

Meeting of the People Committee

Thursday, 26 January 2023

Title of Report	Gender Pay Gap Report 2022		Agenda Item	
Author	Alister McClure, Head of Equality and Inclusion			
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Executive Summary	<p>This report is an update and correction to a report from May 2022, and sets out the gender pay gap calculations for 2022, together with a supporting statement. The report is required under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017</p> <p>The Trust's mean gender pay gap is 30% and the median gender pay gap of 21.4%. This is a narrower gap than reported for all previous years, but still considerably above the UK average. The gender pay gap relates to gender differentials in the progression to senior roles, in 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>			
Proposal and/or key recommendation:	The Committee is asked to approve the 2022 Gender Pay Gap data for publication on the Government Portal, and to the publication of the report on the Trust Website; both before 31 March 2023			
Purpose of the report (tick box to indicate)	Assurance		Approval	<input checked="" type="checkbox"/>
	Noting		Discussion	
(If appropriate) state reason for submission to Private section of Board:	Patient Confidentiality:	Staff Confidentiality:	Commercially Sensitive:	Exceptional Circumstances:

Committee/Group at which the paper has been submitted:	An earlier version of this report was considered by both the Equality and Inclusion Steering Group and the People Committee; this version will be considered further by the Equality and Inclusion Steering Group before the Committee meets.				
Patient First Domain/True North priorities (tick box to indicate):	Tick the priorities the report aims to support:				
	Priority 1: (Sustainability)	Priority 2: (People) <input checked="" type="checkbox"/>	Priority 3: (Patients)	Priority 4: (Quality)	Priority 5: (Systems)
Relevant CQC Domain:	Tick CQC domain the report aims to support:				
	Safe:	Effective:	Caring:	Responsive:	Well-Led: <input checked="" type="checkbox"/>
Identified Risks, issues and mitigations:	Failure to approve the report for publication carries a legal and reputational risk				
Resource implications:	None specifically. Resourcing improvements to the gender pay gap should be achieved within existing resources.				
Sustainability and /or Public and patient engagement considerations:	n/a				
Integrated Impact assessment:	<p>Please tick the correct box and provide required information.</p> <p>Has the quality and equality assessment been undertaken?</p> <p><input type="checkbox"/> Yes (<i>please attach the action plan to this paper</i>)</p> <p><input checked="" type="checkbox"/> Not applicable – the report itself contains the relevant equality analysis</p>				
Legal and Regulatory implications:	The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires the Trust to publish its gender pay gap.				
Appendices:	<p>All supporting information is included in the report. The report is presented as three appendices to this covering report.</p> <ul style="list-style-type: none"> • Appendix 1 – Pay Gap Calculations and Supporting Statement (must be published) • Appendix 2 – Background and Reporting Requirements (for context) • Appendix 3 – Pay Gap by staff group (additional information not formally part of the required publication) 				
Freedom of Information (FOI) status:	This paper is disclosable under the FOI Act, or				
For further information or any enquires relating to this paper please contact:	Alister McClure, Head of Equality and Inclusion Alister.mcclure@nhs.net				

Reports require an assurance rating to guide the discussion:	Insert Tick	
	No Assurance	There are significant gaps in assurance or actions
	Partial Assurance	There are gaps in assurance
	Assurance	Assurance minor improvements needed.
	Significant Assurance	There are no gaps in assurance
	Not Applicable	No assurance required.

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

The figures for 2022, as reported in May 2022, were correct, and are therefore unchanged. The figures for 2021 now show the correct figure in parentheses; the figures on the government portal in 2021 incorrectly included Bank Staff, but cannot be changed on the portal)

Gender	Average (mean) Hourly Rate			Median Hourly Rate			
	Year	2022	2021	2020	2022	2021	2020
Male		24.4	25.60 (24.1)	22.32	19.4	19.47 (19.38)	18.20
Female		17.1	16.88 (16.4)	15.89	15.2	14.88 (14.54)	14.14
Difference		7.3	8.72 (7.7)	7.43	4.2	4.58 (4.84)	4.06
Pay Gap %		30.0%	(32.0%)	31.86%	21.4%	25.94% (25.96%)	22.29%
Direction of travel	Gap Narrowed			Gap Narrowed			

1.2 Number and Percentage of employees per quartile

1.2.1 Number of employees per quartile

As above in section 1.1, the figures for 2021 now show the correct figure in parentheses

