

# **GENDER PAY GAP**

## **2017/18**

## Introduction

Following a government consultation it became mandatory from 31 March 2017 for all public sector organisations with over 250 employees to report annually on their gender pay gap. Collation and analysis of this data enables organisations to highlight any anomalies between pay of female and male employees. Publication of the information on the government website is required by 30 March 2018 and the information must also be published on the Trust's website for a period of at least 3 years.

These regulations underpin the Public Sector Equality Duty and require publication of gender pay gap data by 30 March 2018 (and then annually), including mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and woman who receive bonuses; and the proportions of male and female employees in each pay quartile.

The gender pay gap is different to equal pay. Equal pay relates to pay differences between individuals or groups who carry out the same or similar jobs or work of equal value. It is unlawful to pay people unequally because of their gender. Gender pay gap refers to the differences between the earnings of men and women regardless of roles or seniority.

The reporting encompasses all employees who are employed under a contract of employment, a contract of apprenticeship or a personal contract for work, including those under Agenda for Change, Medical and Very Senior Manager terms and conditions. The data is taken at a snapshot date, which for public organisations is the 31st March 2017; this is the first report compiled by the Trust.

The report sets out the following elements:-

- reporting requirements
- Provides some analysis to identify the gender pay gap
- Possible reasons for the gender pay gap
- Next steps

## 1. Headlines

The report is based on rates of pay as at 31 March 2017 and bonuses paid in the year 1 April 2016 – 31 March 2017. It includes all workers in scope at 31 March 2017.

- There is a mean average pay gap of 29% and a median hourly rate gap of 11.8% within the Trust.
- 65% of the top quartile are females however this is a lower percentage than in other quartiles.
- There is a bonus gender pay gap difference of -12.4% (mean), which favours women more than men, whilst there is no difference in relation to the median bonus pay within the Trust.
- There were 41 males, equivalent to 5.03% of the male workforce and 13 women, 0.47% of the female workforce who received a Clinical Excellence Award during the 2016/17 financial year.

## 2. Definition of Equal Pay and Gender Pay Gap

As noted earlier in this report, gender pay gap is different to equal pay.

Equal pay relates to pay differences between individuals or groups who carry out the same or similar jobs or work of equal value. It is unlawful to pay people unequally because of their gender.

Legislation requires that men and women must receive equal pay for:

- The same or broadly similar work
- Work rated as equivalent under a job evaluation scheme or work of equal value.

Equal pay in the NHS is demonstrated primarily through nationally agreed terms and conditions for our workforce.

Gender pay gap refers to the differences between the earnings of men and women regardless of roles or seniority.

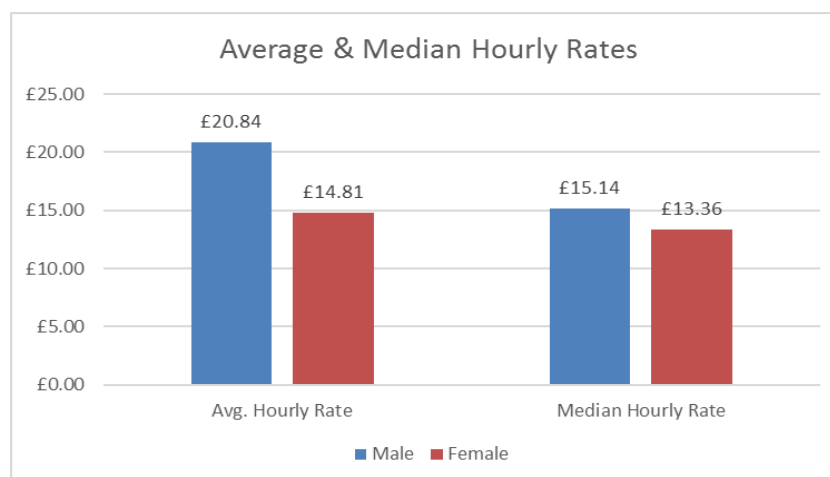
## 3. Gender Pay Gap

The gender pay gap at Bedford Hospital does not stem from paying men and women differently for the same or equivalent work. The gender pay gap is as a result of roles in which men and women work within the organisation and the salaries that these roles attract.

