



# Workforce Committee Report

Gender Pay Gap Report							
<b>Report to:</b>	Workforce Committee			<b>Date:</b>	10 <sup>th</sup> January 2023		
<b>Report of:</b>	Chief People Officer			<b>Prepared by:</b>	Louisa Graham		
Purpose of Report							
<b>For approval</b>	<input type="checkbox"/>	<b>For noting</b>	<input type="checkbox"/>	<b>For discussion</b>	<input checked="" type="checkbox"/>	<b>For information</b>	<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 2022. 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 56% of women working fulltime. Women occupy 77% of the lowest paid jobs and 66% of the highest paid jobs. The median gender pay gap was found to be at 6.8% which is no change from 2021. As this is higher than the 5% threshold we need to develop actions to bring about improvements. The median rate of pay and the gender pay gap issue 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.</p> <p>The ability for us as an organisation to take targeted action is limited due to being bound by NHS terms and conditions, the fact that we encourage colleagues to take up flexible working opportunities which then reduces salary levels and the pipeline of newly qualified individuals who are seeking to obtain posts with us such as higher proportion of females wanting a consultant position, higher proportion of males seeking employment in agenda for change caring professions.</p> <p>This report details the findings analysis and subsequent proposed actions. It is recommended that the Workforce Committee</p> <ol style="list-style-type: none"> <li>I. Receive and note the results and next steps</li> <li>II. Discuss the results and consider the implications</li> </ol>							
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"/>
<b>Previous consideration</b>			

## 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.

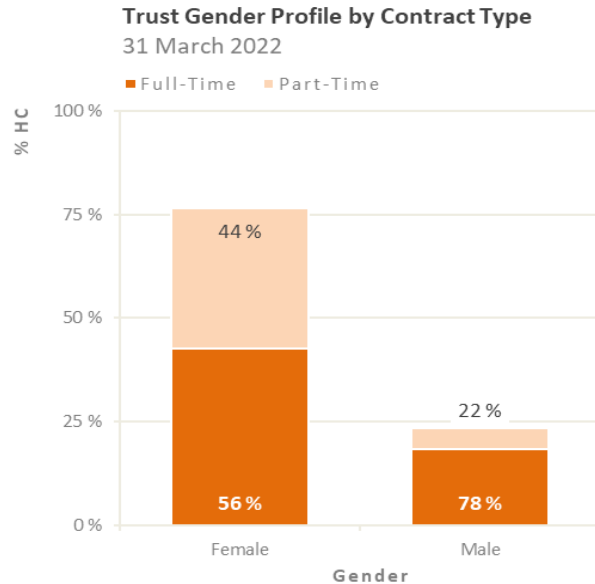
The average gender pay median is the figure which will be used as the most accurate indicator of pay to determine if further action is required.

## THE WORKFORCE PROFILE – GENDER BY BAND AND CONTRACT TYPE

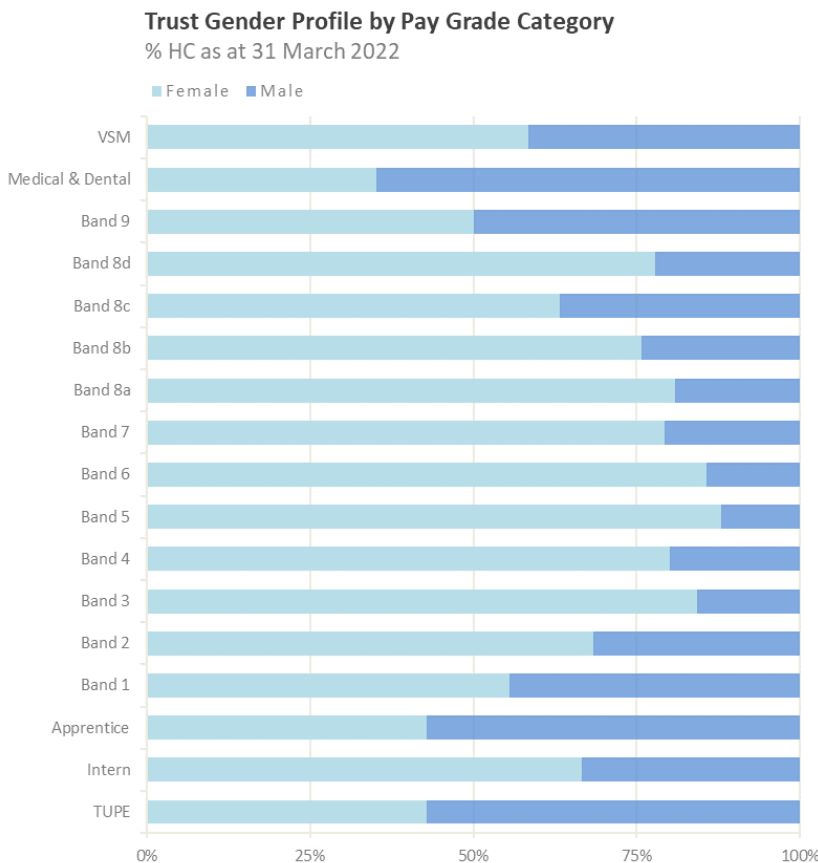
**OUR WORKFORCE IS 77% FEMALE AND 23% MALE**

