

Trust Board Meeting in Public: Wednesday 14 March 2018

TB2018.31

<b>Title</b>	<b>Gender Pay Gap Report 2017/18</b>
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<b>Status</b>	For information
<b>History</b>	None

<b>Board Lead(s)</b>	John Drew, Director of Improvement and Culture			
<b>Key purpose</b>	Strategy	<b>Assurance</b>	Policy	Performance

## Executive Summary

1. The purpose of this report is to:

- Report on the Trust's gender pay gap, as required by Gender Pay Reporting Legislation
- Provide narrative and analysis on the figures required by the Gender Pay Reporting Legislation
- Promote discussion at Board about the Trust's gender pay gap and the actions that should be taken to address it
- Provide initial suggestions for actions to enable the Trust to address the gender pay gap.

2. The Gender Pay Reporting Legislation requires organisations to publish figures relating to their pay gap on an annual basis, and against a prescribed methodology which looks at mean and median gender pay gaps. The pay gap is not the same as equal pay, which is a legal requirement. So, for example, an organisation would have a gender pay gap if a higher proportion of men are in top jobs compared to women, despite paying male and female employees the same amount for similar roles.

3. The gender pay gap is the percentage difference between average hourly earnings for men and women. According to the Office for National Statistics (ONS), across the UK, men earned 18.4% more than women in April 2017. Below are the figures for OUH as of March 31<sup>st</sup> 2017:

- For ordinary pay, the mean and median pay gaps are 25.97% and 10.89% in favour of men, respectively.
- For bonus pay (which is largely driven by additional payments to consultant doctors), the mean and median pay gaps are 64.29% and 74.47% in favour of men, respectively.
- 2.57% of women and 7.79% of men received bonus pay within the last 12 months.
- The distribution of men and women within each quartile of the pay structure is as follows (Q1 being low and Q4 being high), showing that there are nearly double the proportion of men compared to women in the highest paid roles:

Quartile		Female	Male
1	Lowest paid roles	25.85%	21.98%
2		26.16%	21.73%
3		27.58%	16.97%
4	Highest paid roles	20.41%	39.31%

4. Analysis has identified some key findings and reasons for the gaps noted in the above figures. These are:

- The Trust has a higher proportion of men in more senior positions within the Trust. This has a disproportionate impact on the mean pay gaps reported.
- Analysis of gaps within pay bands show that women could be staying within pay bands longer and suggests that more could be done to help women progress in their careers.
- Bonus pay is largely driven by additional payments to consultant doctors, and given that a relatively high proportion of consultant doctors are men, this creates a larger gap.
- The NHS's national pay structure - Agenda for Change - is effective in ensuring that staff in equivalent roles get paid equally, regardless of gender.

Actions are recommended to investigate issues that have been highlighted as a result of this report. These are detailed in **Appendix 1**.

5. The Board is asked to:

- Note the contents of this report, and its implications;
- Discuss how to effectively communicate the findings and the subsequent actions;
- Review and agree the high level action plan in **Appendix 1**.

## Equality, Diversity and Inclusion Progress Report

### 1. Purpose

1.1. The purpose of this report is to:

- 1.1.1. Report on the Trust's gender pay gap as required by Gender Pay Reporting Legislation;
- 1.1.2. Provide narrative and analysis on the figures required by the Gender Pay Reporting Legislation for the Board;
- 1.1.3. Promote discussion at the Board about the Trust's gender pay gap and the actions that should be taken;
- 1.1.4. Provide recommendations and actions to investigate and address any disparities noted within the report.

### 2. Background

- 2.1. As of 6 April 2017, UK employers with more than 250 staff are required by law to publish figures relating to their pay gap on an annual basis with the first set of figures due by 31 March 2018 for public sector organisations.
- 2.2. The report requires organisations to publish the following figures:
  - 2.2.1. Gender Pay Gap (mean and median averages);
  - 2.2.2. Gender Bonus Gap (mean and median averages);
  - 2.2.3. Proportion of men and women receiving bonuses;
  - 2.2.4. Proportion of men and women in each quartile of the organisation's pay structure.
- 2.3. Organisations must publish these figures with a written statement on their public-facing website and report their data to the government through an online service.
- 2.4. Within the Trust, pay for most staff adheres to Agenda for Change (AfC). AfC is the national pay system for NHS Staff, with the exception of doctors, dentists and very senior managers.
- 2.5. AfC is designed to ensure equal pay for work of equal value and creates bandings which jobs are matched to, based on set criteria. Within pay bands, there is annual pay progression along Spine Points.
- 2.6. The Trust has a job matching lead to ensure that all roles within the Trust are correctly and fairly allocated to a pay banding.

