

## Gender Pay Gap Report 2018

### Purpose

1. The purpose of this report is to inform the Education and Workforce Committee of the results of the new legal requirement to produce a gender pay gap report and to approve their publication.

### Background

2. Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, WCT is required to report annually on its gender pay gap. The new gender pay gap obligations have been introduced alongside the existing requirements for specified public bodies to demonstrate compliance under the Public Sector Equality Duty (PSED).
3. The trust is committed to furthering equality, diversity and human rights and reducing inequalities in the workplace. Wirral Community Trust (WCT) address equality and fair access to career pathways and progression in its Equality Strategy 2018-2021.

### What does gender pay gap mean? How is this different to Equal Pay?

4. The Equality and Human Rights Commission defines the difference between equal pay and the gender pay gap as follows:
  - The gender pay gap is a figure that shows the difference in the average pay between all men and women in a workforce. It is the difference between women's and men's average salary earnings, expressed as a percentage of men's earnings. It is a measure of women's overall position in the paid workforce and does not compare like roles.
  - In contrast, 'equal pay' is a more specific legal concept which 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 focuses on an average across the whole organisation across a variety of different role and pay bands. A large difference in the gender pay gap does not necessarily indicate unequal pay.
5. The pay and salaries for the majority of staff at WCT are determined through a national job evaluation and pay scheme called Agenda for Change (AFC). Job evaluation evaluates the job and not the post holder. For Medical and Dental Staff there are similar national Terms and Conditions in place for pay

and reward. These national terms and conditions make no reference to gender or any other personal characteristics of existing or potential job holders. Therefore, the Trust is confident that WCT is paying the same salary to roles of equal value.

### **Possible causes of the gender pay gap in any organisation:**

6. It is recognised from national evidence that there are a number of reasons behind gender pay gaps across the UK, such as:
  - discrimination and bias in recruitment and pay decisions
  - women and men working in different industries and different jobs, with female-dominated industries and jobs attracting lower wages
  - women's disproportionate share of unpaid caring and domestic work
  - lack of workplace flexibility to accommodate caring and other responsibilities, especially in senior roles
  - women's greater time out of the workforce impacting career progression and opportunities.
  - Lack of confidence among female staff seeking pay increases/leadership roles
  - Occupational segregation
  - Market-rate salaries. Whilst there is nothing wrong with setting market-rate salaries, when this happens in sectors typically dominated by male workers, a gender pay gap can easily surface as a result.
7. The variety of reasons as to why the gender pay gap exists across different organisations makes it a complex issue.
8. A gender pay gap does not equate to the existence of an equal pay problem, albeit a gender pay gap may be a trigger for further investigation about the reasons why the gap exists.

### **Calculation of the Gender Pay Gap**

9. The mandatory Gender Pay Gap reporting process outlines that organisations should, for the first mandatory report, capture data as a snapshot on 31 March 2017 and then publish their findings no later than 31 March 2018. The snapshot contains one month's pay (March 2017 pay). This cycle will then continue year on year going forward with organisations being required to maintain the data on their websites for three years in order to show progress made.

10. The trust as a relevant employer must follow the rules in the regulations to calculate the following information:
  - a. Their mean gender pay gap
  - b. Their median gender pay gap
  - c. Their mean bonus gender pay gap
  - d. Their median bonus gender pay gap
  - e. Their proportion of males receiving a bonus payment
  - f. Their proportion of females receiving a bonus payment
  - g. Their proportion of males and females in each quartile pay band
  
11. The trust uses the national Electronic Staff Record (ESR) Business Intelligence reporting tool to produce the data for this report. All NHS trusts will report using the same data set within the system.
  
12. These calculations make use of two types of averages as outlined within the calculation guidance:
  - A mean average involves adding up all of the numbers and dividing the result by how many numbers were in the list.
  
  - A median average involves listing all of the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.
  
13. Using these two different types of average is helpful to give a more balanced overview of an employer's overall gender pay gap:
  - Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap, but very large or small pay rates or bonuses can 'dominate' and distort the answer. For example, mean averages can be useful where most employees in an organisation receive a bonus but could be less useful in an organisation where the vast majority of bonus pay is received by a small number of board members.
  
  - Median averages are useful to indicate what the 'typical' situation is i.e. in the middle of an organisation and are not distorted by very large or small pay rates or bonuses. However, this means that not all gender pay gap issues will be picked up. For example, a median average might show a better indication of the 'middle of the road' pay gap in a sports club with a mean average distorted by very highly paid players and board members,

but it could also fail to pick up as effectively where the pay gap issues are most pronounced in the lowest paid or highest paid employees.

