

Gender Pay Gap Report

30 March 2018

Gender Pay Gap Report

Introduction

The purpose of this paper is for the Operational Board to note the Trusts first Gender Pay Gap report 2018 produced to meet the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on the 31st March 2017.

Gender Pay Gap legislation requires all employers of 250 or more employees to publish their gender pay gap as at 31st March 2017. Alder Hey Children's NHS Foundation Trust employs just over 3,000 staff in a range of clinical and non-clinical roles.

This report includes the statutory requirements of the Gender Pay Gap legislation but also provides further context to help understand and contextualise the data. It is important to recognise that the gender pay gap differs to equal pay. Equal pay is in relation to pay differences between men and women who carry out the same job for different pay, which is unlawful. The gender pay gap shows the difference in average pay of all men and the average pay of all women employed by the Trust. It is therefore possible to have genuine pay equality but still have a gender pay gap.

Alder Hey Children's NHS Foundation Trust supports the fair treatment and reward of all staff irrespective of gender and we are committed to creating a culture that is transparent, diverse and inclusive. The Trust has historically annually reported gender related data of its workforce and published this on its website.

The Trust uses the national job evaluation framework, Agenda for Change, for most levels of staff to determine appropriate pay bandings; this provides a clear process of paying employees equally for the same or equivalent work. The Electronic Record System (ESR) has been used to generate the information.

In common with most healthcare organisations, women make up the majority of the Trust workforce, with 83% female and 17% male employees.

Timescales

The figures must be calculated using a specific reference date – 'the snapshot date'. The snapshot date for public sector organisations is 31 March 2017. The information will demonstrate the pay gap between male and female employees as at 31 March in the previous year. For example, 31 March 2017 data must be published by 30 March 2018 and on an annual basis thereafter.

Mandatory Calculations

The legislation requires the Trust to publish six calculations, viewable on the national government website, for the overall workforce:

Salary:

1. the mean (average) pay gap
2. the median pay gap
3. the proportion of male and female staff in each salary quartile band

Bonus:

4. the mean bonus pay gap
5. the median bonus pay gap
6. the proportion of male and female employees receiving a bonus payment

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Gender Pay Gap Data

Gender	Average Hourly Rate	Median Hourly Rate
Male	23.8128	16.0013
Female	15.9132	14.0201
Difference	7.8997	1.9812
Pay Gap %	33.1740	12.3814

1. Mean Gender Pay Gap

The **mean** pay gap is the difference between the average hourly earnings of men and women.

The data tells us that, on average, female employees earn 33% less than male employees.

2. Median Gender Pay Gap

The **median** gender pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle-most salary.

The median data tells us that female employees earn 12% less than male staff.

(The basic pay data includes Clinical Excellence Awards payments that are paid to eligible medical staff)

The mean gender pay gap for the whole of the Public Sector economy (according to the October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.7%. At 33% the Trust's mean gender pay gap is therefore above that of the wider public sector . This is reflective of the pattern from the wider UK healthcare economy; traditionally the NHS has had a higher proportion of females in the workforce which tend to be in the lower bandings, and a predominantly male workforce in the higher banded Medical & Dental professions, although at Alder Hey this is a section of the workforce with a higher proportion of males that the overall, 53% compared to 47% females.

3. Proportion of Men and Women in each Salary Quartile Band

To understand how the grade balance impacts pay, the hourly pay of all staff has been arranged in order then divided into four equal parts. The chart below shows the proportion of males and females in each pay quartile; the lower quartile includes the lowest paid staff per hour and the upper quartile includes the highest paid staff per hour.

Number of employees | Q1 = Low, Q4 = High

Quartile	Female	Male	Female %	Male %
1	622.00	135.00	82.17	17.83
2	665.00	92.00	87.85	12.15
3	667.00	90.00	88.11	11.89
4	548.00	209.00	72.39	27.61

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There are a higher percentage of males in the upper pay quartile compared to the percentage in each of the lower pay quartiles.

