

**NLG(17)066**

DATE OF MEETING	27 February 2018
REPORT FOR	Trust Board of Directors – Public
REPORT FROM	Jayne Adamson Director of People and Organisational Effectiveness
CONTACT OFFICER	Karl Portz Equality and Diversity Lead
SUBJECT	Gender Pay Gap reporting standard
BACKGROUND DOCUMENT (IF ANY)	N/A
PURPOSE OF THE PAPER:	For Decision
EXECUTIVE SUMMARY (PLEASE INCLUDE A BRIEF SUMMARY OF THE PAPER, KEY POINTS & ANY RISK ISSUES AND MITIGATING ACTIONS WHERE APPROPRIATE)	<p>This report provides Trust Board with a highlight report against the Gender Pay Gap reporting standard which legally we must publish each year.</p> <p>The Gender Pay Gap is not the same as Equal Pay. It considers the average salaries and average bonuses for male and female staff.</p> <p>The data headline can be seen in Appendix 1.</p> <p>The Gender Pay Gap data will once published attract a great deal of media attention.</p>
HAVE STAFF SIDE BEEN CONSULTED ON THE PROPOSALS?	No

HAVE THE RELEVANT SERVICE USERS/CARERS BEEN CONSULTED ON THE PROPOSALS?	<b>N/A</b>
ARE THERE ANY FINANCIAL CONSEQUENCES ARISING FROM THE RECOMMENDATIONS?	<b>NO</b>
IF YES, HAVE THESE BEEN AGREED WITH THE RELEVANT BUDGET HOLDER AND DIRECTOR OF FINANCE, AND HAVE ANY FUNDING ISSUES BEEN RESOLVED?	<b>NOT APPLICABLE</b>
ARE THERE ANY LEGAL IMPLICATIONS ARISING FROM THIS PAPER THAT THE BOARD NEED TO BE MADE AWARE OF?	<b>YES</b> <b>The Trust must legally publish this data by 30 March 2018.</b>
WHERE RELEVANT, HAS PROPER CONSIDERATION BEEN GIVEN TO THE NHS CONSTITUTION IN ANY DECISIONS OR ACTIONS PROPOSED?	<b>YES</b>
WHERE RELEVANT, HAS PROPER CONSIDERATION BEEN GIVEN TO SUSTAINABILITY IMPLICATIONS (QUALITY & FINANCIAL) & CLIMATE CHANGE?	<b>YES</b>
THE PROPOSALS OR ARRANGEMNTS OUTLINED IN THIS PAPER SUPPORT THE ACHIEVEMENT OF THE TRUST OBJECTIVE(S)	<b>YES</b>
THE PROPOSAL OR ARRANGEMENTS OUTLINED IN THIS PAPER ENSURE COMPLIANCE WITH THE REGULATORY OR GOVERNANCE REQUIREMENTS LISTED	<b>NOT APPLICABLE</b>
THE PROPOSALS OR ARRAGEMENTS OUTLINED IN THIS PAPER TAKE ACCOUNT OF REQUIREMENTS IN RESPECT OF EQUALITY & DIVERSITY	<b>YES</b>
ACTION REQUIRED BY THE BOARD	<b>The Board is asked to approve the content of this report and approve its publication in accordance with our legal duty.</b>

