

AGENDA ITEM:

REPORT TO: Board of Directors

PRESENTED BY: Neil Savage, Director of HR & OD

AUTHOR: Andrew Mills, Workforce Systems & Planning Manager

SUBJECT: GENDER PAY GAP REPORT 2020

If this report cannot be discussed at a public Board meeting, please explain why.	N/A
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This report is provided for:
Decision <input checked="" type="checkbox"/> Endorsement <input checked="" type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information <input checked="" type="checkbox"/>

The purpose of this report is to:

The purpose of this report is to inform the Board of Directors on the 2020 gender pay gap within Gloucestershire Health & Care NHS Foundation Trust.

Recommendations and decisions required

The Board is asked to:

- **Note** and the 2020 report
- **Note** that the report has been previously received in March 2021 by the Appointment and Terms of Service Committee
- **Agree** to publish this report on the Trust website with a link to the government website, and
- **Agree** the commitment statements that will be published on the Trust website and via the government website.

Executive summary

The UK Gender Pay Gap legislation requires NHS Trusts to annually publish a series of details and calculations that highlight the gender pay gap across the workforce. The information must be published on the Trust website and Gov.UK by 4 April 2021 and is based on data drawn from 31 March 2020.

Organisations with 250 or more employees, public and private sector, are also required to publish their gender pay gap information on their own website and also on the

Government website. Employers that fail to report on time or report inaccurate data will be in breach of the regulations and risk facing legal action from the Equality and Human Rights Commission.

In 2020 the reporting rules were relaxed in light of COVID and many organisations did not report their Gender Pay Gap. However, the Trust reported on its previous two legacy Trust's reports from 2019.

The most recently viewable HMRC figures from early 2020 suggest that being a woman in Gloucestershire reduces pay income by 26%, meaning that being a woman in the county means that their earnings will be nearly £9,000 less per annum than men. This picture reflects a similar pattern more widely across the South West, with women having an average pre-tax income of £25,000 compared to £33,987 per annum for men.

This report contains the statutorily required calculations, presenting the gender pay gap against the six requisite indicators. These are the result of a snapshot of the Trust's workforce on the required date of 31st March 2020 as required and are summarised below:

- **Mean average gender pay gap.** Women earn less than men by 18.63%. This compares with the 2019 gap of 22% in 2G and 12% gap in GCS.
- **Median average gender pay gap.** Women earn less than men by 7.55%. This compares with a previous 2019 gap of zero in GCS and 14% in 2G.
- **Mean average bonus gender pay gap.** Women are paid less than men by 11.8%. This compares with a previous 2019 gap of 7% in 2G and 71% in GCS.
- **Median average bonus gender pay gap.** Women are paid more than men by 16.67%. The latter figure is impacted by the small number of staff that fall into this category (6 women and 26 men). This compares with a previous 2019 gap in women being paid more than men by 35% in 2G, and by 83% less in GCS.
- **Employee numbers by quartile.** The proportion of men and women (when divided into four groups) ordered from lowest to highest pay shows there are a higher proportion of women in all quartiles and the gap closes with progression toward the upper quartile.

This data shows a 2020 position whereby the Trust has effectively landed in the middle, between the previously slightly lower pay gap for GCS and the higher 2G gap. It also shows a small widening of the gender pay gap in year when reviewing the average hourly rate, while also showing an improvement on the median average bonus pay for women over 2019.

However, at its core, it presents an all too typical position highlighting the scale of challenge and the inherent unfairness in the system within and beyond the Trust. Sustainable improvements will arguably require further changes in legislation, continued application of good practice, such as positive action in recruitment and Clinical Excellence Award marketing and support, alongside changes in education, careers advice, flexible working, management and leadership culture.

