

Gender Pay Gap Report 2017

1. What is the gender pay gap report?

Gender pay reporting legislation requires employers with 250 or more employees from April 2017 to publish statutory calculations every year showing how large the pay gap is between their male and female employees. There are two sets of regulations. The set of regulations that apply to Queen Victoria Hospital NHS Foundation Trust ('QVH') are those determined for the public sector, where a snapshot of pay is taken with effect from 31 March 2017 and data presented in line with 6 key indicators.

Gender pay reporting presents data on the difference between men and women's average pay within an organisation. It is important to highlight the distinction between this and equal pay reporting, which is instead concerned with men and women earning equal pay for the same (or equivalent) work. Across the country, average pay of women is lower than that of men and this tends to be because there are fewer women in senior high earning positions in organisations than men. Whilst a workforce may be predominantly female, if the most senior positions are taken up by men, the average pay of women in that organisation could well be lower. The Regulations have been brought in to highlight this imbalance, the aim being to enable employers to consider the reasons for any inequality within their organisation and to take steps to address it.¹

2. The gender pay gap indicators

An employer must publish six calculations showing their:

- Average gender pay gap as a mean average
- Average gender pay gap as a median average
- Proportion of males and females when divided into four groups ordered from lowest to highest pay.
- Average bonus gender pay gap as a mean average
- Average bonus gender pay gap as a median average
- Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment

3. Methodology

The statutory calculations have been undertaken using the national Electronic Staff Record (ESR) Business Intelligence standard report. In line with NHS Employers guidance Clinical Excellence Awards and the approach taken to award them at QVH these have been categorised as bonuses. Pay includes: basic pay, full paid leave including annual, sick, maternity, paternity, adoption or parental leave, bonus pay, area and other allowances, shift premium pay, pay for piecework.

Pay does not include: overtime pay, expenses (payments made to reimburse expenditure wholly and necessarily incurred in the course of employment, e.g. mileage for use of vehicle), remuneration in lieu of leave, the value of salary sacrifice schemes, benefits in kind (e.g. child care vouchers), redundancy pay and tax credits.

Technical guidance on how these indicators are calculated can be found on the ACAS website.²

¹ NHS Employers. *Briefing Note: Gender Pay Gap Reporting* retrieved 22/02/18: <http://www.nhsemployers.org/-/media/Employers/Documents/Pay-and-reward/Gender-pay-gap-reporting---2-March.pdf?la=en&hash=FE3D7AED4EBAB7D606B40A5D5CDDF0CB0F7E1C39>

² ACAS. *Gender Pay Gap Reporting* retrieved 22/02/18: <http://www.acas.org.uk/index.aspx?articleid=5768>

4. Statutory reporting analysis – QVH details

The following tables present the data as required by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 under Schedule 2. At 1st March 2018 QVH employed 791 women (77.32%) and 232Men (22.68%). A more detailed and informative analysis can be found in the detailed reporting analysis (Section 5).

a. Hourly rate

<u>Women's hourly rate is:</u>	
37% LOWER (mean)	41% LOWER (median)

b. Pay quartiles

<u>How many men and women are in each quarter of the employer's payroll:</u>	
Top quartile (4)	
46% MEN	54% WOMEN
Upper middle quartile (3)	
13% MEN	87% WOMEN
Lower middle quartile (2)	
15% MEN	85% WOMEN
Lower quartile (1)	
17% MEN	83% WOMEN

c. Bonus pay

<u>Women's bonus pay is:</u>	
18% LOWER (mean)	61% LOWER (median)
<u>Who received bonus pay:</u>	
2% OF MEN	1% OF WOMEN

5. Detailed reporting analysis – QVH details

a. Average gender pay gap as mean and median averages

Table 1

Gender	Mean Hourly Rate	Median Hourly Rate
Male £	24.32	21.16
Female £	15.29	12.57
Difference £	9.03	8.58
Pay Gap %	37.12%	40.57%

Table 2

	Male mean £	Female mean £	Difference £	Mean pay gap %	Male median £	Female median £	Difference £	Median pay gap %
Medical & Dental	37.54	33.15	4.39	11.7%	38.51	30.73	7.78	20.2%
All others	15.32	14.24	1.08	7.0%	11.71	11.80	-0.09	-0.8%

Table 3

Banding / grade categorisation	Male mean £	Female mean £	Difference £	Mean pay gap %	Male median £	Female median £	Difference £	Median pay gap %
AFC Bands 1 - 4	9.68	9.89	-0.22	-2.2%	9.24	10.18	-0.94	-10.2%
AFC Bands 5 - 7	17.80	17.28	0.52	2.9%	18.08	17.16	0.92	5.1%
AFC Bands 8+	30.02	27.49	2.53	8.4%	29.27	24.57	4.70	16.1%
Medical: Doctors in Training	28.37	29.07	-0.70	-2.5%	30.19	26.73	3.46	11.5%
Medical: Career Doctors	28.42	29.84	-1.41	-5.0%	27.27	30.73	-3.46	-12.7%
Medical: Consultants	46.00	40.52	5.48	11.9%	47.21	43.70	3.51	7.4%

b. Proportion of males and females when divided into four groups ordered from lowest to highest pay

