Pay Gap Report 2020/2021

1. Purpose

On 31 March 2017, it became mandatory for public sector organisations with more than 250 employees to report annually on their gender pay gap; publishing six key measures:

Mean gender pay gap	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
Median 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
Mean Clinical Excellence Awards gap[1]	The difference between the mean Clinical Excellence Awards paid to male relevant employees and that paid to female relevant employees
Median Clinical Excellence Awards gap[1]	The difference between the median Clinical Excellence Awards pay paid to male relevant employees and that paid to female relevant employees.
Clinical Excellence Awards proportions	The proportions of male and female relevant employees who were paid Clinical Excellence Awards pay during the relevant period
Quartile pay bands	The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

[1]In this report the legal measures around "bonus" are referred to as "Clinical Excellence Awards" payments because only Consultants are eligible for this payment intended to reward high-quality care and the improvement of services.

This report also goes beyond our legal requirement and also publishes our mean race pay gap.

The 'snapshot date' in this report is from 31 March 2020 – 31 March 2021, unless otherwise stated.

2. Background

The gender pay gap is the average earnings difference between all male employees and all female employees in an organisation, regardless of the nature of their work.

The race pay gap is the average earnings difference between staff who identify as Black, Asian or Minority ethnic employees and all staff who identify as White.

It is important to distinguish between the pay gap and equal pay. Equal pay concerns differences between the actual earnings of male/female or BAME and White staff carrying out the same role.

An organisation may be an equal pay employer, yet it may still have a pay gap. This is because, there are different numbers of employees working in different roles for which they are paid differently.

The Gender Pay reporting requirements have been introduced via statute to make the differences in pay between men and women more transparent across all industry sectors, enabling employers to consider the reasons for any differences and to take any corresponding action.

For gender pay gap reporting, employees refers to everyone under a contract of employment, a contract of apprenticeship or a contract personally to do work. This includes those under NHS terms and conditions, medical staff and very senior managers.

The NHS has a national pay structure, job evaluation system and contractual terms and conditions for medical and non-medical staff which have been developed in partnership with trade unions. This national framework provides a robust set of arrangements for pay determination.

3. Analysis/Discussion: Gender Pay Gap

3.1 Mean & Median Gender Pay Gap

As the below graph illustrates, we have reduced our mean pay gap by 0.1% to 27.2% and reduced our median pay gap by 0.3% to 11.7%.

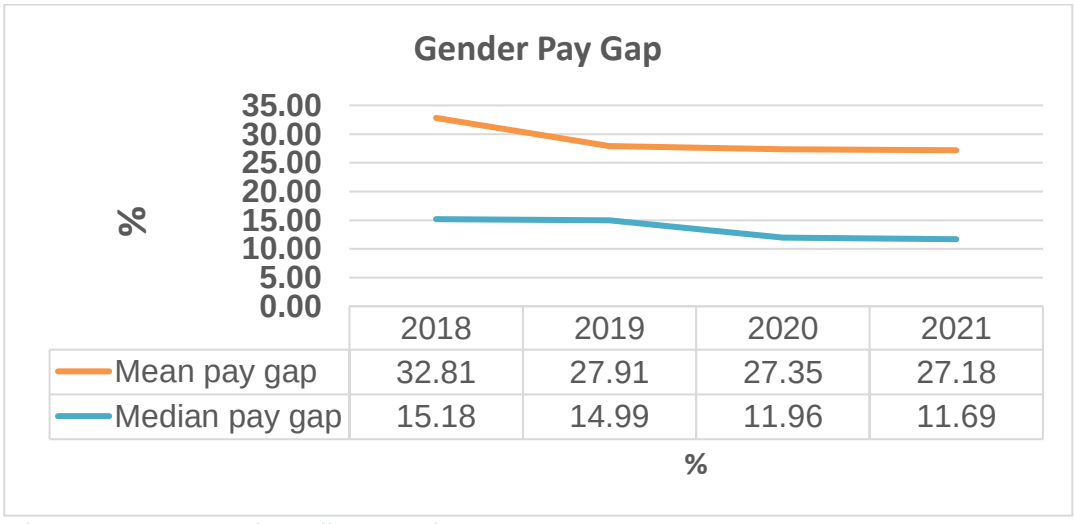


Figure 1: Mean and median gender pay gap

According to the Office for National Statistics (ONS), the national mean pay gap is 16% in 2020 and the national median of 10%.

In 2020 The Royal Free Foundation Trust recently reported a mean gender pay gap of 16% and a median pay gap of 13% in favour of men and East & North Hertfordshire Hospitals Trust have reported a mean pay gap of 23% and median pay gap of 12% in favour of men.

We remain confident that we have identified the key driver of our gender pay gap: the over representation of male Consultants; there are almost 3 times as many male Consultants (59%) than broader male representation across the Trust (22%).

The Appendix section A of this report looks into this in more detail.

3.2 Gender breakdown of pay quartiles

To understand the pay gap in more detail, it is helpful to look more closely at the pay quartile data, and representation of male and female staff across pay grades.