Previous legacy Trusts confirmed a similar statement of commitment as the one outlined below, and, on the recommendation of the Appointment and Terms of Service Committee, the Board is asked to endorse this statement:

“The Board of Gloucestershire Health and Care NHS Foundation Trust confirms its commitment to ongoing monitoring and analysis of its Gender Pay Gap data and to developing the appropriate actions which will reduce and eradicate this gap over time.”

The Appointment and Terms of Service Committee also asked that the Board consider an additional statement to strengthen the Trust’s commitment to closing the gap which also sends a positive message to colleagues and applicants.

“Additionally, the Board is fully committed to working in partnership with colleagues, stakeholder organisations and external agencies to learn from other organisations, apply good practice and to take innovative approaches, including positive action in its action to reduce and remove the gender pay gap.”

Corporate Considerations	
<i>Quality implications</i>	The Trust strives to provide equality for all colleagues, leading to increased levels of colleague satisfaction and ultimately improved patient care.
<i>Resource implications:</i>	By failing to recognise and address issues of equality, colleague turnover could increase and also increase the amount of casework by responding to claims of detrimental treatment.
<i>Equalities implications:</i>	The Equalities Act 2010 sets out the duties of the Trust and the Equality and Human Rights Commission give clear guidance which the Trust should endeavour to meet. This report is intended to progress the agenda to meet these duties and guidance and to ensure compliance.
<i>Risk implications:</i>	Failure to provide equality of opportunity may result in claims of discrimination and damage to the reputation to the Trust as a fair employer thus impacting its ability to deliver its commitment to being a Great Place To Work.

WHICH TRUST VALUE(S) DOES THIS PAPER PROGRESS OR CHALLENGE?			
Working together	P	Making a difference	P
Always improving	P		
Respectful and kind	P		

Reviewed by:		
Neil Savage, Director of HR & Organisational Development	Date	11 & 22 March 2021



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Where in the Trust has this been discussed before?

Appointment & Terms of Service Committee. Gender Pay Gap Reporting has been in existence since 2018 and has been reported each year since then.	Date	17 March 2021
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What consultation has there been?

N/A	Date	
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Explanation of acronyms used:	GCS – Gloucestershire Care Services 2G – 2gether NHS Foundation Trust ESR – Electronic Staff Record VSM – Very Senior Manager GHC – Gloucestershire Health and Care NHS Foundation Trust
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GENDER PAY GAP REPORT 2020

1. CONTEXT

What is gender pay gap reporting?

UK legislation requires employers with more than 250 employees to publish annually a range of statutory calculations showing the size of the pay gap between their woman and man employees. There are two sets of regulations, one mainly for the private and voluntary sectors, which became effective from 5th April 2017. The second, mainly for public sector organisations, took effect from March 2017 and was at that time required to be reported by the end of March 2018.

The Government has required subsequent rounds of reporting to be published on both the Trust's and the Government's websites by 30 March each year. The data is based on a snapshot of the workforce on 31 March the previous year. This report is based on a snapshot of data drawn from the Trust's Electronic Staff Records System (ESR) from 31 March 2020.

These results must be accompanied by a written statement of confirmation from the Chief Executive or another appropriate person. Any actions should also be published outlining how the organisation plans to reduce the gender pay gap.

Importantly, it should be noted that gender pay reporting is different to equal pay. This is important and a point that is often confused and misunderstood when considering the gender pay gap.

Equal pay deals with the difference in pay between men and women doing the same or similar jobs or jobs of equal value. It is unlawful to pay people unequally because of their gender and has been since the adoption of the UK Equal Pay Act, 1970 which prohibited any less favourable treatment between men and women in terms of pay and conditions of employment.

The **gender pay gap** shows the difference in the **average (or mean) pay** between all men and all women in the workforce. If the workforce has a high gender pay gap, this may indicate a number of issues to deal with, and the individual calculation may help to identify what these issues are.

The NHS Agenda for Change terms and conditions of service contain the national pay and conditions of service for NHS colleagues other than very senior managers and medical staff.

