



Workforce Committee Report

Gender Pay Gap Report							
Report to:	Workforce Committee			Date:	11 th January 2022		
Report of:	Strategy, Workforce & Education Director			Prepared by:	Louisa Graham		
Purpose of Report							
For approval	<input type="checkbox"/>	For noting	<input type="checkbox"/>	For discussion	<input checked="" type="checkbox"/>	For information	<input type="checkbox"/>
Executive Summary:							
<p>The purpose of this report is to present the findings and recommended actions based on the Gender Pay Gap report for 2021. The gender pay gap for our Trust is now above the threshold for immediate action as specified by the Equality and Human Rights Commission, and so action should be taken to address the issue and close the gap.</p> <p>In summary it was found that 77% of our workforce is female with 54% of women working fulltime. Women occupy 78% of the lowest paid jobs and 67% of the highest paid jobs. The median gender pay gap was found to be at 6.7% this is higher than in 2020 by 1.3%. As this is higher than the 5% threshold we need to take targeted action. This change in the median rate of pay is driven by Medical and Dental workforce, as when we remove this professional group from calculations the gender pay gap reverses in favour of females receiving higher mean and median pay than their male counterparts. This report details the findings analysis and subsequent proposed actions.</p> <p>It is recommended that the Workforce Committee</p> <ol style="list-style-type: none"> I. Receive and note the results and next steps II. Discuss the results and consider the implications 							
Trust Strategic Aims and Ambitions supported by this Paper:							
Aims				Ambitions			
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							

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.

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 that there may be a number of issues to deal with, and the six mandated calculations may help to identify what those issues are.

Lancashire Teaching Hospitals as an employer must publish six calculations showing our:

- 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.

THE WORKFORCE PROFILE – GENDER BY BAND AND CONTRACT TYPE

OUR WORKFORCE IS 77% FEMALE AND 23% MALE

54% FEMALES AND 78% MALES WORK FULL TIME

The gender profile of our workforce (Figure 1) continues to be predominantly female. The current (31 March 2021) split within the overall workforce remains consistent with the previous three Gender Pay Gap reports: **77% female, 23% male**, this is the same as gender ratios found in the NHS as a whole. The full-time and part-time split also remains consistent, with the majority of males employed by the Trust working full-time and a nearer equal split between full-time and part-time contract types for females.

Figure 1: Gender profile by contract type

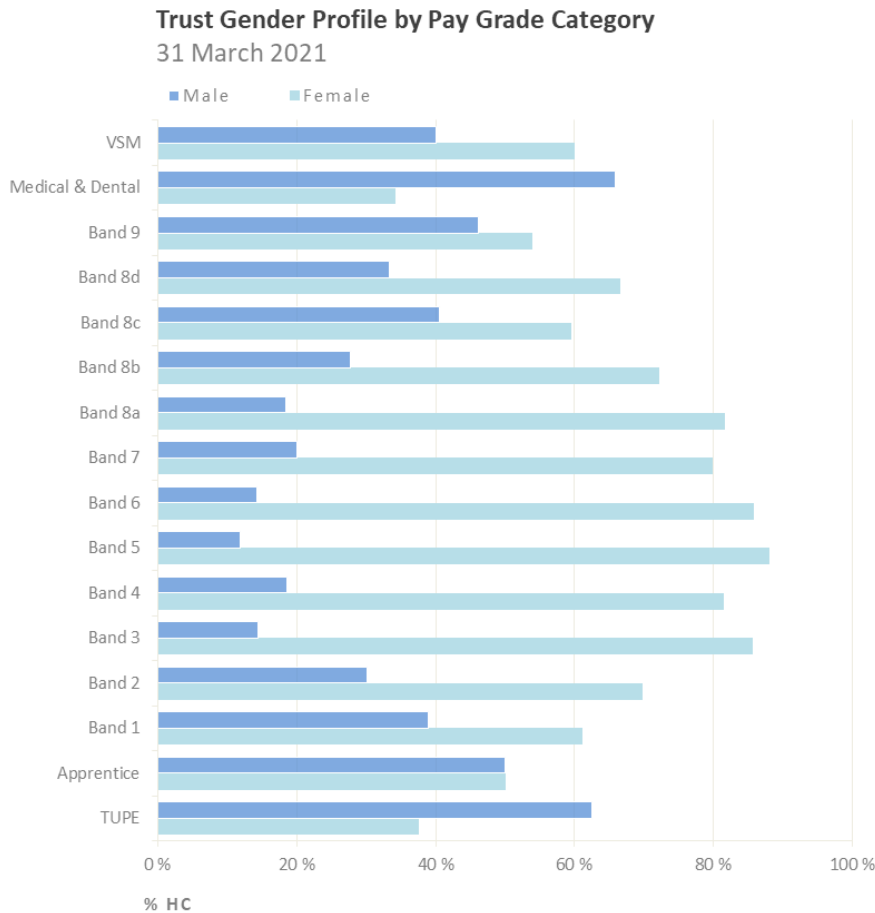
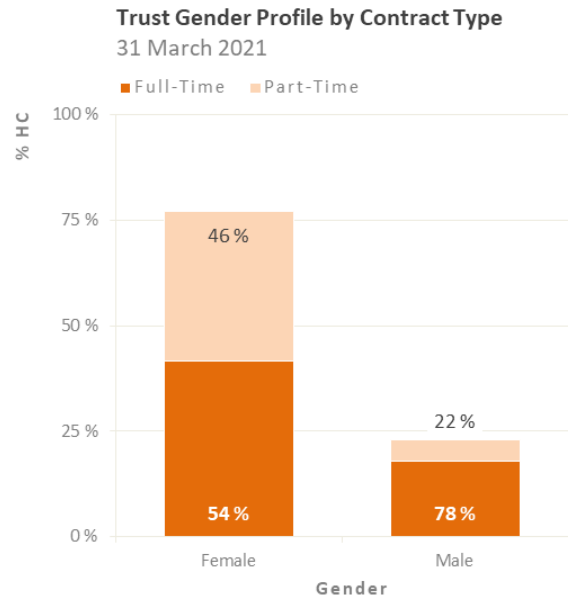