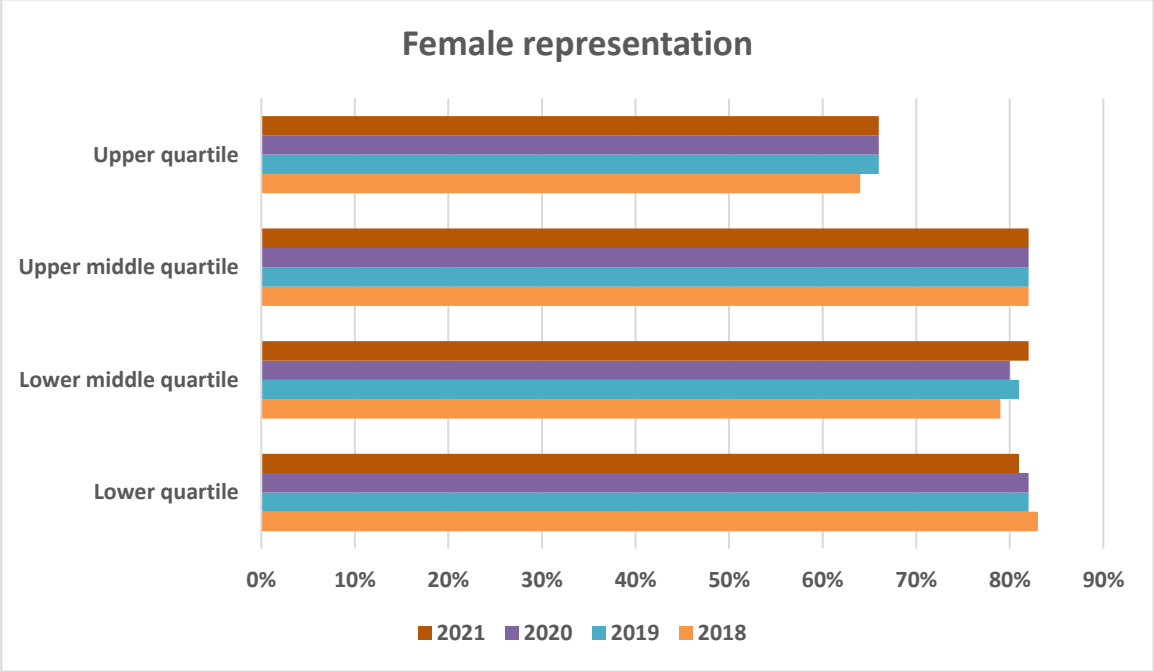


Figure 2: Female representation via pay quartile

Like the NHS workforce as a whole, our workforce is predominantly female; 77% female and 22% male.

This ratio is almost reflected in our pay quartiles with the exception of the upper pay quartile; this is a clear indicator of our median pay gap. Pay quartiles are calculated by ranking the hourly pay rates for each employee from lowest to highest, before splitting the ranking into four equal-sized groups and calculating the percentage of males and females in each group. The only changes in our pay quartile this year is a 1% increase in the lower middle quartile and a 1% decrease in lower quartile for female staff.

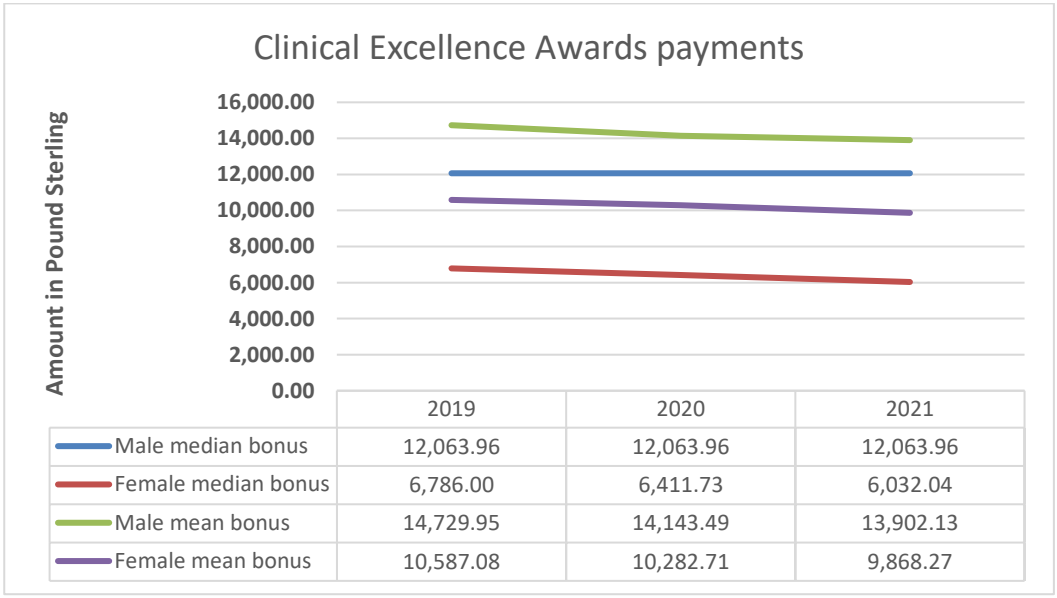
While NHS's pay system safeguards against equal pay issues, the gender pay gap is a result of the distribution of male and female employees. The impact of more male employees at higher pay skews the male median pay, even though male employees are significantly outnumbered by female employees in the other three pay quartiles.