### 3. Gender Pay Gap Figures

3.1. The below tables (1-4) detail the figures that must be published by organisations as per the Gender Pay Reporting Legislation.

3.2. These figures have been compiled using a report created by IBM that draws on data kept on the Electronic Staff Record (ESR). A snapshot of the data held on 31 March 2017 has been used as required by legislation; for bonus pay the 12 months prior to 31 March 2017 was taken into account.

3.3. Examples of bonus pay would include:

- Clinical Excellence Awards, which are made to those consultant doctors to who are judged to have contributed most towards the delivery of safe and high quality care to patients and to the continuous improvement of NHS services.
- Discretionary Points for non-training grade doctors (e.g., staff grades and associate specialists), which can be awarded in recognition of skills and expertise beyond what would normally be expected of the grade

3.4. Pay gaps are reported as the relative percentage difference between men's and women's earnings. A positive percentage difference indicates that on average men are paid higher and a negative percentage difference indicates that on average women are paid higher. All percentages have been rounded to give whole numbers.

**Table 1:** Mean and median gender pay gap for ordinary pay, for all staff across the whole organisation.

Gender	Mean Hourly Rate	Median Hourly Rate
Male	£22.09	£16.33
Female	£16.35	£14.56
Difference	£5.74	£1.78
Pay Gap %	<b>26%</b>	<b>11%</b>

**Table 2:** Mean and median gender pay gap for bonus pay

Gender	Mean Bonus Pay	Median Bonus Pay
Male	£13,066	£6,115
Female	£4,666	£1,500
Difference	£8,400	£4,615
Pay Gap %	<b>64%</b>	<b>75%</b>

**Table 3:** Proportion of men and women receiving bonuses

Gender	Employees Paid Bonus	Total Relevant Employees	%
Female	246	9559	<b>3%</b>
Male	240	3082	<b>8%</b>

**Table 4:** Proportion of men and women in each quartile of the Trust's pay structure

Quartile	Female	Male	Female %	Male %	Proportion of total staff per quartile	
					Female	Male
1	2,251	614	79%	21%	<b>26%</b>	<b>22%</b>
2	2,278	607	79%	21%	<b>26%</b>	<b>22%</b>
3	2,401	474	84%	16%	<b>28%</b>	<b>17%</b>
4	1,777	1,098	62%	38%	<b>20%</b>	<b>39%</b>

Key | Q1 = Lowest paid, Q4 = Highest paid

#### 4. Narrative and Analysis

##### Ordinary Pay

- 4.1. Looking first at ordinary pay, Table 1 shows that when using the mean as an average, men are paid 26% more than women in the Trust. This is significantly larger than the median pay gap at 11%. A large gap between the two indicates that there are a small number of men in more senior positions which has a disproportionate effect on the results.
- 4.2. When comparing the Trust's median pay gap to the national median pay gap of 9.1%<sup>1</sup>, it can be seen that the Trust's gap is higher than the national average. However, when comparing with just public sector organisations, the Trust's pay gap is below the median average of 13.1%.
- 4.3. When the information from Tables 1 and 4 is taken together it can be demonstrated that one of the key reasons behind the overall disparity seen within the Trust is the relative gender distribution within the organisation; with a higher proportion of men within higher-paid positions. Consideration should be given as to why this is taking place, especially given that the workforce is 75.7% female. This issue is not unique to this Trust and there have been reports that show that lack of women in senior positions is an NHS-wide issue.<sup>2</sup>

<sup>1</sup> ONS (2017), Annual Survey of Hours and Earnings

<sup>2</sup> Ruth Sealy (2017), NHS Women on Boards: 50:50 by 2020

**Table 5:** Mean and median gender pay gap for ordinary pay by AfC banding<sup>3</sup>

Band	Mean Hourly Rate		Mean Gap	Median Hourly Rate		Median Gap
	Female	Male		Female	Male	
Band 1	£9.39	£9.12	-3%	£8.59	£8.25	-4%
Band 2	£10.13	£9.89	-2%	£9.19	£9.54	4%
Band 3	£10.07	£9.60	-5%	£9.83	£9.26	-6%
Band 4	£10.75	£10.54	-2%	£10.77	£10.35	-4%
Band 5	£14.24	£13.37	-7%	£13.99	£13.41	-4%
Band 6	£17.18	£16.24	-6%	£17.16	£16.31	-5%
Band 7	£20.36	£19.92	-2%	£20.81	£19.78	-5%
Band 8a	£23.33	£23.46	1%	£23.84	£23.94	0%
Band 8b	£27.92	£30.27	8%	£28.40	£29.48	4%
Band 8c	£34.95	£33.91	-3%	£35.02	£34.87	0%
Band 8d	£42.50	£41.65	-2%	£42.16	£38.20	-10%
Band 9	£50.45	£60.47	17%	£50.06	£53.47	6%
Medical	£31.61	£36.95	14%	£30.19	£36.30	17%
VSM	£49.01	£68.71	29%	£48.95	£62.82	22%

4.4. Table 5 shows pay gaps within each of the AfC bandings. The lower bandings (1-7) show a slight pay gap in favour of women which is a different picture than the Trust as a whole. It is when looking at the bandings above this that there is a shift towards a pay gap in favour of men; especially within Band 9, Medical, and Very Senior Managers (VSM).

