The Queen Elizabeth Hospital King's Lynn
NHS Foundation Trust

Meeting:	Board of Directors (in Public)		
Meeting Date:	5 April 2022	**Agenda item:**	20
Report Title:	Gender Pay Gap Report		
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Executive Sponsor:	Jo Humphries, Director of People		

Implications

Link to key strategic objectives
[highlight which KSO(s) this recommendation aims to support]

KSO1	KSO2	KSO3	KSO4	KSO5	KSO6
Safe and compassionate care	Modernise hospital and estate	**Staff engagement**	Partnership working, clinical and financial sustainability	Healthy lives staff and patients	**Investing in our staff**

Board assurance framework	No	
Significant risk register	No	
	Y/N	If Yes state impact/ implications and mitigation
Quality	Y	
Legal and regulatory	Y	Legal requirement to report annually the gender pay gap between male and female employees
Financial		

Assurance route

Previously considered by:	People Committee – 23 March 2022

Executive summary

Action required: *[highlight **one** only]*	Approval	Information	Discussion	**Assurance**	Review

Purpose of the report:	To provide a report to the Board of Directors on the gender pay gap between male and female employees which the Trust will also need to publish on our website by 31 March 2022.
Summary of Key issues:	The gender pay gap shows the difference in the average pay between all man and women in a workforce. It is different to equal pay which shows the differences between men and women who carry out the same jobs, similar jobs or work of equal value. The report details the gender pay gap as a snapshot at 31 March 2021. The QEH is showing a gender pay gap of 22% which is split between bands within the report. As at 31 March 2020 this was 24.73% The gender pay gap is predominantly caused by individuals with a lower length of service and on a lower increment. AfC enhancements are paid to male employees on band four and is related to the role. For staff on Trust contracts (old Whitley contracts for individuals who

	have not transferred to AfC) there is a wide variation from a health care assistant to a Deputy Director and therefore there is an expectation that there is a wide variation in pay. For consultant posts there are disproportionally more men than women, although this has decreased significantly. It is to be noted that CEA payments are included as bonus pay and in calculating the gender pay gap. These are retained by consultants and therefore as there are more male consultants than female consultants there will be a gender pay gap within this staff group. This will improve over time.
Recommendation:	The Board of Directors is asked to note the content of the report and publication on the Trust website.
Acronyms	AfC – Agenda for Change

The Queen Elizabeth Hospital King's Lynn NHS Foundation Trust
Gender Pay Gap Report 2022

Background to the Trust

Securing Foundation Trust status in 2011, The Queen Elizabeth Hospital is an established 432 bed general hospital providing healthcare services to West and North Norfolk in addition to parts of Breckland, Cambridgeshire and South Lincolnshire. We provide a comprehensive range of specialist, acute, obstetrics and community-based services.

The QEH is committed to being an equal opportunities employer and to building equality, diversity and inclusion into everything that it does.

Gender Pay Gap Reporting

Gender pay reporting legislation requires employers with 250 or more employees to report annually on their gender pay gap between their male and female employees. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data annually, including mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce 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 gender pay gap is different to 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 QEH supports the fair treatment and reward of all staff irrespective of gender.
This report sets out:

- the reporting requirements for QEH
- provides additional data where appropriate
- provides some analysis to identify the gender pay gap
- possible reasons for the gender pay gap, and
- what we are doing to close the gender pay gap in the organisation.

Definitions and scope

The gender pay gap is defined as the difference between the mean or median hourly rate of pay that male and female colleagues receive.

The mean pay gap is the difference between average hourly earnings of men and women, i.e. the hourly gap divided by the average for men equates to the mean gender pay gap.

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle-most salary.

The report is based on rates of pay as at 31 March 2021 and bonuses paid 1 April 2020 to 31 March 2021. It includes all workers in scope on 31 March 2021.

