

Board of Directors (Public)

SUMMARY REPORT

Meeting Date: 24th May 2023
 Agenda Item: 19

Report Title:	Gender Pay Gap 2023	
Author(s):	Liz Johnson Head of Equality and Inclusion	
Accountable Director:	Caroline Parry Executive Director of People	
Other meetings this paper has been presented to or previously agreed at:	Committee/Tier 2 Group/Tier 3 Group	Inclusion and Equality Group (Tier 2) The People Committee
	Date:	4 th May 2023 and 9 th May 2023
Key points/recommendations from those meetings	Noted progress	

Summary of key points in report

1. In March 2023 the Board were asked to approve a proposal to formally report our 2023 Gender Pay Gap in May 2023 rather than March 2024. The report presented today is therefore our 2023 Gender Pay Gap report.
2. In 2023 there has been a small increase in our Median Pay Gap from 0.97% (rounded to 1.0%) in 2022 to 1.6% in 2023, this still represents a very small Median Gap. In 2023 there has been a positive decrease in our Mean Gender Pay Gap, from 8.4% to 7.3%, the Mean Gender Pay Gap table on p.2 of this summary report shows that this Pay gap is the lowest since reporting began in 2017.
3. Benchmarking data is available from the Government Gender Pay Gap web site, this is only available for 2022. In 2022 SHSC had the second lowest median and mean pay gaps compared to five similar organisations. (Community and Mental Health NHS FT in the North East and Yorkshire with between 1000 and 4999 employees)
4. In addition to a continued decrease in the pay gap for the administrative and clerical pay group our supporting data reflects a steady increase in the number of women in the upper and upper middle pay quartiles from 2019 to 2023. P.3.
5. The 2023 Bonus Pay Gap (mean and median) shows a decrease from 2022, for the last few years on a temporary basis, available awards been evenly distributed between eligible consultants, however awards made prior to these arrangements are the reason for the large pay gaps.

Appendices attached

None						
Recommendation for the Board/Committee to consider:						
Consider for Action		Approval	x	Assurance	X	Information
1. It is recommended that the Board approve the proposal to publish our 2023 pay gap in May 2023. 2. It is recommended that the Board are assured that the organisation is compliant with its legal duties to publish its Gender Pay Gap. 3. It is recommended that the Board are assured of the reasons for our pay gaps and that our Median and Mean Gender Pay Gaps have reduced significantly. 4. It is recommended that the Board are assured that SHSC Mean and Median pay gaps benchmark well against similar organisations in the North East and Yorkshire.						

Please identify which strategic priorities will be impacted by this report:				
Recover services and improve efficiency	Yes		No	x
Continuous quality improvement	Yes		No	x
Transformation – Changing things that will make a difference	Yes	x	No	
Partnerships – working together to make a bigger impact	Yes	x	No	

Is this report relevant to compliance with any key standards?				State specific standard
Care Quality Commission Fundamental Standards	Yes	x	No	Well Led
Data Security and Protection Toolkit	Yes		No	x Not applicable to this report
Any other specific standard?		x		Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The NHS Standard Contract

Have these areas been considered? YES/NO					If Yes, what are the implications or the impact? If no, please explain why
Service User and Carer Safety, Engagement and Experience	Yes		No	x	There are no direct implications related to the content of this paper for Service User and Carer Safety, Engagement and Experience
Financial (revenue & capital)	Yes		No	x	There are no direct financial implications – a separate and unrelated report on CEA's is provided separately to Board.
OD /Workforce	Yes	x	No		The content of this report is specifically relevant to the composition of workforce in terms of gender; equal opportunity in terms of career progression to senior roles for women; the pay of women in lower agenda for change pay bands and organisational culture which may impact on these areas such as availability of flexible working options.
Equality, Diversity & Inclusion	Yes	x	No		See section 4.2
Legal	Yes	x	No		Indirectly supports compliance with section 149 of the Equality Act 2010 (the Public Sector Equality Duty) Directly relates to our legal duty to publish our Gender Pay Gap annually found in the Equality

					Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
Environmental Sustainability	Yes		No	x	There may be some relevance to sustainability of our workforce however this is not reviewed in detail in this report. Retention of women in senior roles in the organisation is relevant to this report.

