

## Gender Pay Gap Report Snapshot 2019 data

### 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.<sup>1</sup>

### 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, with quality assurance on data through a cleansing exercise. 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.

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<sup>1</sup> NHS Employers: *Addressing Your Gender Pay Gap* retrieved 20/01/2020: <https://www.nhsemployers.org/-/media/Employers/Publications/women-leaders/Addressing-your-gender-pay-gap-guide.pdf?la=en&hash=FFC0D0DD1078545C7FDC089D788A1EF87D664E55>

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.<sup>2</sup>

#### 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 31<sup>st</sup> March 2019 QVH had 982 posts filled by women (78.0%) and 277 by men (22.0%), proportionately more women than the previous year (77.7%). Please note a number of single employees hold multiple posts. 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>	
<b>34.4%</b>	<b>27.9%</b>
<b>LOWER</b>	<b>LOWER</b>
(mean)	(median)

##### b. Pay quartiles

<u>How many men and women are in each quarter of the employer's payroll:</u>	
<b>Top quartile (4)</b>	
<b>39.5%</b>	<b>60.5%</b>
<b>MEN</b>	<b>WOMEN</b>
<b>Upper middle quartile (3)</b>	
<b>MEN</b>	<b>WOMEN</b>
<b>14.7%</b>	<b>85.3%</b>
<b>Lower middle quartile (2)</b>	
<b>18.1%</b>	<b>81.9%</b>
<b>MEN</b>	<b>WOMEN</b>
<b>Lower quartile (1)</b>	
<b>15%</b>	<b>85%</b>
<b>MEN</b>	<b>WOMEN</b>

<sup>2</sup> ACAS. Gender Pay Gap Reporting retrieved 20/01/2020: <http://www.acas.org.uk/index.aspx?articleid=5768>

**c. Bonus pay**

<b><u>Women's bonus pay is:</u></b>	
<b>5.8%</b> <b>LOWER</b> (mean)	<b>32.4%</b> <b>LOWER</b> (median)
<b><u>Who received bonus pay:</u></b>	
<b>13.2%</b> <b>OF MEN</b>	<b>1.7%</b> <b>OF WOMEN</b>

**5. Detailed reporting analysis – QVH details**

**a. Average gender pay gap as mean and median averages**

**Table 1**

Gender	Mean average hourly rate	Median average hourly rate
Male	£25.94	£20.63
Female	£17.02	£14.87
Difference	£8.92	£5.76
Pay Gap %	<b>34.4%</b>	<b>27.9%</b>
Comparison to 2018 <i>(improvement)</i>	<b>1.5%</b>	<b>8.0%</b>
Comparison to 2017 <i>(improvement)</i>	<b>2.6%</b>	<b>13.1%</b>

**Table 2**

Pay Grade	Female	Male	Difference	Pay Gap %
AFC Band 1	£10.05	£11.52	£1.47	12.8%
AFC Band 2	£9.78	£9.92	£0.14	1.4%
AFC Band 3	£9.93	£10.15	£0.22	2.1%
AFC Band 4	£11.19	£11.26	£0.07	0.6%
AFC Band 5	£14.81	£13.61	-£1.20	-8.9%
AFC Band 6	£18.19	£19.91	£1.72	8.6%
AFC Band 7	£20.73	£21.40	£0.67	3.1%
AFC Band 8+	£28.30	£29.36	£1.05	3.6%
Other (M&D*)	£35.76	£41.68	£5.92	14.2%

\* majority are medical and dental, with handful of 'ad hoc' pay grades

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

Quartile	Female	Male	Female %	Male %
1	267	47	85.0%	15.0%
2	258	57	81.9%	18.1%
3	261	45	85.3%	14.7%
4	196	128	60.5%	39.5%
<b>Total</b>	982	277	<b>78.0%</b>	<b>22.0%</b>

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

Gender	Mean bonus pay	Median bonus pay
Male	£14,223.23	£11,812.63
Female	£12,667.20	£6,032.04
Difference	£1,556.04	£5,780.59
Pay Gap %	<b>5.8%</b>	<b>32.4%</b>

**d. Proportion of eligible males and females receiving clinical excellence awards**

**Table 1**

Gender	Total headcount eligible as % of overall workforce	Total eligible to earn	Total number	Total as % of eligibility
Male CEAs	<b>23.40%</b>	55	29	<b>52.73%</b>
Female CEAs	<b>2.57%</b>	20	10	<b>50.00%</b>

