

REPORT TO PEOPLE, CULTURE & DEVELOPMENT COMMITTEE

Enclosure No:

Date of Meeting:	03/09/20		
Title of Report:	Trust Gender Pay Reporting		
Presented by:	Lesley Faux, Diversity & Inclusion Lead		
Author:	Lesley Faux		
Executive Lead Name:	Shajeda Ahmed	Approved by Exec	<input type="checkbox"/>

Executive Summary:		Purpose of report	
<p>Under legislation which became effective in 2017, all employers with more than 250 employees are required to annually calculate and publish their gender pay gap information. Data is posted on the organisation's own website and on the Government Gender Pay Gap pages. Public sector organisations publish their gender pay information by 30th March each year (data posted in March according to legal timeframes). This report sets out data for the most recent reporting period (1st April 2019 – 31st March 2020).</p> <p>The Trust has made mixed progress in striving to close the Gender Pay Gap in 2019-20. Further concerted effort is needed during 2020-21 to continue this trend and to accelerate the pace of change. Much of the action required is a continuation of the work begun in 2019-20. The Trust is committed to ensuring workforce equity and we will continue to work towards developing a more equitable gender pay gap.</p>		Approval	<input type="checkbox"/>
		Information	<input type="checkbox"/>
		Discussion	<input type="checkbox"/>
		Assurance	<input type="checkbox"/>
Seen at:	SLT <input type="checkbox"/> Execs <input type="checkbox"/>	Document Version No.	
Committee Approval / Review	<ul style="list-style-type: none"> • Quality Committee <input type="checkbox"/> • Finance & Resource Committee <input type="checkbox"/> • Audit Committee <input type="checkbox"/> • People, Culture & Development Committee <input checked="" type="checkbox"/> • Charitable Funds Committee <input type="checkbox"/> 		
Strategic Objectives (please indicate)	<ol style="list-style-type: none"> 1. To enhance service user and carer collaboration. <input type="checkbox"/> 2. To provide the highest quality, safe and effective services <input type="checkbox"/> 3. Inspire and implement innovation and research. <input type="checkbox"/> 4. Embed an open and learning culture that enables continual improvement. <input type="checkbox"/> 5. Attract, develop and retain the best people. <input checked="" type="checkbox"/> 6. Maximise and use our resources effectively. <input type="checkbox"/> 7. Take a lead role in partnership working and integration. <input type="checkbox"/> 		
Risk / legal implications: Risk Register Reference	Gender Pay Reporting is a new legal annual requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. To comply, the Trust must upload its Gender Pay Gap data to the government portal, and publish its report each year on our public website.		
Resource Implications: Funding Source:	Within existing resources. Delivered by HR and Diversity & Inclusion. n/a		
Diversity & Inclusion Implications: (Assessment of issues connected to the Equality Act 'protected characteristics' and other equality groups). See wider D&I Guidance	The Gender Pay Reporting Regulations are specifically introduced to facilitate a national shift towards greater equality in the average hourly earnings of men and women. As a Public Sector organisation, the Trust has additional responsibility for <i>Advancing Equality</i> for protected characteristics groups, including men and women.		
STP Alignment / Implications:	All NHS Trusts are required to participate in Gender Pay Reporting. There are potential opportunities for sharing of good practise in relation to gender pay.		
Recommendations:	<ol style="list-style-type: none"> 1. We will continue to seek to identify and review any barriers that may prevent women from applying and being selected for senior roles 2. We will continue to take action to attract women into senior appointments in the Trust, 3. We will continue to work to encourage female consultant medical staff to apply for Clinical Excellence Awards and ensure that Awards Panels are well-versed on equality and unconscious bias (when process resumes) 4. We will continue to actively support women who return to work after their maternity or adoption leave and promote flexible working for both men and women 5. We will continue to be mindful of the additional inequalities faced by women with intersectional diversity characteristics 		
Version	Name/group	Date issued	

Gender Pay Gap Reporting for North Staffordshire Combined Healthcare NHS Trust

Year 4
(Data as at 31.03.2020)

1.0 Introduction

1.1 This report sets out the Trust's 4 year data on Gender Pay since the introduction of Gender Pay Reporting in 2017. The data (as set out in the Appendix) includes all data reportable under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. This data will be published on the Government's Gender Pay Reporting website (<https://www.gov.uk/report-gender-pay-gap-data>).

2.0 Findings Summary

2.1 This Gender Pay Report for 2020 (Year 4 of reporting) finds a slight overall improvement in our Gender Pay Gap. Our mean Gender Pay Gap has remained constant whilst our median Gender Pay Gap has improved in favour of women. We have seen a small reduction in the number of female consultants in receipt of Clinical Excellence Awards in 2019-20, marginally negatively impacting on our Bonus Pay element of the Gender Pay Gap. The proportion of males and females in each of the Pay Quartiles has remained broadly consistent, although the proportion of males in the lower quartile has decreased slightly with a corresponding slight increase in females in this quartile.

