

Meeting Title:	Trust Board- private		
Date:	29 March 2018	Agenda No.	6.5
Report Title:	Gender Pay Gap Reporting		
Lead Director/ Manager:	Harbhajan Brar, Director of Human Resources and Organisational Development		
Report Author:	Sion Pennant-Williams, Workforce Intelligence Manager		
Presented for:	Approval		
Executive Summary:	<p>St George's gender pay gap as at 31st March 2017 (the snapshot date required for reporting) is 13.94% mean and 2.11% median. The 4 pay quartiles show a higher proportion of males in the highest and lowest pay quartiles, despite the workforce being predominantly female.</p> <p>If we exclude the medical workforce, the gender pay gap is reversed and, across the rest of the workforce, on average, females get paid more than males by 3.45%. This implies a material gender pay gap within the medical workforce, and more detailed analysis has been undertaken of this and is set out in the Report.</p> <p>Bonuses (via Clinical Excellence Awards or CEAs) were paid only to Consultants, and more CEAs were paid to male Consultants than to female Consultants. This is more complex than it appears, as relatively more male consultants applied. The success rate of male and female consultants who do apply for CEAs is broadly the same. Similar questions arise in relation to payments for Additional Programmed Activities.</p> <p>Further work is required, and proposed actions are set out in the Report.</p>		
Recommendation:	The Board is asked to approve this paper for before it is published on the Trust's external website		
Supports			
Trust Strategic Objective:	N/A		
CQC Theme:	Well Led.		
Single Oversight Framework Theme:	N/A		
Implications			
Risk:	Without supporting narrative external organisations can make their own assumptions on the gender pay gap.		
Legal/Regulatory:	The Trust is required by law to publish the gender pay gap by 30 th March 2018.		
Resources:	No additional resources required.		

Previously Considered by:	N/A	Date:	16.03.2018
Equality Impact Assessment:	The purpose of this paper was to identify gender pay inequalities.		
Appendices:	N/A		

GENDER PAY GAP REPORT

30 March 2018

Data stated is as at 31 March 2017, unless otherwise indicated

1. Summary and Proposed Actions

This is the first Gender Pay Gap Report from St George's University Hospitals NHS Foundation Trust ('St George's' or 'the Trust') which, as at 31 March 2017 had some 9,000 staff, 73% of whom were female.

The analysis we have done to prepare this Report identifies a 'mean' and a 'median' gender pay gap, which clearly requires investigation and, where appropriate, correcting.

St George's takes no comfort from the fact that, ranked against other NHS Trusts and Foundation Trusts which have published their respective pay gaps, it is in the upper quartile on gender fairness. There is clearly further work to be done to improve things for all staff.

The measured position on the gender pay gap for the 12 months to 31 December 2017 is as follows:-

- **Median gender pay gap, 2.11% in favour of male employees**
- **Mean gender pay gap, 13.94% in favour of male employees**

It is critical to emphasise this does not mean that a male and a female staff member doing equal work receive different levels of pay. Rather, the above statistics are driven largely by (i) the distribution of males and females within different parts of the workforce, and (ii) the pay of the medical workforce which has an amplified effect on statistics relating to the total workforce.

Within this, two dominant themes stand out. First, looking at the totality of the workforce, male staff are both disproportionately represented in the lowest and the highest earnings quartiles. The reasons for this are complex and need to be clearly understood if corrective action is to be successful. Second, if the medical workforce is excluded, the gender pay gap is reversed and becomes one which favours female staff. In fact analysing pay across all staff except medical staff creates a mean gender pay gap of 3.45% in favour of females, and a median gap of 15% in favour of females. The clear implication is that the gender pay gap across the medical workforce is sufficient to reverse the female positive gender pay gap across the remainder of the Trust's workforce, and generate the overall results set out in the bullet points above.

Analysis of gender pay across the medical workforce reveals a complex distribution. For early years' medical trainees there is a gap in favour of female doctors, but at more senior non-consultant levels the gap switches to one in favour of male doctors. The reasons for this are multiple, but we propose a programme of work to investigate these and help inform adjustments to our employment practices to ensure fairness across all stages of medical career development.

