

**REPORT TO: STAFFORDSHIRE AND STOKE ON TRENT PARTNERSHIP NHS TRUST
WORKFORCE MATTERS COMMITTEE MEETING**

TO BE HELD ON: Friday 23rd March 2018.

Enclosure:					
Subject:	GENDER PAY REPORTING 2017-2018 AMENDED 27th March 2018				
Strategic Goal: (tick as applicable)	<input checked="" type="checkbox"/>	Improving quality			
	<input checked="" type="checkbox"/>	Improving efficiency			
Director Lead:	Julie Tanner- Director of Workforce and Development				
Subject Lead:	Balwinder Kaur- Equality & Inclusion Manager				
Recommendation:	For Approval & Assurance	<input checked="" type="checkbox"/>	For Discussion	<input checked="" type="checkbox"/>	For Information

PURPOSE OF THE REPORT:

This report provides compliance to the Trust's legal obligation towards the Public Sector Equality Duty and the recently endorsed Gender Pay Reporting Regulations.

KEY POINTS:

1. The data and calculations are taken from the ESR records held within the Trust on 15TH January 2018. The analysis was undertaken by the ESR team and in guidance with the ESR NHS Gender Pay Reporting guide (December 2017).
2. It is noted that there is a higher proportion of male employees represented in the higher pay bands.
3. Bonus data is based on a small number of medical staff (headcount 13) who receive the clinical excellence awards.

4. The recommendations of this report indicate that the Trust undertakes a deeper analysis as part of its action to address any indications of gender pay disparity to assure Trust Board that there is no gender pay disparity.

5. This report once approved by the committee will be the statement required in the regulations by senior members that confirms accuracy of the calculations and compliance to the regulations.

INTER DEPENDENCIES:

Legal and/or Risk	It is a legal requirement for all relevant employers to publish their gender pay report. Failing to do this within one year of the snapshot date is unlawful. There is also an organisation reputational risk if the Gender Pay Reporting regulations are not adhered to.
Clinical	Staff are paid based on the qualifications, Knowledge and skills the role requires rather than the gender of staff.
Financial	It is a legal requirement for all relevant employers to publish their gender pay report. Failing to do this within one year of the snapshot date is unlawful and can incur a financial penalty. Non improvement in reporting against any of the disparities identified may lead to financial penalty/legal action. This supports the systems used for Agenda for Change and job evaluation.
HR	Gender Pay reporting supports the Trust to demonstrate equality in pay banding for male and female staff. This supports the Trust in having competent staff with the right skills and knowledge and in the right posts irrespective of gender and pay banding.
Staff and Trade Union involvement actions undertaken/planned	The Engagement includes staff and Trade Union engagement through presentation at WMC.
Social Care	Staff are paid based on the qualifications, Knowledge and skills the role requires rather than the gender of staff.
Patient & Public Involvement	Supports transparency of information since the requirement is for the report to be published on the trust's website.
Equality Impact	This supports gender equality in relation to pay rates and bonuses.
Information exempt from Disclosure	N/A
Requirement for further review	As decided by the Committee.

RECOMMENDATIONS / ACTION REQUIRED:

1. **Note** and formally sign off the report as required by the Gender Pay Reporting recommendations point 8.
2. Provide **Assurance** to the Board
3. Support the implementation and governance of the recommendations throughout the Trust.

1. Background and Context

There are two sets of regulations which impose the mandatory gender pay gap reporting obligations on employers. They are nearly identical, require the same set of calculations but have a few minor differences that an employer will need to take into account which are highlighted throughout this guide.

- i. **Most government departments, the armed forces, local authorities, NHS bodies and many others** must follow The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The full list can be found in Schedule 2 of the regulations and includes non-devolved or cross-border authorities operating across England, Scotland and Wales (such as the NHS). The obligations apply if employers have 250 or more employees on the snapshot date of 31 March of a given year.
- ii. **All other private, voluntary and public sector employers** must follow The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The obligations apply if employers have 250 or more employees on the snapshot date of 5 April of a given year.

The Trust sits within the first regulations. The gender pay gap differs from equal pay.

Equal pay deals with the pay differences between **men and women who carry out the same jobs, similar jobs or work of equal value**. It is unlawful to pay people unequally because they are a man or a woman.

The gender pay gap shows the differences in the **average pay between men and women**. If a workplace has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are. In some cases, the gender pay gap may include unlawful inequality in pay but this is not necessarily the case.

