

## Board of Directors

<b>Date:</b>	4 March 2020	<b>Attachment:</b>	11								
<b>Title of Report:</b>	<b>Gender Pay Gap 2019</b>										
<b>Purpose of the report and the key issues for consideration/decision:</b>	<p>Gender Pay Gap (GPG) reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between male and female employees.</p> <p>The data from 31<sup>st</sup> March 2019 must be published on the government website by 31<sup>st</sup> March 2020.</p> <p>The Trusts mean gender pay gap in 2018, based on hourly rate of pay, is 33.7% in comparison to 37.1% in 2018 and the median rate of pay is 24.3% in comparison to 22.8% in 2018. This means that on average women's pay is 33.7% lower than males across the organisation. The national average gender pay gap across the public sector is 17.5%.</p> <p>The largest factor attributing to the high GPG is the medical and dental workforce where there are a high proportion of highly paid male employees (consultants) in comparison to the overall male workforce of the Trust.</p> <p>A number of actions have been identified in the Gender Pay Gap Report which will continue to support the Trust to reduce the gender pay gap, including:</p> <ul style="list-style-type: none"> <li>• Further training for staff</li> <li>• Review outcomes of recruitment processes</li> <li>• Flexible working</li> <li>• Management of Clinical Excellence Awards</li> <li>• Refresh the gender staff network</li> <li>• Establishment of the Equality, Diversity and Inclusion Sub Group</li> </ul> <p>Board members are asked to review the content and approve for publication the data and actions for the Trust.</p>										
<b>Prepared by:</b>	Holly Tetley, Head of HR Business Partner Service Kelly Jolly, HR Management Assistant Information Analyst										
<b>Presented by:</b>	Joanne Harrison, Executive Director of People and Organisational Development										
<b>Strategic Objective(s) supported by this paper:</b>	<table border="1"> <tr> <td><b>Financial Sustainability</b></td> <td>X</td> <td><b>Empower &amp; Engage Staff</b></td> <td>X</td> </tr> <tr> <td><b>Quality of Care</b></td> <td>X</td> <td></td> <td></td> </tr> </table>			<b>Financial Sustainability</b>	X	<b>Empower &amp; Engage Staff</b>	X	<b>Quality of Care</b>	X		
<b>Financial Sustainability</b>	X	<b>Empower &amp; Engage Staff</b>	X								
<b>Quality of Care</b>	X										
<b>Is this on the Trust's risk register:</b>	<table border="1"> <tr> <td><b>No</b></td> <td>X</td> <td><b>Yes</b></td> <td></td> <td><b>If Yes, Score</b></td> <td></td> </tr> </table>			<b>No</b>	X	<b>Yes</b>		<b>If Yes, Score</b>			
<b>No</b>	X	<b>Yes</b>		<b>If Yes, Score</b>							
<b>Which CQC Standards apply to this report:</b>	Well Led										

Have all implications related to this report been considered: (please X)	Finance Revenue & Capital			Equality & Diversity		X		
	National Policy/Legislation			Patient Experience				
	Human Resources		X	Terms of Authorisation				
	Governance & Risk Management (BAF)			Other:				
Action Required: (please X)	Approve	X	Discuss	X	Receive for information	X	Decision	
Previously Considered By:	To be considered at the People Committee in March				Date:	25.03.2020		
Recommendations:	Board members are asked to receive this information, discuss and approve for publication on the Trust website and Government website.							

# Gender Pay Gap Report

## (Trust only - 31 March 2019 snapshot)

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### 1.0 Introduction

Gender Pay Gap (GPG) reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between male and female employees.

It is important to highlight the difference between equal pay and gender pay gap. Equal pay deals with the pay **differences between men and women who carry out the same jobs, similar jobs or work of equal value**. It is unlawful to pay people unequally because they are a man or a woman. The gender pay gap shows the **difference in the average pay between all men and women in a workforce**. It is entirely possible to have a significant gender pay gap whilst having complete pay equality.

The GPG results must be published on the Trusts own website and the government site by 31<sup>st</sup> March 2020.

