

Agenda Item No

Meeting	Board Meeting
----------------	---------------

Date	February 2019
-------------	---------------

Title	Gender Pay Gap Report			
Executive Summary	<p>1. The purpose of this report is to update the Board on the findings of the Gender Pay Gap analysis which all organisations (with over 250 employees) are required to undertake and publish by the end of March, 2019.</p> <p>2. The gender pay gap reporting is important to help the Trust to better understanding our own position and the broader factors which contribute to pay disparity.</p>			
Previously considered by	Not Applicable			
Next steps/future actions	Discuss	<input checked="" type="checkbox"/>	Receive	<input checked="" type="checkbox"/>
	Approve	<input type="checkbox"/>	Note	<input checked="" type="checkbox"/>
	For Information	<input type="checkbox"/>	Confidential y/n	<input type="checkbox"/>

This Report Covers the following objectives(please tick relevant boxes)

Quality, Safety and Patient Experience	<input checked="" type="checkbox"/>	To be well governed	<input checked="" type="checkbox"/>
Valued Provider	<input checked="" type="checkbox"/>	To be financially viable and sustainable	<input checked="" type="checkbox"/>
Great place to work	<input checked="" type="checkbox"/>	To be fit for the future	<input checked="" type="checkbox"/>

Prepared by:	Jane Seddon	Presented by:	Carol Sheard
--------------	-------------	---------------	--------------

Introduction

1. The purpose of this report is to update the Board on the findings of the Gender Pay Gap analysis which all organisations (with over 250 employees) are required to undertake and publish by the 30 March 2019.
2. The gender pay gap reporting is a crucial step to better understanding our own position and the broader factors which contribute to pay disparity.
3. The median and mean pay gaps are calculated using the calculations set out in the gender pay gap reporting regulations:-
 - a. The mean gender pay gap shows the difference in average hourly pay between men and women.
 - b. The median gender pay gap is the difference between the median hourly rate for male employees and the median hourly rate for female employees.
4. The cause of the gender pay gap is complex, and as the report will show there are certain issues peculiar to specific staffing bands / levels. Understanding these peculiarities is important as this will help the Trust (and the NHS more generally) to address the gender pay gap disparity in the years to come.
5. Colleagues are reminded that the gender pay gap should not to be confused with unequal pay. Unequal pay is the unlawful practice of paying men and women differently for performing the same or similar work or work of equal value; whereas the gender pay gap is a measure of the difference between the average hourly earnings of men and women.

