



Board Report

Gender Pay Gap Report

Report to:	Board report	Date:	28 th January 2020
Report of:	Strategy, Workforce & Education Director	Prepared by:	A Davis

Purpose of Report

For approval	<input type="checkbox"/>	For noting	<input type="checkbox"/>	For discussion	<input type="checkbox"/>	For information	<input checked="" type="checkbox"/>
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Executive Summary:

The purpose of this report is to present the findings and recommended actions based on the Gender Pay Gap report for 2019. The gender pay gap is now at the threshold for immediate action (as specified by the Equality and Human Rights Commission). Recommended actions are as follows:

- Understand the volume of clinical excellence award eligibility, applications versus awards for females and males in relation to the newly agreed local scheme.
- Complete an equality impact assessment on the newly agreed local clinical excellence award process.
- Analyse the impact of part time/flexible working on clinical excellence awards as female medics predominately work less PA's than their male counterparts due to caring responsibilities.
- Undertake a consultation exercise with consultants to understand why some may be more reticent to apply for the award and consider steps in which both genders can feel supported to have their achievements acknowledged.
- Analyse our rising stars to determine proportion of males and females recognised for being talented and able to take on a promotion in next 12 months.
- Following attendance on the talent management programme, monitor the career progression of rising stars on an annual basis to determine if females are having equal access to promotion opportunities.
- Promote gender diversity on 'gendered' career roles e.g. nurse, midwife, security etc.
- Monitor gender via the succession planning process, gender will be monitored through nominations received for advancements into business critical roles and successful subsequent appointment.
- Create a coaching programme to support senior women into more senior roles.
- Review of the Trust approach to Flexible Working. Further consideration also needs to be given about creating flexible roles across the Trust in particular in senior management positions to encourage more females to apply for promotion.
- Case study and profile women in senior roles as part of our new Working for Us Pages and recruitment promotional materials.
- Monitor on a six-monthly basis, reporting findings into the Equality Strategy Group
- To publish this report to the Trust internet site and publish to the relevant government website as legally required.

Trust Strategic Aims and Ambitions supported by this Paper:

Aims	Ambitions
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To offer excellent health care and treatment to our local communities	<input type="checkbox"/>	Consistently Deliver Excellent Care	<input type="checkbox"/>
To provide a range of the highest standard of specialised services to patients in Lancashire and South Cumbria	<input type="checkbox"/>	Great Place To Work	<input checked="" type="checkbox"/>
To drive innovation through world-class education, teaching and research	<input type="checkbox"/>	Deliver Value for Money	<input type="checkbox"/>
		Fit For The Future	<input type="checkbox"/>
Previous consideration			

1. Introduction

From April 2017, gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations each year showing how large the pay gap is between their male and female employees at the end of March. Employers must publish their gender pay gaps both on their own website as well as a government website. They must also, where applicable, be confirmed in a written statement by an appropriate person, such as a chief executive. Gender pay reporting 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 whereas the gender pay gap shows the difference in the average pay between all men and women in a workforce. The Equality Act 2010 sets out that men and women in the same employment, performing equal work, must receive equal pay, it is unlawful to pay people unequally because of gender. 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 six mandated calculations may help to identify what those issues are.

An employer must publish six calculations showing their:

- Average gender pay gap as a mean average
- Average gender pay gap as a median average
- Average bonus gender pay gap as a mean average
- Average bonus gender pay gap as a median average
- Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
- Proportion of males and females when divided into four groups ordered from lowest to highest pay

The Equality and Human Rights Commission has the power to enforce any failure to comply with the regulations. The Equality and Human Rights Commission states that where there is a difference in pay related to the gender of an employee, the following applies:

- Less than 3% difference, no action is necessary,
- Greater than 3% but less than 5% difference, the position should be regularly monitored,
- Greater than 5% difference, action should be taken to address the issue and close the gap.

The average gender pay median is the figure which will be used as the most accurate indicator of pay to determine if further action is required.