## Gender Pay Gap Report for Workforce Sustainability and Transformation Committee

February 2018

<p><b>1.0</b></p> <p>1.1</p>	<p><b>PURPOSE OF THE REPORT</b></p> <p>The purpose of this report is to share the Trust's Gender Pay Reporting data for the pay period including 31 March 2017.</p>
<p><b>2.0</b></p> <p>2.1</p> <p>2.2</p> <p>2.3</p> <p>2.4</p> <p>2.5</p> <p>2.6</p>	<p><b>BACKGROUND/CONTEXT</b></p> <p>New regulations that took effect on 31 March 2017 (The Equality Act 2010 - Specific Duties and Public Authorities - Regulations 2017) require all public sector organisations in England employing 250 or more staff to publish gender pay gap information.</p> <p>The gender pay gap shows the difference between the average (mean or median) earnings of all male and all female employees. It is expressed as a percentage of earnings and it is a measure of disadvantage.</p> <p>The gender pay gap is not the same as equal pay. Equal pay is about ensuring men and women doing similar work or work that is different but of equal value (in terms of skills, responsibility, effort) are paid the same. A gender pay gap could reflect a failure to provide equal pay but it usually reflects a range of factors, including a concentration of women in lower paid roles and women being less likely to reach senior management levels.</p> <p>Closing the gender pay gap is not just about achieving gender equality but also about boosting the economy given the cost of the under-utilisation of women's skills to the UK economy, and the impact on productivity. The Government anticipates that reducing the gap at workforce level will help to narrow the gap at a national level.</p> <p>Additionally, nationally there is demand, by regulators and the public, for a move to greater pay transparency. The Government believes that increasing transparency around the differences in pay between men and women will make employers more accountable and encourage them to scrutinise their own recruitment, remuneration, reward and staff development practices and ensure that steps are being taken to close any gender pay gaps identified by the reporting process. Over time it is anticipated that reporting might be extended to race, disability or age.</p> <p>Gender pay gaps are the outcome of economic, cultural, societal and educational factors. Whilst also reflecting personal choice, the outcome of the choice is strongly influenced by matters outside individual control, and it is still the case that women's choices are more constrained than those of men. The key influences, which are complex and feed into each</p>

other include unpaid caring responsibilities, part-time working, differences in human capital, occupational segregation, undervaluing of women's work and pay discrimination.

### 3.0 REPORTING REQUIREMENTS

3.1 The Trust is required to publish six gender pay gap measures:

- + Mean pay gap – the difference between the mean hourly rate of pay (excluding overtime) of male and female employees
- + Median pay gap – the difference between the median hourly rate of pay (excluding overtime) of male and female employees
- + Mean bonus gap – the difference between the mean bonus paid to male and female employees who received a bonus in the relevant pay period
- + Median bonus gap – the difference in the median bonus pay for male and female employees who received a bonus
- + Bonus distribution by gender – the proportions of male and female employees who received bonus pay
- + Pay distribution by gender – the proportion of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands.

3.2 The measures are calculated using a 'snapshot date'. For public sector organisations this is the pay period which includes 31 March 2017. The figures must be calculated using the mechanisms set out in the gender pay gap reporting legislation. The dates used for our data was 31 March 2017 for the pay data. For the bonus pay data the period of 1 April 2016 to 31 March 2017 was used.

3.3 The Trust is required to publish the information within one year of the snapshot date (i.e. by 30 March 2018) and by the same date every subsequent year. It must be published on the Trust's website in a way that is accessible to staff and the public, and retained on this for a period of three years. The report must also be uploaded to the Gov.UK website in the prescribed format (see Appendix 1).

3.4 There is no legal requirement to publish any accompanying narrative or commentary to explain what the figures mean, what the Trust believes are the factors behind the gender pay differences and what the Trust intends to do to close the gap. However guidance produced by ACAS and the Government Equalities Office emphasises the importance of employers producing a supporting narrative.

### 4.0 TRUST DATA and ANALYSIS

4.1 The Trust's Gender Pay Gap Data for average hourly rates and median rates see below:

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	£20.5751	£14.8896
Female	£13.8846	£12.0675
Difference	£6.6905	£2.8221
<b>Pay Gap %</b>	<b>32.5176</b>	<b>18.9534</b>

This shows that male staff earns on average £6.69 per hour more than female staff, and as a percentage male staff earn 32.51% more than female staff.

The median hourly rate for male staff is £2.82 per hour higher than female staff, and that the median hourly rate for male staff equates to 18.95% higher than that of female staff.

4.3 The Trust's workforce totals 6446 of which 5209 (80.8%) are female and 1237 (19.2%) are male. The distribution of pay by gender is broken down into quartiles as below. Quartile 1 reflects the lower pay and quartile 4 the highest level of pay.

4.4 It can be seen below that in quartiles 1, 2 and 3 of the female group the percentages are very similar and the 4<sup>th</sup> higher earner quartile it is lower. However, in the male groups quartiles 1, 2 and 3 are lower but in the higher earner quartile 4 the male group is proportionately twice as large as the other groups. In short quartile 4 as a percentage of the whole female workforce shows 21.13% (1101) and as a percentage of the male workforce 41.3% (511).

Quartile	Hourly Pay Rates	Female	Male	Female %	Male %
1	£3.75 - £9.72	1354.00	256.00	84.10	15.90
2	£9.72 – £12.43	1346.00	261.00	83.76	16.24
3	£12.43 – £17.88	1408.00	209.00	87.07	12.93
4	£17.88 - £94.39	1101.00	511.00	68.30	31.70

This disproportionality in quartile 4 accounts for the wide gender pay gap in both average and median pay rates.