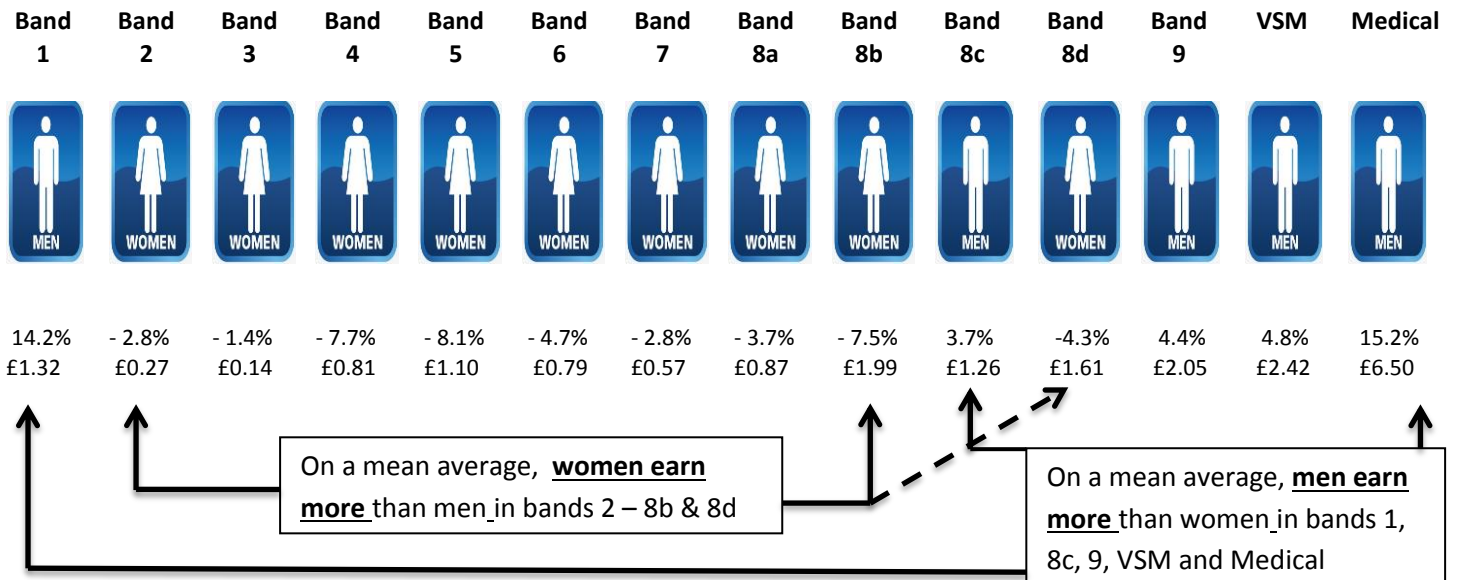
Key findings

1. The Trust collected our data as at 31 March 2018, when our workforce consisted of 4583 (86%) female and 734 (14%) male. It is common within the NHS as a whole that the workforce is predominately female.
2. Colleagues should note that IFM were included in the reporting period for 2017 because this was prior to the split. This year IFM will not be included in Boltons return, IFM will report independently in line with their statutory duty. Had we been reporting like for like and IFM were still included in the Trusts return we would be reporting figures that had improved within the reporting period. A positive reduction of the gender pay gap of 2.81% (see Appendix 2).
3. It is important to note here that the Mean Gender Pay Gap figure quoted in March 2018 for the snapshot period March 2017 for Bolton FT was incorrect at 15.3%. This was due to a national ESR system problem where the report, under certain criteria, employees that should have been excluded from the calculation had in fact been included thus skewing the total figures. The correct figure for the Mean Gender Pay Gap should have been 25.74%. In the case for Bolton FT, this problem was caused by the inclusion of one female employee who should have been excluded. The Median Gender Pay Gap was not significantly affected at 7.5%. Despite this national error impacting our 2017 position as noted above Bolton continues to not be outlier when compared to other NHS organisations.
4. Appendix 1 shows detailed benchmarking data for 2017 against local trusts. This shows that compared to 13 North West Trusts we fair mid table at 7th, more favourable compared to our local Trusts Wigan and Salford. It is useful to note that compared to

all Trusts that reported their data in 2017 Bolton were also mid table placing at 124th out of 204 trusts.

- In order to provide a deeper understanding of the gender pay gap then a breakdown by staffing Band has been undertaken. The details are outlined below:-

