

Report to the Board of Directors

Report Title	Gender Pay Gap Statement 19-20
---------------------	--------------------------------

DEFINITIONS

Information: Update to ensure Board has sufficient knowledge on subject matter and to provide assurance on progress

Discussion: Seeking Board members' views, potentially ahead of final course of action being agreed

Decision: When being asked to choose between alternative courses of action

Approval: Positive resolution, to confirm paper is sufficient to assure the Board in its ongoing monitoring role, or to address a gap in control

Executive Summary and recommendation(s)

Lincolnshire Community Health Services (LCHS) is required to publish the below gender pay gap measure based on a 'snapshot date' of 31 March 2019:

- The difference between the mean hourly rate of pay for male and female employees
- The difference between the median hourly rate of pay for male and female employees
- The proportions of male and female employees in the four quartile pay bands (lower, lower middle, upper middle and upper)

The Trust is required to publish this information within one year of the snapshot date (i.e. by 31 March 2020) and by the same date every subsequent year. It should be published on a website that is accessible to employees and the public. The data also has to be uploaded on the government's 'Gender Pay Service' reporting site.

The Finance, Performance and Investment Committee is asked to approve this 'Gender Pay Gap Statement' information and for it to be published as required.

In summary based on data 31st March 2019:

- The gender split within the overall workforce is 89.8% female and 10.2% male at LCHS
- Women are represented across all pay bands within LCHS and there is a 2:2 ratio of females to males in very senior management (VSM) posts
- The LCHS workforce is governed under the NHS Agenda for Change, excluding medical staff and very senior managers. It uses the NHS national job evaluation framework to determine appropriate pay bandings. This provides a clear process of paying employees equally for the same or equivalent work.
- The highest proportion of females are concentrated within Band 2, 5 and 6 posts and the highest proportion of males are concentrated within Band 6 and Band 7 posts. The occupancy of these different posts by gender therefore contributes to the gender pay gap.

Gender	Average (Mean) Hourly Rate	Median Hourly Rate
Male	20.05	17.10
Female	14.94	14.05
Difference	5.11	3.05

Pay Gap %**25.48%****17.86%**

- The mean gender pay gap has **increased** from 21.5% when compared to 2018 snapshot; however the median gender pay gap has **decreased** from 18.96% in 2018. Reasons for the increase are as follows
 - The Trust has recently recruited a male to a very senior management position which was previously held by a female, and this has improved our ratio at very senior management level to 2:2 (male:female) from 1:4.
 - The Trust has been recruiting to a new medical model and between April 2018 and March 2019 the Trust made the appointment of 4 male GPs. This composition of male / female GPs will contribute to the Trust's gender pay gap as they sit within the higher bandings.
 - The Trust follows all equal opportunity recruitment practices and for very senior management positions this is supported by the NHS East Midland Leadership Academy.
 - Pay bands 3 and 5 contain some of the highest % of females and these show that on an average pay gap basis females are paid more. The mean pay gap information again varies between bands with both negative and positive values.
 - Within the 'other' group one male Doctor (Research Lead) is measured alongside domiciliary staff who are support staff. This has caused the wide pay gap in this area.
 - The study highlights that the Trust employs more men in the higher banding categories than women which has an impact on the average hourly rate. LCHS has significantly less men employed when compared to women, however, of those employed a proportion are in either senior or specialist roles

○

Actions to reduce the Gender Pay Gap

Whilst the Trust has excellent representation of females across all levels of the organisation and is predominantly female, this report shows that there are gender pay gaps which require the continued development of actions to close these gaps:

- To continue employing and monitoring recruitment, performance and appraisal processes to ensure they are objective with structured and measured criteria that can be evidenced. The Trust undertakes annual appraisal audits to ensure a fair and equitable process is followed for all staff members;
- Continue to explore how we can attract more men into the organisation at the lower bands, to create a more even gender balance;
- The Trust will robustly evaluate starting salaries of all staff members to ensure they are commensurable with the individual's experience;
- The continuation of promoting flexible working opportunities for both men and women (The Trust has made easily accessible on its Intranet site information for all employees in relation to applying for these opportunities);
- The Trust continues to offer leadership development programmes which are accessible to male and female employees equally and will continue to encourage engagement of staff members;
- Continue to monitor any shifts in the gender pay gap data each year to identify any trends and analyse underlying causes.

