

| | | | |
|--|---|------------------|--|
| Meeting Title | Board | | |
| Meeting Date | 14 th March 2018 | Agenda No | |
| Report Title | Gender Pay Gap | | |
| Lead Executive Director | Mary Foulkes Chief Human Resources Director | | |
| Report Authors | Helen Aaron Site Associate Director of HR / Seyram Klu Workforce Intelligence & Systems Manager | | |
| Action Required | Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Monitoring <input checked="" type="checkbox"/> (please tick) | | |
| Strategic Objective(s) | Objective 2 and 5 | | |
| Executive Summary | This report provides the board with information on the requirements of and the outcomes from the gender pay gap analysis undertaken in preparation for publishing | | |
| Background / Context | <p>From 7 April 2017 all employers with over 250 staff are required by law to publish figures annually on the difference between the average (mean or median) earnings of the men and women they employ. The deadline for the first publication is 30th March 2018.</p> <p>The data in the analysis relates to the financial year 2016/17 and is for those who were employed on 31st March 2017.</p> <p>The findings are as would be expected for the NHS show a closer alignment of pay for those on Agenda for Change pay as opposed to those on Medical and Dental terms and conditions of service. This is because the ratio of employed males to females is higher in the senior levels of the medical profession and therefore the gap, based on averages, is more apparent for this staff group.</p> <p>The data enables the Trust to initiate conversations around gender pay issues and to inform actions to be explored to address any area of concern.</p> | | |
| Key Issue 1 <i>(replace with a brief summary of the issue)</i> | To meet statutory regulations we are required to monitor equality data and the gender pay gap information is a new legal requirement so failure to publish would be a breach | | |
| Key Issue 2 <i>(insert more lines if required)</i> | N/A | | |
| Timescale for Benefits to be Realised | N/A | | |
| Assessment of Implications | | | |

| | |
|--|---|
| Financial | N/A |
| Risk | Failure to meet CQC standards and legal requirements |
| Equality and Diversity | All Staff |
| Freedom of Information | Yes – the Trust can be asked to provide details on this subject matter |
| Other Implications Identified (including patient safety and quality, legal and regulatory compliance) | <i>The Gender Pay Gap data may be subject to a performance Information Request by the CQC</i> |
| Recommendation | The Committee are asked to note the contents of the paper for information. |
| Appendices | N/A |

1. Introduction

From 7 April 2017 all employers with over 250 staff are required by law to publish figures annually on the difference between the average (mean or median) earnings of men and women they employ. For public sector bodies in particular, this became effective from 31 March 2017 with the deadline for reporting being 30 March 2018. This is not to be confused with equal pay; equal pay relates to the differences in pay between men and women who carry out same jobs, similar jobs or work of equal value while the gender pay gap strictly refers to the average earning of men and women in an organisation.

Basildon and Thurrock University Hospital Foundation Trust (BTUH) is therefore required to publish figures by 30 March 2018 for the following categories:

- average gender pay gap as a mean average;
- average gender pay gap as a median average;
- average bonus gender pay gap as a mean average;
- average bonus gender pay gap as a median average;
- proportion of males receiving a bonus payment and proportion of females receiving a bonus payment;
- proportion of males and females when divided into four groups ordered from lowest to highest pay.

Further, this data provides a first step towards enabling the Trust to initiate conversations around gender pay issues and to inform actions to be explored to address any areas of concern.

2. Approach

Our gender pay data has been obtained from our Electronic Staff Record System (ESR) for all staff employed and paid in March 2017. Where anomalies with the data were identified these have been queried and corrected.

The data and calculations have been derived from hourly rates of pay of:

- all employees (male/female) employed on the snapshot date (31 March 2017) – these are referred to as ‘relevant employees’ and includes very senior managers
- all employees (male / female) who were paid their usual full pay in their pay period that included the snapshot date - these are referred to as ‘full-pay relevant employees’ (whether full time or part time they would have earned their usual pay in the pay period of the snapshot date.
- Very Senior Managers of the Trust are included in this report.

The pay in consideration of the gender pay analysis is:

- basic pay
- allowances (such as payments for extra responsibilities, location-related payments, car allowances, recruitment or retention incentives)
- pay for piecework
- pay for leave
- shift premium pay

Bonuses are considered separately and, as per national guidance, include any rewards related to:

- profit-sharing
- productivity
- performance
- incentive

- commission

These are considered over a 12 month period to March 2017 as per guidance.

The calculations used to determine percentages for the various categories are shown in appendix A.