Mean

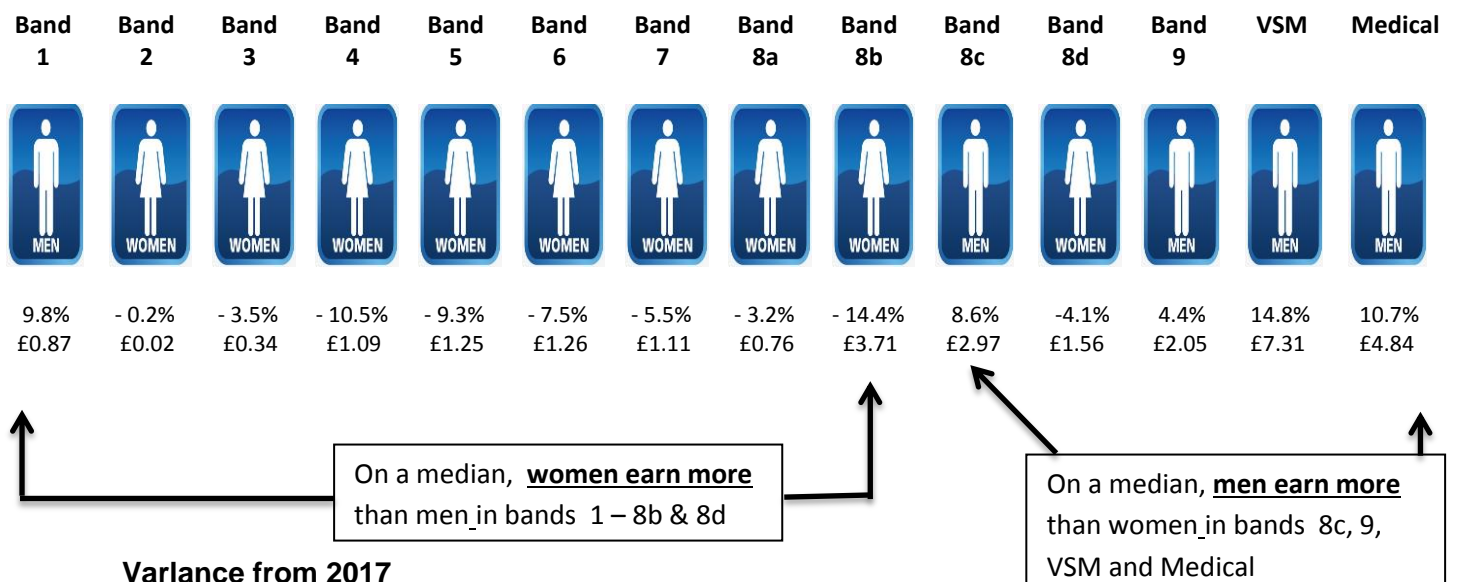


Variance from 2017

11.3%	0.3%	2.5%	2.5%	0.5%	2.0%	0.1%	1.4%	0.7%	9.0%	6.5%	5.1%	4.2%	5.4%
M	F	M	M	M	M	F	M	M	M	F	F	F	F

Letter represents which gender the variance favours.

Median



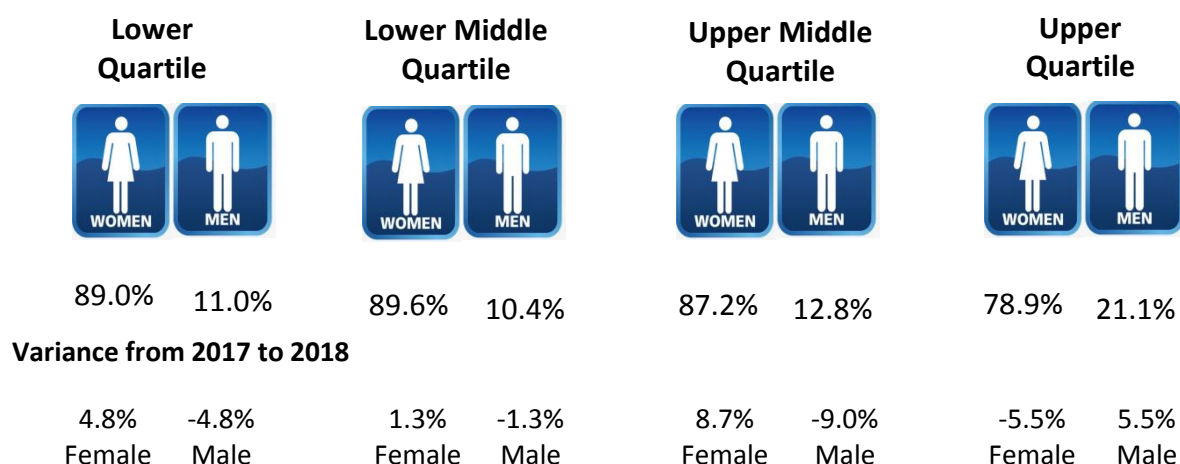
Variance from 2017

13.3%	0.7%	0.1%	2.6%	3.6%	0.6%	0.4%	0.4%	2.8%	9.1%	4.8%	5.1%	11.1%	2.8%
M	M	F	M	F	M	M	F	M	M	F	F	F	F

Letter represents which gender the variance favours.