Appendices

N/A

Strategic Context/Objective(s) and Board Assurance Framework links		
--	--	--

Strategic aim(s)	Providing high quality, safe personalised care	
	Delivering value for money and financial sustainability	
	Building a quality and supported Workforce	x
	Strengthening our positive reputation	x
	Leading integration and innovation	
BAF reference(s)	7a – Right people	
Strategy reference	Clinical Strategy	
	Commercial Strategy	
	Financial Strategy	
	Information and Technology Strategy	
	Estates Strategy	
	Engagement Strategy	
	People Strategy	X

This paper provides assurance against the trust objective(s) identified	X
This paper is to close a gap in control/assurance in relation to the objective(s)	

Legal/regulatory (The relevant regulatory or legislation requirement with specific reference where appropriate)	The Equality Act 2010 Specific Duties and Public Authorities Regulations 2017			
Equality Impact/risks (Equality Delivery System 2 – EDS2 Nov 2013)	Non equality impact	Impact		
		Positive	Negative	Neutral
				x
Assurance process and frequency of monitoring	People Executive Group and Finance, Performance and Investment Committee - annually			

Report Title	Gender Pay Gap Statement 2018/2019
---------------------	------------------------------------

Background
<p>New regulations took effect on 31 March 2017 (The Equality Act 2010 Specific Duties and Public Authorities Regulations 2017) that requires all public sector organisations in England employing 250 or more staff to publish gender pay gap (GPG) information.</p> <p>The gender pay gap shows the difference between the average (mean or median) earnings of all male and female employees. It is expressed as a percentage of earnings and it is a measure of disadvantage. The gender pay gap is not the same as equal pay. Equal pay is about ensuring men and women doing similar work or work that is different but of equal value (in terms of skills, responsibility, effort are paid the same. A gender pay gap could reflect a failure to provide equal pay but it usually reflects a range of factors, including a concentration of women in lower paid roles and women being less likely to reach senior management levels.</p>

Lincolnshire Community Health Services (LCHS) is required to publish the below gender pay gap measures:

- The difference between the mean hourly rate of pay for male and female employees
- The difference between the median hourly rate of pay for male and female employees
- The proportions of male and female employees in the four quartile pay bands (lower, lower middle, upper middle and upper)

The above measures are calculated using a 'snapshot date' and for public sector organisations this is the pay period which includes 31 March 2019. This statement therefore covers all LCHS employees including those on Bank contracts as reported at **31 March 2019**. The data is taken from the Electronic Staff Record (ESR).

The Trust is required to publish this information within one year of the snapshot date (i.e. by 31 March 2020) and by the same date every subsequent year. It should be published on a website that is accessible to employees and the public. The data also has to be uploaded on the governments 'Gender Pay Service' reporting site.

Key issues and analysis

Workforce context

The gender split within the overall workforce is 89.8% female and 10.2% male at LCHS based on data reported at 31 March 2019. Figure 1 below breaks this down by the proportion of males and females in each pay band.

Figure 1.

Gender	Female	Female	Male	Male	Total	Total
PayBand	Count	%age	Count	%age	Count	%age
Band 1	16	0.9%	2	0.1%	18	1.0%
Band 2	314	17.7%	23	1.3%	337	19.0%
Band 3	257	14.5%	24	1.4%	281	15.9%
Band 4	76	4.3%	10	0.6%	86	4.9%
Band 5	336	19.0%	17	1.0%	353	19.9%
Band 6	311	17.6%	41	2.3%	352	19.9%
Band 7	175	9.9%	38	2.1%	213	12.0%
Band 8a	46	2.6%	19	1.1%	65	3.7%
Band 8b	20	1.1%	7	0.4%	27	1.5%
Band 8c	3	0.2%	1	0.1%	4	0.2%
Band 8d	2	0.1%	2	0.1%	4	0.2%
Medical and Dental	4	0.2%	11	0.6%	15	0.8%
Other	10	0.6%	2	0.1%	12	0.7%
VSM	2	0.1%	2	0.1%	4	0.2%
Total	1,572	88.8%	199	11.2%	1,771	100.0%

*Please note the category entitled 'other' represents anyone who is not on agenda for change pay bands, for example apprentices and staff groups who have TUPE transferred into the organisation.

