%)	17.9% (17.3%)
3. Upper Middle Quartile	82.92% (84.07%)	17.08% (15.93%)
4. Top Quartile	67.14% (66.38%)	33.86% (33.62%)

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

Women's mean bonus pay is 50.29% lower than male staff (48.77% in previous year)

Women's median bonus pay is 58.53% lower than male staff (51.32% in previous year)

3. Detailed Results

- 3.1 Table 1 and Table 2 show the mean and median hourly rates for men and women at ULHT on 31st March 2020 and 2021.

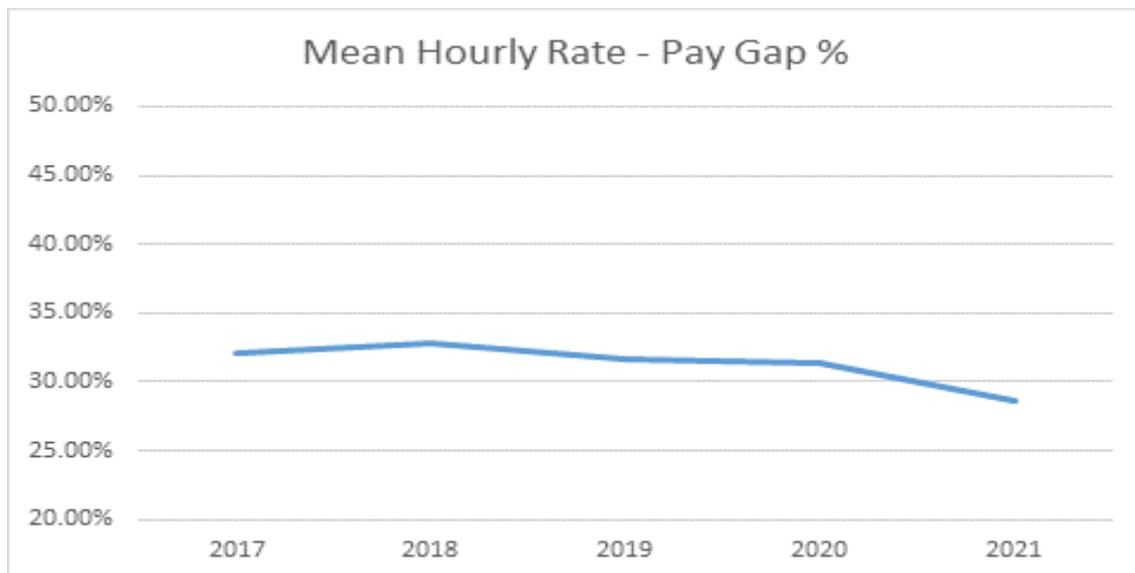
Table 1

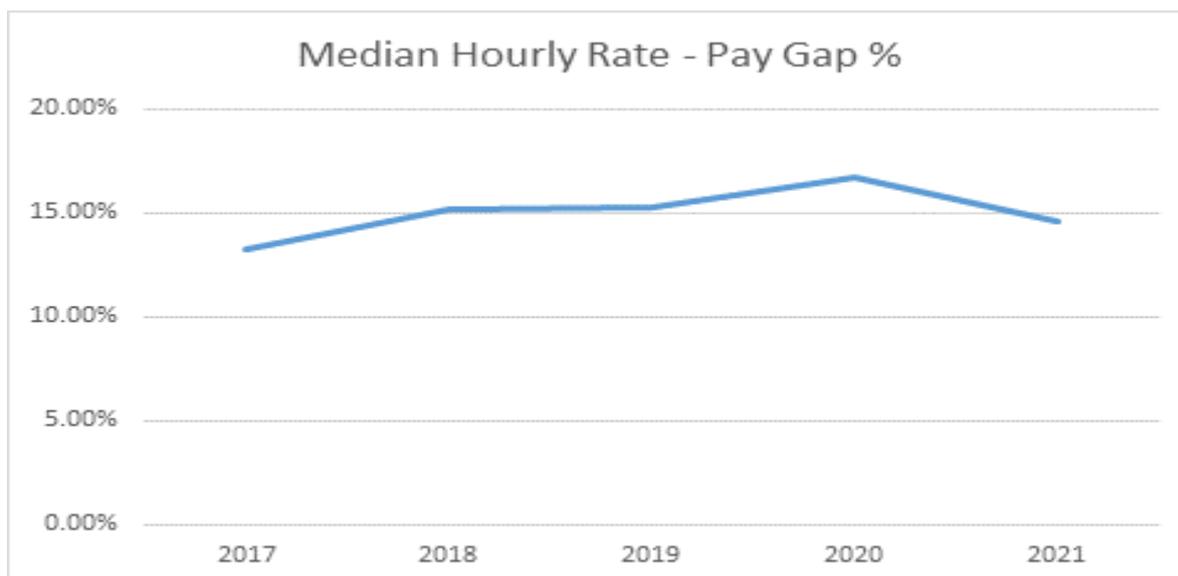
Gender	Mean Hourly Rate	
	2020	2021
Male	£21.91	£22.07
Female	£15.04	£15.75
Difference	£6.87	£6.32
Pay Gap %	31.35%	28.64%