**56% FEMALES AND 78% MALES WORK FULL TIME**

The gender profile of our workforce (Figure 1) continues to be predominantly female. The current (31 March 2022) split within the overall workforce remains consistent with the previous four Gender Pay Gap reports: **77% female, 23% male**. 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 2022. The gender split is expressed as a percentage of the total workforce within a particular grade, based on headcount.

**WOMEN OCCUPY 77% OF THE LOWEST PAID JOBS AND 66% 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	2022		2021	
	No. Male   Female	% Male   Female	No. Male   Female	% Male   Female
1 – Lower	502   1,681	23%   77%	467   1,654	22%   78%
2 – Lower middle	494   1,689	23%   77%	457   1,665	22%   78%
3 – Upper middle	379   1,804	17%   83%	385   1,736	18%   82%
4 – Upper	739   1,444	34%   66%	698   1,423	33%   67%
<b>Total</b>	<b>2,114   6,618</b> (8,732 total)	<b>24%   76%</b>	<b>2,007   6,478</b> (8,485 total)	<b>24%   76%</b>

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 (35%). 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, TUPE and apprenticeship grades, although a minor increase in male representation has occurred within bands 2, 3, 4, 5, 7, 8a, 9 and at VSM grade. Band 9 is the only grade to demonstrate gender neutrality. A decline in male representation has occurred within bands 8b, 8c, 8d, and Medical & Dental.

Grade Category	2022		2021	
	Male	Female	Male	Female
TUPE	57%	43%	63%	38%
Intern	33%	67%	0%	0%
Apprentice	57%	43%	50%	50%
AfC Band 1 ( <i>closed to new entrants</i> )	44%	56%	39%	61%
AfC Band 2	32%	68%	30%	70%
AfC Band 3	16%	84%	14%	86%
AfC Band 4	20%	80%	19%	81%
AfC Band 5	12%	88%	12%	88%
AfC Band 6	14%	86%	14%	86%
AfC Band 7	21%	79%	20%	80%
AfC Band 8a	19%	81%	18%	82%
AfC Band 8b	24%	76%	28%	72%
AfC Band 8c	37%	63%	40%	60%
AfC Band 8d	22%	78%	33%	67%
AfC Band 9	50%	50%	46%	54%
Medical & Dental	65%	35%	66%	34%
VSM	42%	58%	40%	60%

## OUR GENDER PAY GAP

	<b>Women's earnings are:</b>
<b>Mean</b> gender pay gap in hourly pay	<b>31.7% lower</b>
<b>Median</b> gender pay gap in hourly pay	<b>6.8% lower</b>
Difference in <b>mean bonus</b> payments	<b>34.0% lower</b>
Difference in <b>median bonus</b> payments	<b>0%</b>
<b>Women earn 68p for every £1 earned by Men</b>	

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

Mean Hourly Rates	Male	Female	Difference	% Difference
2022	£24.69	£16.87	£7.81	31.7%
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 2022 figures, male staff members earn on average £7.81 per hour more than female staff, which is a £1.67 increase on 2021. As a percentage, men earn 31.7% more than women; an increase of 4 percentage points from 2021.