The LCHS workforce is governed under the NHS Agenda for Change, excluding medical staff and very senior managers. It uses the NHS national job evaluation framework to determine appropriate pay bandings. This provides a clear process of paying employees equally for the same or equivalent work. Pay progression is also linked to performance.

Figure 1 outlines that women are represented across all pay bands within LCHS and there is a 2:2 ratio of females to males in very senior management (VSM) posts.

The highest proportion of females are concentrated within Band 2, 5 and 6 posts and the highest proportion of males are concentrated within Band 6 and Band 7 posts. The occupancy of these different posts by gender therefore contributes to the gender pay gap.

Please note with effect from 1 December 2018 band 1 was closed to new entrants as part of the 2018 pay deal.

Mean and median hourly rate for males and females

Figure 2a.

Gender	Average (Mean) Hourly Rate	Median Hourly Rate
Male	20.05	17.10
Female	14.94	14.05
Difference	5.11	3.05
Pay Gap %	25.48%	17.86%

The mean gender pay gap for LCHS is 25.48%. This means that men are paid 25.48% more than women on average. The average is calculated by adding up the hourly rates of all men and all women and dividing by the total number of men and women.

The median gender pay gap for LCHS is 17.86%. This means that when the hourly rates of all female and all male staff are put in order from smallest to largest, the middle rate for men is 17.86% higher than the middle rate for all female staff.

The mean gender pay gap has increased from 21.5% when compared to 2018 snapshot; however the median gender pay gap has decreased from 18.96% in 2018. The Trust has recently recruited a male to a very senior management position, which was previously held by a female, and this has improved our ratio at very senior management level to 2:2 from 4 females to 1. The Trust has been recruiting to a new medical model and between April 2018 and March 2019 the Trust made the appointment of 4 male GPs. This composition of male / female GPs will contribute to the Trust's gender pay gap as they sit within the higher bandings. The Trust follows all equal opportunity recruitment practices and for very senior management positions this is supported by the NHS East Midland Leadership Academy.

Further analysis to show the gender pay gap per band is detailed in Figure 2b.

Figure 2b

Pay Band	Average Mean (Hourly Rate)				Median Hourly Rate			
	Male	Female	Difference	Pay Gap %	Male	Female	Difference	Pay Gap %

Band 1	9.68	11.07	-1.39	-0.14	9.68	11.02	-1.34	-0.14
Band 2	11.13	10.41	0.72	0.06	11.34	9.72	1.62	0.14
Band 3	10.53	10.56	-0.03	0.00	10.14	10.46	-0.31	-0.03
Band 4	11.75	11.49	0.26	0.02	11.72	11.53	0.19	0.02
Band 5	13.91	14.95	-1.04	-0.07	14.34	15.14	-0.80	-0.06
Band 6	17.41	17.46	-0.05	0.00	17.71	17.52	0.19	0.01
Band 7	21.59	21.56	0.02	0.00	22.01	22.01	0.00	0.00
Band 8a	24.54	24.11	0.43	0.02	24.45	23.90	0.54	0.02
Band 8b	28.00	27.65	0.35	0.01	27.94	27.94	0.00	0.00
Band 8c	31.25	31.95	-0.70	-0.02	31.25	31.87	-0.62	-0.02
Band 8d	41.83	37.41	4.41	0.11	41.83	37.41	4.41	0.11
Medical and Dental*	54.62	46.21	8.41	0.15	60.19	43.18	17.01	0.28
Other*	32.99	9.72	23.27	0.71	32.99	9.47	23.51	0.71
VSM*	64.35	51.89	12.46	0.19	64.35	51.89	12.46	0.19

*It should be noted that these 3 categories are actually pay groups, rather than distinct pay bands and therefore the salaries of individuals does vary significantly as there are different roles and pay grades/structures within each of these groups. This accounts for the wide pay gap % in these areas.

The majority of staff in 'other' relates to individuals who have TUPE transferred and this includes GP practices containing a number of admin staff, one male Doctor Research Lead and then domiciliary staff who are support staff. This has caused the wide pay gap in this area.

The average pay gap % between bands does vary with some bands reporting a negative pay gap (ie bands 1, 3, 5 and 8c) and others a positive pay gap difference. Pay bands 3 and 5 contain some of the highest % of females and these show that on an average pay gap basis females are paid more. The mean pay gap information again varies between bands with both negative and positive values.