At Consultant level, the gender pay gap is real, and favours male consultants. The mean gender pay gap for consultants is 4.33% in favour of male consultants. At first sight the data suggests that this is largely attributable to the impact of Clinical Excellence Awards and Additional Programmed Activities. It is a fact that in the past a relatively smaller proportion of female consultants than male consultants put themselves forward for such awards. The deeper question is why this is the case. We intend to review the internal processes and support offered to consultant staff to ensure that they are gender-neutral, and create a supported environment in which female consultants are as willing to apply as male consultants.

We intend to report back on all the actions we identify in this Report.

2. Introduction

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (***the Regulations***) require public sector organisations with over 250 employees to report on and publish their gender pay gap on a yearly basis. This is based on a snapshot from 31st March of each year, and each organisation is duty bound to publish information on their website. This report captures data as at 31st March 2017, unless otherwise indicated.

St George's employs circa. 9,000 staff in a number of disciplines, including: administrative; nursing; allied health; and medical roles. All staff except for the eight Very Senior Managers (VSMs) are on either Agenda for Change or national contract pay-scales, which provide a clear process of paying employees equally, irrespective of their gender or ethnicity.

What is the gender pay gap?

The **gender pay gap** is a defined term in the Regulations and means the difference between the average hourly earnings of men and those of women. This is not the same as **equal pay**, which is concerned with men and women earning equal pay for the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because of gender. Instead the gender pay gap highlights any imbalance of average pay across an organisation. For example, if an organisation's workforce is predominantly female yet the majority of senior positions are held by men, the average female salary would be lower than the average male salary.

What do we have to report on?

The requirements of the Regulations is that each public sector organisation must calculate the following:

- The mean basic pay gender pay gap
- The median basic pay gender pay gap
- The proportion of males and females in each quartile pay band
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of both males and females receiving a bonus payment

Definitions of pay gap

The **mean pay gap** is the difference between the pay of all male and all female employees when added up separately and divided respectively by the total number of males, and the total number of females in the workforce.

The **median pay gap** is the difference between the pay of the middle male and the middle female, when all male employees and then all female employees are listed from the highest to the lowest paid.

Who is included?

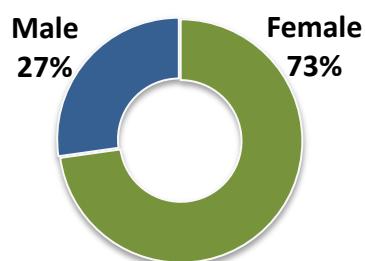
All staff who were employed by St George's and on full pay on the **snapshot date** (31st March 2017) are included. Bank staff who worked a shift on that date are also included. For Consultants we include within 'pay' those payments made for Additional Programmed Activities (APA's), as well as Clinical Excellence Awards (CEA's). All calculations exclude overtime pay and expenses.

Employees who are on half or nil absence or maternity leave, hosted staff (e.g. GP Trainees) and agency staff are not included.

