

AGENDA ITEM:

REPORT TO: Board of Directors

PRESENTED BY: Neil Savage, Director of HR & OD

AUTHOR: Andrew Mills, Associate Director Workforce Systems & Planning

SUBJECT: GENDER PAY GAP REPORT

If this report cannot be discussed at a public Board meeting, please explain why.	
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This report is provided for:

Decision

Endorsement

Assurance

Information

The purpose of this report is to:

The purpose of this report is to inform the Board of Directors of the 2021 gender pay gap across Gloucestershire Health & Care NHS Foundation Trust, to provide an update on related actions from last year, and recommended actions for the coming year.

Recommendations and decisions required

The Board is asked to:

- **Note** and debate the current report which was previously tabled and supported at the March 2022 Appointment and Terms of Service (ATOS) Committee
- **Agree** the proposed actions for the coming year
- **Agree** to publish this report on the Trust website with a link to the government website
- **Agree** the statement (**below in bold**) 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 30th March 2022 and is based on data drawn from 2021.

Public and private sector organisations with 250 or more employees, 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.

The most recently reported average median gender pay gap in 2021 for the whole of the South West region was 16.6%, with the average median annual salary being £23,776. This means that in the South West women are typically paid 83 pence for every pound paid to a man. This compares unfavourably with the UK average median annual salary being £25,971, meaning that in the UK women are typically paid 85 pence for every pound paid to a man. The largest gender pay discrepancy in the regions is for the South East which sits at 18.9%, with average salary of £27,220 and women receiving 81 pence for every pound paid to a man. Further details are included in Appendix 1 – “Parts of the UK with the widest gender pay gaps in favour of men.”

This report contains the statutorily required calculations, presenting the gender pay gap against the six indicators. These are the result of a snapshot of the Trusts’ workforce on the required date in 2021 and are summarised below:

- **Mean average gender pay gap.** Women earn less than men by 17.09%. This compares with a previous 2020 gap of 18.63%
- **Median average gender pay gap.** Women earn less than men by 4.31%. This compares with a previous 2020 gap of 7.55%
- **Mean average bonus gender pay gap.** Women are paid less than men by 12.79%. This compares with a previous 2020 gap of 11.8%
- **Median average bonus gender pay gap.** Women are paid more than men by 16.67%, this figure remains unchanged from 2020
- **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

In 2021, the Trust Board approved the new People Strategy, which made a specific strategic commitment to equality, diversity and inclusion. In this, we have committed to being “a fair organisation that celebrates diversity and ensures real equality and inclusion. People will be able to bring their hearts to work, free from bullying or discrimination.” Improving and removing the gender pay is one of a number of elements to operationally deliver on this commitment, alongside our actions on the Workforce Race (WRES) and Disability Equality Schemes (WDES).

While this past year’s data paints a modest improving picture for the Trust, it also shows that that the Trust still has far to go. Importantly, it also continues to demonstrate the scale of challenge and the inherent unfairness in the nation more widely. Sustainable and at scale improvements will require amendments to national legislation, continued application of good practice, such as positive action, alongside changes in education, careers advice, flexible working, management and leadership culture.



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Finally, in line with the national requirements, the Trust and its earlier legacy organisations have previously confirmed a statement of commitment to reducing the pay gap and the Committee is asked to endorse a similar statement of intent this year as described in the main body of the report.

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.

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	21 st February 2022

Where in the Trust has this been discussed before?		
Gender Pay Gap Reporting has been in existence since 2018 and has been reported within each legacy Trust and within GHC.	Date	2018-2022
What consultation has there been?		
Appointment and Terms of Service Committee Women's Leadership Network (planned)	Date	2022

Explanation of acronyms used:	ESR – Electronic Staff Record VSM – Very Senior Manager GHC - Gloucestershire Health and Care NHSFT HEIs – Higher Education Institutes
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1. CONTEXT

What is gender pay gap reporting?

UK legislation requires employers with over 250 employees to annually publish 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 2017. The second, mainly for public sector organisations, took effect from March 2017, reportable 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 annually. 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 2021.

These results must be accompanied by a written statement of confirmation from the Chief Executive or another appropriate person. In the Trust we have made this statement on behalf of the Board. 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.

Definitions of these two themes are outlined below.

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 less favourable treatment between men and women in terms of pay and conditions of employment.

This differs from the **gender pay gap** which 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 identify what these issues are.

The majority of Trust 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. It is a tried and tested Equal Pay job evaluation system.

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

Medical and Dental colleagues have different sets of Terms and Conditions, depending upon their seniority. However, these too are based on the principles of equal opportunity and are set across a number of pay scales for basic pay, which have varying thresholds within them.

Directors have been appointed on 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.

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

Table 1 – Employee by assignment as at 31 March 2021.