Gender Pay Gap

The following Gender pay report data is as at the snapshot date of 31 March 2021:

core calculations	31-Mar-21	31-Mar-20
The mean gender pay gap for QEH	22.00%	24.73%
The median gender pay gap for QEH	13.04%	15.16%
The mean gender bonus* gap for QEH	0.43%	35.96%
The median gender bonus* gap for QEH	33.33%	33.33%

** Please see comments later in this report explaining what constitutes a bonus*

Pay Quartiles by Gender

Please note that the figures in brackets are from the GPG report for 31 March 2020

Quartile	Female Headcount	Male Headcount	Female %	Male %	Description
1 (lowest paid)	798 (848)	166 (145)	82.78 (85.4)	17.22 (14.6)	Includes all employees whose standard hourly rate places them at or below the lower quartile
2	789 (835)	219 (213)	78.27 (79.68)	21.73 (20.32)	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
3	766 (809)	221 (207)	77.61 (79.63)	22.39 (20.37)	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
4 (highest paid)	654 (705)	333 (320)	66.26 (68.78)	31.74 (31.22)	Includes all employees whose standard hourly rate places them above the upper quartile

What do we do to ensure equal pay?

As noted earlier in this report, gender pay is different to 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.

Legislation requires that men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

The QEH is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

We deliver equal pay through a number of means but primarily through adopting nationally agreed terms and conditions for our workforce:

National NHS Agenda for Change Terms and Conditions of Service (AfC).

AfC is negotiated nationally by the NHS Staff Council, led by NHS Employers. The national NHS Staff Council has overall responsibility for the AfC pay system and has representatives from both employers and trade unions. AfC provides the framework for pay arrangements which are in place at QEH.

Typically, AfC terms and conditions apply to nursing, allied health professionals and administration and clerical staff, which are the majority of the workforce.

Where appropriate, locally agreed policies may supplement AfC arrangements, such as:

- Family friendly policies
- Evaluating job roles and pay grades as necessary to ensure a fair structure starting salaries policy

Medical and Dental Staff are employed on national Terms and Conditions of Service (TCS) and pay arrangements.

These pay arrangements are negotiated nationally on behalf of employers by NHS Employers with the NHS trade unions. These terms and conditions include all Consultants, Medical and Dental staff and Doctors and Dentists in Training.

Very Senior Managers (VSMs) and Chairs and Non-Executive Directors (NEDs).

As a NHS Foundation Trust, the QEH is free to determine its own rates of pay for its VSMs and Chairs and NEDs. VSMs include Chief Executives, Executive Directors and other senior managers with board level responsibility who report directly to the Chief Executive.

The Gender Pay Gap at the QEH – further data

The QEH is confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. This is mirrored by other NHS organisations whereby they have also confirmed that their gender pay gap is the result of the roles in which men and women work within the organisation.

Below is a table which reflects the pay bands in operation. The bands referred to in the table are the AfC pay bands and range from band 1 (the lowest pay band) through to band 9 (the highest pay band).

Medical and Dental roles are categorised by 'Non Consultant Medical' and 'Consultant'. There is a line for Executive Directors and Non-Executive Directors (NEDs).

There are a small number of staff employed by the QEH on what have been categorised as Trust Contracts. Typically these are substantive members of staff on non AfC contracts.

The information contained within the table is sourced from the same data which provided the gender pay gap figures, i.e. the staffing position as at 31 March 2021.

The final column within the table reflects the gender pay gap position, based on the staff contained within the respective pay categories. Where there is a negative figure, it suggests that the pay gap is in favour of females. Where it is a positive figure, it reflects a gender pay gap in favour of males.

The Mean Gender Pay Gap Staffing Position as at 31 March 2021

Pay Band	Female Headcount	%	Male Headcount	%	Total Headcount	Gender Pay Gap by Band *
Band 1	59	85.51%	10	14.49%	69	-0.78%
Band 2	1043	77.84%	297	22.16%	1340	4.93%
Band 3	369	85.02%	65	14.98%	434	-0.51%
Band 4	270	81.33%	62	18.67%	332	3.74%
Band 5	752	82.55%	159	17.45%	911	-0.47%
Band 6	473	85.23%	82	14.77%	555	0.51%
Band 7	253	81.88%	56	18.12%	309	0.00%
Band 8a	64	74.42%	22	25.58%	86	-0.56%
Band 8b	13	65.00%	7	35.00%	20	-0.11%
Band 8c	8	61.54%	5	38.46%	13	0.85%
Band 8d	7	77.78%	2	22.22%	9	-5.85%
Band 9	7	70.00%	3	30.00%	10	-0.97%
Consultant	46	31.51%	100	68.49%	146	7.79%
Exec/Non-Exec Directors	6	60.00%	4	40.00%	10	-129.95%
Non-consultant Medical	114	43.18%	150	56.82%	264	6.92%
Trust	28	80.00%	7	20.00%	35	30.67%
Grand Total	**3512**	**77.31%**	**1031**	**22.69%**	**4543**	**22.00%**