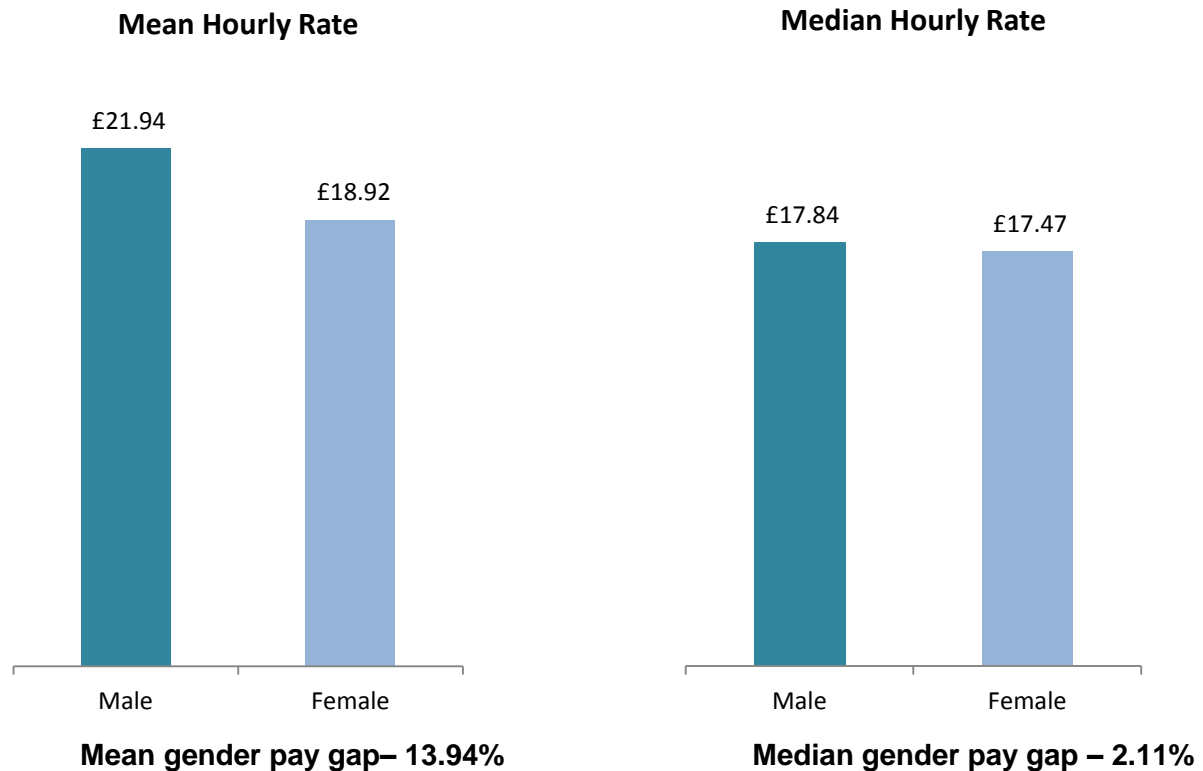
3. Results for St George's University Hospitals NHS Trust

Trust Gender Profile (based on headcount)

St George's is typical of any NHS Trust, it that it has a higher number of females than males in its workforce – of the 8,906 staff counted as part of the gender pay gap reporting, 6,482 were female compared to 2,424 male:



Gender Pay Gap



The above charts show that the mean hourly pay for males is £3.07 higher than that of females, a gender pay gap of 13.94%.

They also show that median pay for males is £0.38 higher than females, a gender pay gap of 2.11%.

We are also required to split the workforce into quartiles (blocks of 25%) split by pay and show the proportion of males and females in each quartile. The results of this split are shown below. In broad terms this shows that compared to the position across the workforce as a whole, where males represent 27% of the workforce there are relatively more males in the highest and the lowest pay quartiles, (31% and 37% respectively).

Pay quartile split:



What does this mean?

The figure for the median pay gap is usually considered to be more representative of gender pay gap across the workforce. However what it does not take account of is a small numbers of higher paid employees that could be skewing the data at the mean (or average) level. The mean figure does highlight this, so although at 2.11% the median pay gap is less extreme, it is the mean pay gap of 13.94% that needs to be examined in more detail.

As the quartile figures in the chart above show that there is a higher percentage of males in both the upper and the lower quartile than in the others, it is worth examining the gender composition and pay gaps in each individual band. This is set out in the table below, and for ease of reference we have highlighted in green where the higher average pay is to be found (male or female cohort).

Grade	No. of male staff	No. of female staff	Male average Hourly Rate*	Female average Hourly Rate*	Difference [†]	Gap [†]
Band 1	4	17	£10.19	£10.30	-£0.11	-1.12%
Band 2	501	954	£11.04	£11.21	-£0.17	-1.52%
Band 3	193	474	£11.73	£11.65	£0.08	0.64%
Band 4	133	450	£12.71	£12.97	-£0.26	-2.07%
Band 5	280	1,426	£16.03	£16.25	-£0.22	-1.39%
Band 6	274	1,214	£19.85	£20.05	-£0.21	-1.04%
Band 7	223	906	£22.21	£22.50	-£0.29	-1.32%
Band 8a	100	269	£26.62	£26.14	£0.48	1.78%
Band 8b	33	73	£31.52	£31.01	£0.51	1.62%
Band 8c	21	32	£36.84	£35.49	£1.35	3.65%
Band 8d	11	20	£42.28	£41.56	£0.72	1.70%
Band 9	5	4	£48.06	£54.13	-£6.07	-12.62%
VSM	5	3	£87.70	£67.29	£20.40	23.27%
Medical – non Consultant	321	371	£26.94	£25.85	£1.09	4.05%
Medical - Consultant	294	233	£48.03	£45.95	£2.08	4.33%