AfC Pay Grade	Totals			
	Women	% makeup	Men	% makeup
Band 1	22	96%	1	4%
Band 2	614	88%	86	12%
Band 3	766	84%	142	16%
Band 4	420	87%	62	13%
Band 5	843	87%	121	13%
Band 6	957	85%	168	15%
Band 7	432	83%	86	17%
Band 8 - Range A	127	78%	35	22%
Band 8 - Range B	47	75%	16	25%
Band 8 - Range C	14	61%	9	39%
Band 8 - Range D	10	67%	5	33%
Band 9	2	67%	1	33%
Other	94	57%	70	43%
Totals	4348	84%	802	16%

The percentages in table 1 remain similar to the previous years' data 86% women and 14% men, with a 2% reduction in the number of women making up the workforce.

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

Gender	Avg. Hourly Rate 2021	Avg. Hourly Rate 2020	Median Hourly Rate 2021	Median Hourly Rate 2020
Women	£16.11	£15.67	£15.34	£14.79
Men	£19.43	£19.26	£16.04	£16.00
Difference	£3.32	£3.59	£0.69	£1.20
Pay Gap %	17.09%	18.63%	4.31%	7.55%

The figures above show a reduction in the average hourly and median pay gaps.

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

Quartile	Women	Men	Women %	Men %
1	1044 (1,105)	157 (156)	87 (87)	13 (12)
2	1027 (1,075)	176 (198)	85 (84)	15 (16)
3	1034 (1,084)	165 (184)	86 (85)	14 (15)
4	953 (985)	253 (284)	79 (77)	21 (23)

(Previous year's figures in brackets)

Table 3 above shows a reasonably static workforce in relation to gender breakdown although a slight increase in the percentage in the higher quartiles for female employees.

Table 4 – Average Bonus* Gender Pay Gap

Gender	Avg Bonus Pay 2021	Avg. Pay 2020	Median Bonus Pay 2021	Median Bonus Pay 2020
Men	£10,288.53	£11,142.23	£9,048.00	£9,048.00
Women	£8,972.59	£9,827.13	£10,555.98	£10,555.98
Difference	£1,315.95	£1,315.10	-1,507.98	-1,507.98
Pay Gap %	12.79%	11.80%	-16.67%	-16.67%

The figures in table 4 above illustrates no significant changes in bonus pay.

* The only bonus pay the Trust operates is the Clinical Excellence Award Scheme.

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
2020	119	47	72	39%	61%	26	6	22%	5%
2021	126	52	74	41%	59%	19	6	15%	5%

Figures in the table above illustrated that there has been no change in the number of woman consultants receiving a Clinical Excellence Award but it also shows 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.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

The headline figure based on all eligible Trust employees and pay schemes indicated that women are paid 17.09% less on average than men compared to 18.63% in the previous year.

The gap for median (middle point) earnings in the Trust is closer too, standing at 4.31% less for women, this figure was 7.55% in 2020.

The data shows that 84% (86% in 2020) 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 in the pay bands suggests that there are still 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 pay progression and pipeline changes (via HEIs). With progression it takes many years to rise through the nationally set pay bands.

Changes in working patterns, turnover, positive action in targeted recruitment advertising (particularly for director and deputy director level), improved flexible working and wider choices about career breaks will all factor into this, alongside improved gender ratios in our apprenticeship and degree supply chain, particularly in medical school, nursing and allied health professionals.

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. The 2021 CEA round has not yet completed, and following a national meeting last week, the Trust is awaiting further legal advice from our solicitors about whether or not we will be able to run a round for this past year, or whether we are going to have to cancel the round and make equal payments to all eligible consultants. A verbal update will be provided to ATOS. If the latter, it would positively impact the 2022 gender pay gap, but would still not provide a longer term solution to the inequity of CEAs.

The gender pay gap is also significant at Executive Director level with an average hourly rate which is 11.28% lower for women than men. Impacting this is the fact that six of the post holders were men and two were women.

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 further work to be done to close the gender pay gap. Evidence suggests that progress will not be achieved quickly or exclusively by internal organisational actions, requiring a wider shifts in education policies, and societal attitudes and behaviours. However, there are clear actions the Trust can continue to take to make a positive difference.

4.2 Actions taken in the past year

In the past year the Trust has taken positive action in encouraging women to participate in our Flourish, Thrive and Leading Better Care Together leadership development programmes launched in summer 2021. The impact and success of these will be assessed as part of their programme reviews in 2022/23.

We commenced an in-year review of our equality and diversity training offers, with an emphasis on the importance of using positive action to get the changed representation we need at senior levels. Recommendations will be made later in Quarter 1 2022/23.

The Trust's Flexible Working Policy was reviewed and updated to better support the use and accessibility of flexible and non-standard working. Our next steps are to develop effective and accurate ways to monitor uptake.

We refreshed our coaching and mentoring network offers, relaunching the Reciprocal Mentoring Programme and implementing the Mye-coach System for colleagues most recently in Q4 2021/22.

The Deputy Chief Executive and Director of Finance has continued with providing personal support on the development of the Trust's Women's Leadership Network. The gender pay gap and related actions have been shared and discussed with the network and a further session on the current analysis and actions is planned shortly.