3.3 Clinical Excellence Awards

The Trust does not pay traditional performance bonuses. For purpose of gender pay gap reporting, Clinical Excellence Awards (CEA) payments, for which only Consultants are eligible, are regarded as 'bonus pay'. The CEA scheme is intended to recognise and reward those Consultants who perform 'over and above' the standard expected for their role.

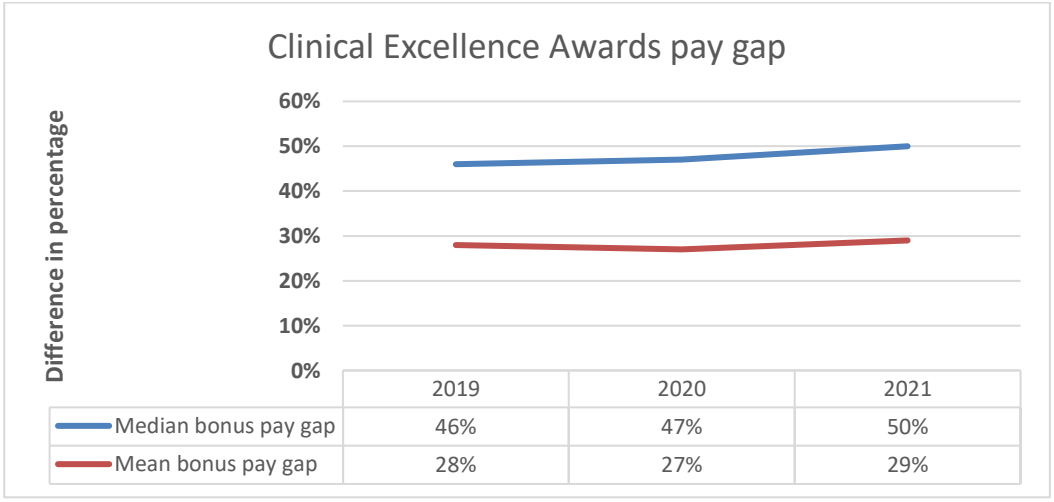
Awards are given for quality and excellence, acknowledging exceptional personal contributions towards the delivery of safe and high-quality care to patients and continuous improvement.

As the below graph illustrates, the difference between the mean and median Clinical Excellence Awards paid to male and female medical consultants during the reporting period is almost the same as our 2019 Clinical Excellence Awards pay gap.



	2019	2020	2021
Male median bonus	12,063.96	12,063.96	12,063.96
Female median bonus	6,786.00	6,411.73	6,032.04
Male mean bonus	14,729.95	14,143.49	13,902.13
Female mean bonus	10,587.08	10,282.71	9,868.27

Figure 3: Mean and median Clinical Excellence Awards received by gender



	2019	2020	2021
Median bonus pay gap	46%	47%	50%
Mean bonus pay gap	28%	27%	29%

Figure 4: Mean and median Clinical Excellence Awards pay gap difference by gender

As shown below, in the current reporting period 64% of Clinical Excellence Awards recipients were male, a 5% over-representation in terms of the eligible Consultant workforce. This means females are under-represented by 5%.

