



Gender Pay Gap Reporting



1. Introduction

The gender pay gap obligations were introduced alongside the existing requirements for specified public bodies, including publishing annual information to demonstrate compliance under the Public Sector Equality Duty (PSED) and publishing equality objectives every four years in 2017. They required that organisations publish, by March 2018, data relating to the gender pay gap as at 31 March 2017 in the first year. In 2019, Public Sector Organisations are required to publish their Gender Pay Gap as at 31 March 2018 before the end of March 2019. The Royal Wolverhampton NHS Trust has carried out a snap shot of data, with a requirement that work is undertaken to narrow any gaps.

This report provides a summary of the data as at 31 March 2018 and compares that with the data from the previous year.

The Gender Pay Gap report for the Trust will be published on the Trusts internet website and can also be accessed on the UK Government website: <https://gender-pay-gap.service.gov.uk/>

2. Background

The Equality and Human Rights Commission defines the difference between equal pay and the gender pay gap as follows:

- Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010.
- The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings.
- Salaries at the Trust for most posts are determined through a job evaluation scheme called Agenda for Change (AFC). Job evaluation evaluates the job and not the post holder. It makes no reference to gender or any other personal characteristics of existing or potential job holders and provides a fair, transparent and consistent process for job evaluation.

3. Which employees count?

For the purposes of gender pay reporting, the definition of 'who counts as an employee' is defined in the Equality Act 2010. This is known as an 'extended' definition which includes:

- Employees (those with a contract of employment)
- Workers and agency workers (those with a contract to do work or provide services)
- Some self-employed people (where they have to personally perform the work)

For the purpose of the gender pay gap reporting, agency workers will form part of the headcount of the agency that provides them, and not the employer they are on assignment to.

4. The gender pay gap indicators

The legislation requires an employer to publish six calculations:

- Average gender pay gap as a mean average
- Average gender pay gap as a median average
- 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
- Proportion of males and females when divided into four groups (quartiles) ordered from lowest to highest pay

5. Gender pay reporting and gender identity

It is important that the Trust as an employer be sensitive to how an employee chooses to self-identify in terms of their gender. The regulations do not define the terms 'male' and 'female' and the requirement to report gender pay will not result in employees being singled out and questioned about their gender.

The Gender Pay Gap report data is drawn from Employee Staff Record (ESR) system, and data relating to gender is recorded as self-declared by employees on recruitment or at key points in their career within the Trust. Employees are encouraged to make any amendments or to confirm and verify their own personal declarations and data via the self service function in ESR. All data and information is anonymised for the purpose of this report. If an employee declines to declare their gender then their record will be withdrawn from the analysis. The Trust currently has no employees who decline to declare their gender on ESR.

6. How is gender pay reporting different to 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 difference in the average pay between all men and women in a workforce. If a workforce 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.

7. The Royal Wolverhampton NHS Trust - data and analysis

From the information available on ESR it is reported that the total number of employees as at 31st March 2018 was 9,964, of which 77.9% were female, and 22.1% male, and includes all employees holding an employment contract with the Trust (including those who work shifts on the Trust's Staff Bank). This represents a marginal decrease in number of staff overall and small changes to the gender profile of the Trust since reporting in 2018.



Overall mean gender pay gap

| | Percentage gap | Difference in average hourly rate |
|-----------------|----------------|-----------------------------------|
| 31st March 2017 | 28.11% | £5.58 |
| 31st March 2018 | 31.44% | £6.78 |

This data shows that there is a difference of 31.44% between the mean rate of pay for male employees and mean rate of pay for female employees, with men earning £6.78 per hour more on average. Unlike 2017, following updated advice, the figures for 2018 do not include the Clinical Excellence Awards payments – which are reported on separately later in this report.

Overall median gender pay gap

| | Percentage gap | Difference in average hourly rate |
|-----------------|----------------|-----------------------------------|
| 31st March 2017 | 13.13% | £1.96 |
| 31st March 2018 | 16.20% | £2.54 |

This data shows that there is difference of 16.20% between the median rate of pay for male employees compared with that of female employees, with men earning on average £2.54 more an hour.

Medical staff (mean)

| | Percentage gap | Difference in average hourly rate |
|-----------------|----------------|-----------------------------------|
| 31st March 2017 | 15.65% | £5.46 |
| 31st March 2018 | 15.83% | £5.95 |

This data shows that amongst medical staff, there is a difference of 15.83% when comparing the mean ordinary pay of male employees with that of female employees in favour of male employees, with men earning on average £5.95 more an hour (a rise of £0.49 since 2017).

Non-medical staff (mean)

| | Percentage gap | Difference in average hourly rate |
|-----------------|----------------|-----------------------------------|
| 31st March 2017 | 6.33% | £0.93 |
| 31st March 2018 | 4.85% | £0.71 |

This data shows that amongst non-medical staff, where the job evaluation system described above is in place, there is a difference in favour of male employees of 4.85% between the mean rate of pay to male employees and to that of female employees. This has improved by 1.68% since the data was first reported in 2017, with men on average earning £0.71 more an hour, an improvement of £0.22 since 2017.