Table 2

Gender	Median Hourly Rate	
	2020	2021
Male	£15.97	£16.19
Female	£13.30	£13.83
Difference	£2.67	£2.36
Pay Gap %	16.75%	14.58%

- 3.2 The data shows that the pay gap both in terms of the mean and median hourly rates has reduced between 2020 and 2021. The increase in the female hourly rate is much greater than the equivalent rate for males at ULHT. However the gap remains significant. It will be the result of profile of the workforce (which is shown in Table 6) and the fact that there are significantly more females than males in the organisation, but there is a much greater imbalance in lower graded roles, than there are in more senior roles.
- 3.3 The two graphs below show the trends over the five years that we have been collecting data. There has been a reducing trend in the median pay gap and a significant reduction between 2020 and 2021. The mean hourly pay gap has been increasing, but this has reversed quite dramatically between those two years.





- 3.4 It is difficult to be definitive about the causes of these different trends. However the tables below do indicate a growth in the proportion of males across the workforce (starting at the bottom of their pay bands) and an increase, albeit small, in the proportion of females in the higher pay bands.
- 3.5 As indicated above, as a Trust we have more female staff in lower paid roles and this has not altered significantly over the years we have been collecting data. This is illustrated in Tables 4 and 5, which shows the proportion of men and women in each “pay quartile” at the end of March 2020 (Table 4) and 2021 (Table 5). 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. The overall split of the workforce is 21.29% male and 78.71% female.