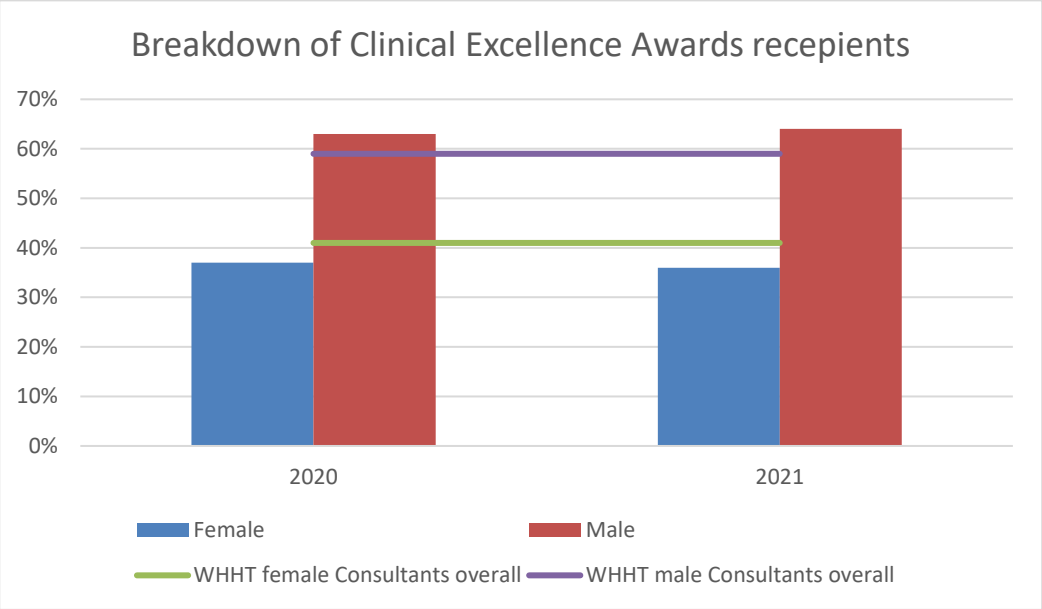


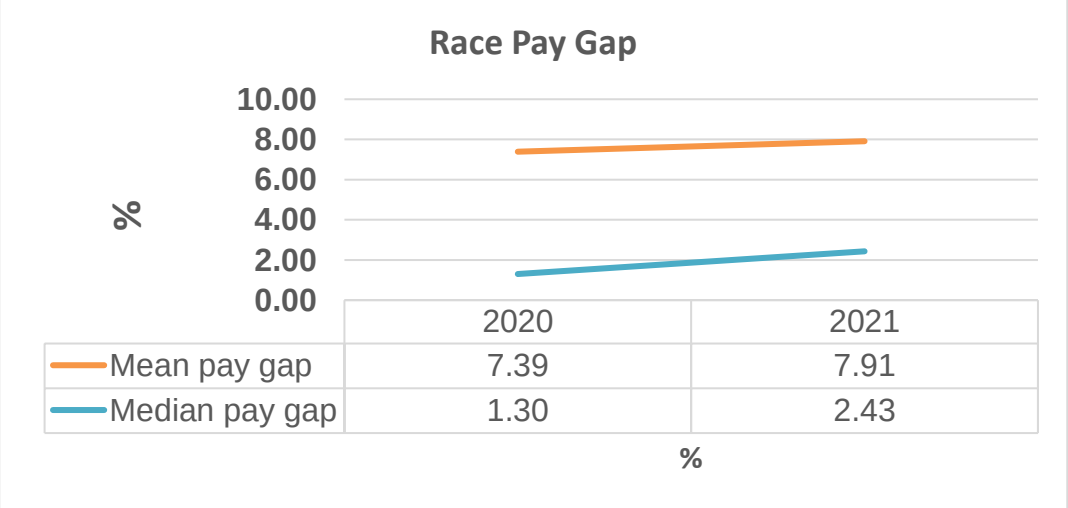
Figure 5: Breakdown of gender Clinical Excellence Awards recipients

4. Analysis/discussion: Race pay gap

4.1 Mean & Median Race Pay Gap

As the below graph illustrates, our race mean pay gap has increased by 0.52% in favour of BAME staff.

The median race pay gap has also increased in favour of BAME staff by 1.13%.



In April 2021 the Nuffield Trust found an overall pay gap of 5.2% in favour of BAME staff across the entire NHS workforce, citing the disproportionate pay of Doctors and Consultants as the key factor.

The Consultant demographic at West Herts is 51% BAME, in comparison with around 40% nationally which is one potential reason we are slightly above the national figure. The Appendix section C of this report looks into BAME representation at the Trust in more detail.

5. Conclusion

This year, the reduction of our gender pay gap is due to female representation decreasing in the lowest pay quartile and increasing in the lower middle pay quartile by 1%.

A 4% increase in our BAME consultant workforce (Appendix C) has led to a slight increase of the race pay gap in favour of BAME staff.

It is too early to establish what impact the recommendations in the previous report have had on these figures, particularly as the recommendations were only discussed at PERC in January 2021 due to the report being delayed by the pandemic.

However, we remain confident that we have identified the key drivers of our pay gaps: the over representation of BAME men at consultant level in our workforce. (Appendix A and B).

Without consultants, our mean pay gap for both groups is less than 10%. However, due to the way consultants are paid, it should be noted that this pay gap is calculated by assignment, which is different to the way the pay gap is calculated in the rest of this Report.

6. Next Steps

Our diversity and inclusion strategy sits within the 2020-2023 People Strategy and has four key pillars: finding the right people, looking after our people, developing our people and moving forwards.

The following summary of actions are embedded in the implementation plan aligned to this Strategy, form the next steps to address the gender and race pay gap findings. More detail in relation to these actions is in Appendix C.

a) <u>Enabling flexible working</u>

Despite progress in wider society in relation to gender equality and the introduction of shared parental leave which the Trust have embedded into policy; women continue to take on most of the household and familial duties.

b) <u>Inclusive maternity policies</u>

Prior to the roll-out of the vaccine, the Trust ensured pregnant staff of any gestation were offered the choice of whether to work in direct patient-facing roles and following the easing of lockdown, pregnant colleagues are advised to continue working as normal prior to 28 weeks gestation.

c) <u>Making West Herts more menopause friendly</u>

We estimate around 1,000 members of the workforce are at menopausal or pre-menopausal age. Recent research by the Fawcett Society states there is strong evidence that experiencing these symptoms present challenges for women in work and can result in lower productivity and

job satisfaction, greater absence rates due to illness – and for some women, a reduction in working hours or an exit from the workforce.

d) Clinical Excellence Awards reforms

Reforms which were previously presented to Board in July 2021 and will be shared with the Remuneration Committee in September 2021 include 'blind' scoring of applications scored by a large panel of assessors, ensuring part time workers are allowed full CEAs and more proactive communication.

e) Race equality

Our comprehensive Workforce Race Equality Plan 2020 sets out in detail how the Trust wishes to address this, including diverse and trained interview panels. It can be accessed here.

7. Risks

Risk	Mitigating actions
As 7% of staff have not shared their ethnicity on ESR, our Race Pay Gap data excludes data for more than 350 employees, of whom 27 are consultants.	Communications which include a hyperlink to ESR. Sharing data such as WRES to highlight anonymity is safeguarded and highlighting the data lead to actions.
This report has kept with the 2001 ONS guidelines to help us create comparative data. This means our BAME data does not examine the pay gaps in relation to White colleagues who originate from non-UK countries.	Our 2021 WRES action plan/report aims to evaluate this and will be presented to PERC in October 2021.
The overall pay gap in favour of BAME staff disguising pay inequalities for some ethnicities.	Our 2021 WRES action plan/report aim to evaluate this and will be presented to PERC in October 2021.
Colleagues have to identify as male or female on ESR, excluding non-binary colleagues who identify as non-binary or gender-fluid.	Staff can define themselves as "Mx" in the tittle section.

