

Agenda Item 4i

Report to:	Board of Directors	Date: 2 May 2019
Report from:	Director of Workforce and Organisation Development	
Principal Objective/ Strategy and Title	To provide the Board with an overview of the outputs from the 2018 Gender Pay Audit	
Board Assurance Framework Entries	Governance – Well-led Framework Workforce Recruitment and Retention	
Regulatory Requirement	Equality Legislation	
Equality Considerations	Gender pay equality	
Key Risks	<ul style="list-style-type: none"> • Staff engagement, recruitment and retention is damaged as a result of a negative impression of the Trust as an equal opportunities employer • Reputational damage 	
For:	Information and Approval	

1 Introduction

Gender pay reporting legislation which came into force with effect from 30 March 2017, required employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. The deadline for reporting is the 30 March 2018. The gender pay gap audit and reporting obligations sit alongside the existing requirements for public bodies, including publishing annual information to demonstrate compliance under the PSED and publishing equality objectives every four years.

The purpose of this paper is to update the Board on the outputs from the 2018 audit. These will be reviewed by the Trust's Equality, Diversity and Inclusivity Committee and the action plan will be updated.

2. What is the gender pay gap?

The gender pay gap looks at the difference in the average pay between all men and women in an organisation, taking account of the full range of jobs and salaries. This is expressed as a percentage of men's earnings e.g. women earn 15% less than men. The gender pay gap is not about equal pay for work of equal value i.e. paying men and women the same for doing the same or broadly similar jobs or for work of equal value. It is unlawful to pay people unequally because they are a man or woman undertaking the same role.

If a workplace has a particularly high gender pay gap the expectation is that organisation's consider the underlying causes to take steps to reduce the gap, and

ensure that the organisation can demonstrate that it is a fair and progressive employer.

3. Reporting Requirements

The gender pay gap reporting requirements are for the following categories:

- Ordinary pay- Mean pay gap %
- Ordinary pay- Median pay gap %
- Ordinary pay -The proportion of males and females in each quartile pay band
- Bonus pay- Mean pay gap %
- Bonus pay- Median pay gap %
- Bonus pay- The proportion of males and females receiving a bonus payment

Employees included in the report for ordinary pay are “Full Pay relevant employees”- this is anyone who is employed on the snapshot date (31/3/2018) who is paid their usual full basic pay during the relevant pay period, plus relevant bank workers. Bank workers who are working in the relevant pay period are included and their ‘weekly working hours’ is the average of the 12 weeks ending with the last complete week in the relevant pay period.

Employees included in the bonus report are the full list of staff employed on the snapshot date (31/3/2018) and their bonus pay over the 12 month period ending 31/3/2017. Bonus pay is payments above ordinary pay and in this Trust the only payments that fall into this category are clinical excellence awards.

4. The Calculations

The central ESR team has developed a standard reporting suite to enable organisations to report against the gender pay gap requirements. The calculations used are as follows:

- **Ordinary pay- Mean pay gap%**
The mean pay gap is the % difference between the mean (average) hourly rate for males and average hourly rate for females.
e.g. If the average hourly rate for males is £11 and females is £9.50 the gender pay gap will be the difference in pay (£1.50) as a percentage of £11- therefore 13.6%
- **Ordinary pay-Median pay gap %**
The mean pay gap will be the difference in the middle values of the pay rates for males and females
e.g. If the Median hourly rate for full pay relevant males is £10.50 and for full pay relevant females is £9.50 the median pay gap will be the difference (£1) as a percentage of £10.50, therefore 9.5%
- **The proportion of males and females in each quartile pay band**
The proportion is calculated by sorting all employees by hourly rate, splitting this into 4 equal parts, then calculating the proportion of males and females in each of the quartiles.
- **Bonus pay- Mean and median pay gap %**
The bonus pay gap calculations apply the same principles for mean and median pay
The proportion of males and females receiving a bonus payment is the proportion by gender who received a payment of the total relevant employees for that gender, *e.g. if the number of males receiving a bonus was 10 and the total relevant males were 500 the proportion would be 2%*

5 Papworth Gender Pay Results as at 31 March 2018

Ordinary pay

Mean pay gap	25.96%	
Median pay gap	10.25%	
	MALE	FEMALE
Quartile 4 (highest)	40.42%	59.58%
Quartile 3	18.38%	81.62%
Quartile 2	23.79%	76.21%
Quartile 1	25.95%	74.05%

Bonus pay

Mean pay gap	46.21%	
Median pay gap	78.86%	
	MALE	FEMALE
Proportion receiving bonus	7.39%	0.72%

Our mean pay gap for ordinary pay decreased by 2.83% from 2017 to 2018 but the median pay gap increased by 0.31%. The mean pay for bonus pay increased by 1.2% and the median pay gap increased by 10.9%.

