

# Gender Pay Gap Report – April 2021

Christine Brereton, Director of People

April 2021

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## **1. Executive Summary**

- 1.1 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 annually. The gender pay gap shows the difference between the average (mean or median) earnings and average bonus payments (mean and median) of all male and all female employees.
- 1.2 Once calculated the data which reflects both average earnings and average bonus payments for males and females must be uploaded to the Government website, shared with our commissioners and published on our website.
- 1.3 The headline data can be seen in appendix 1 and this is displayed in the format which requires publishing on the Government website. It shows that the average female hourly rate of pay is 33.84% lower than it is for male staff. The average bonus payment for female staff is 64.87% lower than it is for male staff.
- 1.4 The Board are asked to approve this data for publication as detailed in 1.1. This data should be published by 30 March 2021. However, due to the adverse impact of Covid 19 this date has been extended to the 6 October 2021.

## **2. Strategic Objectives, Strategic Plan and Trust Priorities**

- 2.1 As stated within our strategic objectives NLaG is a 'good employer' and therefore, must achieve our Public Sector Equality Duty (Equality Act 2010) - Specific Duties and Public Authorities - Regulations 2017 which requires all public sector organisations in England employing 250 or more staff to publish gender pay gap information annually.

## **3. Introduction / Background**

- 3.1 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 annually.
- 3.2 The gender pay gap shows the difference between the average (mean and median) earnings of all male and all female employees. It is expressed as a percentage of earnings and it is a measure of disadvantage.
- 3.3 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.

- 3.4 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 a workforce level will help to narrow the gap at a national level.
- 3.5 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.
- 3.6 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 other includes unpaid caring responsibilities, part-time working, differences in human capital, occupational segregation, undervaluing of women's work and pay discrimination.

## 4. Discussion / Issues

### 4.1 Reporting Requirements

The Trust is required to publish annually 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.

4.2 The measures are calculated using a ‘snapshot date’. For public sector organisations this is the pay period which includes 31 March 2020. The figures must be calculated using the mechanisms and guidance set out in the gender pay gap reporting legislation and does not reflect the Trust’s total headcount as specific parameters are applied for just reporting ‘full pay relevant employees’.

The snapshot date used for our data was 31 March 2020 is calculated for staff that were in receipt of full pay, so will not include staff on maternity leave, sick leave, temporary contracts, zero hours contracts, bank or agency staff. For the bonus pay data the period of 1 April 2019 to 31 March 2020 was used hence why the headcount figures differ.

4.3 The Trust is required to publish the information within one year of the snapshot date (i.e. by 30 March 2021) and by the same date every subsequent year. However, due to the adverse impact of Covid 19 this date has been extended this year and this year only to the 6 October 2021. 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).

4.4 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.

#### 4.5 Trust Data and Analysis For Trust Pay

The Trust’s Gender Pay Gap Data 2020/21 for mean hourly rates and median rates are set out below and compared to the 2018/19 and 2019/20 figures:

Gender	Mean Hourly Rate			Median Hourly Rate		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Male	£18.8682	£19.2138	£19.7186	£14.0384	£14.3449	£14.8877
Female	£12.2841	£12.6599	£13.0449	£10.1531	£10.4578	£10.7806
Difference	£6.5842	£6.5539	£6.6737	£3.8854	£3.8871	£4.1071
<b>Pay Gap %</b>	<b>34.89</b>	<b>34.11</b>	33.8448	<b>27.67</b>	<b>27.09</b>	27.5871

- 4.6 The data show that this year male staff earn on average £6.67 per hour more than female staff, and as a percentage male staff earn 33.84% more than female staff.
- 4.7 The median hourly rate for male staff is £4.11 per hour higher than female staff, and that the median hourly rate for male staff equates to 27.59% higher than that of female staff.
- 4.8 In comparison the figure trends over the last three years for the mean and median hourly pay rates are very similar for both males and females.
- 4.9 The Trust's workforce headcount as of the 31 March 2020 (using the principles in 4.2 of staff that were in receipt of full pay, so will not include staff on maternity leave, sick leave, temporary contracts, zero hours contracts, bank or agency staff) stood at 6864 of which 5518 (80.4%) are female and 1346 (19.6%) are male (ESR data). The distribution of pay by gender is broken down into quartiles as below. Quartile 1 reflects the lower pay bands and quartile 4 the higher bands.
- 4.10 It can be seen in the table below that in quartiles 1, 2 and 3 the percentage of female and male staff broadly match the female (80.4%) and male (19.6%) organisational percentages. However, in quartile 4 the higher pay quartile the females are only 65.06 % and the males are 34.94%. This disproportionality in quartile 4 is the one of the main reason for both the mean and median gender pay gap rates.

4.11 As a comparison to last year's data there are no significant changes.

Quartile		Female	Male	Female %	Male %
1	£3.90 - £9.31	1484.00 (1417.00)	230.00 (230.00)	86.58 (86.04)	13.42 (13.96)
2	£9.32 - £11.26	1476.00 (1537.00)	241.00 (222.00)	85.96 (87.38)	14.04 (12.62)
3	£11.27 - £16.20	1441.00 (1440.00)	275.00 (265.00)	83.97 (84.46)	16.03 (15.54)
4	£16.21 - £110.59	1117.00 (1129.00)	600.00 (576.00)	65.06 (66.22)	34.94 (33.78)

- As a comparator the figures shown in ( ) are last year's figures. These figures are correct at 'snap shot' date 31 March 2020.