**Table 2**

CEA bonuses only		
Gender	Mean bonus pay	Median bonus pay
Male	£15,169.66	£12,063.96
Female	£16,217.36	£8,922.34
Difference	-£1,047.69	£5,780.59
Pay Gap %	<b>-3.3%</b>	<b>27.5%</b>

## 6. Narrative

### ***a. Mean vs. median averages***

QVH is broadly comparable to all other NHS Acute hospitals where both mean and median pay gaps are significantly affected by the presence of the Medical Consultant body. This is because of both their high base wage and the Clinical Excellence Awards bonus scheme (that follows national guidelines), and the historical legacy of this profession originally being male dominated.

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, as is reflected in the quartile 4 within Section 5b.<sup>3</sup> In line with best practice in statistics, we know that a mean average is more affected by extreme scores. Therefore, the mean pay gap percentages are particularly affected by this staff group and the concentration of high earners given our small hospital. Although the gap is reducing year-on-year, the current difference between the number of male Consultants (n = 55) compared to female Consultants (n = 20) is considerable. The median (27.9%) pay gap can therefore be seen as the more accurate reflection of the Trust gender pay gap.

In a comparison to the 2017 and 2018 reports, it is reassuring to see a continued reduction in both mean and median pay gaps. The mean pay-gap reduced from 37% to 35.9% in 2018, and now to 34.4%. The median pay-gap reduced from 41% to 39.9% in 2018, and now to 27.9%. The distribution across quartiles also continues to change towards becoming more representative of the distribution across the whole organisation, with a reduction in males within the top quartile from 46% in 2017 to the current position of 39.5%.

### ***b. Band / grade related average gender pay gaps***

There are two main outliers (those at over 10%) when looking at bands/grades (Section 5a, Table 2): the 'Other (Medical & Dental)\*' group and the Agenda for Change [AFC] Band 1 group. The 'Other (Medical & Dental)\*' group pay disparity is explained above relating to seniority of the Consultant grade.

For the Band 1 group, the male group is exclusively those with the job title 'Domestic Assistant', whereas the female group is a mixture of 'Domestic Assistant' and 'Catering Assistant'. The average hourly wage includes unsocial hours' enhancements, which the role of catering assistant does not attract in any significant volume; hence the disparity and increased hourly equivalent wage for males at this level.

### ***c. Average bonus gender pay gap as a median average***

Although the statutory required reporting figure of those receiving a bonus (section 4c) shows 13.2% of males receiving a bonus compared to only 1.7% 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.

The Trust operates only three bonus schemes: a 'new starter premium' (a type of 'golden handshake') for hard-to-fill specialist roles, a 'refer a friend' scheme open to all who refer a friend into one of those hard-to-fill specialist roles, and the national Clinical Excellence

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<sup>3</sup> NHS Employers. Op cit.

Awards initiative. The former schemes in the reporting period amounted to £2,000; £1,000 split evenly each to males and females. The Clinical Excellence Awards (CEA) payments totalled £602,093.83. A more meaningful analysis focuses on just this CEA area and removes the smaller payments that skew the data.

Section 5d (Table 1) highlights that of those eligible to be awarded CEAs females are being awarded proportionally (50% compared to 52.73% of males). Section 5d (Table 2) highlights that females are receiving a comparable mean average bonus compared to males (-3.3%). This slightly favourable mean bonus gap for females is impacted by one particularly distinguished female having received the highest possible 'Gold Award'. As highlighted earlier, the median average bonus is less affected by extremes and should however be seen as more representative (27.5% pay gap adverse to females).

A more detailed analysis of the bonus gender pay gap highlights a very strong correlation between longer length of service and higher bonus pay-rates. This is unsurprising given that higher bonuses are earned through cumulative awards based on longer years of service. Only 4 of the 10 females (40%) awarded a CEA had 14 or more years' service, compared with 18 of 29 males (62%). It will therefore be a number of years until the 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.

## 7. 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.<sup>4</sup>

The 2017 and 2018 action plans were implemented in full, with:

1. a review of the application of the Agenda for Change job evaluation scheme
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
7. encouragement of more female workers to apply for Clinical Excellence Awards
8. exploration of how we can better promote our vacancies in senior positions to women and organisations that support women
9. review of the policy and process around starting salaries of new employees to ensure there is no gender bias

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<sup>4</sup> 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>