4.5. Regarding bands which demonstrate a negative pay gap, where average pay for women is higher than men, these differences could be indicative of women remaining within a pay band for longer than men as they would move up AfC spine points within the band, thereby earning more whilst remaining within the same pay band. Whilst this could appear to be a positive finding for women, it may also be driven by a slower rate of progression for women within the Trust which would be a cause for concern.

4.6. The pay gaps between individual bands are much lower than the overall Trust gap. Again, this demonstrates how the overall figure is due to the relatively high proportion of men in more senior roles which is the major driver of the overall result. Also, this helps to demonstrate the effectiveness of AfC in ensuring that people are paid equally for work of equal value. Previous work conducted by the Trust has demonstrated how AfC helps the Trust to achieve equal pay when removing other factors that could impact pay such as length of service.

**Table 6:** Mean and median gender pay gap for ordinary pay by staff group

<sup>3</sup> The 'Ad Hoc' Banding has not been reported in this table as this banding covers a wide range of staff on differing pay scales and is therefore unsuitable for analysis

Staff Group	Mean Hourly Rate		Mean Gap	Median Hourly Rate		Median Gap	Headcount		Range of Grades
	Female	Male		Female	Male		Female	Male	
Add Prof Scientific and Technic	£17.88	£17.43	<b>-3%</b>	£16.55	£16.05	<b>-3%</b>	329	124	Band 2 - VSM
Additional Clinical Services	£10.67	£10.30	<b>-4%</b>	£10.05	£10.05	<b>0%</b>	1410	383	Band 2 - Band 7
Administrative and Clerical	£12.80	£16.47	<b>22%</b>	£10.84	£12.06	<b>10%</b>	2007	587	Band 2 - VSM
Allied Health Professionals	£18.56	£17.23	<b>-8%</b>	£18.51	£16.60	<b>-11%</b>	523	100	Band 5 - Band 8D
Estates and Ancillary	£10.33	£9.74	<b>-6%</b>	£9.33	£9.53	<b>2%</b>	98	94	Band 1 - Band 6
Healthcare Scientists	£18.52	£19.02	<b>3%</b>	£18.01	£18.54	<b>3%</b>	340	186	Band 5 - Band 9
Medical and Dental	£31.61	£36.95	<b>14%</b>	£30.19	£36.30	<b>17%</b>	771	898	Medical Pay scales
Nursing and Midwifery Registered	£16.85	£15.60	<b>-8%</b>	£16.17	£14.78	<b>-9%</b>	3229	421	Band 5 - Band 9

- 4.7. When looking specifically at the pay gaps split by staff groups in Table 6, it can be seen there are two specific groups where the gaps are largest; Administrative and Clerical, and Medical and Dental.
- 4.8. The gap in administrative and clerical is explained by the majority of senior managers in the Trust being classified within this group. Like the overall Trust results, the mean gap is significantly higher than the median gap which would be due to the impact of a relatively small number of male senior managers.
- 4.9. Regarding the Medical and Dental staff group, the mean and median gaps are similar which would indicate that the pay gaps are fairly consistent across the whole group. Mean make up 54% of this staff group, which has the highest levels of pay.
- 4.10. The pay gaps seen within the Medical and Dental group are not unique to OUH. Nationwide, it is reported that senior female consultants earn less than their male counterparts; with it recently reported that out of the top 100 earning consultants in England, five are women<sup>4</sup>.

<sup>4</sup> BBC (2017), <http://www.bbc.co.uk/news/health-43077465>



## Bonus Pay

4.11. As stated above, bonus pay includes multiple elements such as clinical excellence awards, discretionary points, bonus payments and distinction awards. Table 2 outlines there is a bonus pay gap in favour of men with a mean gap of 64% and a median gap of 75%. Table 3 shows that, whilst fewer than 10% of staff received bonus pay within the 12 month period, a significantly higher percentage of men received bonus pay than women.