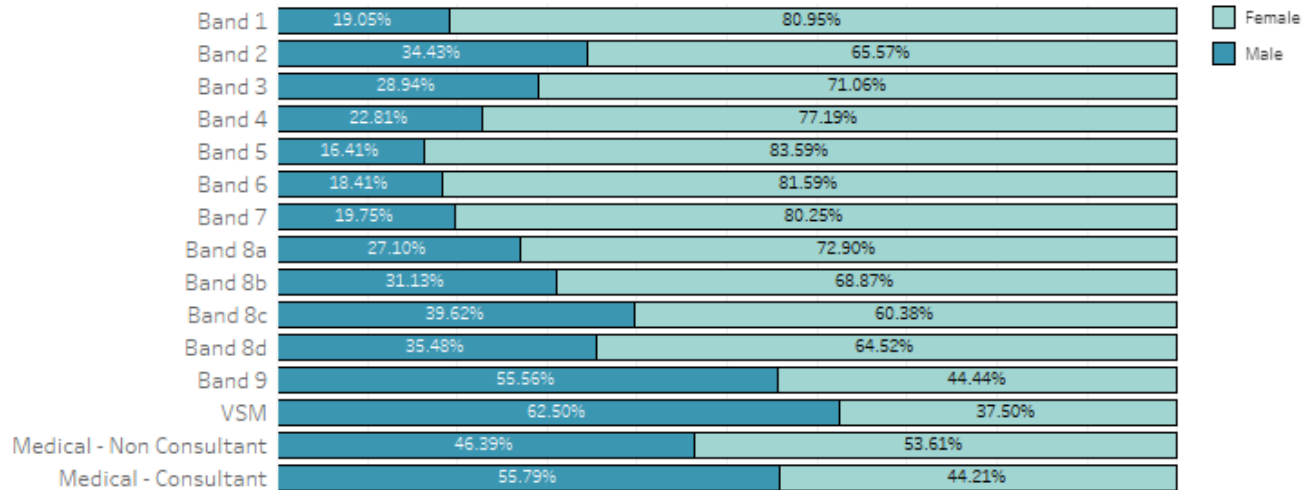
*refers to the mean hourly rate

[†] negative values mean that the difference and the gap are favourable to females

The above table shows that, on average, females earn more in most pay bands than males - the only bands where males earn more is in band 3, band 8, VSM (very senior manager), and medical roles (both Consultant and non Consultant).

We have also analysed the proportion of males and females across each of the above bands, and the results of this are shown in the bar chart below.

Gender split by band – based on headcount:



4. Specific Focus Areas

Seniority and gender

We saw on the page above that on average, females earn more in most pay bands than males - the bands where males earn more are bands 3, 8, VSM (very senior management), and medical roles. Of note is that these are the higher paid bands, and it is also in these higher bands where the proportion of males is higher, especially when compared to the proportion of the Trust overall (27% male to 73% female). In the highest paid bands - band 9, VSM and Medical - there are more males than females.

The issue of more males than females in higher paid bands is certainly one that deserves to be highlighted, and may suggest the need for a corrective action. This will be further reviewed by the Trust. We will report back on this in our next Report.

Very Senior Managers

It is also interesting to note that the actual pay gap for bands 8a through to 8d, and the number of employees it affects, is comparatively small – typically 1.6% - 3.7%. However, for VSM staff the gap is considerably larger, at **23.3%**, meaning that on average males get paid £20.40 per hour more than females. Whilst this dataset involves only eight employees (three of whom are female) the very significant gender pay gap meant that this required immediate review. The results of that review suggested that the analysis undertaken at 31 March 2017 reflected a point in time where the Trust had a small number of more highly paid male VSMs.

Preliminary analysis of the position as at 28th February 2018 suggests that for the VSM cohort of staff currently in the Trust, the gap has been significantly reduced, to 2.29%, with females now employed in 47% of VSM roles. This reflects the impact of the recruitment processes introduced by the new Trust management team, but also the lag impact of the changes already made. We will report in more detail on this when we review all data to 31 March 2018.