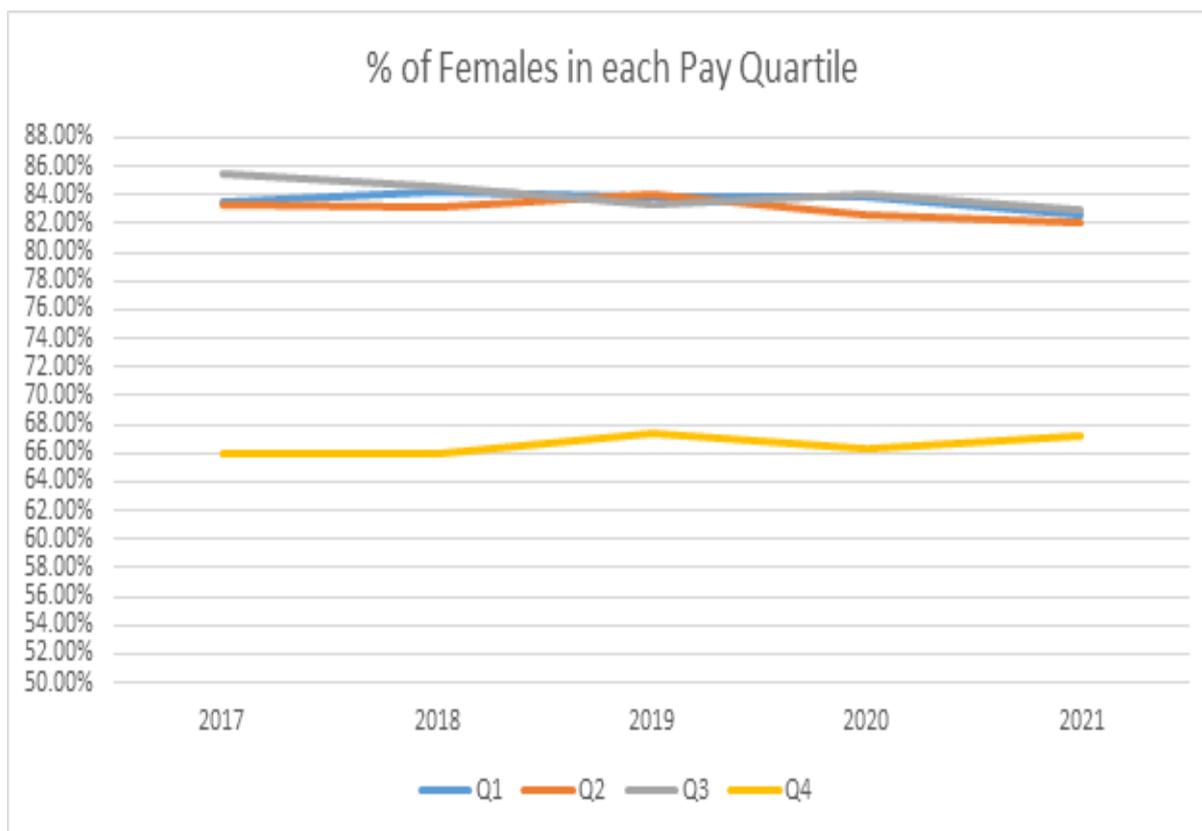
Table 4 – Data at 31st March 2020

Quartile	Female No.	Male No.	Female %	Male %
1	1682	322	83.93%	16.07%
2	1659	347	82.70%	17.30%
3	1684	319	84.07%	15.93%
4	1333	675	66.38%	33.62%

Table 5 – Data at 31st March 2021

Quartile	Female No.	Male No.	Female %	Male %
1	1743	365	82.69%	17.31%
2	1738	379	82.10%	17.90%
3	1752	361	82.92%	17.08%
4	1418	694	67.14%	33.86%

- 3.6 The graph below shows the trend data since 2017 in percentage terms:



What we are seeing over time is a small increase in female staff in the highest pay quartile and a reduction in the other pay quartiles, as the proportion of males in the workforce increases. The movement is clearly slow however and we are not seeing the step change we might wish for.

- 3.7 Table 6 and 7 shows the number of fte staff by gender in each pay band alongside the mean salary for men and women within each pay band or grade within ULHT.

Table 6 – Data at 31st March 2020

Pay Band/Grade	Gender (Fte)		Mean Salary (£)	
	Female	Male	Female	Male
Band 1	121.20	20.95	£16,550	£16,204
Band 2	1470.11	310.30	£18,219	£18,284
Band 3	481.07	91.15	£19,895	£19,689
Band 4	319.23	90.72	£22,506	£22,400
Band 5	1141.55	191.82	£27,458	£27,129
Band 6	759.67	134.79	£33,984	£32,945
Band 7	419.63	106.72	£40,649	£40,348
Band 8A	140.21	38.39	£47,320	£47,812
Band 8B	41.82	14.96	£56,635	£59,090
Band 8C	19.60	13.00	£67,015	£66,000
Band 8D	5.00	8.85	£83,032	£80,720

Band 9	3.00	4.00	£97,245	£94,192
Director		6.00		£130,803
Consultant	80.68	235.96	£93,071	£95,284
Associate Specialist	4.40	22.89	£89,858	£89,962
Staff Grade		0.73		£69,481
Specialty Doctor	45.96	103.40	£63,555	£66,010
GPCA/Hospital Practitioner	1.41	0.77	£67,539	£58,210
Specialty Registrar	73.36	66.10	£42,584	£43,708
Foundation Year 2	38.00	40.00	£32,085	£32,087
Foundation Year 1	39.00	39.00	£27,689	£27,689