Salaries for most staff at Lancashire Teaching Hospitals are determined through Agenda for Change, a national job evaluation scheme. Job evaluation enables jobs to be matched to national job profiles or allows Trusts to evaluate jobs locally, to determine which Agenda for Change pay band a post should sit in. Job evaluation evaluates the job and not the post holder; it makes no reference to gender or any other personal characteristics of the existing (or potential) job holder therefore we are confident we are paying the same salary to roles of equal value. In addition to this the NHS terms and conditions of service handbook contains the national agreements on pay and conditions of service for NHS staff other than very senior managers and medical staff. Medical staff remuneration is also determined through national terms and conditions.

2. Discussion

The gender profile of our workforce (Figure 1) continues to be predominantly female. The current (31st March 2019) split within the overall workforce is 78% female and 22% male which has not varied since the last report in March 2018. The majority of males employed by the Trust work full time, however for females it is closer to a 50/50 split between full time and part time roles.

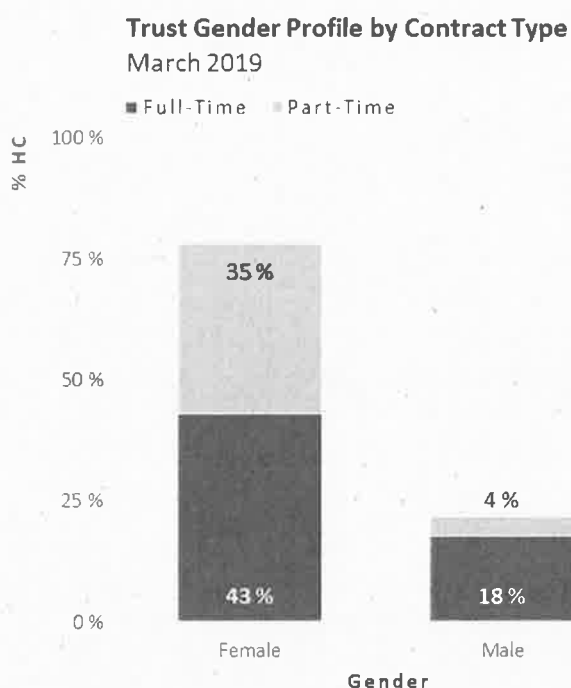


Figure 1: Gender profile by contract type

The ratio of male to female staff in this Trust is reflective of gender ratios found in other similar acute hospitals similar in size and scale as Lancashire Teaching Hospitals NHS Foundation Trust. Furthermore it is found that females are more likely to work within the public sector, and more so with the NHS (77% of the NHS workforce is female); this in turn introduces strong occupation segregation.

Figure 2 provides an overview of the gender split by pay grade as of the 31st March 2019. The gender split is expressed as a percentage of the total workforce, based on headcount. The findings in Figure 2 indicate since 2018 there has been an increase in the percentage of females working in Apprentice positions. The remainder of bands remain fairly consistent with minimal change with the exception of higher banded roles Band 9 and VSM where there has been a reduction in females at these senior grades. The medical and dental staff group has a very different gender split in comparison to other roles, in these staff groups males have the highest percentage of staff in this group with females occupying between 34% of roles.

