



**Moorfields
Eye Hospital**
NHS Foundation Trust



Agenda item 08
Gender pay gap report
Board of directors 2 May 2019

Report title	Gender pay gap report
Report from	Sandi Drewett, director of workforce & OD
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Previously discussed at	
Link to strategic objectives	We will attract, retain and develop great people

<p>Executive summary</p> <p>Gender Pay Gap legislation requires all employers of 250 or more employees to publish their gender pay gap information by 30 March each year. The gender pay gap shows the difference between the average earnings of men and women.</p> <p>The gender pay gap shows the differences in the average pay between men and women across the whole organisation. 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.</p> <p>The attached report shows that the Trust has a gender pay gap between female and male relevant full-pay workers, with males being paid more than females on average whether using the mean or median calculation. By contrast, average bonus pay is higher for females than males, although proportionately fewer females received bonus pay.</p>					
<p>Quality implications</p> <p>Gender pay gap reporting is a valuable tool for assessing levels of equality in the workplace, female and male participation, and how effectively talent is being maximised. This has the potential to impact on staff morale and both staff and patient experience.</p>					
<p>Financial implications</p> <p>There are no direct financial implications arising from this paper.</p>					
<p>Risk implications</p> <p>The trust needs to keep a focus on gender pay gap issues to minimise the risk of deterioration in staff morale and challenges in engaging, attracting and retaining staff.</p>					
<p>Action required/recommendation.</p> <p>The board is asked to discuss and note the report.</p>					
For assurance	For decision	For discussion	✓	To note	✓

1. Background

Gender Pay Gap legislation requires all employers of 250 or more employees to publish their gender pay gap information by the 30th March each year. The gender pay gap shows the difference between the average (mean and median) earnings of men and women. This is expressed as a percentage of men's earnings e.g. women earn 15% less than men. Used to its full potential, gender pay gap reporting is a valuable tool for assessing levels of equality in the workplace, female and male participation, and how effectively talent is being maximised. 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 across the whole organisation. 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. There are many different factors that contribute to gender pay gaps and these include (but are not necessarily limited to) economic, cultural, societal and education factors. Key influences include unpaid caring responsibilities, part time working, segregation of occupational groups, potential undervaluing of women's work and pay discrimination. The Trust is obliged to publish the following information on our public-facing website and report to government by the 30th March each year:

- The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees ('the mean gender pay gap')
- The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees ('the median gender pay gap')
- The difference between the mean bonus pay paid to male relevant employees and that of female relevant employees ('the mean gender bonus gap')
- The difference between the median bonus pay paid to male relevant employees and that of female relevant employees ('the median gender bonus gap')
- The proportions of male and female relevant employees paid bonus pay ('the proportions of men and women getting a bonus'); and
- The proportions of male and female relevant employees in the lower, lower middle, upper middle and upper quartile pay band ('the proportion of men and women in each of four pay quartiles').

'Ordinary pay' means basic pay; allowances; pay for piecework; pay for leave; and shift premium pay. It does not include overtime pay, redundancy pay, pay in lieu of leave, or non-monetary remuneration.

'Bonus pay' means pay in the form of money, vouchers, securities, securities options, or interests in securities; and pay that relates to profit sharing, productivity, performance, incentive or commission. Non-consolidated bonuses are also included.

The reporting period for the most recent gender pay gap data is as at 31 March 2018 and the Trust is required to publish the information within one year of the snapshot date i.e. by 30 March 2019 and by the same date every subsequent year.

Contextual information: Trust gender headcount by pay band

To understand the context of the Trusts gender pay gap information it is important to also review the gender constitution of the Trust's workforce by pay band. As at 31 March 2018 the Trust employed staff of which 68% were female and 32% were male. This gender distribution reflects the predominantly female workforce that can be found across NHS Organisations with national NHS figures highlighting a 23% male workforce and 77% female.