Figure 2: Gender profile by pay grade category

Figure 2 provides an overview of the gender split by pay grade as at 31 March 2021. The gender split is expressed as a percentage of the total workforce within a particular grade, based on headcount.

WOMEN OCCUPY 78% OF THE LOWEST PAID JOBS AND 67% OF HIGHEST PAID JOBS

Table 1 – Proportion of females and males when divided into four groups from lowest to highest pay (full-pay relevant employees only)

Quartile	2021		2020	
	No. Male Female	% Male Female	No. Male Female	% Male Female
1 – Lower	467 1,654	22% 78%	444 1,521	23% 77%
2 – Lower middle	457 1,665	22% 78%	381 1,584	19% 81%
3 – Upper middle	385 1,736	18% 82%	347 1,618	18% 82%
4 – Upper	698 1,423	33% 67%	614 1,351	31% 69%
Total	2,007 6,478 (8,485 total)	24% 76%	1,786 6,074 (7,860 total)	23% 77%

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 percentage split of each gender workforce by quartile, it is evident that a greater proportion of the male workforce occupies the upper quartile (33%). The female workforce is weighted almost equally across the two halves, but with a lower weighting in the upper quartile (only 22%). This will be skewed by the medical and dental grades; please see Appendix A for further analysis.

Table 2 - Gender split by pay grade category

Table 2 illustrates that the minority gender in each pay grade category continues to be male, with the exception of medical and dental and TUPE grades, although a minor increase in male representation has occurred within bands 2, 5, 8b and at VSM grade. The apprenticeship grade demonstrates a similar evolution and is now the only grade to demonstrate gender neutrality. A decline in male representation has occurred within band 1 (closed to new entrants) and bands 8a, 8c, 8d, and 9.

Grade Category	2021		2020	
	Male	Female	Male	Female
TUPE	63%	38%	43%	57%
Apprentice	50%	50%	38%	62%
AfC Band 1 (closed to new entrants)	39%	61%	43%	57%
AfC Band 2	30%	70%	28%	72%
AfC Band 3	14%	86%	14%	86%
AfC Band 4	19%	81%	19%	81%
AfC Band 5	12%	88%	11%	89%
AfC Band 6	14%	86%	14%	86%
AfC Band 7	20%	80%	20%	80%
AfC Band 8a	18%	82%	19%	81%
AfC Band 8b	28%	72%	24%	76%
AfC Band 8c	40%	60%	44%	56%
AfC Band 8d	33%	67%	38%	63%
AfC Band 9	46%	54%	55%	45%
Medical & Dental	66%	34%	66%	34%
VSM	40%	60%	33%	67%

OUR GENDER PAY GAP

	Women's earnings are:
Mean gender pay gap in hourly pay	27.7% lower
Median gender pay gap in hourly pay	6.8% lower
Difference in mean bonus payments	24.9% lower
Difference in median bonus payments	34.0% lower

Women earn 93p for every £1 earned by Men

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

Mean Hourly Rates	Male	Female	Difference	% Difference
2021	£22.14	£16.00	£6.14	27.7%
2020	£21.79	£15.51	£6.29	28.8%
2019	£20.73	£15.11	£5.62	27.1%

Looking at the 2021 figures, male staff members earn on average £6.14 per hour more than female staff which is a £0.15 decrease on 2020. As a percentage, men earn 27.7% more than women; a decrease of 1.1 percentage points from 2020.