### 2.0 Reporting requirements

For the purposes of gender pay reporting, the definition of who is included as an employee is defined in the Equality Act 2010. This is known as an 'extended' definition which includes:

- employees (those with a contract of employment)
- workers and agency workers (those with a contract to do work or provide services)
- some self-employed people (where they have to personally perform the work)

All employees of Airedale NHS Foundation Trust who were employed by the Trust and on full pay on the snapshot date (31st March 2019) are included. Bank staff who worked a shift on that date are also included. For Consultants we include within 'pay' those payments made for Additional Programmed Activities (APA's), as well as Clinical Excellence Awards (CEA's).

Employees who are on half or nil absence or maternity leave, hosted staff (e.g. GP Trainees) and agency staff (do not have a contract) are not included.

Earnings in the GPG calculations do not include: Overtime pay - used to pay for additional hours worked on an ad-hoc basis, Redundancy or termination pay, Pay in lieu of annual leave, Interest free loans, Expenses, Reduced pay leave.

It is important for the Trust to be sensitive to how an employee chooses to self-identify in terms of their gender. The Trust has based our reporting on the gender identification an employee has provided. In cases where an employee does not self-identify as either gender, the Trust has omitted the individual from the calculations.

### 3.0 The Gender Pay Gap Data

Airedale NHS Foundation Trust is required to reports annually on their gender pay gap in six different ways:

- the mean gender pay gap;
- the median gender pay gap;
- the mean gender bonus gap;
- the median gender bonus gap;
- the proportion of men and women who received bonuses; and
- the number of men and women according to quartile pay bands

The gender pay gap shows the difference in average earnings between all male full-pay relevant employees and all female full-rate relevant employees in the organisation.

The employee's eligible for inclusion in the report as at the 31st March 2019 was 2859 (excludes those on career break, maternity, adoption leave). The workforce gender split at the time was as follows, female – 2358 (82.4%), male – 501 (17.6%).

There has been a total workforce increase since the previous year of reporting at 31<sup>st</sup> March 2018 with a total workforce of 2680. The workforce gender split for the previous year of reporting was as follows females – 2223 (83%), male – 457 (17%). The difference in gender shows a slight decrease in the proportion of females against the total workforce and a slight increase in males against the total workforce.

It is a common theme for Acute Trusts that Medical and Dental staff have a substantial impact on the Trusts Gender Pay Gap, as individuals in this staff group tend to be paid higher wages than other Trust employees.

Although Airedale currently has 50 female consultants and 90 male, because the Trust employs fewer men overall, the number of male consultants as a proportion of the overall male workforce is 17.96% and 3.48% of the **overall** workforce. Compared to female consultants who make up 2.12% of the overall **Female** workforce and 1.93% of the **overall** workforce. This demonstrates that the male consultant workforce, who are highly paid, will significantly contribute to the GPG for Airedale.

### 3.1 Mean and Median Gender Pay Gap

The below table provides the GPG reporting information and compares the March 2019 reporting period to the previous years' GPG.

	2018 Women's earning are:	2019 Women's earning are:
<b>Mean</b> gender pay gap in hourly pay	<b>37.1% lower</b>	<b>33.7% lower</b>
<b>Median</b> gender pay gap in hourly pay	<b>22.8% lower</b>	<b>24.3% lower</b>

Difference in mean bonus payments	32.0% lower	21.3% lower
Difference in median bonus payments	33.3% lower	33.3% lower

The data shows that the mean GPG has positively reduced from the previous year, one of the reasons for this can be due to an increase in overall employed females across GPG quartiles. The median GPG has however slightly decreased. The reason for this could be a number of factors, including highly paid males increasing from the previous year.

### 3.2 Pay Gap by Hourly Rate

The below chart provides further analysis on the mean and median hourly rate of males compared to females employed by Airedale demonstrating the GPG.



### 3.3 Gender Pay Gap by Quartile (1 is low, 4 is high)

The table and graph below show the GPG by quartile for male and female employees as well as the gender split in each of these quartiles.