Table 1 details gender headcount by pay band, based on relevant full-pay workers as at 31 March 2018 (i.e. those eligible for inclusion in the most recent reporting period):

	Pay band	Female headcount	Male headcount	Grand total
Board and other senior managers	VSM	5	6	11
Other non afc paid staff	Ad Hoc	9	1	10
Agenda for change	Band 1	4	3	7
	Band 2	175	81	256
	Band 3	162	71	233
	Band 4	130	47	177
	Band 5	226	67	293
	Band 6	252	61	313
	Band 7	183	75	258
	Band 8 – a	47	37	84
	Band 8- b	18	12	30
	Band 8 – c	11	9	20
	Band 8- d	7	5	12
Band 9	3	3	6	
Agenda for change total		1232	478	1710
Medical staff	Junior doctors	27	31	58
	Trust grade doctor	43	67	110
	SAS doctor	16	15	31
	Consultant	54	84	138
	Ad Hoc/ Other	16	20	36
Medical total		156	217	373
Grand total		1388	695	2083

This information highlights the following key points:

- For the lowest-paid grades (bands 1-4) there was a 70:30 split between females and males.
- The most-populated grades in the trust are band 5 and band 6, between them accounting for 30% of the overall workforce, of which the most common roles are nurses, optometrists and other non-medical healthcare professionals. The gender split across these two grades was nearly 80:20 females to males.
- Of those paid on the VSM (Very Senior Manager) grade there was a near 50:50 split between females and males.
- The gender split for medical staff was 40:60 females to males. Medical staff grades are generally amongst the highest paid in an organisation like ours, particularly consultants.

What the above shows is that for the lower and middle pay grades the vast majority of workers are female, whereas for the higher grades (Medical and VSM) there is a more even split. This will therefore have a big impact on our gender pay gap.

3. Gender Pay Gap information

The tables below detail the Trust's most recent gender pay gap information with explanatory notes. The data is as at 31 March 2018 as defined by the national reporting requirements.

3.1 Average and Median hourly rate

Table 2

	2016-17		2017-18	
	Mean	Median	Mean	Median
Male	£25.78	£21.42	£26.36	£21.68
Female	£19.52	£17.45	£19.89	£17.63
<i>All</i>	<i>£21.58</i>	<i>£18.54</i>	<i>£22.05</i>	<i>£18.50</i>
Gender Pay Gap	24.3%	18.5%	24.5%	18.7%

3.1.1 Average Hourly rate

A mean average involves adding up all of the numbers and dividing the result by how many numbers were in the list. 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 can ‘dominate’ and distort the answer. The Trust has a 24.5% mean average gender pay gap with females earning £6.47 an hour less than males.

3.1.2 Median Hourly rate

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. 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. The Trust has a 18.7% median hourly rate gender pay gap with females earning £4.05 an hour less than males.

3.2 % Male & Female staff in each pay quartile

Table 3

	2017-18			
	Proportion of employees in each Quartile			
	4th (bottom)	3rd (lower-mid)	2nd (upper-mid)	1st (top)
Male	30%	24%	30%	49%
Female	70%	76%	70%	51%

Table 3 shows that females constitute the majority of workers in the lower and middle quartiles, whilst there is an even gender split for the top quartile, which echoes the observations from table 1.

Focusing on each gender with reference to their overall workforce constitution, of the 695 male workers 257 (37%) were within the top quartile, 284 (40%) within the two middle quartiles, and 154 (22%) within the lowest quartile. Comparatively, of the 1388 female workers 264 (20%) were within the top quartile, 758 (55%) within the two middle quartiles and 366 (26%) within the lowest quartile. What this shows is that male workers are relatively concentrated towards the top and middle quartiles whereas female workers are concentrated towards the middle and lower quartiles.