In combination with Figure 2, it seems that this is a reflection of the reverse gender profile for Medical & Dental grades, which command a higher salary. Excluding the Medical & Dental staff group reveals that 50% of the Trust's male population continues to occupy Band 3 or lower, whereas 49% of the female population occupies Bands 4-6. Band 7 and above is occupied by 14% and 15% of the female and male populations, respectively.

Table 4 – Average gender pay gap as a median average for Trust overall

Median Hourly Rates	Male	Female	Difference	% Difference
2021	£15.04	£14.02	£1.02	6.8%
2020	£14.45	£13.65	£0.79	5.5%
2019	£14.27	£13.34	£0.93	6.5%

Looking at the 2021 figures, the difference in the median pay for males and females is 6.8%; this is an increase from 2020 of 1.3 percentage points. As this is greater than 5% difference, action should be taken to address the issue and close the gap.

PROPORTION OF ELIBLE MALE AND FEMALE STAFF WHO RECEIVED A BONUS (CEA)

0.4% OF WOMEN AND 5.3% OF MEN WERE PAID A BONUS

The data presented in tables 5, 6 and 7 details the clinical excellence bonuses paid to staff split by gender and provides the mean and median bonuses paid. The data also shows the clinical excellence awards (CEAs) 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 24.9% in 2021, a decrease from 32.4%, and a median of 34.0% for 2021. Due to COVID, the usual CEA application and selection process was set aside last year, with all eligible consultants being awarded an equal payment of £2,316.90 in line with national guidance.

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

Mean Bonus	Male	Female	Difference	% Difference
2021	£15,721.28	£11,812.87	£3,908.42	24.9%
2020	£16,134.24	£10,900.69	£5,233.55	32.4%
2019	£16,057.62	£11,625.67	£4,431.95	27.6%

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

Median Bonus	Male	Female	Difference	% Difference
2021	£9,145.29	£6,032.04	£3,113.25	34.0%
2020	£12,063.96	£6,032.04	£6,031.92	50.0%
2019	£9,801.99	£5,991.50	£3,810.50	38.9%

Table 7 - Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment

2021	Total head count paid Bonus	Total No. of relevant employees	% paid bonus
Male	109	2,072	5.3%
Female	31	6,926	0.4%
2020	Total head count paid Bonus	Total No. of relevant employees	% paid bonus
Male	112	1,862	6.0%
Female	37	6,586	0.6%

FINANCIAL IMPLICATIONS

None

LEGAL IMPLICATIONS

None

RISKS

The gender pay gap is above the second threshold for action (as specified by the Equality and Human Rights Commission) and action should be taken to address the issue and close the gap.

IMPACT ON STAKEHOLDERS

Not applicable

RECOMMENDATIONS

The gender pay gap is 6.8% which means action should be taken to address the issue and close the gap, as specified by the Equality and Human Rights Commission. To ensure we are a fair, inclusive and supportive employer the following actions have already been identified to try and address the gender pay gaps highlighted. The actions are as follows:

Analysis of CEA Process

- Understand the volume of clinical excellence award eligibility, applications versus awards for females and males. (This action was paused due to change in national guidance for 2021 awards)
- Undertake an Equality impact assessment on the local clinical excellence award process. (This action was paused due to change in national guidance for 2021 awards)
- Run a consultation exercise with consultants to understand why some may be more reticent to apply for the CEA, consider steps in which both genders can feel supported to have their achievements acknowledged. (This action was paused due to change in national guidance for 2021 awards)

Talent Management and Succession Planning

- 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.
- Monitor gender via the succession planning process, gender will be monitored through nominations received for advancements into business critical roles and successful subsequent appointment.

Smarter Working Principles

- Review the Trust's 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.
-

Alignment with Equality, Diversity and Inclusion Strategy

- The report to be shared at Equality, Diversity and Inclusion Strategy Group for discussion and development of actions aligned to the 5 strategic principles defined in the strategy.

- Actions to be developed to try and address issues presented in this report and included in new Workforce and OD strategy due for launch in April 2022.

National Recommendations and Actions

- Continue progress towards implementation of the 6 National Actions, which whilst they are aimed at tackling race inequality will help reduce unconscious bias and discrimination at recruitment to support the wider equality agenda.
- To publish this report to the Trust internet site and publish to the relevant government website as legally required.