On closer analysis the widening of the pay gap over the year is driven primarily by an increase in the proportion of men in the medical workforce, where staff are often paid more. As is common to the wider NHS, the Trust's workforce overall is predominantly female due to the gender bias that exists within caring roles. Many of these jobs tend to be in the lower pay quartiles, compared with the roles where the workforce is predominantly male, such as the medical and dental workforce, which are paid at levels in the upper quartiles. Changes in gender profile of medical and dental staff have a significant impact on the gender pay gap data.

Average bonus gender pay gap

The Trust operates an annual Local Clinical Excellence Award round for eligible consultants. This recognises and rewards individuals who demonstrate achievements in developing and delivering high quality patient care over and above the standard expected of their role, with a commitment to the continuous improvement of the NHS.

The Trust employs 388 consultants of which 30.93% are female. Of the total number of eligible consultants, 155 are in receipt of a local Clinical Excellence Award. 27.74% of Clinical Excellence Award Recipients are female consultants. This is an improved position from 2017 (24.32%) representing a 3.42% rise.

Of those female consultants who are eligible for a local Clinical Excellence Award, 66.15% are in receipt of such awards compared to 82.96% of eligible male colleagues. Whilst this is a significant improvement in the percentage of female consultants in receipt of Clinical Excellence Awards, male consultants have also experienced an even greater increase in the percentage in receipt of the award. (19.77% and 29% increase respectively.)

Whilst the system for awarding Clinical Excellence Awards is locally administered, it is a national determined system and has recently been overhauled in part to support actions to address the gender pay gap found in these payments.

Gender bonus gap

| | Mean | Median |
|-----------------|--------|--------|
| 31st March 2017 | 28.55% | 19.01% |
| 31st March 2018 | 29.67% | 17.80% |

The table above shows that in respect of 'the gender bonus gap' there is a 29.67% difference in favour of male employees in the level of mean bonus payments made to male employees when compared with female employees. Similarly, there is a 17.80% difference again in favour of male employees when comparing the median bonus level for male employees with that of female employees.

This variation is explained by the application of the Clinical Excellence Awards process which, as described above, is both nationally determined and has recently been reviewed.

Of the Trusts female workforce, 0.56% were in receipt of bonus pay in comparison to 5.35% of the male workforce who received bonus pay, which represents a marginal increase for women and a 0.25% decrease for men.



Analysis by pay grade

This part of the required analysis shows the gender profile across four quartile pay bands; the Lower, Lower Middle, Upper Middle, and Upper Quartiles of earnings.

| Quartile | Male 2018 (2017) | Female 2018 (2017) | Male % 2018 (2017) | Female % 2018 (2017) |
|--------------|---------------------|-----------------------|-----------------------|-------------------------|
| Lower | 351 (322) | 1,770 (1,750) | 16.55% (15.54%) | 83.45% (84.46%) |
| Lower Middle | 357 (356) | 1,764 (1,696) | 16.83% (17.35%) | 83.16% (82.65%) |
| Upper Middle | 297 (314) | 1,811 (1,780) | 14.09% (15.00%) | 85.91% (85.00%) |
| Upper | 754 (692) | 1,382 (1,381) | 35.30% (53.38%) | 64.70% (66.62%) |

In considering the gender profile across these quartile pay bands it is evident that as at 31st March 2018, according to their average hourly earnings, women are less well represented in the Upper quartile.

8. Next steps

The slight improvements in relation to the mean gender pay gap for those staff covered by the Agenda for Change Job Evaluation System and in the gap between median bonus payments are positive, however the Trust continues to see a gap between the earnings of men and women.

This data will be considered in detail by the Equality, Diversity and Inclusion Steering Group with consideration being given as to what action can be taken to improve female representation in both higher pay bands and in the Consultant workforce.

9. Summary

The Royal Wolverhampton NHS Trust is typical of the NHS, in that its workforce is predominantly female. There still remains a gender bias in the NHS generally in that the majority of caring roles are undertaken by female employees, and typically these roles are in the lower pay bands.

Whilst men are under-represented in the workforce as whole, they are relatively more likely to be employed in higher graded posts, especially in Medical and Dental posts. This has a significant impact on the gender pay gap in favour of the male workforce.

The Medical and Dental grades are in receipt of the higher bands of salary, and within this staff category there is a relatively higher percentage of men than women as compared to the rest of the workforce. Therefore, any changes in headcount or gender profile of this group potentially create a significant increase or decrease in the gender pay gap.

The Trust faces the same challenges common to the NHS in terms of gender bias in particular job roles or professions, and the advancement of women in the workplace. The Trust is committed to creating appropriate action plans to seek to address any areas of inequality which may be identified.