The majority of GHC colleagues work under the national NHS terms and conditions known as "Agenda for Change". These arrangements were introduced in 2004 with the express intention of removing and avoiding pay inequalities. Agenda for Change covers more than 1 million people and harmonises their pay scales and career progression arrangements across traditionally separate pay groups. Colleagues are expected to move up the pay bands irrespective of gender. The Agenda for Change Job Evaluation process enables jobs to be matched to national job profiles and allows Trusts to evaluate jobs locally to determine in which Agenda for Change pay band post should sit.



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Medical and Dental colleagues have different sets of national Pay, Terms and Conditions, depending upon their seniority and roles. However, these too are based on the principles of equal pay and opportunity. Similarly, these are set across a number of pay scales for basic pay, which have varying thresholds within them based on length of tenure in the position. Directors have been appointed on Hay or similar equal opportunity job evaluation methods, informed by the national NHS Improvement VSM Guidance and benchmarked using national surveys, for example from NHS Providers, regional and local labour market data.

2. Gender Pay Gap Indicators

Employers must publish the results of six calculations showing their:

1. Average gender pay gap as a mean average
2. Average gender pay gap as a median average
3. Average bonus gender pay gap as a mean average
4. Average bonus gender pay gap as a median average
5. Proportion of men receiving a bonus payment and proportion of Women receiving a bonus payment
6. Proportion of men and Women when divided into four groups ordered from lowest to highest pay.

These calculations are taken from the pay and ESR system. It should be noted that Consultant Medical colleagues are now the only employees to receive bonus payments within the Trust in the form of either national or local Clinical Excellence Awards.

3. Gender Pay Gap Analysis (31st March 2020 snapshot)

Table 1 – Employee headcount as at 31 March 2020

Payband	Women	% make up	Men	% make up
Band 1	30	94%	2	6%
Band 2	495	88%	66	12%
Band 3	669	89%	79	11%
Band 4	362	92%	32	8%
Band 5	688	87%	100	13%
Band 6	930	86%	150	14%
Band 7	412	82%	88	18%
Band 8a	115	79%	31	21%
Band 8b	46	71%	19	29%
Band 8c	15	68%	7	32%
Band 8d	10	71%	4	29%
Band 9	0	0%	3	100%
Board Member	2	25%	6	75%
Medical	72	61%	47	39%
Student	38	84%	7	16%
Grand Total	3884	86%	641	14%

The percentages in table 2 remain similar to the previous two years' combined data. Last year's percentages were 77% women and 23% men in 2G and 89% women and 11% men for GCS.

Table 2– Average and Median Hourly Rates – all eligible staff and pay schemes.

Gender	Avg. Hourly Rate 2020	Avg. Hourly Rate 2019 2g/GCS	Median Hourly Rate 2020	Median Hourly Rate 2019 2g/GCS
Women	£15.67	£15.76/£14.98 (15.37)	£14.79	£14.34/£14.34
Men	£19.26	£20.21/£17.07 (18.64)	£16.00	£16.45/£14.34
Difference	£3.59	£4.45/2.09 (3.27)	£1.20	£2.11/£0.00
Pay Gap %	18.63%	22%/12.25% (17.13)	7.55%	14.74%/0.00%

(Average for 2019 across both Trusts shown in brackets)

The figures above show as might be expected, following the Trust merger, a 'coming together' of the overall gap. However, there is a small widening of the gender pay gap in year when reviewing the average hourly rate.

Table 3 – Number of employees – Q1 = Low, Q4 = High

Quartile	Women	Men	Women %	Men %
1	1105 (1,117)	156 (167)	87 (85)	12 (15)
2	1075 (1,093)	198 (179)	84 (85)	16 (15)
3	1084 (1,140)	184 (168)	85 (85)	15 (15)
4	985 (1,011)	284 (274)	77 (77)	23 (23)

(Last year's figures in brackets)

Table 3 above shows a reasonably static workforce in relation to gender breakdown.