4.3 Recommendations

Our Trust values and strategy remain rooted in fairness and equity and our goal must be to continue to understand and work towards eradicating any unfairness, perceived or real. To that goal, all of our colleagues, irrespective of gender, or any other protected characteristic, are vital to the delivery of our aims and ambitions. Our sustainability and our recruitment and promotion practices need to be rooted firmly in these principles.

To further tackle the gender pay gap differences, additional actions are recommended as being taken forward as follows:-

- 1. Recruitment Positive Action.** The continuation of positive recruitment gender action "where all other things are equal" for areas of under-representation, particularly Bands 8 and 9, consultants and directors. However, the most recent ATOS Committee discussions have requested further more detailed work to be done on this for gender and other protected characteristics. In particular, the Committee is seeking the development of a future proposal outlining the breadth of what is possible under positive action, and being clear about the difference between "positive action", which is legally permissible, and, "positive discrimination" which is generally not. This will be taken forwards through ATOS.
- 2. Positive action in leadership development and training.** Review and assessment of our internal leadership development programmes which were launched in Summer 2021 to ensure they are delivering skills and knowledge on key equality, diversity and inclusion matters in relation to recruitment, training / development and promotion.
- 3. Equality, Diversity and Inclusion Training.** Completion of the current operational review of our equality and diversity training offers and the related future offers recommendations. This will include an updated programme for Values Based Recruitment which will include briefings on when and how to take positive action in promotion and recruitment.
- 4. Agile Working / Flexible Working Environment.** Completion of the agile working toolkit and guidance pilot with a view to rolling out in Q1 2022/23 to further enhance the environment and options open to support colleague with carer commitments -- the majority of which are women -- across all levels of the organisation. After launch, this will be marketed in recruitment advertising as a benefit. NB All roles are currently advertised with consideration for flexible working.



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5. **Coaching and Mentoring offers.** In-year evaluation of gender focus and benefits of Reciprocal Mentoring programme and longer term recommendations. Gender focussed coaching CPD development workshop for Trust coaches. Specific options for a standard coaching offer to women consultants will be made in advance of this coming year's round.
6. **Strengthening Supportive Networking** - the continued development, support and facilitation of the Trust's Women's Leadership Network with wider linkage and networking into regional and national bodies.
7. **Clinical Excellence Awards (bonus pay).** Subject to the outstanding legal advice on whether a Clinical Excellence Award round can be run for 2021/22, a further series of presentations/training run by the Medical Director and the Director of HR and OD, to continue to encourage and support additional woman applicants to the next Consultant Clinical Excellence Award round.
8. **Stating our Intent.** The Board's agreement of the following statements (below) confirming our strategic 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.”

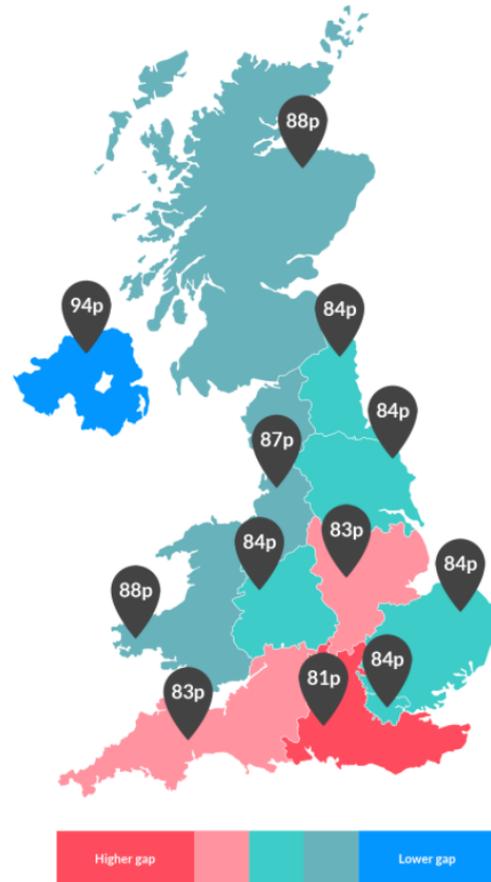
In line with the 2021 and March 2022 Appointment and Terms of Service Committee's request, the Board is also asked to support an additional statement to strengthen our organisational commitment to closing the gap with the intent of sending a wider positive message to colleagues and applicants. The additional wording for this was:-

“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.”

Appendix 1

Parts of the UK with the widest gender pay gaps in favour of men

	Average median gender pay gap (%)	Average median annual salary	Amount women are typically paid for every pound earned by a man
South East	18.90%	£27,220	81p
East Midlands	16.80%	£24,157	83p
South West	16.60%	£23,776	83p
North East	16.30%	£23,151	84p
Yorkshire and The Humber	16.20%	£23,800	84p
London	16.20%	£34,439	84p
East of England	16%	£25,334	84p
West Midlands	15.90%	£25,073	84p
UK average	15.4%	£25,971	85p
North West	13.40%	£24,456	87p
Wales	12.30%	£23,550	88p
Scotland	11.60%	£26,007	88p
Northern Ireland	5.70%	£24,000	94p



Note: Geographical data shown above is for all employees (full-time and part-time) and by place of work (not by place of residence).