Requirements of gender pay reporting

The Trust has followed the rules in the regulations to calculate the following information:

1. Their mean gender pay gap
2. Their median gender pay gap
3. Their mean bonus gender pay gap
4. Their median bonus gender pay gap
5. Their proportion of males receiving a bonus payment
6. Their proportion of females receiving a bonus payment
7. Their proportion of males and females in each quartile pay band
8. A written statement, authorised by an appropriate senior person, which confirms the accuracy of their calculations. However, this requirement only applies to employers subject to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The information must be published on both the employer's website and on a designated government website at www.gov.uk/genderpaygap

The Electronic Staff Records Gender Pay Gap Guidance and Calculations (ESR December 2018) have been used to provide the results included within this report. The ACAS and

Government Offices Guidance (ACAS December 2017) has also been used to inform the calculations and requirements.

The Trust is required to use this information to help understand any underlying causes for their gender pay gap and take suitable steps to minimise it. Benefits will differ between employers but can include developing a reputation for being a fair and progressive employer, attracting a wider pool of potential recruits for vacancies and the enhanced productivity that can come from a workforce that feels valued and engaged in a culture committed to tackling inequality.

It is a legal requirement for all relevant employers to publish their gender pay report. Failing to do this within one year of the snapshot date is unlawful. The Equality and Human Rights Commission has the power to enforce any failure to comply with the regulations. The snapshot date for this data report is **15th January 2018**.

The information must be published within one year of the relevant snapshot date (before March 30th of the following calendar year for public bodies subject to the Specific Duties Regulations, and April 4th for other employers). It will make sense to add gender pay reporting into a sensible point of the Trust's reporting Cycle and we should aim to publish results as soon after the snapshot date as is reasonable for the Trust to do.

The information must be maintained online on the Trust's website for a minimum of three years.

Some organisations may want to maintain this information on their website beyond that period to show their longer-term progress.

Only the calculation results and written statement should be published, which should not in itself raise employee data protection issues. There is no requirement for an employer to publish at the same time each year.

2. Trust Gender Pay Reporting Calculations

This report meets the requirements set by the Gender Pay Regulations and consists of the calculations and statement that this data is extracted using the ESR guidance and true at the point of extraction.

It is to be noted that within the NHS and thereby within the Trust the agenda for change process is used which includes Job evaluation processes based on skills, knowledge and qualifications. Pay bands are determined through job evaluation.

Bonuses paid to staff are the enhancements such as the Clinical Excellence Awards paid to medical staff. It is felt that this is what is distorting the results below as the Trust has medical staff (which is male dominated profession historically) and due to the small numbers but higher income reflected to the role there is a distortion. It is recommended that this is however investigated further to provide assurance to the Board as part of the associated action plan to address and gender pay gaps.

For the results of the first four calculations:

A **positive** percentage figure (which almost all organisations are likely to have) reveals that typically or overall, female employees have lower pay or bonuses than male employees.

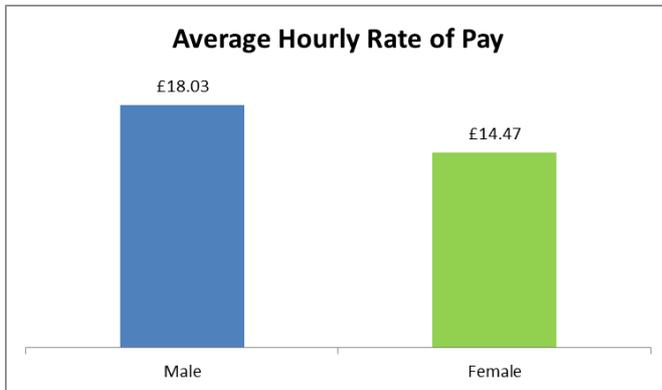
A **negative** percentage figure (which some organisations may have) reveals that typically or overall, male employees have lower pay or bonuses than female employees.

A **zero** percentage figure (which is highly unlikely, but could exist for a median pay gap where a lot of employees are concentrated in the same pay grade) would reveal no gap between the pay or bonuses of typical male and female employees or completely equal pay or bonuses overall.

2.1 Trust mean gender pay gap

The mean rate is obtained by

- a. calculation of the hourly rate for each employee
- b. calculation of the mean hourly rate by gender
- c. calculation of the difference between the mean hourly rate for Males and Females.



