

Gender Pay Gap Report 2018

1. **What is the gender pay gap report?**

Gender pay reporting legislation requires 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. 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 of a given year 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]](#footnote-1)

1. **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

1. **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]](#footnote-2)

1. **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 827 women (76.65%) and 252 men (23.35%). A more detailed and informative analysis can be found in the detailed reporting analysis (Section 5).

* 1. ***Hourly rate***

|  |  |
| --- | --- |
| **Women’s hourly rate is:** | |
|  |  |
| **35.9%** | **39.9%** |
| **LOWER** | **LOWER** |
| (mean) | (median) |

* 1. ***Pay quartiles***

|  |  |
| --- | --- |
| **How many men and women are in each quarter of the employer's payroll:** | |
|  |  |
| **Top quartile (4)** | |
| **45.2%** | **54.8%** |
| **MEN** | **WOMEN** |
|  |  |
| **Upper middle quartile (3)** | |
| **MEN** | **WOMEN** |
| **14.6%** | **85.4%** |
|  |  |
| **Lower middle quartile (2)** | |
| **15.4%** | **84.6%** |
| **MEN** | **WOMEN** |
|  |  |
| **Lower quartile (1)** | |
| **17%** | **83%** |
| **MEN** | **WOMEN** |
|  |  |

* 1. ***Bonus pay***

|  |  |
| --- | --- |
| **Women's bonus pay is:** | |
|  |  |
| **13.7%** | **50%** |
| **HIGHER** | **LOWER** |
| (mean) | (median) |
| **Who received bonus pay:** | |
|  |  |
| **10.1%** | **1.1%** |
| **OF MEN** | **OF WOMEN** |

1. **Detailed reporting analysis – QVH details**
   1. ***Average gender pay gap as mean and median averages***

***Table 1***



***Table 2***

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***Table 3***



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

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* 1. ***Average bonus gender pay gap as mean and median averages***



* 1. ***Proportion of eligible males and females receiving a bonus payment***



1. **Narrative** 
   1. ***Mean vs. median averages***

QVH is broadly comparable to all other NHS Acute hospitals who have published their reports (see Appendix 1). 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. The difference between the number of male Consultants (n = 54) compared to female Consultants (n = 18) 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]](#footnote-3)

In a comparison to the 2017 report, it is reassuring to see a reduction in both mean and median pay gaps. The mean pay-gap has reduced from 37% to 35.9%, and the median pay-gap from 41% to 39.9%. The distribution across quartiles has also changed to be

marginally more representative of the distribution across the whole organisation, with a reduction in males within the top quartile from 46% to 45.2%.

* 1. ***Band / grade related average gender pay gaps***

Taking the mean average as the more representative of scores, three main outliers are highlighted when looking at bands/grades (Section 5a, Table 3): the Agenda for Change [AFC] Band 8+ group, the Medical: Doctors in Training, and Medical: Career Doctors group.

When analysing the median pay gap within the AFC Band 8+ group, the variance was caused by the different proportions of seniority within that group. Males had an equal representation of 12 individuals at Bands 8a – 8b and 12 individuals at Bands 8c and above (including Very Senior Manager [VSM] payscales). However, females had a much greater proportion at the lower scales, with 27 individuals at Bands 8a – 8b, and 12 at Bands 8c and above (including VSM).

In the Medical: Doctors in Training group, the pay-gap for females (n=28) was partially distorted by the presence of Dental Core level 1 trainees, which were not apparent within the male group (n=25). An analysis between the difference of Trust-appointed and Deanery-appointed training level doctors reveals no findings.

In the Medical: Career Doctors group, the pay-gap is in favour of females. This is caused by the higher pay terms of the closed Associate Specialist grade, of which 5 out of 6 the Trust has are female, in comparison to the Trust-appointed Fellows as part of the lower remunerated Specialty Doctor pay-scale.

In comparison to the 2017 report, both the mean and median averages within the Medical Consultant body have reduced (Section 5a, Table 3) from 11.9% to 5.7% mean gap and 7.4% to 5.9% median gap.

* 1. ***Average bonus gender pay gap as a median average***

Although the statutory required reporting figure of those receiving a bonus (section 4c) shows 10.1% of males receiving a bonus compared to only 1.1% of females, this is substantially skewed by the predominance of males within the Medical Consultant body and the disproportionate number of males in the rest of the workforce. When examining the more meaningful proportion of staff actually eligible for a bonus, which within the Trust is only the Medical Consultant body through Clinical Excellence Awards, it is encouraging to see that the Trust continues to beat the national trend with more females being awarded bonuses out of total eligible numbers: 55.6% of eligible females received Clinical Excellence Awards (CEA) compared to 51.9% of eligible males.

It is also encouraging to see a significant shift in the mean and median bonus pay rates compared to last year, the mean bonus gap shifting from 18% lower to 13.7% higher and the median bonus gap reducing from 61% lower to 50% lower. The favourable mean bonus gap for females is significantly impacted by one particularly distinguished female advancing from a Silver to a Gold Award in year.

An analysis of the median bonus gender pay gap highlights a very strong correlation between longer length of service and higher bonus pay-rates, which is unsurprising given that higher bonuses are earnt through cumulative awards based on longer years of service. Only 5 of 10 females (50%) awarded a CEA had 10 or more years’ service,

compared with 22 of 28 males (78%). It will therefore be a number of years until the median bonus pay gap is likely to be reduced significantly as it will take the comparatively newer females within the workforce time to accumulate longer service and advance up the CEA scale.

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 gradually continue to increase.

1. **Action plan**

The Trust’s 2017 report and action plan was referenced by NHS Employers as best practise through separating out Agenda for Change staff and medical staff, ensuring there was an explanatory narrative as well as a purely factual one, and displaying a convincing commitment to future action and an action plan.[[4]](#footnote-4)

The 2017 action plan was implemented in full, with:

1. a review and commitment to the equal pay principles of Agenda for Change job evaluation
2. a review of how well the Trust manages women’s career progression after employment breaks such as maternity leave
3. active promotion of current policies on flexible and family-friendly working for all
4. an audit of the Trust's 'Top Quartile' earners to review rationale and conclusions for determination of each remuneration
5. an amendment to Trust Recruitment and Selection Policy to ensure mixed gender panels for selection and remuneration purposes for Bands 8a+, VSM and Consultant appointments (including Clinical Excellence Awards)
6. collaboration with neighbouring acute Trusts to share best practise

These core principles will continue in the coming years, with the additional below actions added into the plan following this 2018 report:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Action** | **Responsibility** | **By When** |
| 7. | Encouragement of more female workers to apply for Clinical Excellence Awards | Director of Workforce & Organisational Development | 30/04/2019 |
| 8. | Explore how we can better promote our vacancies in senior positions to women and organisations that support women | Recruitment Manager | 30/06/2019 |
| 9. | Review the policy and process to ensure there is no gender bias in the starting salaries of new employees and regularly monitor | Deputy Director of Workforce | 30/06/2019 |

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> [↑](#footnote-ref-1)
2. ACAS. *Gender Pay Gap Reporting* retrieved 22/02/18: <http://www.acas.org.uk/index.aspx?articleid=5768> [↑](#footnote-ref-2)
3. NHS Employers. Op cit. [↑](#footnote-ref-3)
4. 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> [↑](#footnote-ref-4)