Appendix 1 provides a comparison of the 2017 and 2018 audit outcome. Appendix 2 notes the number of staff in post at 31/3/2019 by staff group and gender.

Further analysis of the outcome of the audit will be undertaken to understand what has driven the increase in the median pay gap for ordinary pay and the increase in the pay gap with bonus pay.

6 What causes the gender pay gap?

Appendix 2 details the number of staff in post at 31/3/2017 by staff group and gender. The gender split for the total workforce is 74% female and 26% male. As can be seen in the table above we have proportionately more men in the pay top quartile than we have women which is primarily as a consequence of the gender balance in the senior medical staff group

The gender split for consultant staff is very different to the organisation's gender split (70% male:30%female compared to 24% male:76% female for the whole Trust).. When you consider the data used for the bonus pay it relates to CEA awards and in the 2018 round 22% are female and 78% are male.

The Trust is committed to promoting greater equality, diversity and inclusion across the Trust. This means making sure men and women have equal opportunities on recruitment, pay, training and career progression. We have processes in place that promote gender equality including:

- A structured recruitment process using the national NHS jobs website, helping to support us make unbiased recruitment decisions.
- We use the national job evaluation scheme for all staff on agenda for change terms and conditions of employment. This makes sure all non-medical jobs are measured against the same criteria and weighting of job elements is consistent.
- Medical staff have national terms and conditions of service and pay arrangements
- An agreed, standard process is in place for consultant job planning to ensure it is bias free.

7. Next Steps:

The Equality, Diversity and Inclusivity Committee will review the results of the audit and the 2017 action plan (detailed in Appendix 3) at their next meeting and develop a revised action plan which will be published on our website.

Recommendation

It is recommended that the Trust Board:

- Note and approve the results of the Gender Pay Audit and the steps that will be taken to refresh the action plan.

Papworth Hospital NHS FT	ORDINARY PAY										BONUS PAY			
	Mean pay gap %	Median Pay gap %	Quartile 4 (Top quartile)		Quartile 3 (Upper Middle Quartile)		Quartile 2 (lower middle quartile)		Quartile 1 (Lower quartile)		Mean Bonus pay gap %	Median Bonus Pay gap %	Proportion of males and females receiving a bonus payment	
			Men	Women	Men	Women	Men	Women	Men	Women			Men	Women
2017 published	28.79%	9.94%	39.74%	60.26%	14.44%	85.56%	23.25%	76.25%	21.94%	78.06%	45.01%	67.96%	7.89%	0.61%
2018 to be published	25.96%	10.25%	40.42%	59.58%	18.38%	81.62%	23.79%	76.21%	25.95%	74.05%	46.21%	78.86%	7.39%	0.72%

Staff Group	Gender				Totals
	Female		Male		
Add Prof Scientific and Technic	62	76.54%	19	23.46%	81
Additional Clinical Services	243	72.97%	90	27.03%	333
Administrative and Clerical	321	78.29%	89	21.71%	410
Allied Health Professionals	72	84.71%	13	15.29%	85
Estates and Ancillary	37	52.86%	33	47.14%	70
Healthcare Scientists	63	72.41%	24	27.59%	87
Medical	65	30.37%	149	69.63%	214
Nursing Registered	543	86.88%	82	13.12%	625
Students	5	100.00%		0.00%	5
Grand Total	1411	73.87%	499	26.13%	1910

Staff group	Gender	Role	Heads	% of total medical staff	% of job role by gender
Medical	Female	Consultant	31		47.69%
		Spr level	17		26.15%
		Junior	17		26.15%
	Total		65	30.37%	
Male	Consutlant	Spr Level	72		48.32%
			36		24.16%
		Junior	41		27.52%
Total		149	69.63%		
Total medical staff			214		

2017 Gender Pay Action Plan

- Commit to sharing the 2017 data with staff to encourage discussion and debate
- Discuss the results with the medical leadership team to better understand the historical reasons for the gender balance in the senior medical workforce
- Support the senior medical leadership team to identify whether there are any actions that the Trust should consider to address the imbalance.
- Audit and review the CEA process following completion of the 2017/2018 awards to ensure any scope for bias on any basis is identified and removed.
- Introduce unconscious bias training for managers and make it mandatory for those involved in recruitment. (this is an action in the WRES action plan)
- Actively support women to return to work following maternity and adoption leave and promote shared parental leave and flexible working arrangements.