Section 1: Analysis and supporting detail

Background

We have a statutory duty to publish our organisations Gender Pay Gap data annually. For public sector organisations this is set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. This paper provides a formal report to the Board of our Gender Pay Gap at March 2023, the information in this report covers the six areas we are required to report on, these are:

The MEAN Gender Pay Gap

The MEDIAN Gender Pay Gap

The MEAN BONUS Pay Gap

The MEDIAN BONUS Gender Pay Gap

The PROPORTION of Men and Women Receiving a BONUS PAYMENT

The PROPORTION of Men and Women in each PAY QUARTILE

Publication

Pay Gap data is uploaded to the Gender Pay Gap government website portal, the statutory deadline for publication is the 31st of March 2024. In March 2023 we proposed to formally report our 2023 Gender Pay Gap in May 2023 rather than March 2024. This report is therefore our 2023 Gender Pay Gap report.

Producing a narrative report is not a requirement but is good practice.

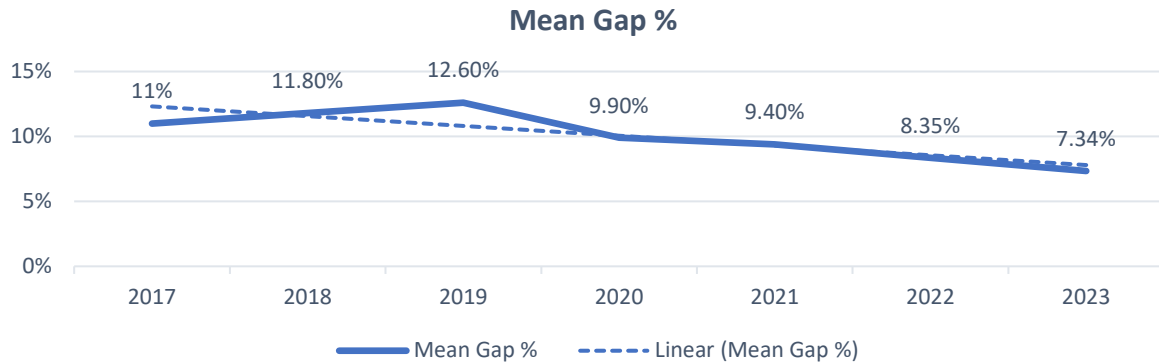
Gender Pay Gap 2023

Our MEAN Gender Pay Gap and MEDIAN Gender Pay Gap

MEAN Pay Gap

2021	2022	2023	Change 22/23
9.4%	8.4%	7.3%	Decrease

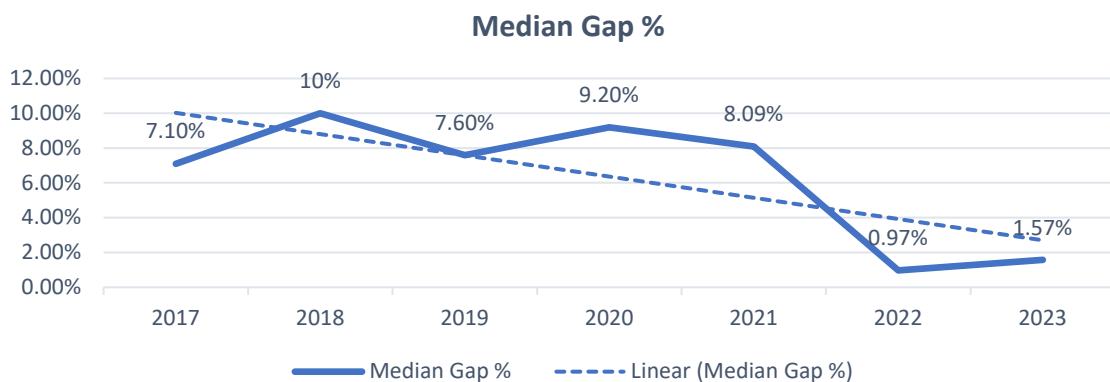
- Our Mean pay gap has continued to reduce
- Our Mean pay gap is now at the lowest that is has been since reporting began in 2017.