Andrew McMenemy
Chief People Officer, August 2021

Appendix A: Gender Pay Gap Detail

Our current data highlights males are over-represented from Band 8 upwards, with the largest numbers coming from our Medical workforce; this disproportionately inflates our mean pay gap.

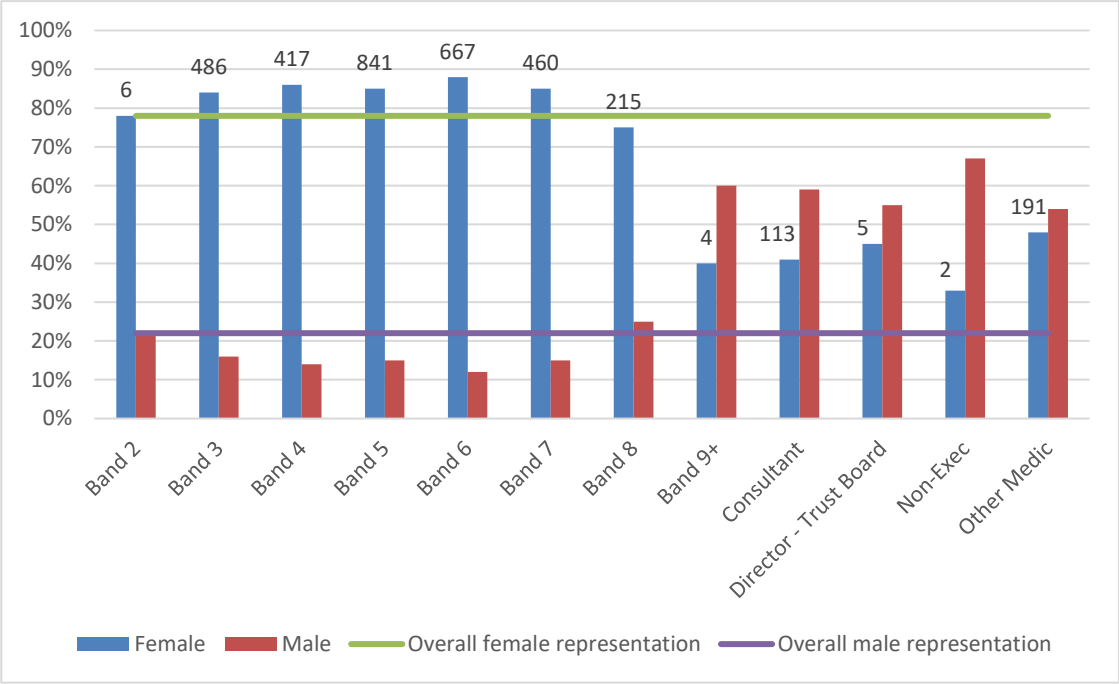
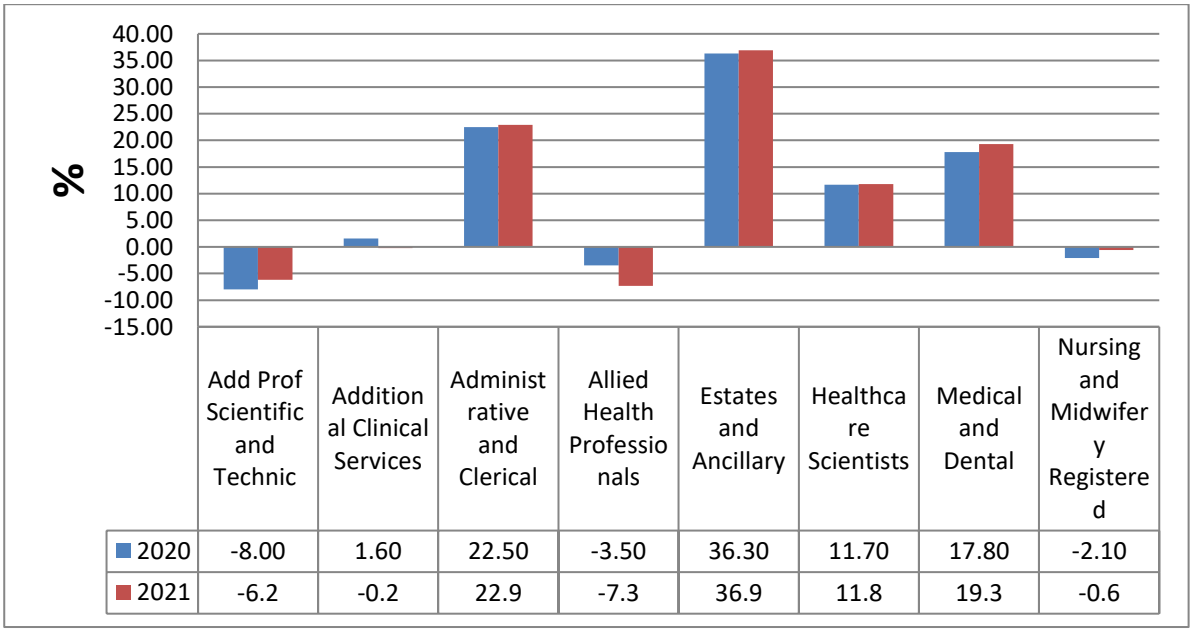