3.0 Findings Initial Analysis

3.1 The Trust has **maintained a stable mean Gender Pay Gap at 17.7%**. This means that women overall earn 17.7% LESS than men. It is important to note that this is different to equal pay ('equal pay for work of equal value', Equal Pay Act 1970) which compares the pay equivalency of comparable roles – see box below. Gender Pay reporting takes into account the salaries of all men and all women, and is therefore influenced by psycho-societal factors influencing the frequency with which men and women fill roles at different levels in the organisation's structure/hierarchy. These include factors like more women taking the role of main carer and so being more comparatively likely to work part time and less likely to seek higher level positions than male counterparts. Other psycho-social factors may be conscious or unconscious bias of those undertaking recruitment interviewing which may influence the pattern of appointments (by gender) at different organisational levels.

The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job. (Source: UK Government Gender Pay Reporting website)

3.2 This is a fairly **typical gender pay gap** for UK organisations (the UK all employee gender pay gap in 2018 was 17.8%, falling to 17.3% in 2019 (2020 data not yet available)). Unfortunately, it is noted that this gap is slightly larger than in 2017 and 2018.

3.3 Whilst the mean Gender Pay Gap is unchanged in 2020, the **median Gender Pay Gap has improved** from a gap of 9.1% to **6.9%**. This is **much lower** than the UK rate in 2019 of 15.5% (8.0% for caring, leisure and other service professions). Again, it is noted that this rate for the Trust, though lower than 2019, is higher than the Trust's median gender pay gap in 2017 and 2018.

3.4 Bonus Pay

3.5 Bonus Pay is only paid in the Trust to a small group of staff, under the Clinical Excellence Awards scheme for doctors. The Trust has been successfully working over recent years to encourage more female doctors to apply for (and be successful in receiving) Clinical Excellence Awards. However, it is noted that historic Clinical Excellence Awards (pre-2018) are permanent awards and so will continue until those doctors in receipt of them leave the Trust's employment. This factor will impact on the Trust's ability to close the gender pay gap in bonus pay, due to the historic gender imbalance in payment of these awards.

- The Trust's **mean bonus pay gender pay gap** in terms of the number of females receiving bonus pay compared to males, fell (improved) by 0.1 percentage point to 2.4% in 2020 (Note: associated data may be seen in the chart over-page)
- The corresponding **median bonus pay gender gap** in terms of the number of females receiving bonus pay compared to males, fell (improved) by 0.2 percentage points to 0.2
- The Trust's **mean bonus pay gender pay gap** in terms of the actual amount of bonus pay received by females compared to males increased (worsened) slightly from 20% to 23.4%
- The corresponding **median bonus pay gender pay gap (amount received)** on the other hand fell (improved) dramatically to -13.1% compared to 14.2% on 2019 (ie women receiving more than men when median used).

3.6 It is noted that the numbers involved are very small and are skewed by the higher percentage of male doctors (52% male) compared to the overall Trust workforce, which is largely female (78-79%). There were 3 female consultants in receipt of a Clinical Excellence Award at March 2020 (5 in 2019) and 10 males (10 in 2019). This represents a relative reduction in the proportion of women in receipt of bonus pay compared to men.

3.7 In terms of the **value / amount of Bonus Pay** received (through the Consultant Clinical Excellence Scheme), this was worth an average of £19.4K for males (median £15.8K) compared to almost £14.8K for females (median for females: £17.8K)

3.8 **Note in relation to Consultant Excellence Awards and COVID-19:** Due to the COVID-19 pandemic, the decision has been made nationally to share consultant excellence awards across all eligible consultants in 2020-21, to eliminate the need for an assessment process. This will impact on the bonus pay calculations in the Trust's 2021 Gender Pay Gap Report.

Bonus Pay Gender Pay Data 2019-20 – based on consultants only:

	In receipt of bonus pay			No. of eligible consultants*			% of eligible consultants* in receipt of bonus pay		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Female	3	5	3	6	9	12	50%	60%	25%
Male	11	10	10	13	16	21	85%	63%	48%

*Note: only consultant medical staff are eligible

Bonus Pay Gender Pay Data 2019-20 – based on whole workforce:

	In receipt of bonus pay*			Trust Workforce			% of whole workforce in receipt of bonus pay (reportable under Gender Pay Reporting)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Female	3	5	3	1268	1270	1445	0.24%	0.39%	0.21%
Male	11	10	10	392	345	415	2.81%	2.89%	2.41%

