

Trust Board Meeting in Public: Wednesday 13 March 2019

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<b>Title</b>	Gender Pay Gap Report 2018/19
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<b>Status</b>	For information
<b>History</b>	Gender Pay Gap Report 2017/18

<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;
  - Detail any action taken since publication of the Trust's first Gender Pay Gap Report in March 2018;
  - Provide recommendations as to how the Trust should approach addressing any identified gaps.
2. The Gender Pay Reporting Legislation requires organisations to publish figures relating to their pay gap on an annual basis, based on the previous year's data. This is the Trust's second Gender Pay Gap Report. The first report was published in March 2018.
3. 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.
4. The gender pay gap is the percentage difference between average hourly earnings for men and women. Below are the figures for OUH as of March 31<sup>st</sup> 2018:
  - For ordinary pay, the mean and median pay gaps were 26.6% and 15.2% in favour of men, respectively.
  - For bonus pay (which is largely driven by additional pay to consultant doctors), the mean and median pay gaps were 76.6% and 88.4% in favour of men, respectively.
  - 6.3% of women and 11.2% of men received bonus pay within the 12 months prior to the snapshot date.
  - The distribution of men and women within each quartile of the pay structure is a major driver of the gender pay gap, with the ratio being very consistent for the lowest three quartiles but a much higher proportion of men within the highest paid quartile.
5. Actions undertaken since publication of the Trust's first Gender Pay Gap Report in March 2018 include:
  - Setting up a Women's Network;
  - Developing a scoring matrix for technical interviews (competency-based interviews used to determine how an applicant meets the person specification for a role);
  - Providing support to women in applications for Clinical Excellence Awards (monetary awards for medical staff who perform over and above the standard expected for their role);
  - Ceasing the use of spot salaries (salaries that are not aligned to Agenda for Change).

It should be noted that these actions will not have had an impact on this Gender Pay Gap Report's figures for 31 March 2018 as outlined in this report, because actions have been undertaken in the past 12 months since March 2018.

6. Key findings in the report include:

- The mean pay gap has remained fairly consistent (with a small increase of 0.6%) between March 2017 and March 2018, but there has been a larger increase in the median pay gap of 4.3%, bringing it up to 15.2%.
- The proportion of women earning higher salaries within the Trust has decreased slightly, contributing to an increased gender pay gap;
- Progression for women within the Trust remains a concern and further investigation is required;
- Staff incentive schemes for working additional hours have enabled more women to receive bonus payments. However this has created a larger bonus pay gap due to the lower amounts received compared to other bonus payments such as Clinical Excellence Awards;
- The current timeline for production of gender pay gap reports results in ineffective reporting and creates difficulty in evaluating the impact of actions taken to mitigate the gender pay gap.

A high-level action plan has been created to address issues highlighted in the report. This is detailed in **Appendix 1**.

7. Trust Board is asked to:

- Note the contents of this report;
- Consider areas for further enquiry during the consultation and production of the next Gender Pay Gap Report;
- Approve submission of the Gender Pay Gap figures to the Government Equalities Office;
- Note and agree the high level action plan in **Appendix 1**.

## Gender Pay Gap Report 2018/19

### 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. Detail any action taken since production of the last Gender Pay Gap Report;
  - 1.1.3. Provide narrative and analysis on the figures required by the Gender Pay Reporting Legislation;
  - 1.1.4. Provide recommendations as to how the Trust should approach addressing any identified gaps.

### 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 gender pay gap. Public sector organisations are required to do so by 31 March each year.
- 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. AfC is designed to ensure equal pay for work of equal value and creates bandings in which jobs are matched to, based on set criteria.
- 2.5. The Trust has a job evaluation procedure 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 tables below (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 utilises data kept on ESR. A snapshot date of 31st March 2018 has been used as required by legislation; for bonus pay the 12 months prior to 31st March 2018 was taken into account.
- 3.3. The tables also detail the gender pay gap figures reported last year (using a snapshot date of 31 March 2017) and the difference between those figures and the March 2018 figures.