In combination with Figure 2, it seems that this is a reflection of the reverse gender profile for Medical and Dental grades, which command a higher salary. Excluding the Medical and Dental staff group reveals that 52% of the Trust's male population continues to occupy Band 3 or lower, whereas 48% 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. Further analysis provided in Appendix 1, found that if the medical and dental workforce were removed from the calculations in Table 3, women would earn more than men. It was found that for non-medical staff women earned £1.01 for every £1 earned by a man. However for medical and dental staff, women earned 85p for every £1 earned by a man.

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

Median Hourly Rates	Male	Female	Difference	% Difference
2022	£15.64	£14.57	£1.07	6.8%
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 2022 figures, the difference in the median pay for males and females is 6.8%. Whilst this indicates no change from 2021, it remains **greater than 5% difference** and so action should be taken to address the issue and close the gap.



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

**1.4% OF WOMEN AND 10.6% OF MEN WERE PAID A BONUS**

The data presented in tables 5, 6, 7 and 8 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 34% in 2022, an increase from 24.9%. Due to COVID, the usual CEA application and selection process was set again aside last year, with all eligible consultants being awarded an equal payment of £3,818.66. This has resulted in no median bonus pay gap in 2022.

Table 7 details the gender split by level of clinical excellence award. When considering the spread within a gender, and excluding the general CEA awarded to all medical and dental staff, the CEA female population remains significantly weighted at Level 1 (41% cf. 16% male); the CEA male population is weighted more evenly across Levels 1-3, 7 and 9 (72%).

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

Mean Bonus	Male	Female	Difference	% Difference
2022	£10,441.88	£6,888.05	£3,553.83	34.0%
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
2022	£3,818.66	£3,818.66	£0.00	0.0%
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**

<b>2022</b>	<b>Total head count paid Bonus</b>	<b>Total No. of relevant employees</b>	<b>% paid bonus</b>
<b>Male</b>	<b>233</b>	<b>2,203</b>	<b>10.6%</b>
<b>Female</b>	<b>101</b>	<b>7,195</b>	<b>1.4%</b>
<b>2021</b>	<b>Total head count paid Bonus</b>	<b>Total No. of relevant employees</b>	<b>% paid bonus</b>
Male	109	2,072	5.3%
Female	31	6,926	0.4%

Assessing the bonus-receiving employees that remain in post as at the reporting date against all relevant consultant grade employees, CEAs favoured the male workforce across the full-time and part-time employment categories: 37% and 31%, respectively, of the male consultant workforce are in receipt of a CEA, while only 24% and 10%, respectively, of the female consultant workforce are in receipt of a CEA.

#### **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. It is a challenge to identify clear actions to make a tangible difference, as in part our policies, processes in some cases work against us achieving a fairer gender pay balance. For example we actively encourage our colleagues to work flexibly and aligned to the NHS People Plan we advertise all our vacancies having access to flexible working opportunities from day one. Given flexible working is seen as an employee benefit we want staff to take advantage of this, however it will have a negative impact on the gender pay gap, due to the higher proportion of our workforce being female overall and more females working part time.

Other challenges we face as an organisation is the pipeline of newly qualified candidates coming through degree courses and seeking employment with us. If the Universities are unable to attract higher numbers of males into agenda for change professions and higher numbers of females into medical and dental professions then it makes it more challenging for us to be able to alter our gender split and ultimately the gender pay gap.

However as an organisation we are seeking to encourage a more diverse pool of candidates to apply for our unregistered professions such as HCA, roles in Estates and Facilities at bands 2 and 3, as this is something we as an organisation can take positive action towards, specifically in the recruitment of a higher proportion of males into more 'traditionally female' roles, given the fact that males in our organisation in an agenda for change role earns less than females. To take action, we have a diverse multimedia campaign for HCA roles, where we use staff stories to help illustrate what colleagues enjoy about their work to enable potential candidates of different genders, ages, sexual orientation and ethnic backgrounds to see themselves in our teams.

As we are bound by national terms and conditions, we have little local control over rates of pay our workforce receives. We are aware that our gender pay gap for non-medical staff is more favourable for female colleagues. There are however further actions we could potentially seek to take to support more females into consultant or senior medical roles, however this may take time as the proportion of female medical and dental workforce is slowly growing (increased by 1% in the last 12 months). The actions specifically focussed on the medical and dental workforce include, further promoting flexible working opportunities to male medical and dental colleagues, supporting more female consultants to attend development programmes such as Consultant Stretch to enable them to feel confident and ready to step into senior leadership roles which attract additional salary payments.