In 2017, for both Mean and Median averages, female staff were paid higher than male staff in band 8c and lower in band 8d. This has turned around in 2018 due to staffing changes; new female employees have commenced at 8c and are lower on the scale than those that have left. There are also 3 less staff members in that banding. The 8d scale has lost a male member of staff who was at the top of the pay band and been replaced by a female staff member lower on the pay scale, there is one male staff member in this band and is lower on the scale. This rate is lower than the female average.

- The Trust is required to report on the proportion of males and females in each pay quartile. The visual aid below demonstrates that the number of females within each pay quartile is fairly proportionate, although males do clearly dominate those in the Upper Quartile;



- The pay quartiles are calculated using the calculations set out in the gender pay gap reporting regulations, quartiles are calculated by listing the rates of pay for each employee across the trust from lowest to highest then splitting that list into four equal-sized groups and calculating the percentage of males and females in each.
- The Trust is required to report on the gender pay gap for bonus awards. Colleagues will be aware that bonus' are not paid to staff on the Agenda for Change contract. Currently the Medical Staff contract does afford for the payment of Clinical Excellence Awards (Consultants) and Distinction Awards (Staff Grade), and NHS Employers has issued guidance that the payment of these Awards should be reported as a Bonus under the Gender Pay Gap reporting requirements. Colleagues will note that this has led to increased public media on this matter as it is clear throughout the NHS that more male colleagues are in receipt of these Awards. Within our Trust 0.59% of females received an Award (bonus) compared to 8.85% of males. All of the awards were for Clinical Excellence. Positive action is taking place to encourage female consultant colleagues to participate in the clinical excellence awards process. 45% of the applications received in the 2017/18 rounds were received from female applicants.

Key matters to note and potential underlying causes

- The gender pay gap is calculated as the average pay of all the men in an organisation compared to the average pay of all the women. With approximately 80% of the NHS workforce being women and because there is a more equal gender split

of higher-paid staff such as doctors, the average earnings for women overall is significantly lower, despite the fact that a man and a woman doing the same job are on the same pay grade.

2. There has been some confusion about the difference between equal pay for men and women doing the same job and the gender pay gap. As noted earlier the gender pay gap is not the same as equal pay, it's the difference between the average pay of all men compared to the average pay of all women in an organisation. Understanding the difference is important because the solutions to the gender pay gap are different to those required to ensure equal pay. It may be surprising, but it is possible to have genuine pay equality and still have a significant gender pay gap. For example if a company employs 11 people, say 10 engineers and one managing director, the 10 engineers (nine women and one man) all earn exactly £50,000 per year so they are all on equal pay. The managing director, who happens to be a man, is on £100,000 per year. The average salary for women in the organisation is £50,000 per annum while the average pay for men in the organisation is £75,000 per annum ($\frac{£50,000 + £100,000}{2}$), a gender pay gap of £25,000 or 50%. Although the reporting requirements apply to organisations larger than this the example makes the point.
3. All NHS organisations manage equal pay through robust job evaluation systems, these systems ensure that pay for work of equal value is recognised; for example, a male nurse and female nurse entering nursing with some qualifications and experience are paid the same pay scale; however, the best job evaluation system won't address the gender pay gap if an organisation has a majority of men in higher-paid roles. The NHS and this Trust is a case in point. When NHS Trusts report their gender pay gap most are likely to show a significant gender pay gap, even though people doing the same job get paid the same.
4. The Chartered Institute of Personnel & Development has published a paper on the Gender Pay Gap and concludes that "the gender pay gap exists because women tend to work in lower-paid occupations and sectors, and occupy less senior roles. Many women take time out of the labour market and work part-time because of unequal sharing of care responsibilities."
5. The Fawcett Society asserts that there are four major causes of the gender pay gap within society. These being:-
 - Discrimination: it's illegal, but some women are still paid less than men for the same work. Discrimination, particularly in relation to pregnancy and maternity leave remains common with 54,000 women forced to leave their jobs every year after becoming a mother.
 - Unequal caring responsibilities: Women play a greater role in caring for children, and for sick or elderly relatives. As a result more women work part time, and these jobs are typically lower paid with fewer progression opportunities.
 - A divided labour market: Women are still more likely to be in low paid and low skilled jobs, affecting labour market segregation. 80% of those working in the low paid care and leisure sector are women, while only 10% of those in the better skilled trades are women.
 - Men in the most senior roles: men make up the majority of those in the highest paid and most senior roles – for example there are just seven female Chief Executives in the FTSE 100.