3. Findings

The findings on the analysis of the various categories are provided below:

3.1 Mean Pay Gap%

| Gender | Mean (Average) Hourly Rate |
|-----------|-----------------------------|
| Male | £21.35 |
| Female | £15.00 |
| Pay Gap % | 29.72% |

The male and female headcount split for the Trust is 76.3% female and 23.7% male. The result above indicates that, in general, more males earn a higher hourly rate as compared to females. Further analysis of the detail indicates that the higher hourly rates which are driving the percentages in favour of the males are within the Medical & Dental staff groups where 66% of the workforce are males and the average hourly rate is 37.5% compared to 28.2% for females. For all other staff groups the hourly rates for males and females are comparable. See table below.

| Staff Group | Male | | Female | | Total Employee Number |
|----------------------------------|-----------------|---------------------|-----------------|---------------------|-----------------------|
| | Employee Number | Average Hourly Rate | Employee Number | Average Hourly Rate | |
| Add Prof Scientific and Technic | 26 | 17.0 | 93 | 17.6 | 119 |
| Additional Clinical Services | 175 | 10.9 | 691 | 10.5 | 866 |
| Administrative and Clerical | 137 | 17.6 | 777 | 12.8 | 914 |
| Allied Health Professionals | 54 | 16.7 | 152 | 17.4 | 206 |
| Estates and Ancillary | 195 | 10.6 | 273 | 8.6 | 468 |
| Healthcare Scientists | 19 | 22.1 | 38 | 20.8 | 57 |
| Medical and Dental | 346 | 37.5 | 179 | 28.2 | 525 |
| Nursing and Midwifery Registered | 165 | 16.5 | 1236 | 17.7 | 1401 |
| Grand Total | 1117 | 21.3 | 3439 | 15.0 | 4556 |

3.2 Median Pay Gap%

| Gender | Median Hourly Rate |
|-----------|--------------------|
| Male | £16.09 |
| Female | £13.39 |
| Pay Gap % | 16.77% |

The table above reinforces the Mean Pay data in 3.1. (For median values hourly rates are sorted by increasing value and the middle value(s) used to determine the pay gap). In effect, more males earn a higher hourly rate as compared to females in general which is again driven by the Medical workforce data as described in 3.1.

3.3 Mean Average Bonus Pay Gap %

| Gender | Mean Average Bonus Pay |
|-----------------|------------------------|
| Male | £13,880.30 |
| Female | £12,587.04 |
| Bonus Pay Gap % | 9.32% |

As per the guidance this takes into account Clinical Excellence Awards (CEAs) for Consultants paid in the 16/17 financial year. The male to female average bonus pay is closer than expected when compared to the hourly rate pay gap. However the male to female comparison of consultants who received CEAs is proportionate to the male to female comparison of the consultant workforce in the Trust as shown in the table below.

| Gender | Consultant Paid Bonus | % | Total Consultant Number | % |
|--------------|-----------------------|-------|-------------------------|-------|
| Female | 15.00 | 17.6% | 39.00 | 18.5% |
| Male | 70.00 | 82.4% | 172.00 | 81.5% |
| Total | 85.00 | | 211.00 | |

3.4 Median Average Bonus Pay Gap %

| Gender | Median Average Bonus Pay |
|-----------------|--------------------------|
| Male | £8,950.75 |
| Female | £8,950.75 |
| Bonus Pay Gap % | 0.00% |

The bonus pay gap is 0% because CEA 5 is the midpoint value for both male and females and therefore there is no disparity.

3.5 Proportion of Males to Females receiving a bonus payment

| Gender | Employees Paid Bonus | Total Relevant Employees | % |
|--------|----------------------|--------------------------|-------|
| Male | 70 | 1184 | 5.91% |
| Female | 15 | 3704 | 0.40% |

The above shows the proportion of all bonuses paid (CEAs) compared to total staff numbers. This would indicate that many more males received a bonus but when compared to the consultant population (see 3.3) it follows approximately the same male to female consultant ratio.

3.6 The proportion of males and females in each quartile pay band

| Quartile | Male | Female | Male % | Female % |
|------------------|------|--------|--------|----------|
| 1 - Lower | 243 | 891 | 21.43% | 78.57% |
| 2 | 222 | 919 | 19.46% | 80.54% |
| 3 | 206 | 935 | 18.05% | 81.95% |
| 4 - Upper | 446 | 694 | 39.12% | 60.88% |

This shows the proportions of male and female full-pay relevant employees in four quartile pay bands from smallest to the largest with Quartile 1 being the lowest 25% of salaries within the Trust and Quartile 4 being the top 25% of salaries.

Typical job roles that are included in each quartile are:-

Q1 – Job roles include Apprentices, Domestics, Clinical Support Workers and Clerical workers.

Q2 – Job roles include Staff Nurses, Technicians,

Q3 – Job roles include Administration Managers, F1/F2 Doctors, Specialist Nurse Practitioners

Q4 – Job roles include Nursing Managers, Radiographers, Core Training Doctors, Directors’.

