

Board of Directors (in Public)

Item 5.8*

Subject: Gender Pay Gap Reporting
Date of Meeting: 5th March 2019
Prepared by: Joanne Twist, Director of Workforce and Service Improvement
Presented by: Joanne Twist, Director of Workforce Development and Service Improvement
Purpose of Report: To Note

BAF Ref	Impact on BAF
4.1. and 4.2	None – the paper provides assurance that the Trust is compliant with disclosure requirements concerning the gender pay gap.

1. Executive Summary

The purpose of this paper is to provide the Board of Directors with an update relating to its response to the legal requirement to publish gender pay gap data annually and to provide assurance that this data will be published by the 30th March 2019 deadline.

2. Background

Following government consultation, it became mandatory for public sector organisations with over 250 employees to report annually on their gender pay gap (GPG). Under this requirement organisations need to publish information annually for all employees working under a contract of employment, a contract of apprenticeship or a contract personally to do work relating to the pay period in which the snapshot day falls, which for the this year is the pay period including 31st March 2018.

The regulation determines how the calculations should be made and what pay is to be included.

In addition to the data, there is a requirement to publish a written statement which confirms the accuracy of calculations, signed by an 'appropriate person' which for an NHS Trust will be a Director. Organisations can use the written statement to provide a supporting narrative which helps anyone reading the statement to understand its view of why any identified gender pay gap is present and what the what it intends to do to close it.

The information needs to be published on a website that is accessible to employees and the public free of charge. It also needs to be uploaded onto the Government's online reporting service.

3. Progress

Appendix 1 outlines the Trust position for the period ending 31 March 2018. The Equality and Inclusion Group review this data and make recommendations on how we can improve recruitment and the progression of women to reduce the gap further. A number of actions are in place which will support this agenda including:

- Transparency to promotion and pay award process
- Improving workplace flexibility
- Ensuring the take up of shared parental leave
- Promotion of returners to practice
- Supporting Networking programmes
- Leadership programme
- Retention Plan
- Unconscious bias training
- Equality training
- Coaching and mentoring

Due to the demographics of our staff groups and number of long serving staff, salaries can be higher irrespective of gender. We have seen a slight increase in our mean and median range for this reporting period; however remain considerably below the estimated Public Sector Gender Pay Gap, once we exclude consultants to give a fairer representation to the mean calculation.

4. Conclusion

Progress is being made with regard to compliance with this legal requirement and the deadline for the publication of the Trust data will be met.

5. Recommendations

The Board of Directors is asked to note the contents of this report.