6. Within Bolton NHS Foundation Trust the following matters can be observed where a Gender Pay gap has been highlighted. As follows:-
- a. **Medical (363 staff members)**. There is evidence that there are more males that work in the Medical profession (56.74%) which has increased since 2017 (55.43%). We have split this group further into quartiles to help us to understand if there are any issues that the trust need to consider. Between quartiles 1-3 the proportion of males to females is fairly even where the difference between them across all 3 quartiles is 1 employee. It is only in quartile 4 where men have a larger representation (77%). In quartiles 1-3 average length of service for all staff is broadly similar. However, in quartile 4 the average length of service is almost 2 years longer which does partially explain the gap but not enough to suggest that there isn't a gender bias within the medical workforce in the upper quartile, the bulk of which are consultants.
 - b. **Senior posts - Band 8d / Band 9 / Senior Managers paid at VSM rate / Executive level pay** –An analysis of this data shows that:- The Gender Pay bias (mean & median - men paid more per hour) for those on Agenda for Change Framework may be a result of where they sit on the Agenda for Change Pay scale. Analysis shows that the gender gap has widened in bands 8a-8c and the gender pay gap has reduced for bands 8d, 9, VSM and medical staff. We are referring to relatively small numbers of male and female staff in these bands and often small movements can appear to have a significant impact.
 - c. **Clinical Excellence Awards** – The stark Gender Pay Gap in this area is seen throughout the NHS and is deemed historic, a greater proportion of consultants historically are male and therefore will have a greater number of CEA awards. Analysis does show that in recent years there has been a more even spread in females receiving CEA's, specifically in 2014/2015 out of 26 males then 13 received a CEA – 50% and out of 15 females then 5 received a CEA – 33%. In 2015/2016 out of 21 males then 11 received a CEA – 52% and out of 19 females then 10 received a CEA – 52%. We have recently promoted the next clinical excellence awards, 45% of the applications received in the 2017/18 rounds were received from female applicants..

Next steps.

1. It is important that longer terms solutions are being explored to reduce the gender gap. Colleagues will recall from the discussions last year that given the complexities of this agenda then it may take many decades for this Gender Pay Gap to reduce. Details of actions being taken are described belows:
 - o **Talent Pipeline:** Succession planning more generally is an area that requires greater focus within the organisation. This critical matter has been considered in the development of a fresh Workforce & Organisational Development Strategy. The Strategy is committed to improving access to Female Leaders programme to encourage women to progress more rapidly into leadership roles. At the same time the Trust will explore how we can attract more men into the organisation at the lower bands, to create a more even gender balance and eliminate job segregation by marketing traditionally female's roles to the male labour market. We have already developed a positive action statement which will be included in job advertisements to attract men and BME staff to the trust. The Head of OD will be developing a centralised system to capture training and development for all staff across the trust which will enable us to have oversight of all staff development within trust.

- **Flexible working:** Given there is a linkage between more women taking up flexible working arrangements and gender pay differences then the Trust will continue to actively encourage flexible working across the trust in every role, at every level, to ensure that our people have the opportunity to work in a way that works best for their career aspirations and home life.
 - The flexible working policy is currently under review to ensure that it clearly communicates the support available for staff to be able to balance their commitments at home and their commitments within the workplace.
 - An electronic solution is being explored so staff can apply for flexible working online this will allow the trust to have a trust wide overview of how flexible working is applied across all areas.
 - The percentage of workers working part-time (45%) compared to full-time (55%) has remained static over the 2 reporting periods.
 - Although it is recognised that improvements can always be made to help staff to achieve work/life balance our recent staff survey results show a significant improvement in staff satisfaction with the opportunities for flexible working, showing a 10% improvement since 2016 (2016 – 50%, 2017 – 57%, 2018 – 60%) which is also 8% better than our comparator group.