4.5 The percentage of male and female staff who receive bonus payment, the average amount each group receives and the median each group receives can be seen below.

Gender	Employees Who Receive Bonus Payments	Total Employees	% Who Receive a Bonus
Female	481.00	5209.00	9.23%
Male	98.00	1237.00	7.92%

Gender	Average. Bonus Pay	Median Bonus Pay
Male	£7,435.79	2,983.55
Female	£514.27	150.00
Difference	£6,921.51	2,833.55
<b>Pay Gap %</b>	<b>93.08</b>	<b>94.97</b>

Bonus payments include things that relate to profit sharing, productivity, performance, incentives and commission. These are generally received in the form of cash or have a monetary value. For example we have included Clinical Excellence Awards, incentives to cover short notice nursing shifts and incentives for covering blocks of nursing shifts (bank staff).

4.6 It can be seen that the percentage of bonus payments is relatively proportionate between male and female staff. However, the average bonus payment which male staff receive is much greater than the average bonus payment which female staff receive. In terms of the median payments these are similar with male staff having a much high median bonus pay opposed to female staff.

4.7 On analysis of this data it would appear the major outlier is the Clinical Excellence Award Payment which only our Medical Consultants are eligible to apply for. If these payments were removed from the data used then the above table would show that male staff receive 10.86% more in bonus payments than female staff. The median would reflect a negative value showing that female have a 50% greater median pay than male staff. See below.

Gender	Avg. Pay	Median Pay
Male	275.42	100.00
Female	245.50	150.00
Difference	29.92	-50.00
<b>Pay Gap %</b>	<b>10.86</b>	<b>-50.00</b>

4.8 Clinical Excellence Award Payments are awarded to Medical Consultants. Our Medical Consultants are 82.96% (185) male and 17.04% (38) female. Those Medical Consultants who currently receive Clinical Excellence Award Payments is 28.64% of male staff (53) and 31.57% of female staff (12). The in-depth data supports this, with the payments which male staff receive significantly higher than the payments which female staff are receiving.

## 5.0 KEY AREAS OF FOCUS

5.1 Whilst an overarching Trust position is helpful and meets our legal requirements, to be of real benefit it will be necessary to undertake a much more in-depth analysis and deep dive into our data.

5.2 It will be beneficial to expand the way we analyse the equality data we hold on our staff in relation to all protected groups (Equality Act 2010) and to explore if there are any other existing or potential inequalities which effect different equality groups.

5.3 An action plan to address identified inequalities will be developed. This action plan will form part of the wider Trust's Equality and Diversity action plan and link to the Equality and Diversity Strategy.

5.4 Progress against these actions will be monitored by the Trust's Equality and Diversity Lead and progress reported to the Workforce Sustainability and Transformation Committee, the Quality and Safety Committee and to Trust Board annually as part of the agreed Equality and Diversity Strategy reporting system. In addition, each year onwards we will be required to publish our data on the Government website and our own website.

## 6.0 ACTION

6.1 Please approve the content of this report which we are legally required to publish on the Government website and our own Trust website.

6.2 Please approve Appendix 1 which reflects the data and format that we must use to publish our Gender Pay Gap information on the Government website. We are unable to include any other commentary at this stage on the Government Website.

## Appendix 1

### Northern Lincolnshire and Goole NHS FT – Gender Pay Gap Data

<b>HOURLY RATE</b>		
<b>Female Hourly Rate is 32.51% Lower (Mean)</b>		<b>Female Hourly Rate is 18.95% Lower (Median)</b>
<b>PAY QUANTILES</b>		
	<b>Female</b>	<b>Male</b>
<b>Top</b>	<b>68.3</b>	<b>31.7</b>
<b>Upper Middle</b>	<b>87.07</b>	<b>12.93</b>
<b>Lower Middle</b>	<b>83.76</b>	<b>16.24</b>
<b>Lower</b>	<b>84.1</b>	<b>15.9</b>
<b>BONUS PAYMENTS</b>		
<b>Female Bonus Pay is 93.08% Lower (Mean)</b>		<b>Female Bonus Pay is 94.97% Lower (Median)</b>
<b>9.23% of Females Receive a Bonus Payment</b>		<b>7.92% of Males Receive a Bonus Payment</b>