Trust Gender Profile by Pay Grade Category
March 2019

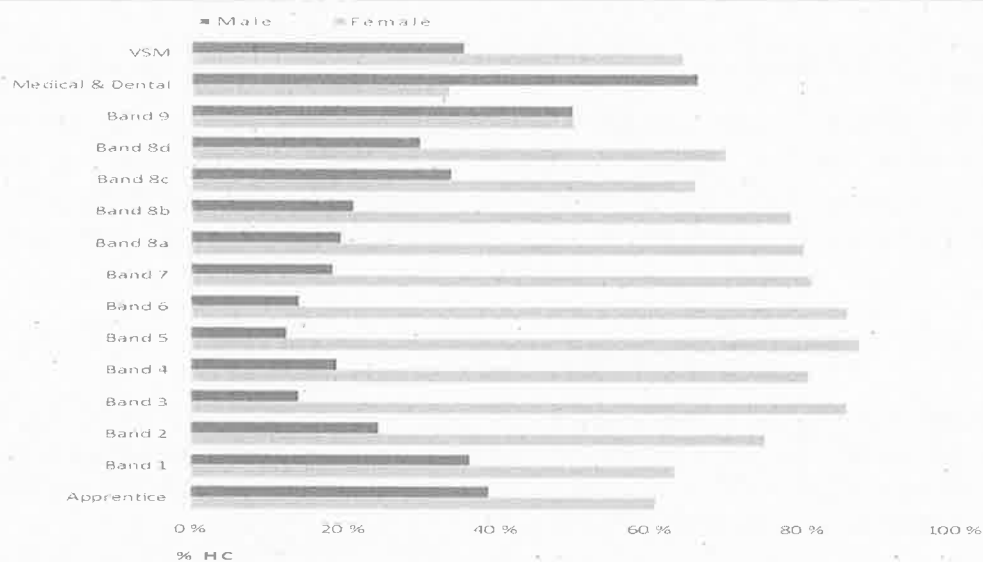


Figure 2: Gender profile by pay grade category

Table 1 – Gender Split by Role and Band

Band	2019		2018	
	Female	Male	Female	Male
Apprentice	61%	39%	57%	43%
Band 1	63%	37%	66%	34%
Band 2	75%	25%	75%	25%
Band 3	86%	14%	86%	14%
Band 4	81%	19%	80%	20%
Band 5	87%	13%	88%	12%
Band 6	86%	14%	87%	13%
Band 7	81%	19%	83%	17%
Band 8a	80%	20%	79 %	21%
Band 8b	79%	21%	75%	25%
Band 8c	66%	34%	68 %	32%
Band 8d	70%	30%	60%	40%
Band 9	50%	50%	70%	30%
Medical & Dental	34%	66%	32%	68%
VSM	64%	36%	87%	13%

Table 2 - Average gender pay gap as a mean average for Trust overall

2019	Female	Male	Difference	% diff
Mean hourly rate	£15.11	£20.73	£5.62	27.1%
2018	Female	Male	Difference	% diff
Mean hourly rate	£14.61	£19.89	£5.28	26.56%

Table 2 displays that male staff members earn on average £5.62 per hour more than female staff which is a £0.34 increase on 2018. As a percentage male staff earn 27.1% more than female staff, an increase of 0.54% from 2018. This data indicates that a higher proportion of women are in lower banded roles, and more men are in higher paid positions such as medical and dental occupations (as displayed in Table 1).

Table 3 - Average gender pay gap as a median average for Trust overall

2019	Female	Male	Difference	% diff
Median hourly rate	£13.34	£14.27	£0.93	6.5%
2018	Female	Male	Difference	% diff
Median hourly rate	£13.03	£13.59	£0.56	4.11%

Table 3 displays that difference in the median pay for males and females is 6.5%. This is an increase from 4.11% in 2018. As this is greater than 5% difference immediate action should be taken to address the issue and close the gap.

For 2019 the data for the report has been run using national reporting templates to improve consistency between the reporting mechanisms used by other Trusts. This could account for some variation between 2018 and 2019 figures. There has also been an increase in males occupying Band 9 and VSM grades between 2018 and 2019. An additional factor to consider is the gender split across clinical excellence awards at higher levels. However it should be noted that there are certain eligibility criteria associated with CEA's. They are progressive so eligibility to progress is dependent on current level. Also CEA's transfer with individuals on appointment which limits the control the Trust has over these awards on appointment.

Table 4 - Proportion of females and males when divided into four groups from lowest to highest pay

Quartile	2019		2018	
	No.Female/Male	% Female/Male	No.Female/Male	% Female/Male
1 – Lower	1,572 479	77% 23%	1538/474	76.44/23.56
2 – Lower middle	1,790 390	82% 18%	1662/358	82.28/17.72
3 – Upper middle	1,720 402	81% 19%	1639/378	81.26/18.74
4 - Upper	1,469 650	69% 31%	1427/590	70.75/29.25
Total number of staff	6,551 1,927 (8,472 total)	77% 23%	6266/1800 (8066 total)	77.68/22.32

To determine the proportion of employees in each quartile pay band, the following steps were used;

- 1) List all employees and sort by hourly rate of pay.
- 2) Divide the list into four equal quarters.
- 3) Express the proportion of male and female employees in each quartile band.