Medical staff

One other significant feature of the data at 31 March 2017 is that if all Medical staff are removed from the calculations, then the gap is reversed and, across the rest of the workforce, on average, females get paid more than males by 3.45%. This prompted us to undertake a rapid review of the position of St George's medical workforce, and why it appeared to have a material gender pay gap.

Medical staff group comprises a large group, from trainees to those with Consultant roles. The pay gap for Medical staff as a whole is 9.24% - males get paid on average £3.24 per hour more than females. Equally, this is a staff group where males outnumber females, and it is comprised of over 1,200 employees. We have therefore segmented this large group into two separate cohorts: consultants, and non-consultants.

Consultants

St George's had 527 consultants on staff at 31 March 2017. These individuals tend to undertake some of the highest paid roles in the Trust, and on top of their salary are in some cases eligible to apply for and receive clinical excellence awards (CEAs). They are also entitled in some cases to payments for Additional Programmed Activities (APAs). These are consolidated into the basic pay calculations.

If we split this staff group by gender, we will see that the number of male Consultants is higher than the number of females (respectively 56% male, 44% female). The **mean pay gap for Consultants is 4.33%** which equals to £2.08 per hour, whilst the median pay gap is 2.93%, which equals £1.33 per hour. The detail is set out in the table below:

	No. of male staff	No. of female staff	Male Average Hourly Rate*	Female Average Hourly Rate*	Difference'	Gap'
Mean Pay Gap	294	233	£48.03	£45.95	£2.08	4.33%
Median Pay Gap	294	233	£45.42	£44.09	£1.33	2.93%

It is likely that this gap is, in part, driven by the slightly higher number of male consultants who have applied for and received CEAs, and who are in receipt of APAs. Whilst St George's experience is that broadly the same proportion of female consultants who apply for CEAs receive an award, there does appear to have been a lower level of application from female Consultants than from male consultants in the past. It may be that specific targeted support would help remove the gap in this area. This will therefore be a focus for our future work, and we will progress this with our consultant workforce and anticipate reporting on this in our next full Report.

Non-Consultants

As at 31 March 2017 St George's had 692 non-consultant doctors on staff. These comprised 321 male doctors (46% of total) and 371 female doctors (54% of total). What is also clear is that as doctors careers develop, there appears to be a higher attrition of female than male doctors, such that in the more senior grades taken together (specialty doctor; associate specialist; and general practitioner) male doctors are the majority.

The data suggests that in the early years of training, the gender pay gap is in favour of female doctors. As careers develop, the data shows that the pay gap reverses and moves to favour male doctors. At the Specialty Doctor level, the mean gender pay gap reaches 12.7% in favour of males, amongst the highest in the Trust.

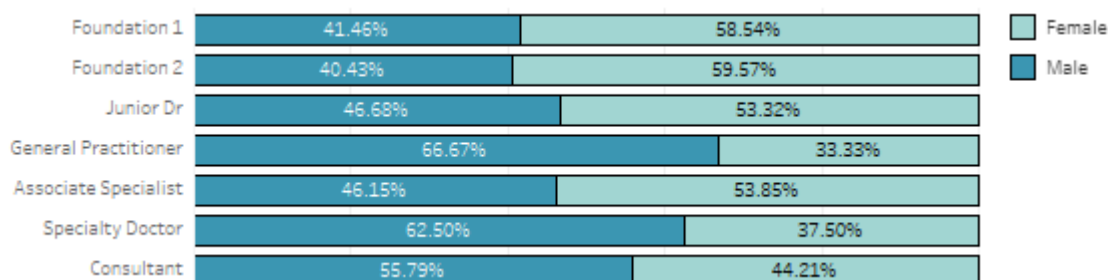
This potentially raises complex issues around career progression, family-friendly policies, and career support to our female doctors. This is an area we intend to investigate and report back on in our next full Report.