**Table 7:** Mean and median gender pay gap for bonus pay by AfC banding

AFC Band	Mean Bonus Pay			Median Bonus Pay		
	Female	Male	Mean Gap	Female	Male	Median Gap
Band 2	£800	£300	<b>-167%</b>	£800	£300	<b>-167%</b>
Band 4	£1,011	N/A	<b>N/A</b>	£600	N/A	<b>N/A</b>
Band 5	£1,064	£200	<b>-432%</b>	£800	£200	<b>-300%</b>
Band 6	£935	£275	<b>-240%</b>	£700	£275	<b>-155%</b>
Band 7	£1,024	N/A	<b>N/A</b>	£1,000	N/A	<b>N/A</b>
Band 8a	£467	£200	<b>-133%</b>	£200	£200	<b>0%</b>
Medical	£9,122	£13,370	<b>32%</b>	£5,917	£6,263	<b>6%</b>
VSM	£9,210	£14,531	<b>37%</b>	£9,210	£11,431	<b>19%</b>

4.12. Table 7 demonstrates how the Medical and VSM AfC bands have a disproportionate impact on the Trust's overall bonus pay gap due to the larger sums being awarded at those levels. In addition, men are disproportionately represented within these higher paid bands which further impacts the overall bonus averages.

4.13. The bonus pay awarded within the VSM pay band includes executives. From financial year 2017-18 onwards, Executives no longer receive bonus payments so it is expected that the gap within this band would be reduced for next year; especially considering that majority of those receiving these bonuses are men.

4.14. Bands 2, 5, and 6 show a pay gap in favour of women. Healthcare assistant and nursing roles fall within these bands and are roles primarily filled by women within the Trust.

**Table 8:** Mean and median gender pay gap for bonus pay by staff group

Staff Group	Mean Bonus Pay			Median Bonus Pay		
	Female	Male	Mean Gap	Female	Male	Median Gap
Additional Clinical Services	£1,050	£300	<b>-250%</b>	£700	£300	<b>-133%</b>
Administrative and Clerical	£4,705	£14,531	<b>68%</b>	£4,705	£11,431	<b>59%</b>
Medical and Dental	£9,122	£13,370	<b>32%</b>	£5,917	£6,263	<b>6%</b>
Nursing and Midwifery	£1,004	£230	<b>-337%</b>	£800	£200	<b>-300%</b>

- 4.15. Analysis of this data by staff group again highlights that senior management (in the administrative and clerical group) and the medical and dental group have the greatest impact on the overall figures. The gaps within these groups are again likely to be caused by the relative seniority of men and women within these groups.
- 4.16. Nursing and Midwifery Registered and Additional Clinical Services show a pay gap in favour of women, which is to be expected due to the much higher proportion of women within these groups and the relative seniority of women within this group as compared to men.

## 5. Conclusion

- 5.1. This report highlights that there are specific areas within the organisation that are having a large impact on the organisations overall pay gap. These include:
- 5.1.1. Senior Management
  - 5.1.2. Medical and Dental staff
- 5.2. The report also highlights a potential concern regarding the career progression of women within the organisation.
- 5.3. In light of the issues raised in this report a number of actions have been identified and discussed at Trust Management Executive (February 2018). From this a high-level action plan has been produced which aims to mitigate these issues. This action plan can be found in **Appendix 1**.

## 6. Recommendations

- 6.1. The Board is asked to:
- 6.1.1. Note the contents of this report;
  - 6.1.2. Discuss how to effectively communicate this work in the public domain;
  - 6.1.3. Note and agree the high-level action plan in **Appendix 1**.

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March 2018

## Appendix 1: Gender Pay Gap Report Action Plan

The following is a high-level action plan detailing key actions that will be taken following the findings of this report. These actions will be incorporated into the Trust's EDI Action Plan.

Suggest add to below the setting up of the new Women's Network

Action	Lead	Due	Success Measure
Introduce a salary scale for staff within the VSM Banding.	Head of Resourcing	July 2018	Salary scale introduced with new starters placed on this. Aim to move all VSM staff onto this scale over time.
Conduct an audit into pay decisions for the medical and dental staff group.	Workforce EDI Lead	July 2018	Audit undertaken with actions produced as a result.
Analyse Trust data to look at relative likelihood of progression and recruitment by AfC band for women as compared to men.	Workforce EDI Lead & Workforce Information Team	July 2018	Analysis undertaken with actions produced as a result.
Hold consultation with staff across the Trust to discuss the gender pay gap and potential barriers to progression.	Workforce EDI Lead & Head of Resourcing	July 2018	Consultation undertaken with staff from across the Trust's pay structure involved. Actions produced as a result.
Investigate the Athena SWAN charter to see if there are any good practice initiatives that could be implemented in OUH.	Workforce EDI Lead	July 2018	-
Create an update report for the EDI Steering Group with revised action plan.	Workforce EDI Lead	August 2018	Report and new action plan are accepted and approved.