3.3 Bonus information

Table 4

	2016-17		2017-18	
	Mean	Median	Mean	Median
Male	£17,606.23	£14,185.62	£16,238.72	£12,065.88
Female	£19,488.58	£17,919.48	£16,593.92	£14,779.50
<i>All</i>	<i>£18,210.00</i>	<i>£14,933.00</i>	<i>£16,359.13</i>	<i>£14,260.32</i>
Gender Bonus Gap	-10.7%	-26.3%	-2.2%	-22.5%

Table 5

	2016-17 Proportion of employees receiving a bonus payment	2017-18 Proportion of employees receiving a bonus payment
Male	5.3%	5.6%
Female	1.2%	1.4%

The data in tables 4 & 5 relates predominantly to Clinical Excellence Awards for medical staff as this is the main payment currently identified within the Trust which falls within the set definition of 'bonus pay'.

Under the national Medical & Dental terms & conditions Consultants are eligible to apply for Clinical Excellence Awards (CEA). This recognises and rewards individuals who demonstrate achievements in developing and delivering high quality patient care over and above the standard expected in their role, with a commitment to the continuous improvement to the NHS. The payments within the Trust's bonus information contains both local and national Clinical Excellence Awards. The Local CEA's are administered within the Trust on an annual basis and the national CEAs are determined externally and administered by the Department of Health.

The data highlights an average bonus pay gap of -2.2% (mean) and -22.5% (median), the negative values indicating that average bonuses are actually higher for females than they are for males.

60% of the Trust's consultant workforce is male, and they were more likely than their female counterparts to have received bonus pay in 2017-18. However, the minority of female consultants who did receive a bonus actually received a higher value payment on average.

Comparative Data

Out of 16 comparator trusts Moorfields is ranked as 13th for Mean gender pay gap and 7th for Median gender pay gap.

An update from the Gender Pay Gap in Medicine Review shows that in the NHS, 2 in 3 consultants are men, and that men earn £1.17 for every £1 earned by women. The update shows that the gender pay gap for doctors is 17% based on their total pay whereas at Moorfields it is 13%. The overall NHS gender pay gap is 23%, meaning that Moorfields is positioned just above the national mean average at 24.5%.

At Moorfields the biggest gender pay gap identified was amongst staff paid on an ad-hoc (local) salary, mainly certain doctors, managers and administrative staff. A number of these are doctors on our medical bank who don't hold a substantive post within the trust but carry out ad-hoc locum shifts for the services, often at very high hourly rates of pay compared to what a substantive doctor would earn. These exceptions will naturally skew

the figures to some extent, as evidenced by the fact that our mean average gender pay gap is higher than the median. Similarly of the 10 non-medical staff paid on an ad-hoc grade in March 2018, 9 were female and only one was male – and the male worker happened to be paid nearer the top end of the spectrum, creating an apparent gender pay gap.

There was also a high gender pay gap identified for our Medical Fellows, with females earning 19% less than males. One reason for this is that a sizeable component of Fellows' pay comes from on-call shift allowances, and there were proportionately more female Fellows who did not participate in an on-call rota.

Analysis of staff on Agenda for Change grades did not reveal any significant gender pay gaps within each grade, nor were the any significant gaps identified for doctors on nationally-defined pay grades

Conclusion

Our findings show that the Trust has a gender pay gap between female and male relevant full-pay workers, with males being paid more than females on average whether using the mean or median calculation. By contrast, average bonus pay is higher for females than males, although proportionately fewer females received bonus pay.

The key reason for this average pay differential is due to there being proportionately more males in the highest pay quartile relative to the middle and lower quartiles (see section 3.2).

There are a number of factors that contribute to this, including:

- Much of the top quartile is made up of medical staff, particularly consultants. Although there are not significantly more male doctors compared to female doctors, a greater proportion of the overall male workforce are doctors compared to the equivalent for females.
- There are relatively more males in senior management roles compared to other non-medical roles.
- There are proportionately more females in non-medical professional healthcare roles such as nurses and optometrists, which are traditionally paid around the middle quartiles.