** Negative figures in the column 'Gender Pay Gap by Pay Band' indicate a gender pay gap in favour of females.*

Understanding the Gender Pay Gap Reporting at QEH

To assist with understanding the pay gap figures, the box below provides an example from the QEH calculation or the mean gender pay gap

The mean gender pay gap is the difference between the mean hourly earnings of men and women. The mean hourly gap divided by the mean hourly earnings for men equates to the mean gender pay gap.
Specifically for the QEH:

- Mean male hourly rate is **£20.09**
- Mean female hourly rate is **£15.67**
- Difference between the male and female mean hourly rates is **£4.42**

- Accordingly, the mean gender pay gap percentage is **22.0%** (calculated as a percentage of the 'difference' divided by the 'mean male hourly rate')

For pay bands 7, there is no gender pay gap
For pay bands 1, 3, 5,8a, 8B, 8D, 9 Executive Directors/Non-Executive Directors there is a gender pay gap in favour of females.
For pay bands 2, 4, 6, 8C, Non-Consultant Medical, Consultants, and those on Trust Contracts there is a gender pay gap in favour of males.

Some of these differences can be explained because;

- For the Band 2 most of the females have less service and so are lower on the incremental scale
- Of the 62 Band 4 males, a significant proportion are in roles which attract AfC enhancements, which are currently under review.
- Staff on Trust Contracts (these are staff on old Whitley contracts who have chosen not to move to AFC) this includes a wide range of staff groups from a Health Care Assistant to a Deputy Director and also this year staff that TUPE across from Sandringham BMI Hospital on non AFC contracts so one can expect a wide variation in pay rates.
- For Consultants, there are disproportionately more men than women, although this is changing on a yearly basis.
- With any relatively small gender pay gap across the bands some might be wondering how the overall gender pay gap for the QEH is 22%. It is important to remember that this is about the gender pay gap not equal pay gap.
- On face value, the staff group/banding analysis is reassuring in respect of pay. However, analysis suggests that the gender pay gap may be attributed to the medical roles, typically the highest earning roles within the QEH. Such is the disproportionality, relative to the pay rates for all staff groups; the gender pay gap is enhanced.
- Positively, over the past ten years there has been significant growth in the percentage of women in medical roles, which should see the gender pay gap diminish with time e.g.

    - Female consultants – increased from 24.37% in 2011 to 31.29% in 2021
    - Female non-consultant medical roles – decreased from 36.06% in 2011 to 31.71% in 2021

These findings will be reviewed and monitored as part of the Equality and Diversity work stream.

What is the Gender Bonus Gap?

Within the Gender pay Gap Regulations, 'bonus pay' means any remuneration that is the form of money relating to profit sharing, productivity, performance, incentive or commission.
It is clear within the regulations that bonus pay does not include ordinary pay, overtime pay, redundancy pay or termination payments.
For the purpose of Gender Pay Reporting, Clinical Excellence Awards payments are regarded as 'bonus pay'. The Clinical Excellence Awards (CEA) scheme is intended to recognise and reward those Consultants who perform 'over and above' the standard expected for their role. Awards are given for quality and excellence, acknowledging exceptional personal contributions towards the delivery of safe and
high quality care to patients and to the continuous improvement of NHS services.

Consultants with an existing distinction award or discretionary points keep them, subject to existing review provisions, and are eligible to apply for awards under the new scheme in the normal way.

Accordingly, the legacy of the CEA scheme means that there will continue to be a gender pay gap because there are more male consultants than female consultants and the gender balance is only likely to improve over time (see above).

Jo Humphries
Director of People