Table 4 – Average Bonus* Gender Pay Gap

Gender	Avg Bonus Pay 2020	Avg. Pay 2019 2g /GCS	Median Bonus Pay 2020	Median Bonus Pay 2019 2g/ GCS
Men	£11,142.23	£11800.08/ £15,080.04	£9,048.00	£8922.35/ £15,080/04
Women	£9,827.13	£10857.60/ £5,876.00	£10,555.98	£12063.96/ 2938.00
Difference	£1,315.10	£942.475/ £9,204.04	-1,507.98	-3141.63/ £12,142.04
Pay Gap %	11.80%	7.99/71.96%	-16.67%	-35.21/83.69%

The figures in table 4 above illustrate a significant reduction in the gender pay gap for bonus pay. This is particularly evident when median pay is reviewed.

Table 5 – Proportion of men and Women receiving a bonus against the overall totals

Year	Total	Gender		% of total		Number receiving a bonus		% receiving bonus	
		Men	Women	Men	Women	Men	Women	Men	Women
2019	137	58	79	42.3%	57.67%	27	6	46.55%	7.6%
2020	119	72	47	60.5%	39.5%	26	6	36.11%	12.77%

Figures in the table above illustrated that there has been an increase in the number of woman consultants receiving a Clinical Excellence Award and a percentage reduction in the number of men receiving an award. As part of previous pay gap actions agreed, the Trust has strived to communicate and encourage applications from women and also BAME colleagues, alongside providing extension training and support to maximise the quality of applications.

5. CONCLUSIONS AND RECOMMENDATIONS

The headline figure based on all eligible Trust employees and pay schemes indicates that women are paid 18.63% less on average than men compared to 22% and 12% in the previous year.

The gap for median (middle point) earnings is closer standing at 7.55% less for women. This figure was 14.74% and 0% less for women in the previous year.

The data shows that 86% of the Trust's substantive workforce were women, and ideally an analysis would show this is broadly reflected in each of the Agenda for Change pay bands, Medical and Dental pay and Executive Board level pay.

However, as with previous years the split between Women and Men evens out towards the more senior end of the pay bands which suggests that there are currently less opportunities for women in more senior roles or that jobs for this group are less attractive.

Even allowing for the availability of promotional opportunities, the pay gap will only close gradually due to a complex range of factors including incremental progression. With progression it takes many years to rise through the nationally set pay bands. The previous Agenda for Change Pay Award and related pay structure which was agreed in 2018 is expected to help with closing the gap in the longer term to a small extent as it removes some of the incremental points in each pay band meaning that employees will reach the maximum pay within the band sooner. However, the 2021 pay announcement will have little impact on improving matters.

Changes in working patterns, colleague turnover, positive action in targeted recruitment advertising, improved flexible working and wider choices about career breaks will also factor into this, alongside improved gender ratios in our degree supply chain, particularly in medical school and nursing.

Gender pay gap reporting has to include all earnings including bonus payments. The only payments that fall into this category are Clinical Excellence Awards (CEA) and these can only be applied to and awarded to Medical Consultants. Although there was an even divide in the numbers of men and women consultants, considerably more men than women traditionally apply for these payments, thereby being a significant contributing factor to the Trust's overall average pay gap. This pattern is repeated across the NHS, particularly in Acute, Acute Specialist Mental Health and Learning Disability Trusts in view of the low number of medics in the latter. However both men and women were in receipt of lower CEAs during the reporting period and the median bonus pay gap has now reversed. While the 2020 CEA round has not completed, a similar low number of awards is expected.

The gender pay gap is also significant at Executive Director level with an average hourly rate which is 33% lower for women than men. Six of the post holders were men and two were women. The committee is reminded that this is a snapshot

was taken on the 31 March 2020 and that the numbers are now two women and five men.

