

<b>Agenda Item No</b>		<b>Meeting</b>	H R and OD Committee	<b>Meeting Date</b>	5 <sup>th</sup> June 2019
<b>Title</b>	Gender Pay Gap Report – March 2018				
<b>Sponsoring Executive Director</b>	Julie Pennycook – Director of Human Resources and Organisational Development				
<b>Author(s)</b>	Liz Nials – Senior HR Manager, Hazel Pither – Operational Lead for Equality and Diversity				
<b>Report previously considered by inc date</b>	None				
<b>Purpose of the report</b>					
Information only		Assurance			✓
Review and discuss		Agreement			✓
Trust Board Approval is required					
<b>Reason for submission to Trust Board in Private only (please indicate below)</b>					
Commercial Confidentiality		Staff Confidentiality			
Patient Confidentiality		Other Exceptional Circumstance			
<b>Link to Trust Strategic Objectives</b>					
Provide safe, effective, caring and responsive services – ‘Good’ by 2020					✓
Ensure efficient use of resources					
Achieve NHS constitutional patient access standards					
Achieve excellence in employment, education and development					✓
Lead strategic change on the Isle of Wight					✓
<b>Link to CQC Well Led Domains</b>					
Effective		Responsive			
Caring	✓	Well-led			✓
Safe					
<b>Executive Summary</b>					
On 31 March 2017, it became mandatory for public sector organisations					

with more than 250 employees to report annually on their gender pay gap.

Key Points to note are:

- The Trusts' workforce is 74.4% female and 25.6% male Medical & Dental staff group is 76% male and 24% female. The males in this staff group represent 48% of the overall male workforce.
- Compared with 2017, difference in the average hourly rate between male and female pay increased to £3.86 per hour, from £3.48 per hour.

The gap in bonus pay has also reduced as a result of more females receiving Clinical Excellence Awards in 2018.

- Male employees continue to be heavily makes up the highest earning quartile at 31.68% within quartile 4. A key factor being the dominance of males within the medical & dental staff group which falls into the highest earning quartile.
- As at 31st March 2018 female staff continue to have lower representation in the highest earning quartile at 75.72% compared with female staff representing 74% of the overall workforce. This is an improvement compared with March 2017 data when 68% of female staff were constituted within quartile 4.

Benchmarking NHS Trust information relating to the 31st March 2018 data is not yet fully available due to the deadline of reporting being 31st March 2019. However, a comparison will be undertaken once the March 2018 data for our peer group is available and any subsequent actions will be incorporated into the 2019-20 EDS action plan.

### **Key Recommendation**

The HR and OD Committee is asked to consider the recommendations contained within this report and approve the actions set out in the Gender Pay Gap Report 2018/19.

## 1. Introduction

On 31 March 2017, it became mandatory for public sector organisations with more than 250 employees to report annually on their gender pay gap.

The gender pay gap differs from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. The gender pay gap shows the differences in the **average pay** between men and women. If a workplace has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

The Trust is obliged to publish the following information on our public-facing website and report to government by the 31st March 2019:

- The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees (‘the mean gender pay gap’);
- The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees (‘the median gender pay gap’);
- The difference between the mean bonus pay paid to male relevant employees and that of female relevant employees (‘the mean gender bonus gap’);
- The difference between the median bonus pay paid to male relevant employees and that of female relevant employees (‘the median gender bonus gap’)
- The proportions of male and female relevant employees paid bonus pay (‘the proportions of men and women getting a bonus’); and

- The proportions of male and female relevant employees in the lower, lower middle, upper middle and upper quartile pay band ('the proportion of men and women in each of four pay quartiles').

## 2. Gender Pay Gap Reporting Key Themes

Appendix 1 includes a full copy of the Trust's Gender Pay Gap information which has been obtained from the Electronic Staff Record standard reports that are nationally produced to ensure the NHS meet their gender pay gap reporting requirements. The reporting period for the gender pay gap data is as at 31 March 2018.

Key Points to note are:

- The Trust workforce is 74.4% female and 25.6% male.
- The Trust Medical & Dental workforce is 76% male and 24% female with 48% of the overall male workforce being constituted within this staff group.
- As at March 2018 the Trust has a 20.68% mean average gender pay gap with females earning **97p for every £1 earned by** males. The mean average gender pay gap in 2018 has improved in comparison with 2017 data when as at 31st March 2017 when females earned 96p for every pound earned by a male.
- As at March 2018 the Trust has a 20.68% median hourly rate gender pay gap with females earning **£3.82 an hour less** than males. The median gender pay gap in 2018 has improved and as at 31 March 2017 females earned **£3.48 an hour less** than males with a 19.07% median gender pay gap.
- As at 31st March 2018 male staff proportionately continue to be heavily constituted within the highest earning quartile at 31.68% within quartile 4. A key factor is due to the medical & dental workforce being predominantly male and this staff group are predominantly constituted within the highest earning quartile.