### 3.1 Average and median hourly rates

The average and median hourly rates are shown in the charts below:

	Avg. Hourly Rate	Median Hourly Rate
Male	£20.84	£15.14
Female	£14.81	£13.36
Difference	£6.03	£1.79
Pay Gap %	28.96%	11.79%



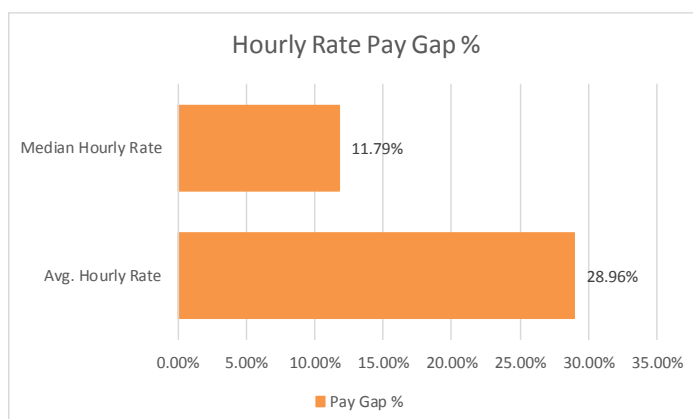
The data collected to calculate the gender pay gap for ordinary pay includes all substantive and bank staff and their basic pay, duty enhancements, on-calls and stand-by duties. It excludes overtime and salary sacrifice schemes.

The hourly rate data suggests that the mean and median hourly pay for females is lower than males.

The mean average will always display a higher pay gap due to the way the figure is calculated. It takes account of all salaries in the sample which results in some outliers between the highest and lowest earners; this can distort the measurement due to irregular distribution of pay.

The median value is a more accurate indicator; it takes the middle value from the sample range across all staff groups including very senior managers.

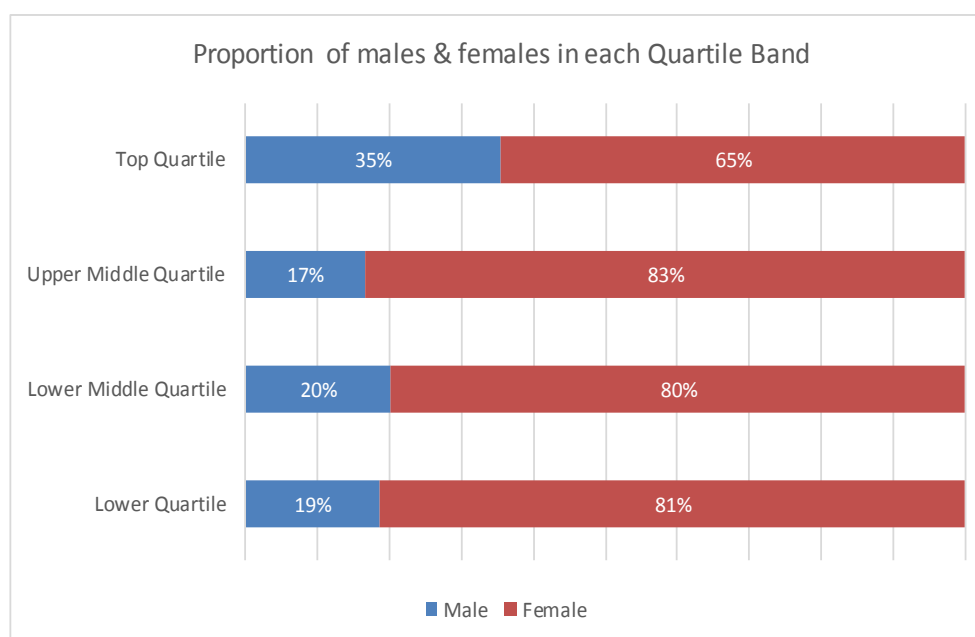
The table below shows the % hourly rate pay gap:



The average hourly rate indicates a 29% pay gap, whilst the median hourly rate is 11.8%. Whilst this favours males more than females, it is below the median estimation from the Office for National Statistics (ONS) of 18.1%. It is important to remember that this is about the gender pay gap, not equal pay.

### 3.2 Proportion of males and females in each quartile band

The gender pay gap position is based on the staff contained within the respective pay categories. Where there is a negative figure, it suggests that the pay gap is in favour of females. Where there is a positive figure, it reflects a gender pay gap in favour of males.

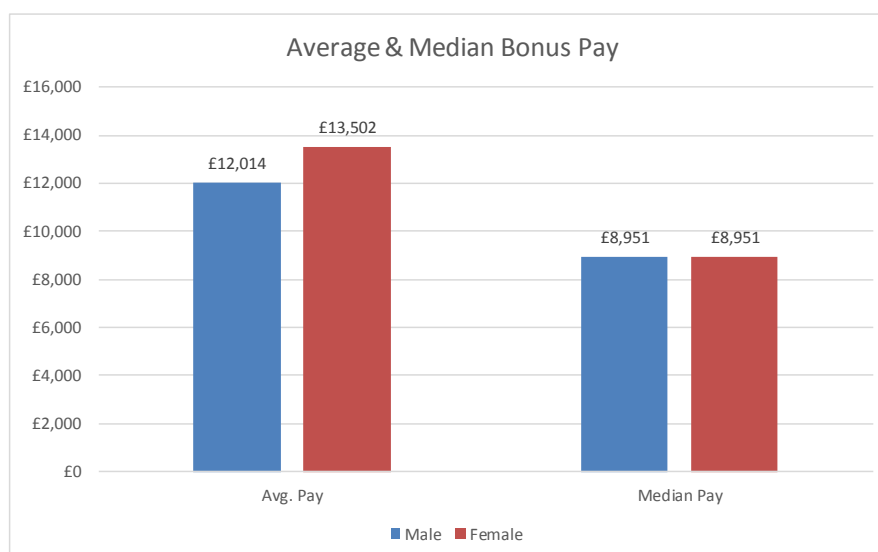


There are four pay quartiles, the top quartile represents the highest earners and the lower quartile the lowest paid earners in the Trust. The pay quartiles show the male and female split within these quartiles.