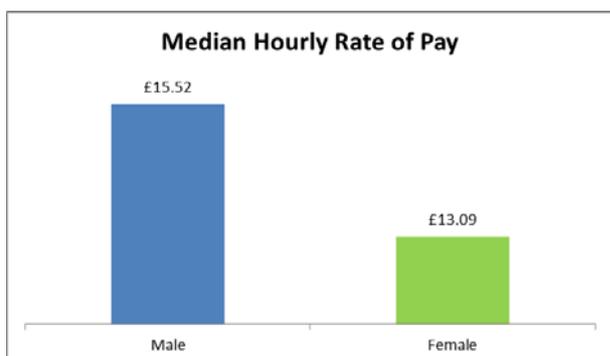
The result is expressed as a value of pay. The results indicate an increased average hourly rate for males, however this may be distorted due to the smaller number of males in the Trust and that most are medical staff.

2.2 Trust median gender pay gap

The median rate is obtained by

- a. calculation of the hourly rate for each employee
- b. hourly rates by gender and hourly rate
- c. calculation of middle value in list of gender
- d. calculation of the difference between the median values and division of the difference by male median value.

The results indicate an increased rate for males; however this may be distorted due to the higher number of males in the higher pay bands

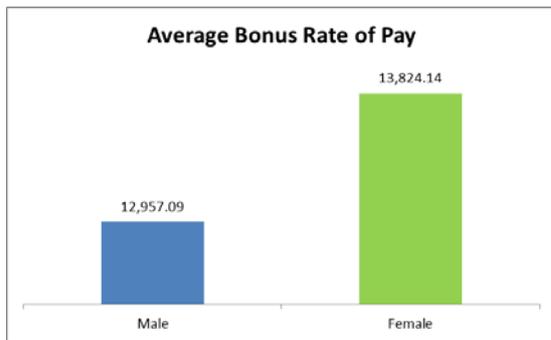


2.3 Trust mean bonus gender pay gap

Bonuses paid to staff are the enhancements such as the Clinical Excellence Awards paid to medical staff.

The mean bonus pay gap is obtained by

- a. obtaining bonuses paid to staff over 12 month prior to snapshot date
- b. calculation of the mean bonus paid by each gender group
- c. calculation of the difference between the mean values.

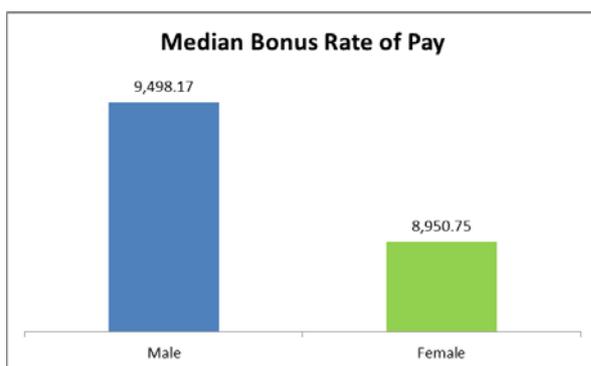


It is noted that the average bonus rate of pay is higher within the female group of medical staff this is because more females are noted to be on a higher level of bonus pay than the male group.

2.4 Trust median bonus gender pay gap

The median bonus pay gap is obtained by

- a. obtaining the bonus pay paid to each member of staff
- b. sorting pay values and group by gender
- c. calculation of the middle value in the list for each gender
- d. calculation of the difference between the median values and division of the difference by the male median value.

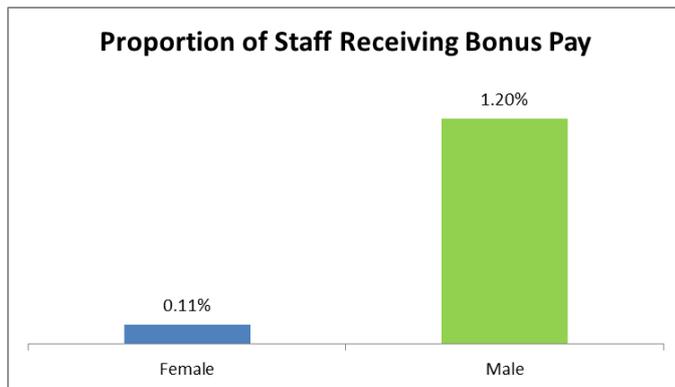


The results indicate an increased rate for males; however this may be distorted due to the smaller number of medical staff.