## 3.4. Bonus pay includes:

- 3.4.1. Clinical Excellence Awards;
- 3.4.2. Discretionary Points for non-training grade doctors e.g. staff grades and associate specialists;
- 3.4.3. Payments made under Trust incentive schemes (including the Winter Incentive Scheme);
- 3.4.4. Bonus payments;
- 3.4.5. Distinction awards.

3.5. Pay gaps are reported as the relative percentage difference between men's and women's earnings. A positive percentage difference indicates men are paid higher and a negative percentage difference indicates women are paid higher. All percentages have been given to 1 decimal place, as required upon submission to the Government Equalities Office.

**Table 1:** Mean and median gender pay gap for ordinary pay.

	Mean Hourly Rate			Median Hourly Rate		
	Mar-17	Mar-18	Difference	Mar-17	Mar-18	Difference
Men	£22.09	£22.90	£0.81	£16.33	£17.38	£1.05
Women	£16.35	£16.80	£0.45	£14.56	£14.74	£0.18
Difference	£5.74	£6.10	£0.36	£1.78	£2.64	£0.86
Pay Gap %	<b>26.0%</b>	<b>26.6%</b>	<b>0.6%</b>	<b>10.9%</b>	<b>15.2%</b>	<b>4.3%</b>

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

	Mean Bonus Pay			Median Bonus Pay		
	Mar-17	Mar-18	Difference	Mar-17	Mar-18	Difference
Men	£13,066.00	£9,471.77	-£3,594.23	£6,115.00	£3,013.47	-£3,101.53
Women	£4,666.00	£2,218.50	-£2,447.50	£1,500.00	£350.00	-£1,150.00
Difference	£8,400.00	£7,253.27	-£1,146.73	£4,615.00	£2,663.47	-£1,951.53
Pay Gap %	<b>64.3%</b>	<b>76.6%</b>	<b>12.3%</b>	<b>75.5%</b>	<b>88.4%</b>	<b>12.9%</b>

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

Gender	Mar-17	Mar-18	Percentage Increase
Men	7.8%	11.2%	44.0%
Women	2.6%	6.3%	142.7%

**Table 4:** Proportion of men and women in each quartile of the Trust's pay structure (Q1=low, Q4=high). Headcounts given in brackets

Quartile	Mar-17		Mar-18		Difference in proportion of women
	Women	Men	Women	Men	
1	78.6% (2251)	21.4% (614)	79.1% (2247)	20.9% (595)	0.5% (-4)
2	79.0% (2278)	21.0% (607)	79.6% (2370)	20.4% (606)	0.6% (92)
3	83.5% (2401)	16.5% (474)	79.9% (2310)	20.1% (581)	-3.6% (-91)
4	61.8% (1777)	38.2% (1098)	61.1% (1788)	38.9% (1139)	-0.7% (11)

#### 4. Actions Undertaken 2018/19

4.1. Following the publication of the Trust's first Gender Pay Gap Report in March 2018, a number of actions have been undertaken to help the Trust address its gender pay gap. It should be noted however, that the actions taken will not have had an impact on the figures reported in this paper due to the snapshot date that has to be used. As a result of this, we are not yet able to see the impact any of these actions might have made.

4.2. Actions that have been undertaken in the last 12 months include:

4.2.1. **Women's Network:** a staff network was established to enable women to discuss issues that impact them in the workplace and give live feedback as to potential changes that could be made. The network meets monthly and discusses a different topic, with the gender pay gap being one of those. There have been actions that were identified and implemented as a result of the network's creation.

4.2.2. **Clinical Appraiser Training Event:** a workshop was run on completing Clinical Excellence Award applications at this event in November 2018. The content of this workshop was targeted towards women to address issues they highlighted in this process.

4.2.3. **International Women's Day Event:** an event was held to celebrate International Women's Day on 8th March 2019. This event followed feedback from the Women's Network and included confidence building workshops, as well as a talk on leadership.