Gender Pay Gap - Bonus Average & Median Pay

Gender	Average Pay	Median Pay
Male	12,426.96	8,950.75
Female	7,856.39	4,476.59
Difference	4,570.57	4,474.16
Pay Gap %	36.78	49.99

Bonus Pay, whilst also forming part of basic pay for the purposes of calculating the mean and median average gender pay gap, is only paid to eligible consultant medical staff in the form of Clinical Excellence Awards. These awards recognise and reward 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 CEA's are administered within the Trust on an annual basis.

4. The Mean Bonus Gender Pay Gap

The data tells us that on average bonus pay, female employees earn 37% less than male employees.

5. The Median Bonus Gender Pay Gap

The data tells us that on median bonus pay, female employees earn 50% less than male staff.

6. The Proportion of Males and Females Receiving a Bonus Payment

Gender	Employees Paid Bonus	Total Relevant Employees	%
Female	33.00	2661	1.24
Male	58.00	562	10.32

The data in the above chart shows the total number of staff paid bonuses against the total number of staff in the organisation. In reality, only eligible medics are able to apply for Clinical Excellence Awards, which is shown as below:

Gender	Employees Paid Bonus	Total Relevant Employees (eligible medical staff only)	%
Female	33.00	117	33%
Male	58.00	129	44.96%

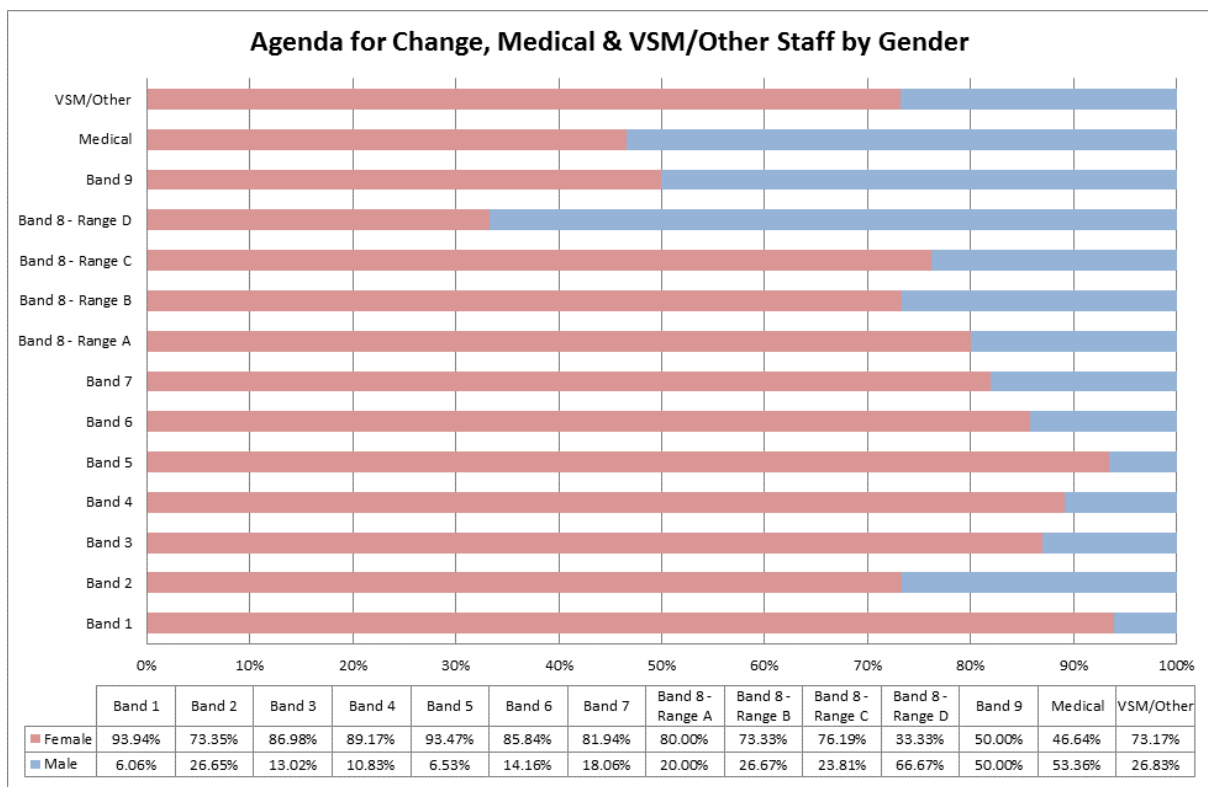
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Benchmarking our Results