Table 7 – Data at 31st March 2021

Pay Band/Grade	Gender (Fte)		Mean Salary (£)	
	Female	Male	Female	Male
Band 1	94.14	19.40	£17,246	£16,694
Band 2	1622.28	345.45	£18,907	£18,912
Band 3	538.29	121.46	£20,634	£20,520
Band 4	358.15	97.60	£23,112	£23,278
Band 5	1135.62	189.88	£28,229	£27,788
Band 6	775.02	153.69	£34,809	£33,841
Band 7	421.09	97.32	£42,112	£41,679
Band 8A	160.52	49.95	£47,803	£48,286
Band 8B	47.48	19.07	£57,439	£58,758
Band 8C	21.60	10.00	£67,239	£66,725
Band 8D	7.00	7.85	£77,605	£83,452
Band 9	7.00	6.00	£100,949	£93,325
Director	1.00	5.00	£145,356	£147,695
Consultant	89.36	242.29	£95,713	£97,668
Associate Specialist	3.28	20.34	£93,236	£92,766
Staff Grade		0.73		£71,427
Specialty Doctor	45.77	114.90	£64,754	£67,917
GPCA/Hospital Practitioner	1.18	0.73	£69,158	£60,045
Specialty Registrar	83.34	66.74	£44,251	£44,693
Foundation Year 2	46.19	48.56	£32,691	£32,726
Foundation Year 1	27.00	51.00	£28,243	£28,243

3.8 The table illustrates the fact that we do have more females represented at Consultant level and in Bands 8A to 8C. Within each pay band there are marginal differences between the pay rates of males and females. However the gap is generally small. In some cases the mean is higher for females and in other bands, for males. The structure of pay grades and the job evaluation process limits the opportunity for discrimination and variance.

4. Overall Analysis

- 4.1 What the data shows that a significant gender pay gap remains in ULHT. Over the years the Trust has been collecting data, although there has been variation year on year the overall mean pay gap has been reducing. The median gap also reduced in 2021 compared to the previous year, reversing the previous year. It may be too early to discern any trends. The reason for the improvement is the increased number of females in Consultant roles and at Band 8.
- 4.2 In 2018 the Nuffield Trust undertook a detailed analysis of the 2017 NHS gender pay gap data. They concluded that “statistical decomposition of the overall pay gap indicated that occupational segregation is the main driver of pay differences between men and women.” We have looked at benchmarking data to determine whether there are particular issues at ULHT. The most recent benchmarking data on the gender pay gap in the NHS comes from 31st March 2018. At that time the overall mean pay gap was 19% and the median, 22%. The ULHT mean gap is higher at 28%, but the median is lower at 14%. These are the consequence of having proportionately more females in our pay quartiles 1 and 2 and fewer in the quartiles 3 and 4.
- 4.3 Across the NHS (based on 2018 data) the breakdown of males and females in each pay quartiles was as follows:

	Female	Male
Quartile 1	81%	19%
Quartile 2	72%	28%
Quartile 3	67%	33%
Quartile 4	56%	44%

In ULHT we have a higher percentage of females in the workforce overall and therefore in each pay quartile. Our position in quartile 4 (higher graded roles) is more positive than the national picture. However, it is not unreasonable to expect a greater balance of males and females at all levels. The Women’s Network believe that to overcome the barriers to progression, we need to offer greater flexible working opportunities at senior levels and tackle “Imposter Syndrome”, the fact that women do not always see themselves in senior positions and therefore have the confidence to apply.

- 4.3 Comparison with other Trusts in Lincolnshire is included below:

LPFT (data at 31st March 2020):

Women’s mean hourly pay is 22.1% lower than men’s.

Their median hourly pay is 20.4% lower than men’s.

Women occupy 72% of the highest paid jobs and 87% of the lowest paid jobs.

Their median bonus pay is 19.5% lower than men’s.

LCCHS (data at 31st March 2019):

Women's mean hourly pay is 21.5% lower

Their median hourly pay is 19% lower

Women occupy 84% of the highest paid jobs and 93% of the lowest

There is no information available on bonus payments.

5. Bonus Payment

5.1 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 (CEAs) 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.