*Note: only consultant medical staff are eligible

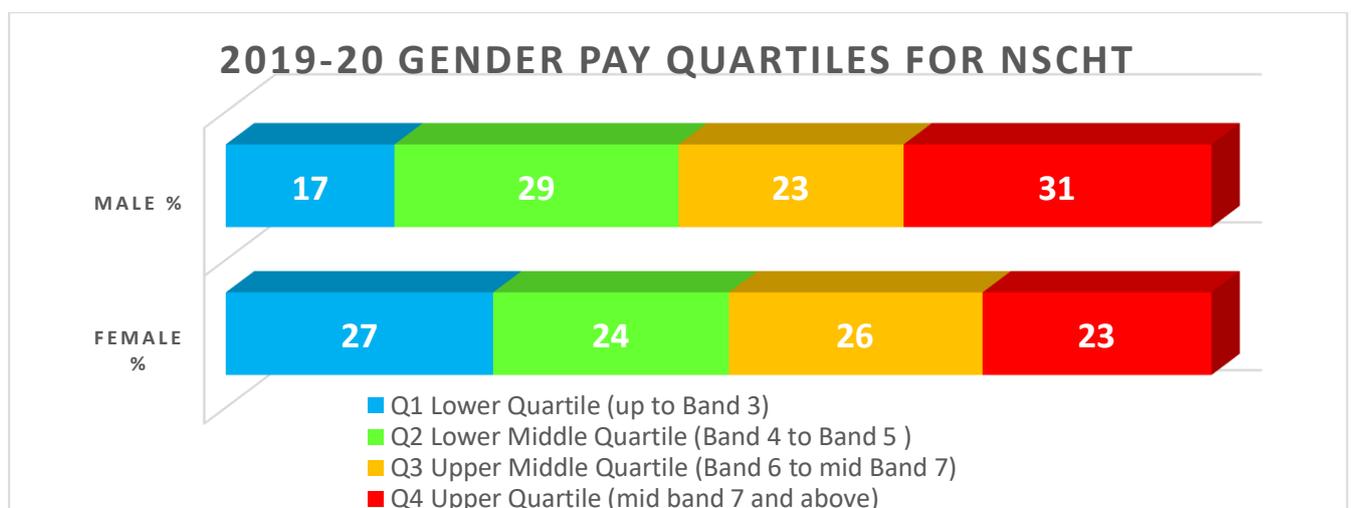
3.9 Other factors affecting the Trust Gender Pay Gap

3.10 The Gender Pay Gap is a complex matter and does not change quickly over time (due to people being in post and not changing significantly for the majority of individuals, and due to structures changing relatively little over time). Some of the factors affecting the continuing gender pay gap nationally have been documented by the House of Commons Library, based on 2019 Gender Pay Gap data, are outlined at **Appendix 2**.

3.11 Gender Pay Quartiles for NSCHT 2020

3.12 Our Gender Pay Profile (Quartiles) for 2020 remains slightly skewed towards males in the top quartile (band 7+) and towards females in the lower quartile (up to and including band 3).

There has been little noteworthy change in this profile in 2020, with the exception of a small reduction in the percentage of males in the lower quartile and a small increase in the percentage of females in that quartile. This is counter to the intended direction of travel, which would seek to see more equal percentages of men and women at each quartile.



4.0 Conclusion and Recommendations

4.1 The Trust has made mixed progress in striving to close the Gender Pay Gap in 2019-20. Further concerted effort is needed during 2020-21 to continue this trend and to accelerate the pace of change. Much of the action required is a continuation of the work begun in 2019-20. The Trust is committed to ensuring workforce equity and we will continue to work towards developing a more equitable gender pay gap through the following actions:-

1. We will continue to seek to identify and review any barriers that may prevent women from applying and being selected for senior medical roles, other senior clinical roles and senior management roles through our Inclusive Recruitment project, reporting to the Inclusion Council.
2. We will continue to take action to attract women into senior appointments in the Trust, addressing identified barriers. We will also encourage men to apply for roles predominantly filled by women to support creation of a more even gender balance, through our Inclusive Recruitment project.
3. We will continue to work to encourage female consultant medical staff to apply for Clinical Excellence Awards and ensure that Awards Panels are well-versed on equality and unconscious bias, through our Medical Director and Medical Staffing team (when this process resumes in its assessed format from 2021-22).
4. We will continue to actively support women who return to work after their maternity or adoption leave and will continue to communicate and promote caring initiatives for both men and women, such as shared parental leave and other flexible working opportunities, led by HR and implemented by line managers (with HR support where required).
5. We will continue to be mindful of, and work to address the additional inequalities faced by, women with multiple intersectional protected characteristics, such as BAME women, LGBT women and women with disability, through the work of our Inclusion Council and our practices as an employer across the organisation.
6. We will continue to develop our action on Gender Pay as we develop our understanding of the issues affecting gender pay difference for different groups across our workforce.

