

REPORT TO PUBLIC BOARD

RESPONSIBLE DIRECTOR: Cath Castleton, Director of HR	REPORT FOR:		IMPACT ON BUSINESS:		
	Decision		High	Med	Low
	Consideration Information	✓	✓		
LEAD MANAGER:	REPORT TYPE:		BAF REFERENCES & RAG:		
	Strategic				
	Operational	✓			
	Governance				
	IMPLICATIONS:		RELATED WORK: (PREVIOUS PAPERS TO BOARD/COMMITTEE)		
	Patient Care/Safety/ Experience	✓			
	Finance				
Workforce	✓				
Policy					
PEER ASSIST (inc. clinical engagement):	PEER REVIEW:				
CQC Domain: (safe, caring, effective, responsive, well-led, use of resources)	Well led				

Meeting Date: **26TH March 2019**

Report Title: **Gender Pay Gap Reporting**

PURPOSE:
To provide a statutory report to the Trust board on the Trust's gender pay gap.
SUMMARY:
<p>Legislation has made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. 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 by 30 March 2020, 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.</p> <p>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.</p> <p>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.</p> <p>The QEH supports the fair treatment and reward of all staff irrespective of gender.</p> <p>This report sets out:</p>

- 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.

Implications : Workforce

To ensure the Trust meets its statutory obligation to publish a report on the Trusts gender pay gap.

Strategic / External	Operational	Financial	Clinical	Legal/ Regulatory	Reputational / Patient Experience	Workforce
						√

RECOMMENDATION/S:

To endorse the report prior to publication.

Protective Marking: Confidential – sensitive management information – not for disclosing until ratified

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

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 by 30 March 2020, 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.

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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 2019 and bonuses paid in the year 1 April 2018 – 31 March 2019. It includes all workers in scope at 31 March 2019.

Gender Pay Gap

The following Gender pay report data is as at the snapshot date of 31 March 2019:

1.	The mean gender pay gap for QEH	26.76%
2.	The median gender pay gap for QEH	18.52%
3.	The mean gender bonus* gap for QEH	38.66%
4.	The median gender bonus* gap for QEH	31.42%

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

Pay Quartiles by Gender

Quartile	Female Headcount	Male Headcount	Female %	Male %	Description
1 (lowest paid)	805	162	83.25	16.75	Includes all employees whose standard hourly rate places them at or below the lower quartile
2	798	168	82.61	17.39	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
3	791	176	81.80	18.20	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
4 (highest paid)	650	318	67.15	32.85	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 2019.

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 2019

Pay Band	Female		Male		Total	Gender Pay
	Headcount	%	Headcount	%	Headcount	Gap by Band *
Band 1	133	83.65%	26	16.35%	159	-0.04%
Band 2	810	78.87%	217	21.13%	1027	2.98%
Band 3	371	88.12%	50	11.88%	421	-1.47%
Band 4	214	83.59%	42	16.41%	256	5.92%
Band 5	610	85.55%	103	14.45%	713	1.41%
Band 6	427	84.72%	77	15.28%	504	-2.98%
Band 7	240	85.41%	41	14.59%	281	-4.11%
Band 8a	54	75.00%	18	25.00%	72	2.16%
Band 8b	16	84.21%	3	15.79%	19	-3.08%
Band 8c	7	53.85%	6	46.15%	13	3.73%
Band 8d	8	72.73%	3	27.27%	11	-5.46%
Band 9	2	66.67%	1	33.33%	3	-10.71%
Consultant	35	27.13%	94	72.87%	129	4.84%
Exec/Non-Exec Directors	2	40.00%	3	60.00%	5	-6.83%
Non-consultant Medical	114	45.78%	135	54.22%	249	11.01%
Trust contract	1	16.67%	5	83.33%	6	72.57%
Grand Total	3044	78.70%	824	21.30%	3868	26.76%

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

What is the data telling us?

For pay bands 1, 3, 6, 7, 8B, 8D, 9, Executive Directors/Non-Executive Directors there is a gender pay gap in favour of females.

For pay bands 2, 4, 5 8A, 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 42 Band 4 males a significant proportion are in roles which attract AfC enhancements, which are currently under review.
- For Band 8a, a number of females chose to participate in salary sacrifice schemes, which effectively reduces their average hourly rate of pay.
- For band 8d and band 9 posts it is to be noted that this gap is in relation to the comparison of hourly rate and the number of individuals on the associated bands.

- 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 so one can expect a wide variation in pay rates.
- For Consultants, there are disproportionately more men than women.
- With any relatively small gender pay gap across the bands some might be wondering how the overall gender pay gap for the QEH is 26.76%. 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 21.71% in 2009 to 27.13% in 2019
 - Female non consultant medical roles – increased from 28.44% in 2007 to 45.78% in 2019

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).

Cath Castleton
Deputy Director of HR
March 2019