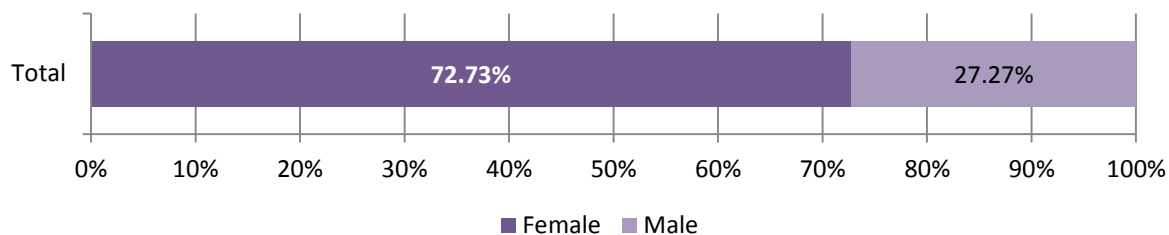
Appendix 1

Gender Pay Gap – March 2018

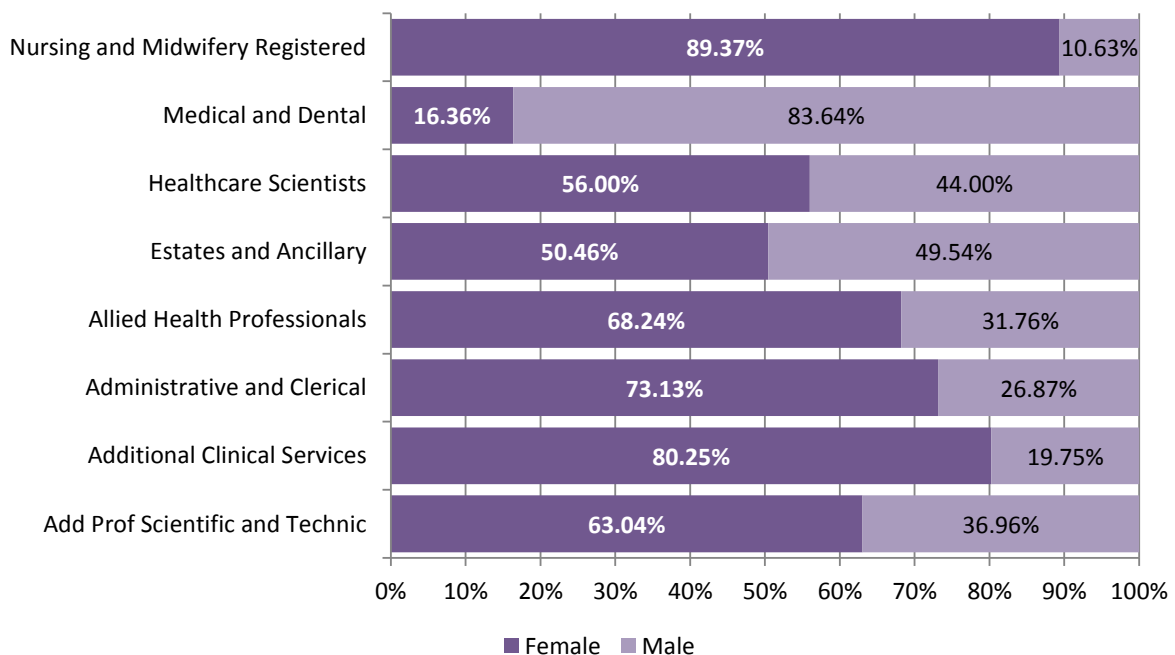
The following report provides Liverpool Heart and Chest 'Gender Pay Gap' report using data from ESR at the snapshot date 31/03/2018. Gender pay gap shows the difference in Mean (Average) and Median (Mid-point) pay between all men and women in the workforce. Gender pay gap is different from Equal pay as this deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

Data is based on 1551 eligible staff employed at LHCH at snapshot date of 31/03/2018 – 92.01% of staff in this sample are on Agenda for change terms and conditions. The highest proportion of staff within the Trust are 'Registered Nursing' staff who represent 34% of the Trust total. Grades have a set of paypoints for annual progression therefore the longer period of time that someone has been in a grade the higher their salary is likely to be irrespective of their gender.

Gender Profile:



Gender Profile by Staff Group:



Females represent almost 90% of Nursing and Midwifery Registered staff with female representation in A&C and Additional Clinical Services all above 70%. Medical and Dental is predominantly Male with 83.64% of staff. The remainder are between a 68% and 31% split.

Pay Gap – Ordinary Pay

Data is based on snapshot of all paid staff in March 2018 or Week 52 2018 for weekly paid staff (Bank staff).

Women's Hourly Rate Gap is:	
28.00% lower than men which equates to £5.99 <i>(Mean)</i>	9.88% lower than men which equates to £1.54 <i>(Median)</i>

Mean (or average) is based on hourly rate of ordinary pay including Basic Pay, Allowances and Shift Premium pay.

Median (or mid pay) is based on hourly rate of ordinary pay including Basic Pay, Allowances and Shift Premium pay.

Calculating using Mean can be affected by outliers (for example higher paid Consultants who receive Clinical Excellence Awards), so we would say that Median is a fairer representation for GPG. See example of variation of hourly pay by Mean/Median if we removed Consultants from the initial calculations

Gender	Median <u>including</u> Consultants	Median <u>excluding</u> Consultants	Average <u>including</u> Consultants	Average <u>excluding</u> Consultants
Female	£14.07	£14.05	£15.40	£15.04
Male	£15.61	£15.61	£21.39	£16.10
Difference £'s	£1.54	£1.56	£5.99	£1.06
Difference %	9.88%	9.99%	28.00%	6.58%

Office for National Statistics* publication in 2018 estimates that the Public Sector Gender Pay Gap is 17.10% (Mean Gap) / 17.90% (Median)

*Source: Annual Survey of Hours and Earnings, Office for National Statistics (Provisional Data).

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashgenderpaygaptables> File: PROV - Total Table 1.12 Gender pay gap 2018

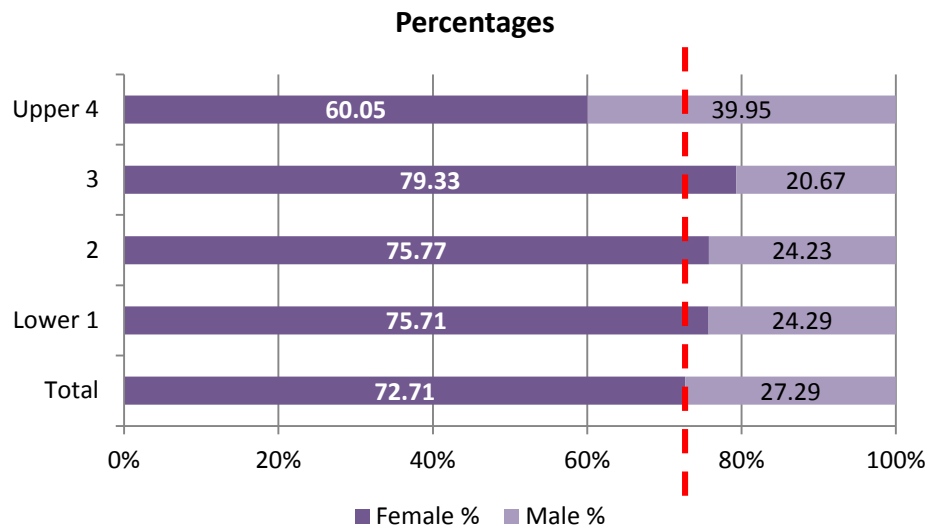
Pay bands: The table below shows Pay Gap by Banding:

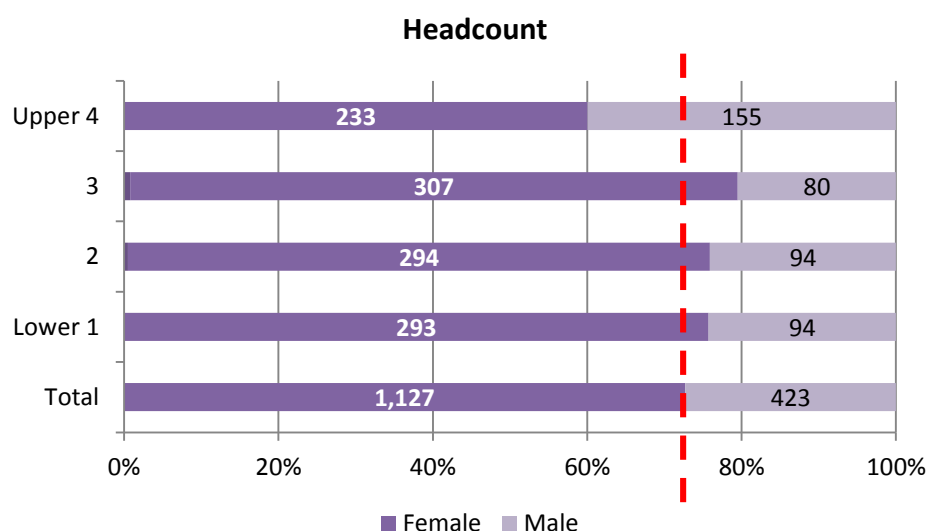
Men earn more than Woman in the following Bands	
Band	PayGap
Band 2	3.10%
Band 3	1.54%
Band 5	0.14%
Band 8a	8.72%
Band 8b	1.40%
Band 8c	10.78%
Medical	8.21%

Women earn more than Men in the following Bands	
Band	PayGap
Adhoc	141.93%
Band 4	4.20%
Band 6	2.35%
Band 7	4.13%
Band 8d	10.60%

Hourly Pay Quartiles:

An extract from ESR is used to rank male and female staff in order of hourly pay. These are split into 4 quarters based on hourly pay groupings (Quartile 1 is the lowest). The following graph shows the Gender split by Percentage's and Headcount for each of the quartiles.






Compared to the Trust average Women are over represented in quartiles 1, 2 and 3 and under represented in Quartile 4 by just under 13%.

Quartile 3: Medical & Dental and Nursing Registered account for 68.04% of the Staff Groups (*of which 60.05% female / 7.99% male*)

Quartile 4: Medical & Dental and Nursing Registered account for 64.18% (*of which 37.11% female / 27.06% male*)

Percentage of staff in each Quartile split by Gender:

Quartile 	Quartile % of All Females in each Quartile	Quartile % of All Males in each Quartile
Lower 1	25.98%	22.22%
2	26.06%	22.22%
3	27.30%	18.91%
Upper 4	20.66%	36.64%

Pay Gap – Bonus* Payments

**Only includes 'Clinical Excellence Awards' and 'Discretionary Points'*

Women's Bonus Pay Gap is:	
71.23% lower than men (Mean)	67.57% lower than Men (Median)

(Data based on 6 Female / 40 Male)

Who received Bonus Pay:	
0.45% of Women	8.60% of Men

(Data based on 6 Females out of 1325 / 40 Males out of 465)

The Pay Gap is high between Male/Female staff due to the smaller range of bonuses* paid to the 6 female staff - ranging from £500 to £6.5k compared to the range paid to Male staff of £500 to £48.5k. This is reflected in the figures above.

Summary:

Factors Contributing to Gaps shown in this report:

- High proportion of women in the workforce (72.73%)
- Nursing Registered accounting for 34% of total staff and within this data, of whom 77.61% are Bands 5 & 6
- Males are a much higher proportion in Medical and Dental Posts (83.6%).
- Median for Males has increase from £12.87 to £15.61 since the last report.

Over the coming 12 months, we will be looking at the actions we can take to address the disparity between women and men who work for us monitored by our Equality and Inclusion Group.