4. Challenges

For Medical staff, particularly junior doctors, the Trust is working within a national framework which is determined by Health Education England. The legacy of a predominantly male Consultant body is slowly changing but continues to be a challenging environment in which the position has evolved over many years.

Where anecdotal evidence exists that pertains to gender differentials, the Trust will carry out further analysis and ensure an evidence based approach is used to formulate action plans.

5. Forward Actions

With regard to the Medical and Dental Staff Group, the historical position has had a significant influence on the current gender balance of senior doctors. This is slowly changing with the impact being seen initially at junior doctor levels. The percentage of female medical students and subsequent trainee doctors have increased over the last 20 years and this change can be seen in the similar numbers of male and female F1 and F2 doctors within the Trust.

The Trust has and will continue to support a range of flexible working opportunities to encourage more female doctors to apply and secure Consultant posts, to bring our establishment in line with the more balanced numbers at the junior levels. The Trust will continue to encourage the recruitment and retention of female consultants in line with the increasing numbers of female graduates in the sector

To improve retention of all doctors, we will carry out focus groups of doctors at the various levels, to identify what attracts and retains individuals at particular points in their career.

The Trust will develop a proactive approach to attract and retain more women to apply to the Trust at Consultant level. This may involve

- Carrying out a focus group of current female doctors to identify what prompted them to apply and stay at the Trust
- Carrying out more detailed exit interviews to identify any issues that influence female doctors to leave the Trust
- Using more targeted campaigns to attract female applicants

With regard to the CEA payments, we will continue to monitor the gender split of CEA applications and awards for eligible consultants and although this has improved over the last five years.

With the Administration and Clerical Staff Groups, there are many different types of job role and further analysis is required to identify the different areas where there is a significant gender pay gap. From that starting point, the Trust will be able to identify specific actions to reduce the gender pay gap within the relevant Staff Group.

As a Trust, we will continue to carry out robust recruitment processes to appoint staff to vacancies. We will continue to provide training for recruiting managers and highlight effective on-boarding activities to secure and engage prospective and new employees.

To improve the attraction and retention of all candidates and employees, the Trust will continue to critically evaluate its employer proposition to attract new staff and identify strategies that improve the retention of all high performing staff and meet the needs of staff throughout the employment cycle.

6. Conclusion

The gender pay gap for the Trust as at 30 March 2017 was 29.72% (based on the mean salary) and 16.77% (based on median salary).

The Trust applies consistent national terms and conditions and pay scales in the form of Agenda for Change and Medical & Dental Terms and Conditions of Service. The Trust provides recruitment training for managers to ensure compliance to a fair and consistent process when recruiting staff into and within the Trust. These, and other policies and procedures such as flexible working, ensure that staff are treated fairly. The Trust assesses how staff feel about working for the Trust through completion of the national annual staff survey.

The widest gender pay gap occurs in the Medical and Dental Staff Group, and to a lesser extent Administrative and Clerical. In order to evaluate the causes and identify the solutions to reduce the gender pay gap in these areas the Trust is committed to undertaking further analysis at a more detailed level to address the issue.

The key to reducing the gender pay gap is encouraging increasing numbers of female candidates to apply to the Trust and retain them as employees, particularly if there are points in their career where they step away from employment within the Trust, possibly to meet childcare or other caring responsibilities.

The recommendations to improve the gender pay gap are detailed in section 5, Forward Actions.

This is the first gender pay gap report and although we will report externally in twelve months' time, this topic and the actions above will be presented at Board Level on a quarterly basis to monitor progress.

Appendix A

1. Mean / Median Pay Gap

This looks at the pay gap as an average of male to female hourly rate of pay. For mean values, a common average value is used. To determine median values hourly rates are sorted by increasing value and the middle value (s) used to determine the pay gap.

$$(A-B) / A \times 100$$

A: mean/median hourly rate of pay for all male full pay relevant employees

B: is the mean/median hourly rate of pay for all female full pay relevant employees

2. Mean / Median Bonus Pay Gap

This looks at pay gap as an average of male to female bonus pay. For mean values, a common average value is used. To determine median values bonus pay is sorted by increasing value and the middle value (s) used to determine the pay gap.

$$(A-B) / A \times 100$$

A: mean/ median bonus pay of all male relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date.

B: mean/median bonus pay of all female relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date.

3. Proportion of males and females receiving a bonus payment

$$A / B \times 100$$

A: number of male relevant employees paid bonus pay in 12 month period ending with the snapshot date (March 2017)

B: Number of male relevant employees

$$C / D \times 100$$

C: number of female relevant employees paid bonus pay in 12 month period ending with the snapshot date (March 2017)

D: Number of female relevant employees

4. Proportion of males and females in each quartile

- All employees listed and sorted by hourly rate of pay
- List is split into four equal quarters
- Express the proportion of male and female employees in each quartile as a %.