Quartile	Male			Female			Total
	Headcount	% Headcount	Mean (Average) Hourly Pay	Headcount	% Headcount	Mean (Average) Hourly Pay	
Lower (1)	95	13.29%	£9.01	620	86.71%	£9.46	715
Lower Middle (2)	87	12.17%	£12.23	628	87.83%	£12.31	715
Upper Middle (3)	96	13.43%	£17.30	619	86.57%	£17.04	715
Upper (4)	223	31.23%	£37.50	491	68.77%	£26.71	714
Total	501	17.21%	£23.84	2358	82.79%	£15.80	2859



#### Quartile Ranges

Lower = £2.74 to £10.46 per hour.

Lower Middle = £10.46 to £14.60 per hour.

Upper Middle = £14.63 to £19.76 per hour.

Upper = £19.76 to £165.00 per hour.

The Trust has an overall gender split of 82.4% female and 17.6% male. Compared to the overall gender split for the Trust there is a disproportionate number of males,

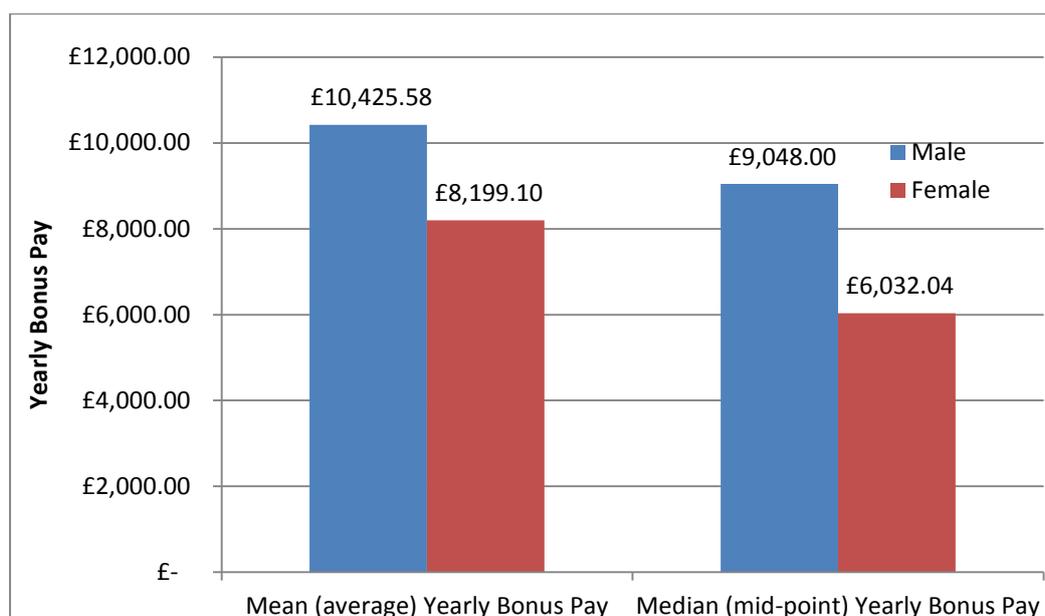
31.23%, in the higher paid quartile (quartile 4) and only 68.77% female. This is a contributing factor to Airedale's GPG.

The table and graph below show that in quartile 1 female employees are paid slightly more than male employees giving a gender pay gap of -4.99% or -£0.45p. In quartile 2 female employees are paid slightly more than male employees giving a gender pay gap of -0.65% or -£0.08p. In quartile 3 male employees are paid slightly more than female employees giving a gender pay gap of 1.50% of £0.26p. In quartile 4 the gender pay gap increases to 28.77% or £10.79. This is attributable to the high proportion of male consultants in the Trust (90 male Consultants compared to 50 female Consultants).

### 3.4 Mean and Median Bonus Pay Gap

The below table provides data on the bonus pay of employees of Airedale which has remained static from the previous year's bonus pay which was for males and females 7% and 1% respectively.