14. The proportion of males and females in each quartile pay band is a calculation which requires an employer to show the proportions of male and female full-pay relevant employees in four quartile pay bands.
15. This is done by dividing the workforce into four equal parts. These quartile pay bands are established when making the calculation, so any other pay banding used in a workplace must not be used. First, we rank all the male and female full-pay relevant employees from the lowest hourly rate of pay to the highest hourly pay rate. Second, divide this list into four sections (called quartiles) with an equal number of employees in each section (or as close as possible to this). Third, check distribution of employees on the same hourly rate and if there are a number of employees on the exact same hourly rate of pay crossing between two of the quartiles, make sure that the males and females are split as evenly as possible across the quartiles. Finally, express the proportion of male and female employees in each quartile band.

### Gender Pay Gap Results 2018

16. The data below outlines the gender pay gap for WCT as at the end of March 2017.

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	16.9389	14.5557
Female	15.0332	14.5562
Difference	1.9057	-0.0005
Pay Gap %	11.2502	-0.0032

Quartile	Female	Male	Female %	Male %
1	341.00	33.00	91.18	8.82
2	340.00	33.00	91.15	8.85
3	345.00	23.00	93.75	6.25
4	342.00	42.00	89.06	10.94

17. There is a gap of 11.25% for the average hourly rate and no significant difference (-0.0032%) in the median hourly rate. There is also a breakdown of each quartile, to show how each quartile of the workforce is represented between male and female employees.
18. There is no data to report for this trust on bonus payments and so we are unable to report on four reports the trust has a female dominated workforce with females representing 90.42% of the workforce. This split is highlighted in the quartile breakdown of the male and female split by quarters.

### **Analysis of Results**

19. The mean average hourly rate demonstrates a pay gap of 11.25%. This has been impacted by the data showing that of the 42 males in Quartile 4 (highest paid) 13 of these were in the top 29 highest paid staff in that snapshot month (March 2017). This is a disproportionate number when compared to the expected average of about one male for every ten females. Ten of these were from senior corporate roles and three Medical staff.
20. This breakdown then makes consideration of the median difference more significant and the fact that the trust has an insignificant percentage difference is a positive factor when analysing the rest of the workforce gender pay split.
21. The alignment of representation of males in higher paid roles in quartile 4 has impacted upon the misrepresentation in the quartile 3 split of roles with only 6.25% being males.
22. There is good consistency in the proportion of females and males in quartiles 1 and 2, with similar proportions' matching the overall workforce split.

### **Action to address the Gender Pay Gap**

23. In order to address its Gender Pay Gap, WCT has considered a range of options for action areas. The following are areas which we will be progressing over the coming 12 months.

#### **Training and support for line managers**

We can build on good practice through our Management Development Programme and other training opportunities to ensure that all managers have received

appropriate training to ensure they understand what behaviours and actions are required of them and their staff in the workplace.

Similarly, any employee involved in the recruitment and promotion of staff will be trained to ensure fair, non-discriminatory and consistent processes are followed including awareness training around the positive action provisions of the Equality Act 2010.

### **Manage family-friendly leave successfully**

Reducing the gender pay gap can be supported where employers go further than the legal family-friendly rights listed below and actively encourages the use of these rights to all their employees. These can include simple steps, such as encouraging male employees to consider taking shared parental leave options.

### **Make the most of flexible working**

Flexible working is used increasingly by both male and female employees and where handled strategically at an organisational level it can be very beneficial to both employer and employees, with clear business benefits. The first step to take here is for an employer to make sure they look at flexible working from the right perspective – it is not flexible working arrangements that present an obstacle, but often the lack of flexible working in more senior management gender pay reporting roles. Ensuring that (so far as possible) all promotions can successfully function with flexible working arrangements in place, including those to senior levels, will help.

### **Encourage and review career and talent development**

Options to develop within the workplace should be made as accessible as possible to all employees of both genders. However, measures can be taken where it becomes clear female employees are less likely to make use of development or up skilling opportunities.

Some of the common issues that may be easily fixed include:

- Female employees may be more likely to have responsibilities that limit their ability to travel. Arranging events such as training more locally or on site can help to tackle this, as can support for childcare arrangements.
- If there is a high proportion of female employees on flexible working or part time arrangements, running week-long events can create a problem. Similarly, if there is an opportunity to be involved in a career-developing project that requires full-time resource, invite job-sharing proposals from employees and challenge the full-time requirement.
- Where certain teams or levels of seniority are dominated heavily by male employees, it can be useful to monitor recruitment in these areas to identify what may be causing the situation.

## **Conclusion**

24. The gender pay gap for the trust is not significant when compared with other organisations who have already published their reports. It is also notable that

our median score is excellent, whilst the 11.25% mean pay gap should not be ignored.

25. It would be helpful to analyse our results in comparison to other NHS trusts when they have published after the end of March. This will help to benchmark our performance with similar organisations.

### **Committee Action**

26. The committee is requested to approve the publication of the trust's gender pay gap figures, and to commit to reviewing the data further, including relevant benchmarking.
27. The committee is asked to support the principles for actions set out in the report to address the issues raised.

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