Trust	Mean Hourly Rate Pay Gap	Median Hourly Rate Pay Gap	Mean Bonus Pay Gap	Median Bonus Pay Gap	% of men paid bonus	% of women paid bonus
Alder Hey Children's	33.1%	12.4%	36.8%	50%	10.32%	1.24%
Sheffield Children's	20.2%	9.3%	46.5%	14.8%	6.9%	1.3%
Great Ormond Street	21.5%	15%	14.9%	44.6%	6.6%	1.4%
Birmingham Women's and Children's	26.9%	15.8%	31.2%	13.3%	1.4%	1%
Countess of Chester	28%	9%	36.5%	50%	5%	1%
MerseyCare	10.1%	4.1%	45.5%	27.5%	4.2%	2.2%
Aintree	30.9%	17.4%	41.6%	34.4%	7%	0.7%

Understanding our Results (non-statutory data)

Alder Hey staff are employed on a number of different national contractual terms and conditions; Agenda for Change Bands 1-9, Medical and Dental, and Very Senior Managers (VSM). The total gender split across the Trust is 83% female, 17% male, and the chart below shows the gender differences between grades and staff groups, with the biggest variation to this being within AfC Band 8d and 9, and Medical staff.



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Agenda for Change Breakdown

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	14.4033	12.3718
Female	14.4357	13.4536
Difference	-0.0325	-1.0818
Pay Gap %	-0.2254	-8.7445

Quartile	Female %	Male %	Female	Male
Lower	81.68	18.32	477.00	107.00
Lower Middle	86.72	13.28	581.00	89.00
Upper Middle	88.84	11.16	557.00	70.00
Upper	85.96	14.04	539.00	88.00

The majority of our employees are on national Agenda for Change Terms and Conditions. An analysis of salary within AfC staff only, above, reveals that there is no mean pay gender gap, and that there is actually a small median gender pay gap for males of 8.74%.

Medical and Dental Breakdown

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	50.5028	49.1297
Female	42.0041	42.3489
Difference	8.4987	6.7809
Pay Gap %	16.8281	13.8020

Quartile	Female %	Male %	Female	Male
Lower	59.32	40.68	35.00	24.00
Lower Middle	56.67	43.33	34.00	26.00
Upper Middle	49.15	50.85	29.00	30.00
Upper	20.00	80.00	12.00	48.00

Whilst there is a more even gender split within this staff group, 53% males to 47% females, there remains a mean gender pay gap of 16.82%, and a median gap of 13.8%. We do know that, at Alder Hey, more male medical staff have a longer length of service than female medical staff, which impacts upon salary.

Conclusion and Declaration

The Trust has calculated the gender pay gap data in line with the government's gender pay gap reporting regulations ahead of submission of 30th March 2018. Alder Hey's mean gender pay gap is 33%, and the median is 12%. The gender pay gap is significantly reduced, and indeed skewed in the opposite direction for males, when medical staff are removed from the calculations.

Although not mandatory, the Trust has produced a narrative that explains the calculations and provides an organisational context.

The reasons for a gender pay gap are multi-factorial; terms and conditions, length of service, gender mix, pension, flexible working arrangements and salary sacrifice commitments will all have an impact upon the overall gender pay gap results.

The Trust will undertake a detailed analysis of the results and take steps to reduce the gender pay gap.

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Recommendation

The Operational Board are asked to approve the report to enable it to be published on the Trust and government website.

Trust is committed to ensuring an equitable workforce and steps taken to reduce gender pay gap will be incorporated into Trust Equality Objectives and monitored by the Workforce and Organisational Development committee on a quarterly basis.