Figure 6: Gender representation across pay grades



	Add Prof Scientific and Technic	Additional Clinical Services	Administrative and Clerical	Allied Health Professionals	Estates and Ancillary	Healthcare Scientists	Medical and Dental	Nursing and Midwifery Registered
2020	-8.00	1.60	22.50	-3.50	36.30	11.70	17.80	-2.10
2021	-6.2	-0.2	22.9	-7.3	36.9	11.8	19.3	-0.6

Figure 7: Mean gender pay gap across staff groups

The minus symbol indicated a pay gap in favour of female staff, which means three staff groups have a pay gap in favour of females: Add Prof Scientific, Allied Health Professionals and Nursing and Midwifery.

The pay gap in favour of men increased in our: Admin, Estates, Healthcare Scientist and Medical and Dental roles. This is a clear indicator of why progress in relation to reducing the overall pay gap continues to be slow.

The following table provides a 2019/2020 breakdown of the various stages in the recruitment process by gender and suggests a higher success rate for females. Our latest 2020/2021 recruitment conversion data will be included in our Annual Equality Duty report later this year. In the previous year males made up 7% fewer applications (29%) and 5% fewer appointments (17%) of appointments.

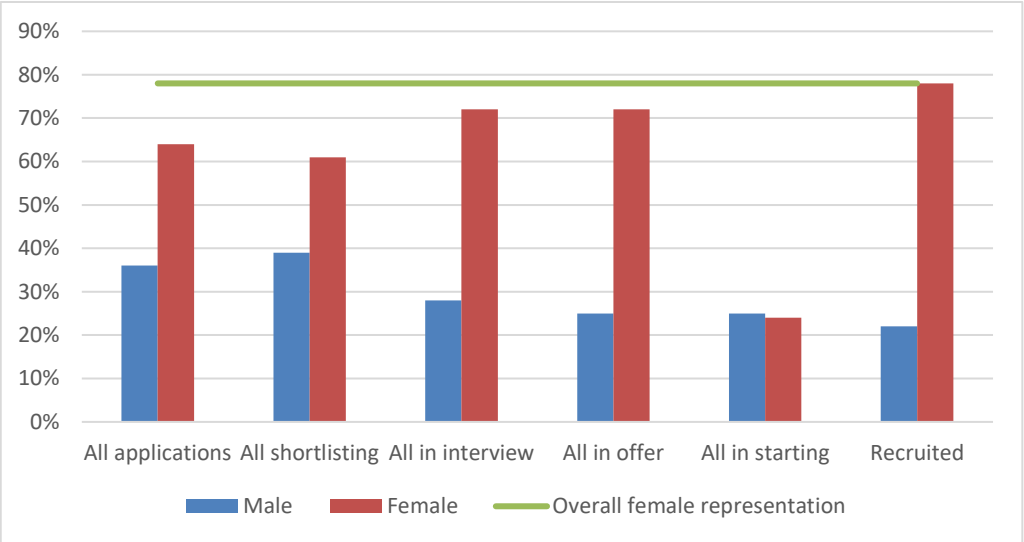


Figure 8: Recruitment conversion rate by gender

The table below shows that in 2019/2020 our male staff continued the marginal trend to be more likely to have their pay band increased and marginally less likely to have their pay band decreased. Our latest 2020/2021 promotion data will be included in our Annual Equality Duty report later this year, where we will also aim to explore which Divisions, roles or pay band's the promotions are most likely to take place.

Gender	Band decreased	Band increased	No Change	Overall	Band decreased	Band increased
Female	16	307	3393	3716	0.4%	8.3%
Male	2	67	677	746	0.3%	9.0%
Grand Total	**18**	**374**	**4070**	**4462**	**0.4%**	**8.4%**

Appendix B: Race Pay Gap detail

At 41% BAME overall, our workforce is significantly more ethnically diverse than the local population which ranges from 9% in Hemel Hempstead to 19% in Watford.