5.2 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

5.3 Table 8 shows the number of staff in ULHT receiving bonuses in 20/21 (% in previous year in brackets). The percentage figure is based on the 'total relevant employees', but in reality only shows medical staff receiving Clinical Excellence Awards. There has been an increase in the numbers receiving CEA awards in the last financial year, but the increase was significantly greater among males than eligible females.

Table 8

Gender	Employees Paid Bonus	Total Relevant Employees	%
Female	25	7533	0.33% (0.35%)
Male	90	2079	4.33% (5.07%)

5.4 Table 9 summarises the position on mean and median payments in the last two years. Mean bonus payments have increased for males and females year on year.

Table 9

Gender	Mean Bonus Payment 20/21	Median Bonus Payment 20/21	Mean Bonus Payment 21/22	Median Bonus Payment 21/22
Male	£11,579.93	£6,066.75	£14,109.40	£11,029.98
Female	£5,932.45	£3,015.96	£6,868.29	£4,574.28
Difference	£5,647.48	£3,050.79	£7,241.11	£6,455.70
Bonus Payment Gap %	48.77%	50.29%	51.32%	58.53%

- 5.5 For females, they have increased by 15.77% between 2020 and 2021 (26.38% in the previous year) and for males, by 21.84%. Median bonus payments have also increased for both groups. Female median bonus payments have increased by 51.67% (52% in previous year). However, male median bonus payments have increased at the greater rate of 81.81%. There was an equivalent increase in the previous year. Across the NHS (in 2018) the mean pay gap around CEAs was 51% and the median gap was 41%. This is at variance with the ULHT position and is likely to be a consequence of the low level of awards to female staff
- 5.6 This trend has happened despite further efforts in 2020 to reduce the gap, in terms of promoting CEAs to female consultants and ensuring a good gender balance on the awarding panels. The decision to give a standard award to all consultants for 21/22 will obviously impact on the position at the 31st March 2022 and there will be no bonus payment gap. It has been announced that a new scheme will replace the current local CEA arrangements for the 22/23 financial year. It is stated that this new scheme “is being designed to deliver value for the significant investment made in it each year, to be fairer and more equitable, to incentivise consultants to strive for excellence, and to help trusts to achieve their organisational objectives. We intend to create a national framework that enables flexibility according to local priorities”. The lack of fairness and equity in the distribution of the awards has been recognised by many.

6 Proposed Actions

- 6.1 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. The two areas that we can focus on are
- Further encouraging the recruitment of female members of staff to senior roles
 - Encouraging males to take up roles in what have been seen as “female” occupations and vice versa
 - Addressing the disparity in the number and scale of the CEA payments between male and female consultants.
- 6.2 In terms of appointing more female staff into roles in the pay quartile 4 (to match the overall near 80% of females in ULHT overall). This will be addressed through our Integrated Improvement Plan around talent management, which has the ambition of ensuring any staff who have the potential and desire, to move to more senior roles in the organisation. In this project we will look at any barriers and any positive action we can take to support under-represented groups. The Women’s Network believe that we need to offer mentoring support, promote role models and deliver interview skills

training. The OD Team, who are leading on talent management, will engage with the Women's Network (and indeed other Networks) in developing the actions necessary to overcome barriers.

- 6.3 In addition we will seek to embrace the priority within the NHS People Plan to offer greater flexibility in the way that we employ people, thereby addressing one of the barriers which may inhibit the progression of female staff. Saumya Hebbar is part of a national task force looking at flexible working. The expectation is that changes will be made to the AfC terms and conditions to require greater flexibility to be offered. We will ensure that this encompasses roles at a senior level in ULHT.
- 6.4 The Talent Academy is very focused on ensuring younger people in Lincolnshire are very aware of opportunities across all professions in health care. The intake to medical schools is now much more balanced between males and females and we would expect more males to take up careers in areas such as nursing going forward.
- 6.5 In terms of the disparity in CEA payments, there will be a standard award in 21/22 and then the current scheme will be replaced by a new scheme which has the intention of being "fairer and more equitable". We will await more details of the scheme before determining how it can be applied equitably across the genders in ULHT.