4.2.4. **Recruitment Scoring Matrix:** following feedback from the Women's Network a scoring matrix, to be used in technical interviews (competency-based interviews used to determine how an applicant meets the person specification for a role), has been developed. The purpose of the matrix is to encourage objectivity at interview and also give recruiting managers a way to give more effective feedback to candidates. The matrix is currently being tested and will be implemented over Q1 of 2019.

4.2.5. **Spot Salaries:** the Trust has ceased the use of spot salaries (salaries that are not aligned to Agenda for Change), which introduced the potential for

unequal pay. Staff who were on spot salaries were assimilated onto points within their AfC band.

- 4.3. An action that was proposed in last year's Gender Pay Gap Report, but not yet implemented, was the introduction of a salary scale for staff within the very senior manager (VSM) banding. It was proposed to ensure that salaries for VSM staff were decided in a fair and consistent manner, helping to reduce chance of unequal pay. Approaches towards implementing this are currently being considered; this is an action that the Trust will continue to work towards implementing.
- 4.4. There are also other actions that have been undertaken (or are in progress) across the Trust that, whilst not specifically focused on the gender pay gap, should have a positive impact upon it. These include:
  - 4.4.1. **Values-Based Appraisals:** these will better enable all staff across the Trust to develop and progress.
  - 4.4.2. **Recruitment Training:** this includes a half day on inclusive recruitment, which should remove some of the barriers women may face when aiming to progress through the organisation.
  - 4.4.3. **Cultural Ambassadors:** the introduction of observers at interview for senior posts will help to ensure that recruitment processes are fair and highlight any potential biases. This action is currently in progress and will be fully implemented in the summer of 2019.

## 5. Analysis

### *Ordinary Pay*

- 5.1. Looking first at ordinary pay, Table 1 shows that, whilst the mean pay gap has remained fairly consistent (with a small increase of 0.6%) between March 2017 and March 2018, there has been a significant increase in the median pay gap of 4.3%, bringing it up to 15.2%.
- 5.2. Similar to what was reported last year, Table 4 demonstrates that men have greater representation in higher paid roles within the organisation which contributes to the gap. Table 4 also shows that the proportion of women higher in the organisational pay structure has decreased, with a decrease of 3.6% in quartile 3 and 0.7% in quartile 4. This is likely the biggest contributing factor to the increased median pay gap noted in Table 1.
- 5.3. The decrease in the proportion of women receiving higher levels of pay is a concern for the Trust. Last year's report already noted issues in terms of progression for women and the figures reported here again demonstrate it is an area in which the Trust needs to focus its efforts to close the gender pay gap.
- 5.4. Work has been undertaken in the past year to help support the fair progression of staff, but the impact of that is yet to be seen. More work, however, is required to fully understand the nature of the issue; including further data analysis and consultation with staff.

### *Bonus Pay*

- 5.5. As stated above, bonus pay includes multiple elements such as Clinical Excellence Awards, discretionary points, bonus payments and distinction awards. Table 2 demonstrates 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 less than 10% of staff received

bonus pay within the 12 month period, a significantly higher percentage of men were in receipt of this.

- 5.6. The largest contributor to this increased gap in bonus pay was the introduction of incentive schemes, such as the winter incentive scheme. Due to the nature of the roles these schemes were targeted at, women were disproportionately in receipt of these bonus payments. However, as these bonus payments were much lower in value than other bonus payments such as Clinical Excellence Awards (which are awarded to a higher number of men than women), this has had the effect of increasing the overall Trust gap in bonus pay.
- 5.7. Whilst, as a headline figure, it appears though Trust performance on addressing the gender pay gap in bonus pay has worsened, Table 3 shows that a much higher proportion of all staff within the Trust have been able to access bonus payments. In addition, the rate of increase for women accessing bonus payments is much higher than for men with a 142.7% increase as opposed to a 44.0% increase. So whilst more women receiving these winter incentive payments has had a detrimental impact on the overall Trust bonus pay gap, it has actually had a positive impact for women within the Trust in terms of pay.
- 5.8. With the incentive schemes having continued running in FY18/19 further exploration of these schemes impact the gender pay should be undertaken when data for the next pay gap report becomes available.
- 5.9. Where efforts should be focussed to close the gap in bonus pay is on Clinical Excellence Awards. Last year's report demonstrated how these awards have a disproportionate impact on the pay gap due to the larger sums being awarded and men being disproportionately in receipt of them. Some work has been undertaken in order to help mitigate this, and ensure that men and women are able to access these awards fairly, however it is not yet understood whether this has had an impact and would need to be explored at a later point.