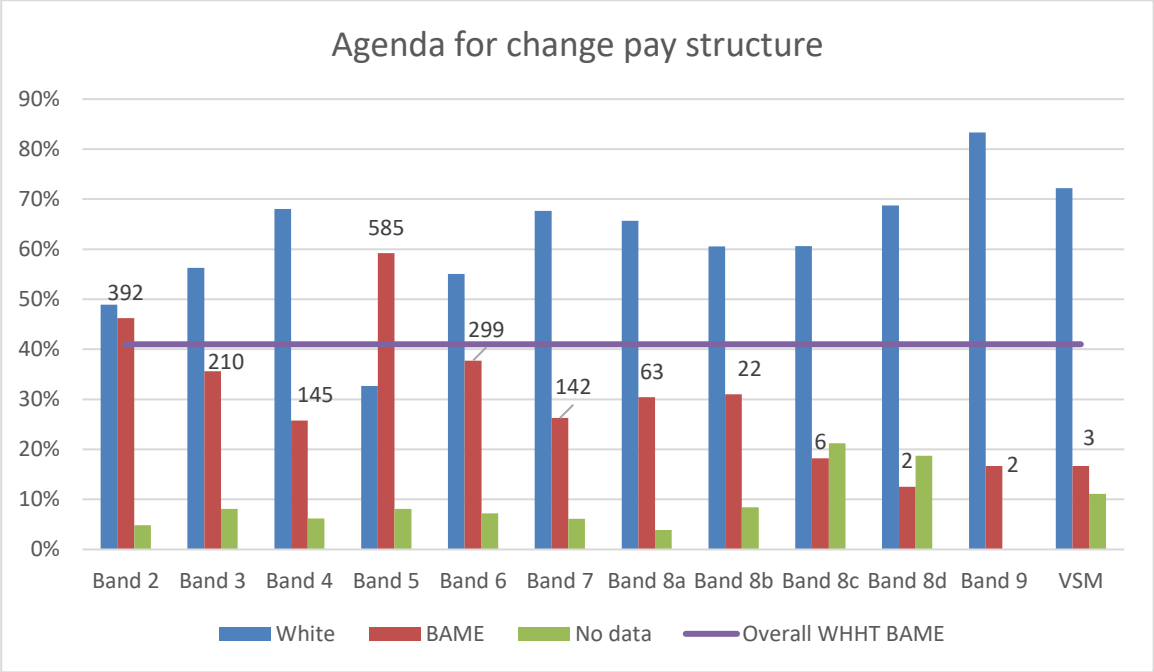


Figure 9: BAME representation by pay Band

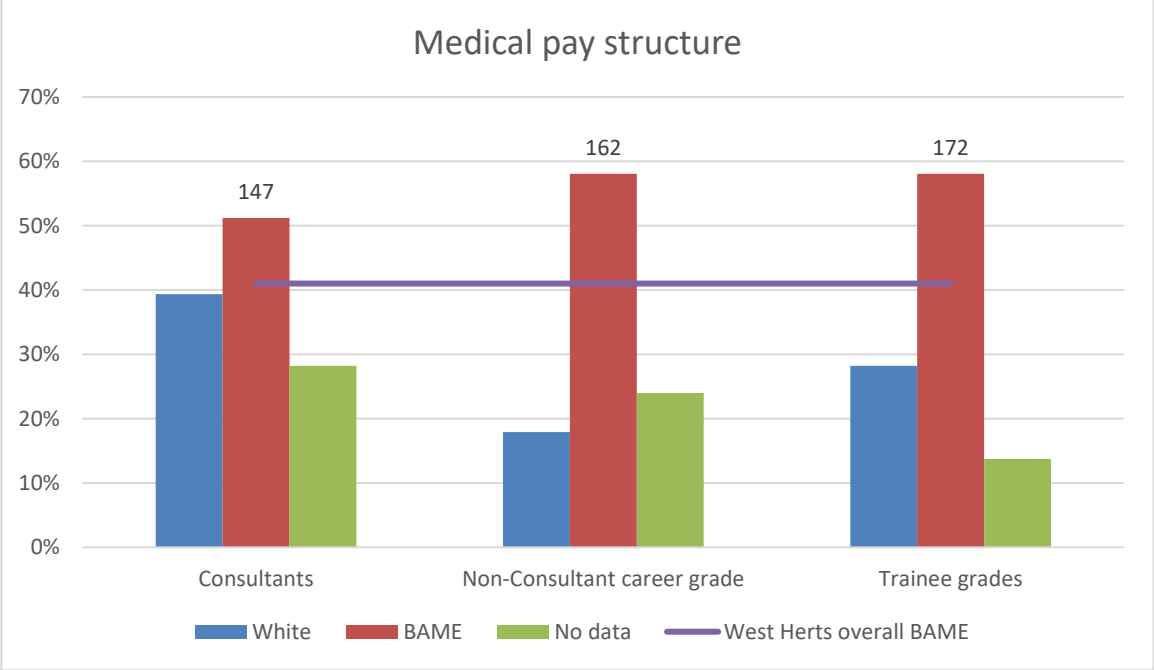


Figure 10: BAME representation in Medial pay structure

A 4% increase in our BAME Consultants is a clear indicator of the increase in our Race pay gap. Our talent pipeline of Consultants is also increasingly ethnically diverse.

As Consultants are the least likely group of staff to share their ethnicity on ESR, the data shown is not complete.

A major factor in relation to over-representation at Band 5 is our international recruitment of staff nurses. Since 2017 we have recruited over four hundred mainly from India and the Philippines.

As shown below, three staff groups have a pay gap in favour of White staff: Corporate, Environment and Medicine.

Four staff groups have a pay gap in favour of BAME staff: Clinical Support, Emergency Medicine, Surgery & Anaesthetics as well as Women's & Children.

The only Divisions where the pay gap increased is in Environment and Medicine (in favour of White staff) and in Surgery (in favour of BAME staff). This is a clear indicator of the increase in this year's overall pay gap in favour of BAME staff, particularly as Surgery is one of the larger Divisions in terms of workforce.