Quartile	Female			Male			
	Year	2022	2021	2020	2022	2021	2020
1 (lower)		938.00	1009 (874)	902	193.00	189 (158)	169
2 (lower middle)		937.00	1004 (974)	891	195.00	198 (204)	181
3 (upper middle)		932.00	1029 (946)	924	171.00	171 (159)	148
4 (upper)		736.00	762 (702)	681	426.00	439 (403)	391

1.2.1 Percentage of employees per quartile

Quartile	Female %			Male %		
	2022	2021	2020	2022	2021	2020
1 (lower)	82.94	84.22 (84.69)	84.22	17.06	15.78 (15.31)	15.78
2 (lower middle)	82.77	83.53 (82.68)	83.12	17.23	16.47 (17.32)	16.88
3 (upper middle)	84.50	85.75 (85.6)	86.19	15.50	14.25 (14.39)	13.81
4 (upper)	63.34	63.45 (63.53)	63.53	36.66	36.55 (36.47)	36.47

1.3 Bonus Payments

1.3.1 Bonus payments comprise chiefly of clinical excellence awards (CEAs). There are a comparatively small number of CEAs, so the impact on the mean and median pay rates is statistically negligible. CEAs are calculated and published at a rate prorated to annual pay.

1.3.2 Mean and Median Bonus Pay

Gender	Avg. (Mean) Pay	Median Pay
Male	9,818.82	6,032.04
Female	7,856.37	6,032.04
Difference	1,962.45	0.00
Pay Gap %	19.99	0.00

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

Gender	Eligible Employees Paid Bonus	Total Relevant Employees	%
Female	17.00	4676.00	0.36
Male	45.00	1273.00	3.53

2 SUPPORTING STATEMENT

- 2.1 The headline calculations for this Trust are a Mean gender pay gap of 30% and a Median gender pay gap of 21.4%. 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 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. Ideas currently under consideration include:
- Continuing to keep pay structures under proper review, to ensure that equal pay is maintained;
 - Improving the professional pathways for women in medical roles to encourage more female medics into consultant and other 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, recognising the pattern of male dominance in medical roles across the world. This must include practical steps to encourage more women medics from international recruitment;
 - Reviewing how well the Trust manages women's progression after career gaps/maternity;
 - Reviewing how well the Trust is managing the progression into senior medical roles for women who work part-time;

- Active promotion of current policies on flexible and family-friendly working, workforce planning and career development opportunities and career pathways for all staff.

2.7 Commitments in the current Equality, Diversity and Inclusion Action Plan are:

Aim	Dependencies	Current Gap	Success Measure for the current action	Timescale
Create a plan to close the AfC Gender Pay Gap (with actions as set out in section 2.6 above)	Senior managers, Resourcing and OD teams (links with talent management for lower bands and the Band 7/8a threshold)	AfC GPG is approximately 3.1%	Narrow the gap by at least 1 percentage point (i.e. to 2.1% or less)	July 2023 (sign off) to allow for improvements by April 2025
Increase the proportion of women moving into senior medical roles, through recruitment and retention (with actions as set out in section 2.6 above)	Medical Directorate, Resourcing Teams, Senior Medical Managers (Narrowing the gap in medical pay is a longer term achievement, owing to the gender balance of medics in different age groups and the length of career paths to senior medical roles)	Medical GPG is 18.86%	Narrow the gap by at least 4 percentage point (i.e. to 15% or less)	July 2023 (sign off) to allow for improvements by April 2025

2.8. Women's Network as Stakeholder

A Women's Network is under development, with a steering group working towards a Network launch in March 2023. The Women's Network will be a key stakeholder providing insights and assurance on actions to reduce the gender pay gap.

2.9 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 2022. This does not need to be reported on the Government portal until 31 March 2023.
- 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.

Individual Staff Groups:

Staff Group	Pay Rate			Pay Gap		Headcount		
	Female	Male	Difference	%	Female	Male	Total	
Add Prof Scientific and Technic	19.05	19.43	0.38	1.94	122	35	157	
Additional Clinical Services	11.87	12.20	0.33	2.73	727	107	834	
Administrative and Clerical	14.56	17.67	3.11	17.60	839	178	1017	
Allied Health Professionals	19.70	18.60	-1.10	-5.90	156	59	215	
Estates and Ancillary	11.81	13.27	1.45	10.96	292	130	422	
Healthcare Scientists	14.01	38.20	24.19	63.32	4	2	6	
Medical and Dental	30.69	37.82	7.13	18.86	310	360	670	
Nursing and Midwifery Registered	19.22	19.66	0.44	2.24	1323	141	1464	

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

	2019	2020	2021	2022
Agenda for Change	6.20%	6%	6.88%	3.1%
Medical and Dental	19.04%	19%	21.23%	18.86%