

Meeting of the People Committee Tuesday, 20 July 2021

Title of Report	Gender Pay Gap 2021	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 2021, 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 34.06% and the median gender pay gap of 25.54%. This is a wider gap than reported for 2020. 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, but still on target in December 2020 for an improvement on the 2020 pay gap report. There was an unexpected widening of the gap between January and March 2021. The gender pay gap relates to gender differentials in the progression to senior roles, both Agenda for Change and Medical and Dental roles. Since medical and dental pay averages at a higher rate compared to AfC, and the proportion of men in the medical workforce is higher than the AfC workforce, 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 the greatest impact on improving the pay gap, but analysis has also identified the need to improve the progression of women through to higher pay bands.</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			
	Year	2021	2020	2019	2021	2020	2019
Male		25.60	22.32	22.99	19.47	18.20	17.75
Female		16.88	15.89	15.48	14.88	14.14	13.56
Difference		8.72	7.43	7.50	4.58	4.06	4.19
Pay Gap %		34.06%	31.86%	32.63%	25.54%	22.29%	23.63%
Direction of travel		Gap Widened			Gap Widened		

1.1.2 As at 30 June, 30 September and 31 December 2020: the gap was narrowing between April and June 2020, and widening through the year, but still below the March 2020 pay gap.

Gender	Average (mean) Hourly Rate			Median Hourly Rate			
	Month	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%

1.1.3 Analysis of the change in the workforce profile indicates that the widening of the pay gap between 31 December 2020 (as reported to the Committee in March) and 31 March 2021 is due to a net increase of women in pay bands 2-5 (61 fte) and a net reduction in women in pay bands 6 to 8c (26 fte). The number of women in medical posts increased (a net increase of 6 fte).

1.2 Number and Percentage of employees per quartile

1.2.1 Number of employees per quartile

Quartile	Female			Male			
	Year	2021	2020	2019	2021	2020	2019
1 (lower)		1009	902	863	189	169	162
2 (lower middle)		1004	891	857	198	181	172
3 (upper middle)		1029	924	884	171	148	142
4 (upper)		762	681	637	439	391	390

1.2.1 Percentage of employees per quartile

Quartile	Female %			Male %		
	2021	2020	2019	2021	2020	2019
Year	2021	2020	2019	2021	2020	2019
1 (lower)	84.22	84.22	84.2	15.78	15.78	15.8
2 (lower middle)	83.53	83.12	83.35	16.47	16.88	16.65
3 (upper middle)	85.75	86.19	86.16	14.25	13.81	13.84
4 (upper)	63.45	63.53	62.03	36.55	36.47	37.97

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. During 2020, how bonuses and CEAs are calculated and published changed from an average hourly rate to prorated annual pay. Therefore, full comparisons to previous years are not included in this report; but last year's mean gap was 5% and the median was -33.3%. The very significant gap between the mean (34.78%) and median (0%) bonus pay gaps indicate the impact of some outliers in the data.

1.3.2 Mean and Median Bonus Pay (2021 only)

Gender	Average (mean) Pay	Median Pay
Male	£11,935.81	£6,032.04
Female	£7,784.82	£6,032.04
Difference	£4,140.99	0
Pay Gap %	34.78%	0%

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

	Female	Male	Total
Number of employees	4444	1196	5640
Number eligible for bonus pay	17	49	66
Number paid bonuses	17	49	66
Percentage of eligible employees	100%	100%	100%
Percentage of all employees	0.38%	4.10%	1.17%

2 SUPPORTING STATEMENT

- 2.1 The headline calculations for this Trust are a Mean gender pay gap of 34.06% and a Median gender pay gap of 25.54%. 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. As set out in 1.1. above, this year has seen an unexpected increase in the Gender Pay Gap at year end, which largely appears to be changes in Agenda for Change pay during the final quarter of the year (January-March 2021); increases in the representation of women in Bands 2-5, with reductions in representation at Bands 6 to 8c
- 2.3 Comparisons with neighbouring trusts and the general situation across England in previous years shows that there is a similar pattern across Acute Trusts, and this will be benchmarked again once all Trusts have published their most recent data. 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. This year's data also suggests that more needs to be done to retain and develop staff in middle banded posts.
- 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. Since the Government portal to report the Gender Pay Gap for 2021 does not open until after 1 October 2021, the next few months will be used to develop actions and commitments to address the Gender Pay Gap.
- 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 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

- 2.1 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 2021. This does not need to be reported on the Government portal until 31 March 2022.
- 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, which must include an assurance statement, agreed by a senior representative of the Trust, and/or the Executive Group and The Trust Board or a Committee of the 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.

APPENDIX 3: PAY GAP BY STAFF GROUP

The Trust must report its pay gap on the Government portal, as set out in Appendix 1 section 1. However, these tables illustrate the pay gap by staff groups.

Agenda for Change Pay Bands

Female	Male	Difference	Pay Gap %
15.46	16.60	1.14	6.88

Medical and Dental

Female	Male	Difference	Pay Gap %
29.95	38.02	8.07	21.23

Individual Staff Groups:

Staff Group	Female	Male	Difference	Pay Gap %
Add Prof Scientific and Technic	17.69	17.16	-0.53	-3.07
Additional Clinical Services	11.57	12.02	0.45	3.74
Administrative and Clerical	13.96	19.14	5.18	27.05
Allied Health Professionals	18.92	18.81	-0.12	-0.62
Estates and Ancillary	11.48	13.02	1.54	11.85
Healthcare Scientists	22.76	37.71	14.96	39.65
Medical and Dental	29.95	38.02	8.07	21.23
Nursing and Midwifery Registered	18.59	18.70	0.11	0.61

Average (Mean) Pay Gap comparing Medical and Dental with Agenda for Change

	2019	2020	2021
Agenda for Change	6.20%	6%	6.88%
Medical and Dental	19.04%	19%	21.23%