More widely, actions we are planning on taking which for part of Our People Plan 2023 – 2026 include a refreshed talent management offer to accommodate different development needs, particularly for those colleagues' bands 8a or above, or for those who have been identified as a rising star over several year but have yet to secure a more senior position for whatever reason. We are also raising the visibility of the different challenges women may face such as via the menopause programme of work, promoting awareness around those colleagues who have caring responsibilities alongside their employment to help demonstrate that we are accepting, accommodating of different needs women may have and how these will hopefully not be a barrier to seeking career progression.

It is recommended that the Workforce Committee

- I. Receive and note the results and recommended next steps
- II. Discuss the results and consider the implications

## APPENDIX A – STAFF GROUP STRATIFICATION

**MEDICAL & DENTAL – Women earn 85p for every £1 earned by Men (median)**

**NON MEDICAL & DENTAL – Women earn £1.01 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 2022	Male	Female	Difference	% Difference	Male : Female
<b>Average £ / hr</b>					
All	£ 24.69	£ 16.87	£ 7.81	31.7 %	£ 1 : 0.68
Medical & Dental	£ 55.39	£ 47.08	£ 8.31	15.0 %	£ 1 : 0.85
Non-Medical & Dental	£ 15.50	£ 15.65	(£ 0.15)	(1.0 %)	£ 1 : 1.01
<b>Median £ / hr</b>					
All	£ 15.64	£ 14.57	£ 1.07	6.8 %	£ 1 : 0.93
Medical & Dental	£ 54.65	£ 43.59	£ 11.06	20.2 %	£ 1 : 0.80
Non-Medical & Dental	£ 13.12	£ 14.26	(£ 1.14)	(8.7 %)	£ 1 : 1.09
<b>Full-Pay Relevant Employee Headcount</b>					
All	2,114	6,618			1 : 3.13 HC
Medical & Dental	487	258			1 : 0.53 HC
Non-Medical & Dental	1,627	6,360			1 : 3.91 HC

**Table A1:** Summary of 2021/22 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 earning 85p for every £1 earned by men, on average, which is 2p lower than 2021. The median rate has worsened to now be 80p for every male equivalent £1, a reduction of 11p from 2021. 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: 50% 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. Although female representation within the trainee grade has increased by 4.9 percentage points to 42.7%, decreased representation within progressive grades (4.6 and 0.6 percentage points at career / staff and consultant grades, respectively) might signify a continuing social disparity between roles of the sexes as it pertains to family life. Considering contractual hours reveals that 84% of women within this staff group are working full-time (cf.

92% of males), which is an increase of two percentage points from 2021. There is a near equal male / female ratio within the part-time category itself (39 cf. 43 headcount, respectively), which is a decrease from 2021 (4 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, consistent with 2021. The median rate is even more favourable, increasing by 1p to £1.09 for every male equivalent £1. The female workforce is almost equally spread across the Trust's hourly pay quartiles, with 24.0% falling in the lowest quartile and gently increasing through the remaining quartiles, reaching 25.8% and 25.6% in the highest two quartiles, respectively. Conversely, the male workforce is notably weighted at the lower end of the hourly pay quartiles (28.8%) and decreases throughout the remaining quartiles, reaching 22.5% in the highest quartile. Table A2, below, provides the headcount of each gender within each quartile.

<b>Non-Medical &amp; Dental</b>	<b>LQ1</b>	<b>LQ2</b>	<b>UQ3</b>	<b>UQ4</b>	<b>Total</b>
<b>Male</b>	469	438	354	366	1,627
<b>Female</b>	1,527	1,560	1,643	1,630	6,360
<b>Total</b>	1,996	1,998	1,997	1,996	7,987

**Table A2:** 2021/22 hourly pay quartiles from lowest (Q1) to highest (Q4), displaying the number of male and females within each quartile.

Whilst the medical and dental workforce is not the largest in the Trust (8%), 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 (32%) and its respective support roles (15%). Thus, it is a possibility that this pay gap inequity might still 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; its support workforce is 14% male. Estates and Ancillary is the only staff group to have a majority male workforce (56%), but it is weighted with lower-salaried roles. Registered Healthcare Scientists has a near equal ratio (41% male), although this is the Trust's second smallest staff group (3.2%), so its impact on these results is inconsequential.