## **6. Conclusion and Next Steps**

- 6.1. This report has highlighted some areas that require further investigation, especially with regard to the progression of women within the Trust. However, due to the current lag between the snapshot date used and the report being produced, it is difficult to conduct effective analysis and to provide recommendations to mitigate the gap.
- 6.2. The lag between the data becoming available and report being produced also makes it impossible to evaluate the impact that any actions and interventions undertaken have had on the Trust's pay gap, and without that information recommendations for further action cannot be given.
- 6.3. With this in mind, it is therefore recommended that the Trust shifts its reporting on the gender pay gap from March annually to September annually; with the report detailing the pay gap figures from the 31st March 2019 snapshot date being produced for September 2019.
- 6.4. Shifting this reporting would bring it in line with the Trust's other mandatory workforce equality reporting requirements; the Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES).
- 6.5. Doing this would enable the Trust to also run a consultation on the gender pay gap alongside the WRES and WDES, allowing for better understanding of barriers that



women face within the Trust and for more effective actions to be produced as a result. Key lines of enquiry through this consultation should include:

- 6.5.1. Progression for women within the Trust;
  - 6.5.2. Access to bonus payments, especially Clinical Excellence Award.
- 6.6. Through the above approach to the next Gender Pay Gap Report, it is expected that the Trust will gain much greater understanding of the causes of its pay gap and be able to develop a stronger, more effective action plan as a result.

## **7. Recommendations**

7.1. Trust Board is asked to:

- 7.1.1. Note the contents of this report;
- 7.1.2. Agree to bring forward the Gender Pay Gap reporting to September 2019 (for the year ending 31 March 2019) in order to align to the reporting cycles for other aspects of WRES and EDI.
- 7.1.3. Consider areas for further enquiry during the consultation and production of the next Gender Pay Gap Report;
- 7.1.4. Approve submission of the Gender Pay Gap figures to the Government Equalities Office;
- 7.1.5. Note and agree the high-level action plan in **Appendix 1**.

### **Lead Executive:**

**John Drew**  
**Director of Improvement and Culture**  
**March 2019**

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## Appendix 1: Gender Pay Gap Report Action Plan

The following is a high-level recommended action plan detailing suggested actions that should be taken following the findings of this report. If approved, these actions will be incorporated into the Trust's EDI Action Plan.

Action	Lead	Due	Success Measure
Conduct a Trust-wide consultation into the Gender Pay Gap (alongside consultation for WRES and WDES)	EDI Manager	July 2019	Consultation engagement to be measured (with demographics captured as part of this). Feedback from consultation to be used to form the next Gender Pay Gap Report
Produce a Gender Pay Gap Report on pay gap data from March 2019	EDI Manager	September 2019	Report and action plan produced – presented at Board in Sep 19.
Introduce a salary scale for staff within the VSM Banding	Head of Resourcing	August 2020	Salary scale introduced with new starters placed on this. Aim to move all VSM staff onto this scale over time.
Evaluate other interventions undertaken by the Trust in terms of gender impact	EDI Manager	N/A	Gender impact analysed and reported in evaluation of interventions to EDI Steering Group.
Rollout scoring matrix	Head of Resourcing	May 2019	Improvement in relative likelihood of diverse groups being successful at interview.
Hold International Women's Day Event	Women's Network	March 2019	Engagement at event will be measured and feedback will be captured.