Role	No. of male staff	No. of female staff	Male Average Hourly Rate*	Female Average Hourly Rate*	Difference†	Gap†
Foundation 1	17	24	£15.39	£15.45	-£0.06	-0.41%
Foundation 2	19	28	£17.95	£17.96	-£0.02	-0.09%
Junior Dr	267	305	£27.85	£27.04	£0.81	2.91%
General Practitioner	2	1	£23.71	£23.47	£0.24	0.99%
Associate Specialist	6	7	£40.67	£39.71	£0.96	2.37%
Specialty Doctor	10	6	£31.98	£27.91	£4.07	12.73%

* refers to the mean hourly rate

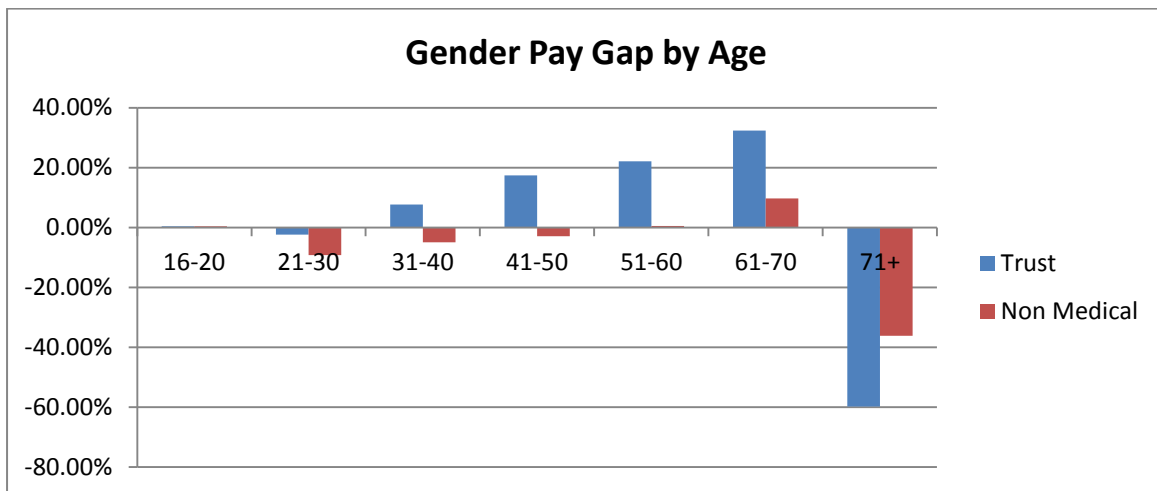
† negative values mean that the difference and the gap are favourable to females

Gender split by Medical role – based on headcount:

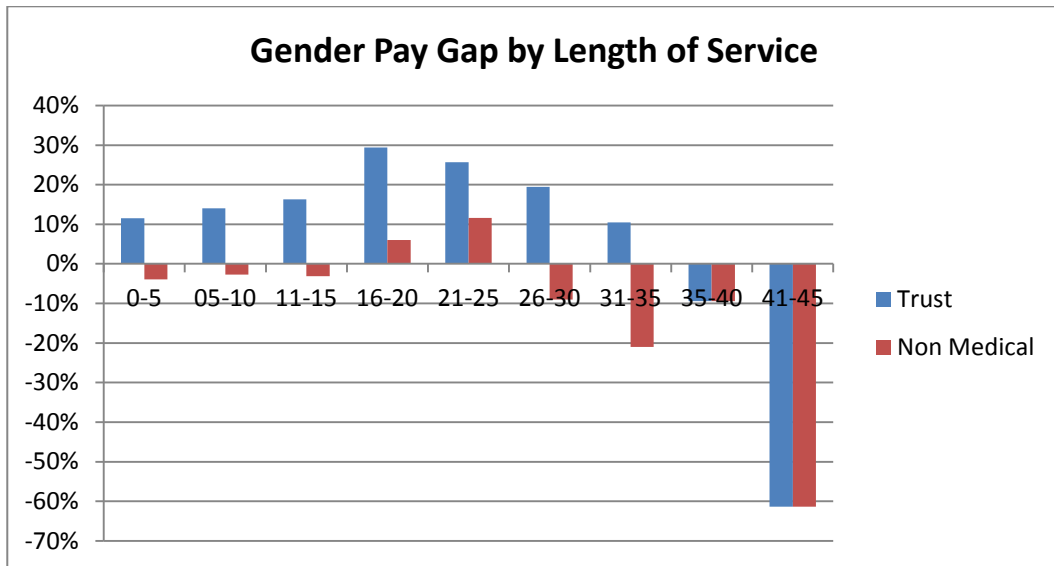


Age and length of service

If we examine the gender pay gap by age range of employees we can see that whilst in the 21-30 age range the gap is in favour of females, as the employees get older the pay gap increases in favour of males. At the 71+ age range the gap swings dramatically the other way – this is due to the number of male employees in this age range tending to be employed in lower pay ancillary roles, whilst within this age cohort there are still a number of female qualified nurses in bank roles. If we remove medical staff from the calculations then the trend is still present, yet more subdued as between the ages of 21-50 females on average earn a higher hourly rate than males.