- As at 31st March 2018 female staff proportionately continue to have lower representation in the highest earning quartile at 75.72% compared with female staff representing 74% of the overall workforce. This is an improvement compared with March 2017 data when 68% of female staff were constituted within quartile 4.
- The 2018 bonus pay highlights an improving position with an average bonus gender pay gap of **25.39%** in 2018 compared with **34.01%** in 2017 data and a median gender pay gap of **18.12%** in 2018 compared with **32.68%** in 2017. The bonus pay is primarily related to clinical excellence awards that are awarded to recognise and reward Consultants who perform `over and above` the standard expected in their role. It should be noted the Consultant workforce is predominantly male.
- Benchmarking NHS Trust information relating to the 31st March 2018 data is not yet fully available due to the deadline of reporting being 31st March 2019. However, a comparison will be undertaken once the March 2018 data for our peer group is available and any subsequent actions will be incorporated into the 2019-20 EDS action plan.

### **3. Actions in response to the Gender Pay Gap reporting**

In the light of the results we will work with staff and trade unions colleagues in order to take forward the following actions:

- Analyse our results by professional group and by pay band.
- Analyse the results of the 2018 staff survey relating to flexible working, and develop an action plan.
- Develop a culture that supports flexible working for all employees.
- Support staff with caring responsibilities and actively recruit people seeking to return to work following a career break.

- Review pay and reward arrangements to ensure that existing provisions are being applied fairly.

**Julie Pennycook,**

**Director of Human Resource and Organisational Development**

**June 2019**

## Appendix 1

### Gender Pay Gap Summary Data as at 31<sup>st</sup> March 2018

**Table 1: Average and Median hourly rates.**

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	18.6683	14.0488
Female	14.8061	13.4524
Difference	3.8622	0.5964
Pay Gap %	<b>20.6886</b>	<b>4.2450</b>

As 31 March 2018 the mean gender pay gap with females earning £3.86 less per hour than males. In 2017 the gap was £3.48 an increase of 1.61% to **20.68%**. In 2017 the pay gap was 19.07%. The average hourly rate for males has increased by 0.4 in 2018 whereas the average hourly rate of females has increased by 0.02, resulting in an increase in the pay gap.

**Table 2: Percentage of male and female employees in each pay quartile**

Quartile	Female	Male	Female %	Male %
1	605.00	194.00	75.72	24.28
2	594.00	188.00	75.96	24.04
3	593.00	155.00	79.28	20.72
4	593.00	275.00	68.32	31.68

This calculation requires an employer to show the proportions of male and female full-pay relevant employees in four quartile pay bands. All employees are placed into the cumulative order according to their pay which is undertaken by dividing the workforce into 4 equal parts.

Males are most highly constituted within quarter 4 at 31.68% whereas females dominate in quartiles 1 to 3.

The information compares % within the individual quartiles. However, if we review the broader picture comparing the overall workforce constitution there are 812 male employees and of these 275 are within quartile 4 which represents 34% of all male employees. Comparatively of 2385 female employees only 593 females are constituted within quartile 4 which represents only 24.8% of all female employees.

**Bonus Pay**

**Table 3:**

<b>Gender</b>	<b>Avg. Pay</b>	<b>Median Pay</b>
Male	12,342.61	10,525.43
Female	9,208.50	8,618.63
Difference	3,134.11	1,906.80
<b>Pay Gap %</b>	<b>25.39</b>	<b>18.12</b>

**Table 4:**

<b>Gender</b>	<b>Employees Paid Bonus</b>	<b>Total Relevant Employees</b>	<b>%</b>
<b>Female</b>	10.00	2696.00	0.37
<b>Male</b>	36.00	928.00	3.88

The data in tables 3 & 4 relates to clinical excellence awards for medical staff as this is the only payment identified within the ESR standard report which falls within the set definition of `bonus pay`. Clinical Excellence Awards recognise and reward Consultants who perform `over and above` the standard expected in their role. The payments within the Trust`s bonus information contains both local and national Clinical Excellence Awards. The Local CEA`s are administered within the Trust on an annual basis and the national CEAs are determined externally and administered by the Department of Health.

The data highlights that the average bonus pay gap for females is 25.39% and the median pay gap is 18.12%. In comparison with March 2017 reporting the position has slightly improved and as at 31st March 2017 there was 34% average bonus pay gap and 32.68% median pay gap.

As at 31st March 2018 0.37% of female staff received a bonus payment in comparison with 3.88% of male staff. When reviewing these figures consideration should be given to the overall consultant workforce profile which is predominately male.