- **Clinical Excellence Awards:** Pleasingly the Trust has seen more female members of staff participating in the recent clinical excellence awards round. 45% of the applications received in the 2017/18 rounds were received from female applicants.
 - We have recruited more female members onto the JLNC who will positively promote CEA within the workplace.
 - The study leave policy is under review to ensure that full and part time staff have equal access to development

Recommendations

1. The Board is asked to:
 - a. Note the details of the Gender Pay Report and the requirements for the details to be published by the end of March, 2019. These will be published on the government website prior to 30 March 2019 and this report will be published on our website for 3 years.
 - b. Highlight any specific additional assurance / workforce information required.

Appendix 1

Gender Pay Gap 2017 - Benchmark Data

Employer	% Difference in hourly rate (Mean)	% Difference in hourly rate (Median)	% Women in lower pay quartile	% Women in lower middle quartile	% Women in upper middle quartile	% Women in top quartile	% Who received bonus (Women)	% Who received bonus pay (Men)	% Difference in bonus pay (Mean)	% Difference in bonus pay (Median)
Pennine Care NHS Foundation Trust	12.2	3	83	83	86	80	0.3	2.3	-28	-14
Greater Manchester Mental Health NHS Foundation Trust	12.6	5	75.6	70.1	73.8	65.1	33.3	66.7	25	64
Lancashire Care Nhs Foundation Trust	13.8	2.5	80.3	80.3	85.5	72.5	0.2	2.4	32.2	52
The Christie Nhs Foundation Trust	19.6	4.7	71	79	78	62	32	67.2	12	33.3
Lancashire Teaching Hospitals Nhs Foundation Trust	22.7	0.1	74.3	81	83.3	71.8	0.5	6.2	18.9	36.1
The Pennine Acute Hospitals NHS Trust	23.7	4.3	78.2	81.8	85.6	70.6	0.5	6.8	22.3	33.3
Bolton NHS Foundation Trust	25.7	7.5	84.2	88.3	86.7	78.5	0.54	6.6	37.2	0
Salford Royal Foundation Trust	25.8	10.5	78.1	81.1	82.6	64.1	0.7	7.8	44.2	33.3
Mid Cheshire Hospitals Nhs Foundation Trust	25.9	12.2	82	85.8	84.6	74.5	0.2	4.7	0	3.1
Central Manchester University Hospitals Nhs Foundation Trust	26.6	7.6	79.7	86	86.2	69	0.8	6.3	22.9	25
Tameside and Glossop Integrated Care NHS Foundation Trust	27.3	9.7	83	84	86	74	44	47	8.4	0
East Cheshire Nhs Trust	34.5	15.7	83.8	88.7	88.9	73.2	0.4	6.5	36.7	58.9
Wrightington, Wigan And Leigh Nhs Foundation Trust.	35.4	16.9	83.7	82.1	84.9	66	0.3	7.6	65	75

APPENDIX 2 – Gender Pay Gap Figures

The figures below are for illustrative purposes only, showing a direct comparison to how the Trust reported in 2017, prior to the establishment of IFM.

	2017				2018				Variance			
Gender	Mean Rate	Hourly	Median Rate	Hourly	Mean Rate	Hourly	Median Rate	Hourly	Mean Rate	Hourly	Median Rate	Hourly
Male	£19.90		£14.50		£19.31		£15.80		-£0.59		£1.30	
Female	£14.80		£13.40		£14.89		£13.70		£0.09		£0.30	
Difference	£5.10		£1.10		£4.42		£2.10		-£0.68		£1.00	
Pay Gap %	25.70%		7.50%		22.89%		13.30%		-2.81%		5.80%	

*Including IFM for illustrative purpose

