

Meeting of the People Committee Monday, 22 March 2021

Title of Report	Gender Pay Gap 2020	Agenda Item	X
Report Author	Alister McClure – Head of Equality and Inclusion		
Lead Director	Leon Hinton – Chief People Officer		
Executive Summary	<p>1.1 This report sets out the gender pay gap calculations for 2020, together with a supporting statement. The report is required under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017</p> <p>1.2 The Trust’s mean gender pay gap is 31.86% and the median gender pay gap of 22.29%. This is an improvement from the position in 2019. Since September 2019, quarterly monitoring has taken place, showing that an initial improvement in the gender pay gap occurred in the April to June quarter 2020, deteriorating marginally in the following two quarters; this is consistent with the pattern in 2019. The gender pay gap relates to gender differentials in the progression to senior roles, particularly in medical roles. The Trust’s official reporting figure must not separate Agenda for Change (AfC) from medical pay bands, but informal analysis shows that the gender pay gap for medical and dental staff continues to be greater than AfC; and since medical and dental pay averages at a higher rate compared to AfC, this has a higher impact on the overall gender pay gap. Improving the gender profile of medical and dental roles, therefore, is likely to have greatest impact on improving the pay gap. There is some evidence that this pattern is repeated in many other Trusts across the NHS, and relates to professional career paths.</p> <p>1.3 The next steps are to develop further actions to be built into mainstream recruitment and talent management programmes, including positive action programmes where needed. This has already been tasked to the Fair Recruitment Working Group, and forms part of the Trust’s talent management programme. Consultation with staff, including staff networks and especially women in the workforce will inform this work.</p>		
Resource Implications	None identified at this stage		

Legal Implications/Regulatory Requirements	The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires the Trust to publish its gender pay gap..			
Quality Impact Assessment	Not applicable			
Recommendation/ Actions required	To approve the publication of the Trust’s Gender Pay Gap and supporting statement (as set out in Appendix 1).			
	Approval <input checked="" type="checkbox"/>	Assurance <input type="checkbox"/>	Discussion <input type="checkbox"/>	Noting <input type="checkbox"/>
Appendices	Appendix 1: Pay Gap Calculations and Supporting Statement Appendix 2: Background and reporting requirements			

Link to People Strategy

Best of People

We aim to transform ourselves through innovative staff-led improvements that meet the needs of our patients now and in the future

Best Future

We will deliver a workforce ready for the future, supported with the right skills to deliver quality care and to allow us to reach our full potential

APPENDIX 1: PAY GAP CALCULATIONS AND SUPPORTING STATEMENT

1. GENDER PAY GAP CALCULATIONS

1.1 Mean and Median Hourly Rates (All staff groups) – latest figures to the left

1.1.1 As at 31 March each year

Gender	Average (mean) Hourly Rate			Median Hourly Rate		
	2020	2019	2018	2020	2019	2018
Male	22.32	22.99	21.82	18.20	17.75	16.42
Female	15.89	15.48	14.82	14.14	13.56	12.83
Difference	7.43	7.50	7.00	4.06	4.19	3.59
Pay Gap %	31.86%	32.63%	32.09%	22.29%	23.63%	21.84%
Direction of travel	Improvement			Improvement		

1.1.2 As at 30 June, 30 September and 31 December 2020

Gender	Average (mean) Hourly Rate			Median Hourly Rate		
	Dec	Sep	Jun	Dec	Sep	Jun
Male	24.17	24.31	23.70	19.28	19.33	18.99
Female	16.54	16.64	16.74	14.93	15.11	15.16
Difference	7.63	7.68	6.96	4.35	4.22	3.83
Pay Gap %	31.58%	31.57%	29.36%	22.97%	21.81%	22.55%

1.2 Number and Percentage of employees per quartile

1.2.1 Number of employees per quartile

Quartile	Female			Male		
	2020	2019	2018	2020	2019	2018
1 (lower)	902	863	882	169	162	156
2 (lower middle)	891	857	899	181	172	157
3 (upper middle)	924	884	887	148	142	157
4 (upper)	681	637	691	391	390	360

1.2.1 Percentage of employees per quartile

Quartile	Female %			Male %		
	2020	2019	2018	2020	2019	2018
1 (lower)	84.22	84.2	84.97	15.78	15.8	15.03
2 (lower middle)	83.12	83.35	85.13	16.88	16.65	14.87
3 (upper middle)	86.19	86.16	84.96	13.81	13.84	15.04
4 (upper)	63.53	62.03	65.75	36.47	37.97	34.25

1.3 Bonus Payments

1.3.1 Bonus payments comprise chiefly of clinical excellence awards (CEAs). There was comparatively small number of CEAs, so the impact on the mean and median pay rates was statistically negligible. In 2020, how bonuses and CEAs are calculated and published changed from an average hourly rate to prorated annual pay. Therefore, comparisons to previous years are not included in this report.