It can be seen that for pay bands 8a and 8c on both an average and mean basis females and males are more balanced and this is an improved position from last year. Those on pay bands 8d show that on both an average and mean basis men are paid higher than women (although it should be noted there is a small number of individuals in these pay bands than the lower bands so this will also affect the figures).

The proportions of male and female employees in each quartile of the pay distribution

The quartiles shown below in figure 3 are calculated by determining the hourly rate of pay and then ranking the relevant employees in order from the lowest to the highest. The calculation requires an employer to show the proportions of male and female full-pay in four quartile pay bands, which is done by dividing the workforce into four equal parts; lower, middle, upper middle and upper quartile pay bands.

Figure 3.

Quartile	Female	Male	Female	Male
1	410	32	92.76%	7.24%
2	406	37	91.64%	8.36%
3	395	43	90.18%	9.82%
4	361	87	80.58%	19.42%

Figure 3 highlights that the Trust employs more men in the higher banding categories than women which has an

impact on the average hourly rate. LCHS has significantly less men employed when compared to women, however, of those employed a proportion are in either senior or specialist roles.

Actions to reduce the Gender Pay Gap

Whilst the Trust has excellent representation of females across all levels of the organisation and is predominantly female, this report shows that there are gender pay gaps which require the continued development of actions to close these gaps. The Trust has a dedicated Equality and Diversity Lead who monitors the Trust's system to ensure legislative compliance, supporting staff around all equality areas. LCHS can demonstrate that we are an equal opportunity employer through policies and processes which support staff to make decisions, for example policies which support maternity, paternity and adoption leave, flexible working and disability leave. LCHS takes a proactive stance regarding progression and development of talent within the organisation with a formal and transparent appraisal process in place which links to performance related pay increases in accordance with Agenda for Change. From the point of identifying a vacancy, there is a clear pathway for development through our talent pipeline, fully in line with our equal opportunities policy.

Where staff are not employed on nationally agreed pay scales, the Trust has developed a structured pay scale for GP salaries which takes account of experience and skills.

The Trust is committed to ensuring an equitable workforce and will continue to work towards achieving the following actions in order to reduce the gender pay gap. Please note a number of the actions are ongoing following the last Gender Pay Gap Statement with the addition of some newly identified areas:

To continue employing and monitoring recruitment, performance and appraisal processes to ensure they are objective with structured and measured criteria that can be evidenced. The Trust undertakes annual appraisal audits to ensure a fair and equitable process is followed for all staff members;

Continue to explore how we can attract more men into the organisation at the lower bands, to create a more even gender balance;

The Trust will robustly evaluate starting salaries of all staff members to ensure they are commensurable with the individual's experience;

The continuation of promoting flexible working opportunities for both men and women (The Trust has made easily accessible on its Intranet site information for all employees in relation to applying for these opportunities);

The Trust continues to offer leadership development programmes which are accessible to male and female employees equally and will continue to encourage engagement of staff members;

Continue to monitor any shifts in the gender pay gap data each year to identify any trends and analyse underlying causes.

Analysis of risk

LCHS does report a gender pay gap, however we can demonstrate we are an equal opportunities employer and this can be mitigated by the rationale and continued work identified above.

Proposals and conclusion

Whilst the Trust has excellent representation of females across all levels of the organisation and is predominantly female, this report shows that there are gender pay gaps which require the continued

development of actions to close these gaps. LCHS is committed to ensuring an equitable workforce and will continue to work towards achieving the identified actions in order to reduce the gender pay gap.

The Trust has a dedicated Equality and Diversity Lead who monitors the Trust's system to ensure legislative compliance, supporting staff around all equality areas.

As highlighted LCHS can demonstrate that we are an equal opportunity employer and that we take a proactive stance regarding progression and development of talent within the organisation.

The Trust is required to publish this information within one year of the snapshot date (i.e. by 31 March 2020) and on the same date every subsequent year. Therefore, this 'Gender Pay Gap Statement' (detail contained in the 'Key Issues and Analysis' section) is to be approved. This information will then be published on the Trust's website which is accessible to employees and the public and in addition will also be uploaded on the government's 'Gender Pay Service' reporting site.

Glossary

ESR – Electronic Staff Record

VSM – Very Senior Managers

TUPE – Transfer of Undertakings and Protection of Employment