Gender	Mean (average) Yearly Bonus Pay	Median (mid-point) Yearly Bonus Pay	% Receiving Bonus
Male	£10,425.58	£9,048.00	6.99%
Female	£8,199.10	£6,032.04	0.86%
£s difference	£2,226.47	£3,015.96	
% difference	21.36%	33.33%	



- The Trust has an average (mean) bonus pay gap of 21.36% or £2,226.47 per year.
- The Trust has a median bonus pay gap of 33.33% or £3,015.96 per year.

Bonus pay only includes Consultants Clinical Excellence Awards (CEAs) and discretionary points.

Although the median bonus pay gap has remained static there has been a significant improvement in the mean bonus pay gap in 2019 in comparison to 2018 from 32% pay gap to a 21% pay gap. This is as a result in the increased number of women being awarded CEA's in 2019 (27 in 2019 compared to 22 in 2018).

#### **4.0 Conclusion**

Airedale is typical of most NHS Trust's, in that it has a higher number of females than males in its workforce – of the 2589 employees counted as part of the gender pay gap reporting, 2358 were female compared to 501 male.

The figure for the median pay gap is usually considered to be more representative of gender pay gap across the workforce, for Airedale this increased from 22.8% in 2018 to 24.3% in 2019. However there has been a significant reduction in the mean GPG from 37.1% in 2018 to 33.7% in 2019.

The mean gender pay gap for the whole of the Public Sector economy is 17.5% (ONS at October 2018). At 33.7% the Trust's mean gender pay gap is therefore, above that for the wider public sector.

In considering the quartile figures earlier in this report the chart shows that there are a higher proportionate percentage of males in the upper quartile than in the others when compared to the overall male headcount. This is the main contributing factor in the overall gender pay gap.

The Trust must also take into account that the pay of medical and dental colleagues has a significant contributing factor to the gender pay gap, which is seen across other acute providers in comparison. Medical and dental employees account for 21.98% of the GPG as a result of the higher proportion on males in Consultant roles.

The Bonus pay gap is also driven by the higher proportion of males in receipt of CEA's as well as the fact they are in receipt of the high level CEA's.

#### **5.0 Reducing the Gender Pay Gap**

We are committed to being an inclusive employer and taking positive steps to reduce the pay gap. The Trust has a Gender Staff Network made up of staff representatives including medical employees, as well as an Equality, Diversity and Inclusion Group as a sub-committee of the People Committee. These groups will be asked to focus on the following actions:

**Further training for staff.** We recognise that unconscious bias may play a part in gender pay gap through recruitment practices as well as awards panels for CEAs, so through training will educate managers and employees to understand their responsibilities under the Equality Act 2010 and that fair and non-discriminatory practices are followed. This will be evident in our recruitment and selection training, equality and diversity mandatory training and our line management essentials training.

**Review outcomes of recruitment processes**, to ensure that the Trust monitors the outcomes of recruitment and selection process with the aim of achieving a more even gender balance, particularly in quartile 4.

**Flexible working.** We recognise the importance of flexible working to all staff groups and particularly those with caring responsibilities, male and female. The Trust has recently reviewed our policy on flexible working and is in the process of introducing an Agile Working Policy. These policies aim to increase flexibility and enable us to monitor the application of flexible working arrangements from March 2020 onwards.

**Management of Clinical Excellence Awards.** In collaboration with members of our JLNC and Gender Focus Group we had previously changed the CEA payments so that the awards were no longer pro-rata for individuals working part-time. In addition we have seen an increase in the number of successful female CEA applicants which we hope to continue into the next awards round.

**Refresh the gender staff network** to explore the GPG data further with an aim of developing a detailed action plan for 2020 onwards.

**Establishment of an Equality, Diversity and Inclusion Sub Group.** This group will be responsible for the review of the GPG information contained within this report to understand further what can be done to reduce the gap in female and male pay. The next meeting will take place in April 2020.

## **6.0 Recommendations**

The Board are asked to review the content of this report and approve for publication on the Trust and Government website.