1.3.2 Mean and Median Bonus Pay (2020 only)

Gender	Average (mean) Pay	Median Pay
Male	£13,006.80	£9,047.99
Female	£12,258.97	£12,064.00
Difference	£747.83	-£3,016.02
Pay Gap %	5.75%	-33.33%

1.3.3 Percentage of Employees paid bonuses, as a percentage of all employees, and eligible employees

	Female	Male	Total
Number of employees	3,398	759	4,157
Number eligible for bonus pay	21	55	76
Number paid bonuses	21	54	75
Percentage of eligible employees	100%	98.18%	98.68%
Percentage of all employees	0.62%	7.25%	1.80%

2 SUPPORTING STATEMENT

- 2.1 The headline calculations for this Trust are a Mean gender pay gap of 31.86% and a Median gender pay gap of 22.29%. It is evident that the proportion of men in the workforce increases in the upper quartile, compared to quartiles 1 to 3.
- 2.2 As reported in previous years, the gender pay gap issue for the Trust principally results from the proportion of men in the medical workforce, particularly consultants, being significantly higher than the number of women in the medical workforce. Amongst medical consultants, men comprise over 70% of the workforce. In Agenda for Change (AfC) pay bands, women form over 80% of the workforce. This means that, compared to women, a greater proportion of men are in higher paid roles. Another potential matter to consider is the fact that the Trust has not outsourced some services, such as catering and housekeeping, which have a higher proportion of women in lower pay bands.
- 2.3 Comparisons with neighbouring trusts and the general situation across England shows that there is a similar pattern across Acute Trusts. On the one hand, there is reasonable confidence that, owing to Agenda for Change and medical pay reviews, the NHS is providing equal pay (men and women paid equally to carry out the same jobs, similar jobs or work of equal value). However, it is evident that in medical roles there have been, traditionally, significantly more men progressing to the most senior levels, resulting in a gender pay gap.
- 2.4 Whilst there is also little that the Trust can do in the short term to remove the gender pay gap, because the issue affects professions that have long term career pathways, action can be taken to encourage the retention and career progression of women into senior roles, in particular in medicine.
- 2.6 The important issue with gender pay gap analysis is not only to know the data and understand the reasons for the gaps, but to ensure action is taken to address the gap. Noting that the gender pay gap issue is common to many other acute trusts across the NHS, it will be important to continue to explore with partners across the NHS what practical changes can be made. These actions include:
- Continuing to keep pay structures under proper review, to ensure that equal pay is maintained;
 - Continuing to ensure that gender equality is part of the existing work on fair recruitment, retention and talent management, including:
 - Improving the professional pathways for women, especially in medical and nursing roles to support more women into senior roles;
 - Working with Medical Schools/Universities to explore how medical graduates choose the direction of their careers;
 - Reviewing the international dimension of medical recruitment, to encourage more women medics from international recruitment;
 - Ensure that NHS policies are used effectively so to prevent barriers to progression after career gaps/maternity, and to ensure flexible and part time working for all genders where appropriate

- Continue to promote current policies on flexible and family-friendly working, workforce planning and career development opportunities and career pathways for all staff.
- Participating in national Gender Pay Gap research.

2.7 **Assurance statement.** The gender pay gap for Medway Foundation Trust has been prepared using the NHS Electronic Staff Record (ESR) gender pay gap calculator. The Trust has also used the ACAS guidance to calculate and verify the result.

APPENDIX 2: BACKGROUND AND REPORTING REQUIREMENTS

1: BACKGROUND

- 1.1 Following government consultation, it became mandatory on 31 March 2017 for public sector organisations with over 250 employees to report annually on their gender pay gap (GPG). Since the Equality Act 2010 (Specific Duties) Regulations 2011 (SDR) came into force on 10 September 2011, there has been a duty for public bodies with 150 or more employees to publish information on the diversity of their workforce (these are published annually on the Trust website). Although the SDR did not require mandatory GPG reporting, the Government Equalities Office (GEO) and the Equality and Human Rights Commission (EHRC) provided guidance that made it clear that employers should consider including GPG information in the data they already publish. It was evident that not all employers did this, so the government made GPG reporting mandatory by amending the SDR so that all public sector employers with more than 250 employees have to measure and publish their gender pay gaps.
- 1.2 The new requirement to publish GPG reports is set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The requirements are summarised in section 4 of this report.
- 1.3 The difference between the gender pay gap and equal pay
 - 1.3.1 **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.
 - 1.3.2 **The gender pay gap** shows the differences in the average pay, across the whole workforce, 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. In some cases, the gender pay gap may include unlawful inequality in pay but this is not necessarily the case.
- 1.4 Although each individual NHS Trust is responsible for its own GPG report, the NHS has a nationwide tool to make the relevant calculations.

2: REPORTING REQUIREMENTS

- 1.1 Employers with 250 employees and over need to publish the following information annually for all employees who are employed under a contract of employment, a contract of apprenticeship or a contract personally to do work. This includes those under Agenda for Change terms and conditions, medical staff and very senior managers. All calculations must be made relating to the pay period in which the snapshot day falls. For this first year, this will be the pay period including 31 March 2018.
- 2.2 Employers must:
 - calculate the hourly rate of ordinary pay relating to the pay period in which the snapshot day falls;

- calculate the differences between both the median and mean hourly rate of ordinary pay of male and female employees;
- calculate the difference between the median (and mean) bonus pay paid to male and female employees. For the NHS, bonus payments are defined as: clinical excellence awards; long service awards (monetary vouchers); workplace vouchers in addition to salary; recruitment bonuses; and relocation costs in excess of expenses. [The following are not to be considered as either pay or bonuses: salary sacrifice schemes, benefits in kind (e.g. NHS discounts); and the reimbursement of expenses.]
- calculate the proportions of male and female employees who were paid bonus pay;
- calculate the proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands by number of employees rather than rate of pay.

2.3 The Trust is also required to publish a supporting narrative (see section 4 below), which must include an assurance statement, agreed by a senior representative of the Trust, and/or the Executive Group and The Trust Board. The calculations must be published on both the Trust website and a Government portal, and supporting statement must be published on the Trust website. Once published, employers are required to implement an action plan to address the gender pay gap.

2.4 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 identify gender as male and female. There is no consideration in the regulations to people to identify as intersex, or gender non-binary. In terms of gender identity (e.g. Transgender status) the advice provided to employers is to ensure that for the purposes of the GPG report, people's gender is recorded according to their HR/Payroll records.