Quartile	Female (headcount)	Male (headcount)	Female %	Male %
1	212	42	83.46%	16.54%
2	217	38	85.10%	14.90%
3	224	34	86.82%	13.18%
4	138	118	53.91%	46.09%
Total	791	232	77.32%	22.68%

c. Average bonus gender pay gap as mean and median averages

Gender	Mean bonus (total)	Median bonus (total)
Male £	17,698.65	14,917.95
Female £	14,555.57	5,844.00
Difference £	2,780.70	14,917.95
Pay Gap %	17.76%	60.83%

d. Proportion of eligible males and females receiving a bonus payment

Gender	Total as % of workforce	Total eligible to earn	Total number	Total as % of eligibility
Males receiving bonus	2.35%	50	24	48.00%
Females receiving bonus	0.98%	15	10	66.67%

6. Narrative

a. Mean vs. median averages

QVH is broadly comparable to all other NHS Acute hospitals who have published their reports. Both the mean and median hourly pay gap percentages for the sector are significantly affected by the presence of the Medical Consultant body due to both their high base wage and the Clinical Excellence Awards bonus scheme (that follows national guidelines).

As the second smallest NHS Foundation Trust in England, we comparatively have a very small denominator of staff and the specialist nature of the work undertaken at QVH means the Medical Consultant body forms a much higher proportion of our overall workforce. This means that the median pay gap percentages are much affected by this staff group. Median calculations do not account for a concentration of high earners in such a small hospital given. The difference between the number of male Consultants (n = 50) compared to female Consultants (n = 24) is considerable. The mean can therefore be seen as more accurately reflecting the gender pay gap due to the higher proportion of men in these highest paid senior positions, as demonstrated in the quartile-based data in Section 5b.³

b. Band / grade related average gender pay gaps

Taking the mean average as the more representative of scores, two potential outliers are highlighted when looking at bands/grades (Section 5a, Tables 3): the Medical Consultants group and the Agenda for Change [AFC] Band 8+ group

When comparing the gender pay gap as a mean average solely within the Medical Consultant body (Section 5a, Table 3) there is still an undesirable gap of 11.9%. Historically across the NHS the medical profession has been predominantly male and only in recent years have equal numbers of females been entering the profession as junior doctors. Across all staff groups, deeper analysis highlights a very strong correlation between longer length of service and higher pay-rates, which is determined by national pay-scales. However this is most pronounced within this Medical Consultant staff group where the 2003 Consultant Contract pay-scales stretch the highest pay-award to 19+ years of service as a Consultant. Only 6 female Consultants have 9+ years' service and earn the sixth payment threshold of £92,078 (or more) compared to 24 male Consultants. Preliminary discussions around both revised national Consultant Contract and AFC terms and conditions suggest that a reduction in the number of points available on tenure-linked pay scales is likely which will be the systematic way of equalising this area.

When examining the AFC Band 8+ group differences, the relatively small number of individuals (n = 45) means that the variation across Bands 8a, 8b, 8c, 8d and 9 has a big effect. 11 of the 15 males in this group are Bands 8b and above (73%) which compares to 15 of 30 females (50%) resulting in the pay gap.

³ NHS Employers. *Briefing Note: Gender Pay Gap Reporting* retrieved 22/02/18: <http://www.nhsemployers.org/-/media/Employers/Documents/Pay-and-reward/Gender-pay-gap-reporting---2-March.pdf?la=en&hash=FE3D7AED4EBAB7D606B40A5D5CDDF0CB0F7E1C39>

c. Average bonus gender pay gap as a median average

The average bonus gender pay gap is caused by the same 'long years of service' phenomenon outlined above, as the higher bonuses are earned through cumulative awards based on longer years of service.

Although the crude statutory reporting figure of 'who received bonus pay' [Section 4c] shows 2% of males compared to 1% of females receiving a bonus, the only staff eligible for a bonus at QVH are Medical Consultants earning Clinical Excellence Awards. When looking at the comparative data specifically for this eligible staff group it is reassuring to see that QVH goes against the national trend with more females being awarded bonuses (66.67%) compared to the male comparator group (48%).

With a higher proportion of female Consultants applying for QVH roles and being appointed in more recent years, the proportion of those eligible for bonuses will continue to increase.

7. Action plan

	Action	Responsibility	By When
1	Ensure consistent application of Agenda for Change job evaluation rules through constant membership of consistency checking panels	Deputy Director of Workforce	30/04/2018
2	Review how well the Trust manages women's career progression after employment breaks such as maternity leave, creating interventions as necessary	HR Manager	30/06/2018
3	Active promotion of current policies on flexible and family-friendly working for all genders	HR Manager	30/06/2018
4	Audit of the Trust's 'Top Quartile' earners to review rationale and conclusions for determination of each remuneration	Deputy Director of Workforce	30/06/2018
5	Ensure mixed gender panels for selection and remuneration purposes for Bands 8a+, VSM and Consultant appointments (including Clinical Excellence Awards)	Director of Workforce & OD	30/06/2018
6	Collaborate with neighbouring acute Trusts to share best practise, review and update this action plan	Deputy Director of Workforce	30/09/2018