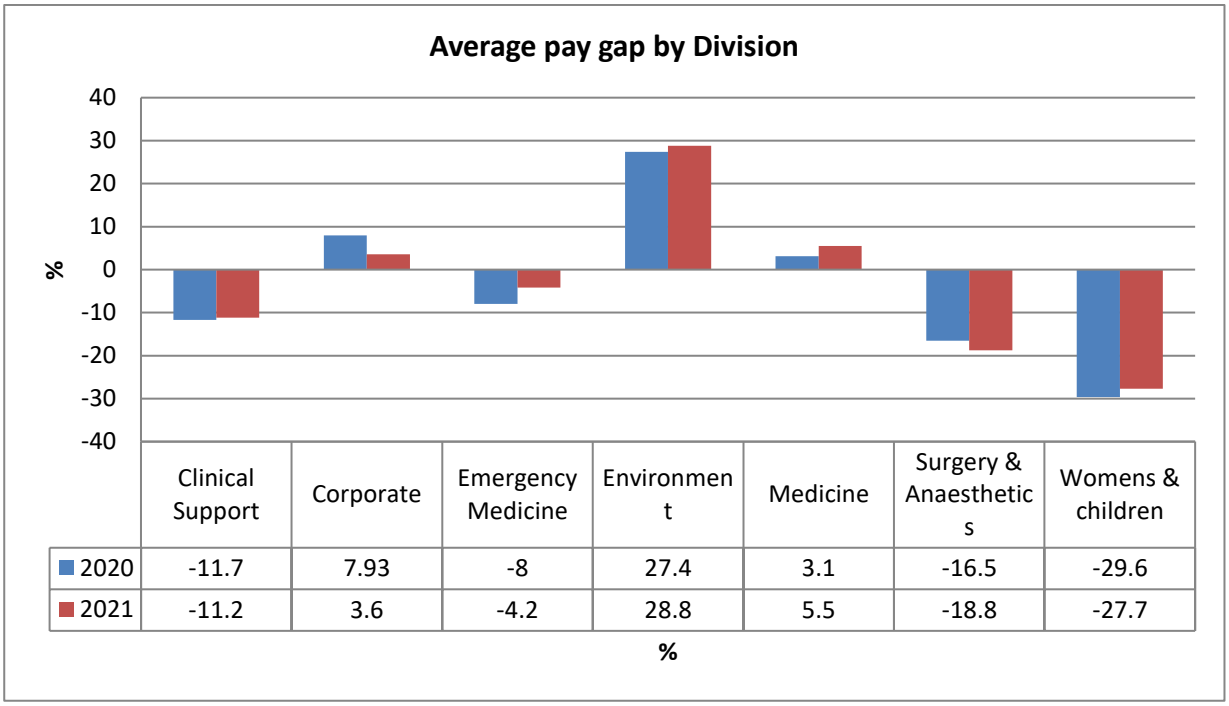


Figure 11: Average Race Pay Gap by Division

Our latest Workforce Race Equality Standard report and action plan investigates representation, recruitment, development for BAME staff in much more detail.

Appendix C: Recommendation Detail

a) Enabling flexible working

Despite progress in wider society in relation to gender equality and the introduction of shared parental leave which the Trust have embedded into policy; women continue to take on most of the household and familial duties.

We aim to ensure this does not have a detrimental impact in the workplace by:

- Ensuring employees contribute to rostering where possible to ensure their home life needs are also met with staff reporting effective rostering including medical staff.

- Supporting our staff who have caring responsibilities and personalising our approach to how we manage and care for our team. Greater take up of agile working and use of

technology to support staff to work remotely where possible

- Embedding our flexible working policy

- Nurseries at our Watford and St Albans hospital sites also offer high quality, affordable childcare for children aged three months to five years

b) Inclusive maternity policies

- Pregnant colleagues over 28 weeks gestation complete risk assessments with their manager to identify any risks so that where possible colleagues can continue to work in patient facing areas in green or amber pathways until the commencement of their maternity leave. These assessments are reviewed every 2 weeks.

- Support for pregnant colleagues who do not want to work in red areas and support there redeployment as appropriate.

- Keeping in touch" (KIT) days that employees can opt it in to and potentially make it easier when it is time to come back to work.

- Evaluating Divisional maternity retention data

c) Making West Herts more menopause friendly

- Engage all staff on the menopause and the impact it can have on individuals in the workplace via awareness raising sessions and comms; from July 2021.

- Empower staff experiencing the menopause to share their experiences at West Herts from September 2021.

- Equip staff (and managers in particular) to have competent conversations that explore workplace adjustments from September 2021.

- Embed updates for support for menopausal women in our policies, procedures and processes

- Evaluate the impact of the comms, awareness sessions, resources and policy provisions via our 2022 annual staff survey.

- Explore a specific workplace menopause policy in 2022/2023 and/or Menopause Passport as well as receiving a menopause friendly workplace accreditation.

d) Clinical Excellence Awards reforms

- Continuing with the current system of 'blind' scoring of applications scored by a large panel of assessors (12-14 assessors). This scoring panel must be properly representative of the clinical body both in terms of roles and diversity.

- There should be a greater role for Divisional Directors and Divisional General Managers in acting as a 'gateway' role for doctors wishing to be considered for the scheme.

- Exceptionally part time workers should be allowed full CEAs where it can be shown that there was significant amount of their own time and effort put into the subject of their submission.

- In order to try to address gaps between different groups, more proactive communication should be provided.