#### 4.12 Trust Data and Analysis for Bonus Payments

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

	Employees Who Receive Bonus Payments	Total Employees Eligible	% Who Receive a Bonus
Female	52 (108)	6051 (6250)	0.86% (1.73%)
Male	92 (97)	1426 (1557)	6.45% (6.23%)

- As a comparator the figures shown in ( ) are last year's figures. The total number of employees reflects the total number of staff who worked for the Trust in the **whole year**. This is a **full year effect** and includes in year leavers therefore headcount figure will not correlate to current headcounts as this is a total headcount (everyone) for the full year of 2019-2020.

Gender	Mean Bonus Pay	Median Bonus Pay
Male	£6,757.46 (7,155.02)	£3,015.96 (3,015.96)
Female	£2,374.18 (2,043.35)	£351.43 (731.25)
Difference	£4,383.28 (5,111.68)	£2,664.53 (2,284.71)
Pay Gap %	64.87 (71.44)	88.35 (75.75)

*a comparator the figures shown in ( ) are last year's figures.*

- 4.13 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, theatre list incentives and some other incentive payments.
- 4.14 The main outlier is the Clinical Excellence Awards (CEA) with only 10 females who receive these compared to 50 males. The CEA's are awarded to senior medical staff and range from values over £36,000 to £250. However, of these CEA 21 are for values over £10,000 and of these only 3 have been awarded to female staff. This is the main reason for the bonus pay gap.
- 4.15 It can be seen that the percentage of the workforce who receive bonus payments remains higher for males but has reduced for females. However, it must be noted that bonus payments are only received by a small number within the workforce and some of the payments are for high amounts therefore, small changes can have a significant impact.
- 4.16 On further analysis the improvement relating to the mean bonus payment relates to a reduction in female staff that attracted a lower bonus payment.
- 37 of the 52 female staff received a bonus payment was for less than £1,000 compared to 63 of the 108 in the previous year. Although further detailed analysis is still required.



## **5. Implications / Impact**

### **5.1 Risk**

It is a legal requirement to publish our gender pay gap data on or before the deadline each year. The Equality and Human Rights Commission have the power to take enforcement action against any employer who does not comply with their reporting duties.

The risk of failing to comply carries legal, financial and reputational risks.

## **6. Outcomes**

6.1 Collecting this data meets our legal requirements however, to be of real benefit it will be necessary to develop a long term action plan and an approach to tackling the gender pay gap as part of our wider approach to equality and diversity.

## **7. Conclusion**

7.1 Best practice suggests we focus on pay, progression, recruitment and flexibility.

- Pay – We will conduct a review of our locally determined pay and bonus pay frameworks and to consider these in line with the principles of the gender pay gap.
- Progression and Recruitment – To annually analyse 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.
- Progression and Recruitment - To support our female staff in terms of career progression and to promote NLaG as a good employer of choice we are developing a Women's Staff Equality Network.
- Flexibility – To refresh the Trust's Equality Impact Assessment Policy and Procedure and ensure our policies/working practices are equality impacted assessed, to ensure we don't discriminate against any protected groups including gender and people with caring responsibilities.

- 7.2 The actions detailed in 7.1 will form part of the wider Trust's Equality and Diversity action plan and link to the NHS People Plan and NLaG's People Strategy, and Equality Objectives.
- 7.3 Progress against these actions will be monitored by the Trust's Equality, Diversity and Inclusion Lead and progress reported as part of the agreed NLaG People Strategy reporting system to the Workforce Committee. In addition, going forward each year we will publish our data on the Government Equality Website and our own Website.

## **8. Recommendations**

- 8.1 The Committee are asked to note the contents of the report and agree that the contents of our gender pay gap data; then the brief analysis and suggested action can be published and shared with our commissioners by 30<sup>th</sup> March 2021 and the report is shared with Board for final assurance and sign off.

Compiled By: Karl Portz, Equality and Diversity Lead

Date: April 2021

## Appendix 1

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

<b>HOURLY RATE</b>		
<b>Female Hourly Rate is 33.84% Lower (Mean)</b>	<b>Female Hourly Rate is 27.59% Lower (Median)</b>	
<b>PAY QUARTILES</b>		
	<b>Female</b>	<b>Male</b>
<b>Lower</b>	<b>1484</b>	<b>230</b>
<b>Lower Middle</b>	<b>1476</b>	<b>241</b>
<b>Upper Middle</b>	<b>1441</b>	<b>275</b>
<b>Top</b>	<b>1117</b>	<b>600</b>
<b>BONUS PAYMENTS</b>		
<b>Female Bonus Pay is 64.87% Lower (Mean)</b>	<b>Female Bonus Pay is 88.35% Lower (Median)</b>	
<b>0.86% of Females Receive a Bonus Payment</b>	<b>6.45% of Males Receive a Bonus Payment</b>	