It should be noted that of the 12 organisations that had uploaded their Gender Pay Gap reporting information on or before 11 March 2020 when this report was written, five Trusts had reported the same pay gap between men and women as the previous year, 5 had improved, however the improvement was not significantly different and 2 were worse than the previous year.

The Trust has regularly stated its full commitment to equality of opportunity across the whole organisation and should recognise from the most recent data that there remains much work to be done to close the gender pay gap. Progress is unlikely to be achieved quickly or exclusively by internal organisational actions, requiring a wider societal shift in attitudes and behaviours. However, there are clear actions the Trust can continue to take to make a positive difference.

The Trust can narrow the gap by taking some short and medium term actions. As an example, given the success in increasing the BAME representation at Board level for both Executive and Non-Executive Director since 2017, a similar approach should be adopted to highlight that for senior vacancies, while we welcome all applicants, we are currently under-represented by women. We can continue to apply the similar “all other things being equal” approach taken to the recent Non-Executive Director appointments and to other senior appointments, allowing positive action to be taken. Positive action (but not positive discrimination) is lawful under the Equality Act. Local action plans and broader longitudinal societal actions are required to work toward closing the gap, accepting that there is no single ‘quick fix’.

5.3 Recommendations

Going forwards, our Trust values and emerging strategy are rooted in fairness and equity and our goal must be to understand and work towards eradicating any unfairness, perceived or real.

All parts of our workforce, irrespective of gender, or other protected characteristics are vital to our sustainability and our recruitment and promotion practices are rooted in these principles.

However, in order to further tackle the gender pay gap differences, additional actions, supported by the Appointment and Terms of Service Committee, are recommended as being taken forward as follows:-

1. **Positive action in leadership training and development** - encouraging women to participate in our Stepping Up, Brilliant Essentials and Leading Better Care Together leadership development programmes.
2. **In-year review of our equality and diversity training provision** - with an emphasis on the importance of using positive action to get the changed representation we need at senior levels.
3. **Further review of the Flexible Working Policy and Flexible Retire and Return Schemes** - which were last reviewed and implemented in October



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2019, continuing to consider and proactively promote more possibilities of flexible and non-standard working in the higher paid tier 4 level by using job sharing and part-time working.

4. **Recruitment action** - by continuing to take positive recruitment gender action for areas of under-representation.
5. **Coaching and Mentoring offers** - re-initiation of the development of the coaching and mentoring network offer which was mostly put on hold during COVID, with the focus on opportunities for underrepresented roles for more senior roles
6. **Strengthening supportive networking** - the continued sponsorship, support and facilitation of the Trust's Women's Leadership Network. This will include a facilitated discussion and engagement event to review the 2020 pay gap report and actions prior to finalisation of these suggested actions, with any additional identified actions being adopted and reported to the Appointment and Terms of Service Committee
7. **Communications** - continued refreshed communications on related assistance such as paternity leave, access to Little Oaks and Little Apples NHS Childcare Nurseries alongside our Childcare Vouchers offer through VIVUP
8. **Clinical Excellence Awards (bonus pay)** - follow up presentations and training session in 2021/22 run by the Medical Director and the Director of HR and OD to continue to encourage additional woman applicants to the next year's Consultant Clinical Excellence Award round.
9. **Commitment Statement** - the agreement of the following statement (below) confirming our commitment to fairness and equity in pay for all staff:-

'The Board of Gloucestershire Health and Care NHS Foundation Trust confirms its commitment to ongoing monitoring and analysis of its Gender Pay Gap data and to developing the appropriate actions which will reduce and eradicate this gap over time'

The Appointment and Terms of Service Committee also asked that the Board consider an additional statement to strengthen the Trust's commitment to closing the gap which also sends a positive message to colleagues and applicants. The suggested wording for this is contained below:-

"Additionally, the Board is fully committed to working in partnership with colleagues, stakeholder organisations and external agencies to learn from other organisations, apply good practice and to take innovative approaches, including positive action in its action to reduce and remove the gender pay gap."