APPENDIX A – STAFF GROUP STRATIFICATION

MEDICAL & DENTAL – Women earn 91p for every £1 earned by Men (median)

NON MEDICAL & DENTAL – Women earn £1.08 for every £1 earned by Men (median)

In recognition of the large salaries often commanded by medical and dental roles, which are less frequent among non-medical and dental roles, the Gender Pay Gap calculations are further analysed in the context of two distinct staff groupings: Medical and Dental versus non-Medical and Dental. The average and median hourly pay calculations are recorded below in Table A1 along with the associated headcount upon which the calculations are based.

31 Mar 2021	Male	Female	Difference	% Difference	Male : Female
Average £ / hr					
All	£ 22.14	£ 16.00	£ 6.14	27.7 %	£ 1 : 0.72
Medical & Dental	£ 44.74	£ 38.76	£ 5.98	13.4 %	£ 1 : 0.87
Non-Medical & Dental	£ 14.92	£ 15.11	(£ 0.19)	(1.3 %)	£ 1 : 1.01
Median £ / hr					
All	£ 15.04	£ 14.02	£ 1.02	6.8 %	£ 1 : 0.93
Medical & Dental	£ 46.33	£ 42.19	£ 4.14	8.9 %	£ 1 : 0.91
Non-Medical & Dental	£ 12.74	£ 13.79	(£ 1.06)	(8.3 %)	£ 1 : 1.08
Full-Pay Relevant Employee Headcount					
All	2,007	6,478			1 : 3.23 HC
Medical & Dental	486	244			1 : 0.50 HC
Non-Medical & Dental	1,521	6,234			1 : 4.10 HC

Table A1: Summary of 2020/21 Gender Pay Gap calculations for all staff groups, Medical and Dental staff group only, and non-Medical and Dental staff groups.

Medical and Dental female hourly pay is lower than male hourly pay, with women continuing to earning 87p for every £1 earned by men, on average. The median rate is slightly more favourable, at 91p for every male equivalent £1, although this has reduced by 1p from 2020. The weighting of the medical and dental workforce at consultant grade has decreased by 6 percentage points from 2020, but the same level of gender disparity remains within that grade: 54% of the female medical and dental workforce holds consultant posts (cf. 59% of males), yet they continue to represent less than one-third of the Trust's consultant workforce. The representation of women within either of the remaining two grade categories continues to fail to surpass two-fifths (33.8% career / staff grade;

36.8% trainee grade); representation at career / staff grade has declined by 1.7 percentage points, and trainee grade remains static. Considering contractual hours reveals that 82% of women within this staff group are working full-time (cf. 91% of males), which is a decline of one percentage point from 2020. There is a near equal male / female ratio within the part-time category itself (43 cf. 47 headcount, respectively), which is an increase from 2020 (36 headcount each).

Excluding medical and dental roles from the calculations results in the Trust’s gender pay gap reversing in favour of women, with an average of £1.01 earned for every £1 earned by men, reducing by 1p from 2020. The median rate is even more favourable, remaining at £1.08 for every male equivalent £1.

The female workforce is almost equally spread across the Trust’s hourly pay quartiles, with 24.1% falling in the lowest quartile and gently increasing through the remaining quartiles, reaching 25.6% in each of the highest two quartiles. Conversely, the male workforce is notably weighted at the lower end of the hourly pay quartiles (28.9%) and decreases throughout the remaining quartiles, reaching 22.4% in the highest quartile; however, it is positive to note that the percentage point range between the lower and upper quartile has reduced by one-third from 2020. Table A2, below, provides the headcount of each gender within each quartile.

Non-Medical & Dental	Lower	Lower Middle	Upper Middle	Upper	Total
Male	439 (29%)	396 (26%)	345 (23%)	341 (22%)	1,521
Female	1,500 (24%)	1,543 (25%)	1,593 (25%)	1,598 (26%)	6,234
Total	1,939	1,939	1,938	1,939	7,755

Table A2: 2020/21 hourly pay quartiles from lowest (Q1) to highest (Q4), displaying the number of male and females within each

Whilst the medical and dental workforce is not the largest in the Trust (9%), it does command the higher salaries and is disproportionately male; a combination that will have been masking the less favourable gender pay gap for men outside of this staff group. Removing the medical and dental staff group allows for a more equitable analysis in terms of achievable salaries for the remaining workforce, however, it means that the largest staff grouping will now dominate the analysis: registered nursing and midwifery staff (30%) and its respective support roles (14%). Thus, it is a possibility that this pay gap inequity might be illuminating continued low uptake by men of traditionally female roles in the present day, as only 7% of the registered nursing and midwifery workforce is male; it’s support workforce is 11% male. Estates and Ancillary is the only staff group to have a majority male workforce (55%), but it is weighted with lower salaried roles. Registered Healthcare Scientists has a near equal ratio (42% male), although this is the Trust’s smallest staff group (3.2%), so its impact on these results is inconsequential.