The gender pay assessed against length of service (see chart below) also shows that (excluding medical staff), the gap is only in favour of males in the 16-20 and 21-25 year groups. This suggests that promotions and career development could potentially favour female employees rather than male employees. There are no medical staff with 35-45 years of service, and so the gap is not influenced by Consultants with long service, who would have initially been on the 'old' Consultant contracts and advanced up the increment points. The gender pay gap in favour of women in the 41-45 years of service grouping is very high, this is due to the males in this group mainly being employed in bands 2 and 3 whilst the females are in bands 6 and 7.



5. Bonuses

The only bonuses paid in the time frame covered by this Report (1st April 2016 to 31st March 2017) were to Medical Consultants, in the form of CEAs and distinction awards. There were 198 bonuses paid in the period, 70 were to female consultants and 128 were to male consultants. When compared with the proportion of male Consultants to female Consultants, 65% of bonuses were paid to male consultants when they make up 56% of all consultants, and 35% were paid to female consultants, when female consultants make up 44% of all consultants.

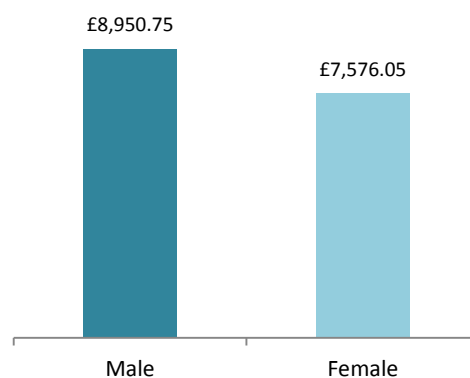
When these payments are related to all employees of the Trust - out of the total number of female employees in the Trust this represents 1.08% receiving a bonus. In comparison, 5.28% of the total male employees in the Trust received a bonus.

Mean Bonus Pay



Mean gender pay gap, bonus – 15.05%

Median Bonus Pay



Median gender pay gap, bonus – 15.36%

5. Comparison with other NHS Trusts and Foundation Trusts

The mean gender pay gap at St Georges is lower than that of the public sector economy, which is 17.7%. At the time of writing this report only 30 other NHS Trusts had published their gender pay gap - 23 of the 30 reported a higher mean pay gap than St Georges, and 26 of the 30 reported a higher median pay gap. However, that is no reason for complacency and a set of actions is being progressed as a consequence of the issues identified in this Report (see below).

6. Issues identified and next steps

This report has highlighted a number of issues, amongst them:

- the higher proportion of males in higher paid (upper quartile) roles;
- the higher proportion of males in lower paid (lower quartile) roles;
- the higher levels of bonus paid to male consultants than to female consultants;
- the apparent attrition of female doctors at the pre-Consultant stage;
- a potential need to provide support to female consultants so as to encourage applications for CEAs, and provide practical support in the process;
- the need for a review of the way in which Additional Programmed Activities are made available to ensure equality of access to all consultants

Equally, though, the snapshot date of the data used to complete this Report is 31st March 2017. Since then we have made several senior and high profile appointments of female senior leaders and clinical leaders, including our Chief Executive and Chair. We expect that process of appointing purely on merit to continue, and will continue our policy of growing talent from within and providing leadership training for all managerial staff to enable them to expand their career horizons.

Within our medical workforce, whilst the Consultant role has traditionally been male dominated, this is changing - evidenced by the higher proportion of females to males in the Junior Doctor roles. As these trainees qualify and move into Consultant roles, that imbalance will be eroded and ultimately disappear. The Trust wants to ensure that it actively supports that shift.

We will report back in more detail in our next full Report in March 2019.