END

Appendix One:

NSCHT Gender Pay Gap 4 Year Summary as at 31 March 2020

	Year 4 2020	Year 3 2019	Year 2 2018	Year 1 2017
Women's mean hourly rate in relation to men's ¹	17.7%	17.7%	14.8%	15.6%
Women's median hourly rate in relation to men's ¹	6.5%	9.1%	3.6%	4.5%
% of men receiving bonus pay ²	2.4%	2.5%	2.8%	3.6%
% of women receiving bonus pay ²	0.2%	0.4%	0.2%	0.4%
Women's mean bonus pay ² in relation to men's	23.4%	20.0%	28.0%	25.7%
Women's median bonus pay ² in relation to men's	-13.1%	14.2%	-3.4%	8.3%
Top / upper salary quartile ³ - % Men	27.0%	27.5%	28.5%	28.7%
Top / upper salary quartile ³ – % Women	73.0%	72.5%	71.5%	71.3%
Upper Middle salary quartile ³ - % Men	19.7%	21.0%	22.9%	22.3%
Upper Middle salary quartile ³ – % Women	80.3%	79.0%	77.2%	77.7%
Lower Middle salary quartile ³ - % Men	24.9%	21.0%	22.2%	21.9%
Lower Middle salary quartile ³ – % Women	75.1%	79.0%	77.8%	78.1%
Bottom / Lower salary quartile ³ - % Men	14.8%	15.8%	19.3%	18.1%
Bottom / Lower salary quartile ³ – % Women	85.2%	84.2%	80.7%	81.9%

Notes on the above data:

¹A positive figure (positive gap) means that women received less than men and a negative figure (negative gap) means that women received more than men

²The number of people receiving bonus pay in the Trust is small as this relates to consultant medical staff only

³The Trust workforce profile as at 31st March 2020 is 22.3% male and 77.7% female (bank staff included) – so we would expect to see roughly these percentages of men and women in each quartile if gender distribution was equitable through the quartiles

Appendix 2: Other factors affecting the National / Trust Gender Pay Gap

The Gender Pay Gap is a complex matter and does not change quickly over time. Some of the factors affecting the continuing gender pay gap nationally have been documented by the House of Commons Library, based on 2019 Gender Pay Gap data, are outlined below:-

- **Part time working**

The Trust employs a significant number of part-time workers. It is noted at the House of Commons Library, that the gender pay gap among part-time workers is negative. Women working full-time earned an average of 8.9% less than men. Women working part-time earned an average of 3.1% more than men. The gender pay gap for all employees is larger than the full-time and part-time pay gaps because part-time workers tend to earn less per hour than full-time workers. Women are more likely to work part-time.

- **Ageing Workforce**

The Trust has an ageing workforce, with many employees in the over 40 age group. It is noted in the House of Commons Library that the pay gap is larger for people over 40. For full-time employees, the gender pay gap only becomes significant when women reach their forties. Research by the Institute for Fiscal Studies (IFS) finds that one reason for this is that women begin to take time out to care for children or elderly relatives in their 30s and 40s. This affects their earnings when they return. Another possible explanation is generational differences – over the past 25 years there has been a more rapid increase in education levels among women than among men. More highly-educated workers tend to have higher earnings. Despite this, there has been little or no change in the gender pay gap within the groups of workers qualified to degree standard since the early 1990s, according to the IFS.

- **Geographical Variations**

The gender pay gap is highest in London and the South East and negative in Northern Ireland. The West Midlands is placed roughly central in the ranking of the geographical data, so it follows that NSCHT might expect to see a broadly average gender pay gap.

- **Pay Profile (High and Low earners)**

The Trust employs people in a wide range of salary bands (including employees considered to be 'low pay' to the much higher salaries particularly of the medical workforce and senior leaders). Data for the UK, reported on by the House of Commons Library, suggests that the highest earners have a larger pay gap than the lowest earners. For full-time employees, the highest paid 10% of women received an average of 17.7% less than the highest paid 10% of men. The lowest paid 10% of women earned an average of 3.9% less than the lowest paid 10% of men. The gender pay gap for the average (median) earner and the lowest earners has decreased since 1997. For higher earners, the gap has been slower to close.

- **Public Sector Role Profile**

Public and private sector workers have been found to have different experiences. For full-time workers, the pay gap is larger in the private sector than the public sector, but interestingly, there is no gender pay gap for part-time workers in the private sector, which contrasts with a large part-time pay gap in the public sector. This is likely to do with the composition of the workforce: there are relatively very few men working part-time in the public sector (13% of public sector part-time employees nationally) so this group might have quite different characteristics to the rest of the public sector workforce.