Females make up 77% of our workforce and this majority is seen in the % split for each quartile. The upper middle quartile has the highest female representation within the Trust at 83% however the lowest representation is in the top quartile at 65%.

There is a 29% (mean) and an 11.8% (median) gender pay gap within the Trust, whilst there are more females than males in the NHS it is noted that there is a relatively higher % of males in more senior/higher paid jobs than females.

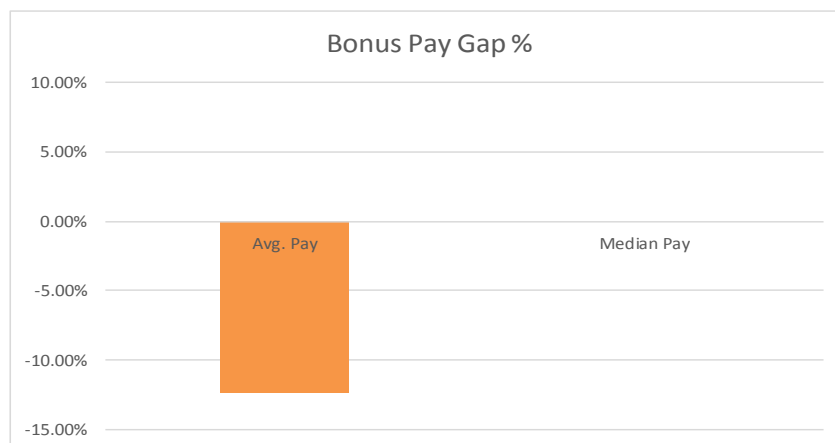
### 3.3 Average and median bonus Gender Pay Gap



The relevant bonus period is calculated using the preceding twelve months ending on the 31<sup>st</sup> March 2017; therefore it captures all bonus payments between 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017.

In line with NHS Employers guidance the only pay elements to fall under the bonus pay criteria are Clinical Excellence Awards which are payable to Consultants. Clinical Excellence Awards are available to be applied for annually and are awarded in recognition of excellence in practice over and above contractual requirements.

	Avg. Pay	Median Pay
Male	£12,014	£8,951
Female	£13,502	£8,951
Difference	-£1,488	£0
Pay Gap %	-12.39%	0.00%



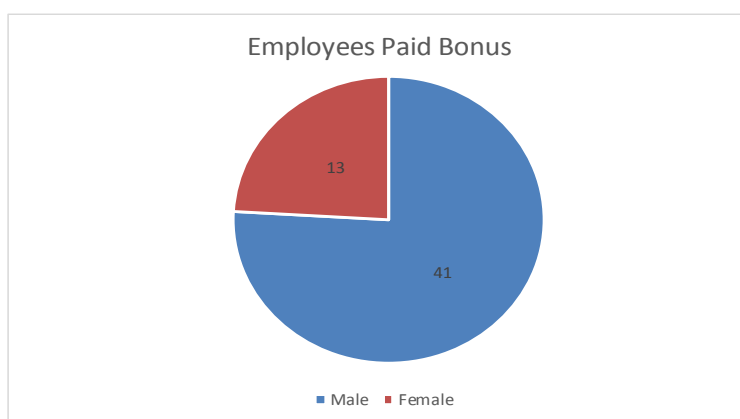
The bonus pay gap is -12.4% (mean) favouring females more than males. There is no difference in relation to the median bonus pay. Males make up 74% of the Consultant workforce therefore a variance in the average is to be expected.

### 3.4 Proportion of males and females receiving a Bonus Payment

The only 'bonus pay' is Clinical Excellence Awards for Consultants. 41 males, 5.03% of the male workforce and 13 females, 0.47% of the female workforce received a Clinical Excellence Award during the 2016/17 financial year.

As more males received a Clinical Excellence Award than females it explains why there is a -12.4% average pay gap in favour of females. The median pay indicator shows a 0% pay gap.

	Employees Paid Bonus	Total No. Employees	%
Male	41	815	5.03%
Female	13	2760	0.47%



#### 4 Next Steps

Further analysis will take place to identify specific actions and a work plan will be developed. Our initial focus will be to understand the variance of the upper quartile when compared to the lower three quartiles. The gender pay gap will be monitored through the Trust's Equality and Diversity Committee.

March 2018