When analysing the data by quartile, it is evident that a greater proportion of males occupy the upper quartile than females.

Table 5 - Bonus paid as a mean average split by gender

2019	Female	Male	Difference	% diff
Average	£11,625.67	£16,057.62	£4,431.95	27.6%
2018	Female	Male	Difference	% diff
Average	£13,134.51	£15,083.02	£1,948.52	12.92%

Table 6 - Bonus paid as a median average split by gender

2019	Female	Male	Difference	% diff
Average	£5,991.50	£9,801.99	£3,810.50	38.9%
2018	Female	Male	Difference	% diff
Average	£6,027.04	£9,040.50	£3,013.46	33.33%

Table 7 – Gender split by level of clinical excellence award

Note: clinical excellence awards are limited only to medical and dental consultant employees.

Clinical Excellence Award	% Split Female		% Split Male	
	2019	2018	2019	2018
Level 1	47%	37%	53%	63%
Level 2	29%	21%	71%	79%
Level 3	0%	11%	100%	89%
Level 4	18%	25%	82%	75%
Level 5	29%	8%	71%	92%
Level 6	29%	33%	71%	67%
Level 7	12%	10%	88%	90%
Level 8	10%	10%	90%	90%
Level 9	22%	28%	78%	72%
Level 10	0%	0%	100%	100%
Level 11	0%	0%	100%	100%
CEA Silver	0%		100%	
Discretionary Points	20%		80%	

The data presented in tables 5, 6, 7 and 8 details the clinical excellence bonuses paid to staff split by gender and provide the mean and median bonuses paid, details the clinical excellence awards paid by level of award and defines the proportion of males and female overall who received a bonus.

The findings presented indicate a mean bonus pay gap between males and females of 27.6% in 2019 an increase from 12.92% and a median of 38.9% for 2019, with males receiving a higher amount of bonus monies. These figures need to be considered in relation to those with eligibility to apply as well as the number who submitted an application. For 2018 a total of 121 males submitted an application for a clinical excellence award in comparison to only 35 females. The scheme has recently been reviewed locally for 2019/20 and the awards process is currently underway. Further analysis based on the new scheme and outcomes is recommended once awards announced.

Table 7 details the gender split by level of clinical excellence award. The level with the most even split is Level 1 with an increase awarded to females of 10% in year with 47% females being awarded at Level 1 as opposed to 37% in 2018.

For the highest levels (9, 10 and 11) the total percentage of awards allocated to females was 28% at Level 9. No females were awarded a clinical excellence award at levels 10 or 11.

Table 8 - Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment

2019	Total number who received bonus payment	Total number of Employees	% of employees who received a bonus payment
Female	38	7,765	0.5%
Male	122	2,464	5.0%
2018	Total number who received bonus payment	Total number of Employees	% of employees who received a bonus payment
Female	35	6,266	0.56%
Male	121	1,800	6.72%

3. Financial implications

None

4. Legal implications

None

5. Risks

The gender pay gap is now at the threshold for immediate action (as specified by the Equality and Human Rights Commission).

6. Impact on stakeholders

Not applicable.

7. Recommendations

The gender pay gap is now at the threshold for immediate action (as specified by the Equality and Human Rights Commission). Equality, Diversity and Inclusion is a strategic priority for the organisation and is one of the key drivers within the Workforce & OD "Our People Plan". Guidance from the Equality and Human Rights Commission stipulates the position should be regularly monitored with considerations of what actions could be taken with regard to unfair gender differences in relation to pay.

To ensure we are a fair, inclusive and supportive employer the following actions have been identified to try and address the gender pay gaps highlighted. These actions are included as part of the three year Equality, Diversity and Inclusion plan which form part of the Workforce and Organisational Development Strategy. It is recommended that the Trust:

- Understand the volume of clinical excellence award eligibility, applications versus awards for females and males in relation to the newly agreed local scheme.
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Karen Partington
Chief Executive

Date:

12 March 2020