2.5 Trust proportion of males and females receiving a bonus payment

The proportions were obtained by

- obtaining the number of employees paid a bonus during the 12 month period who were employed as at the snapshot date
- obtaining the number of pay relevant employees by gender
- dividing the number of employees who received a bonus payment by the number of pay relevant employees by gender.



Gender Pay Gap - Bonus Pay Summary

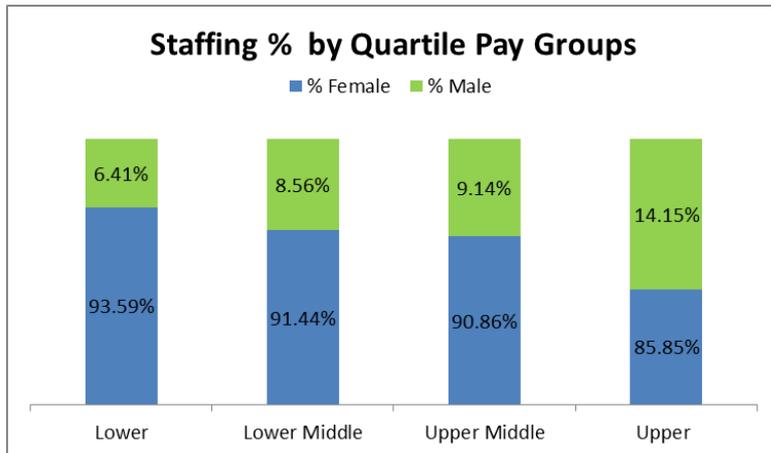
Gender	Avg. Pay	Median Pay
Male	12,957.09	9,498.17
Female	13,824.14	8,950.75
Difference	-867.05	547.42
Pay Gap %	-6.69	5.76

Comparison of the results will indicate how much more likely male relevant employees are to receive any amount of bonus compared to female employees (vice versa).

The results indicate that average/mean pay gap is – 6.69% and median pay gap 5.76%

2.6 Trust proportion of males and females in each quartile pay band

Quartile	Female	Male	Female %	Male %
Lower	1081	74	93.59%	6.41%
Lower Middle	1047	98	91.44%	8.56%
Upper Middle	1044	105	90.86%	9.14%
Upper	1007	166	85.85%	14.15%



This calculation requires the Trust to show the proportions of female and male full pay relevant employees in the four quartile pay bands which is done by dividing the workforce into four equal parts. To obtain the proportion in each quartile pay band the following steps were undertaken

- a. list of all employees and sorting by hourly rate of pay
- b. division of the list into equal quarters
- c. expression of the proportion of male and female employees in each quartile band.

Comparing results between the quartiles will indicate the distribution of full pay relevant male and female employees across the organisation.

3. Recommendations

The recommendations following the data analysis include:

1. A legal requirement for the Gender Pay Regulations is the publication of an action plan to address any gender pay gaps identified – therefore the Director of Workforce is required to look at how the findings of this analysis and develop an action plan that will support and inform the wider Trust's Workforce Strategy- This needs to be published on the external website as early as May 2018 so that there is appropriate time and resource application to deliver on this before 2018-2019 Gender Pay Reporting.
2. The Trust needs to consider a deeper level analysis on the bonus payment areas to provide assurance that the discourse between the genders is due to the fact that this is mainly medical staff whereby there is a historic and strong representation of males. Any actions identified to provide redress need to be included within the Gender Pay Reporting action plan.
3. This report is approved to be the written statement, authorised by an appropriate senior person, (the workforce and development committee) which confirms the accuracy of their calculations. As a requirement to employers subject to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

SSOTP GENDER PAY REPORT: ESR DATA JANUARY 2018.

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	£18.03	£15.52
Female	£14.47	£13.09
Difference	3.56	2.44
Pay Gap %	19.76%	15.69%

Quartile	Female	Male	Female %	Male %
Lower	1081	74	93.59%	6.41%
Lower Middle	1047	98	91.44%	8.56%
Upper Middle	1044	105	90.86%	9.14%
Upper	1007	166	85.85%	14.15%

Gender Pay Gap - Bonus Ratio

Gender	Employees Paid Bonus	Total Relevant Assignments	%
Female	5	4743	0.11%
Male	6	499	1.20%

Gender Pay Gap - Bonus Pay Summary

Gender	Avg. Pay	Median Pay
Male	12,957.09	9,498.17
Female	13,824.14	8,950.75
Difference	-867.05	547.42
Pay Gap %	-6.69	5.76