MEDIAN Pay Gap

2021	2022	2023	Change 22/23
8.1%	1.0%	1.6%	Small Increase

Our Median Pay Gap has seen a very small increase from 2022 but the significant drop we reported from 2021 to 2022 has been maintained.

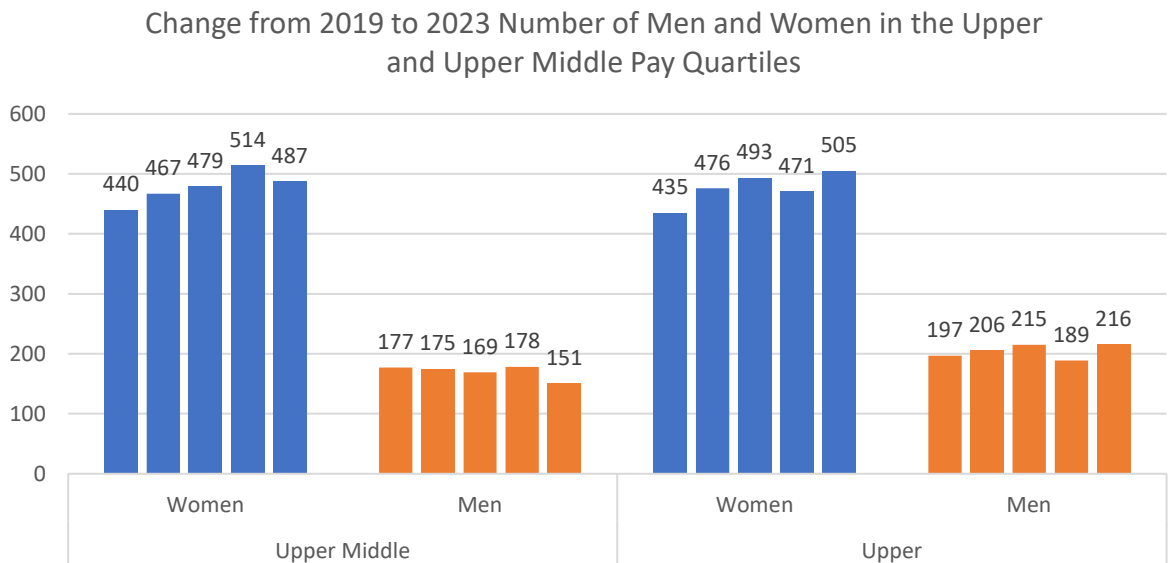


Reason for reduction on our Mean and Median pay gaps

- In our 2022 report we highlighted that our pay gaps appeared to be influenced by large gaps in the **Medical and Dental** and **Administrative and Clerical** staff groups, this continues to be the case.
- The table below shows that there continues to be a small reduction in the pay gap in the Administrative and Clerical group.



- Data review also shows that there has been a steady increase in the number of women in the upper and upper middle pay quartiles. From 2019 to 2023 there are 47 more women in the Upper Middle Pay Quartile and 26 less men, and 70 more women in the Upper Pay Quartile compared to 19 more men. This is also a likely factor in reduction in the mean and median pay gaps



Our MEAN and MEDIAN BONUS Pay Gap and the PROPORTION of Men and Women Receiving a BONUS PAYMENT

MEAN Bonus Pay Gap

2021	2022	2023	Change 22/23
24.6%	46.8%	38.4%	Decrease

- There has been a reduction in our **Mean Bonus Pay Gap** from 2022 but this remains high

MEDIAN Bonus Pay Gap

2021	2022	2023	Change 22/23
25.0%	61.3%	35.6%	Decrease

- Our **Median Bonus Pay Gap** has also reduced but again remains high.

Reason for the increase in our Mean and Median Bonus pay gaps

Our Bonus pay is associated with Clinical Excellence Awards (CEA) paid to medical staff in our organisation who are eligible each year.

Available Clinical Excellence Awards in recent years have been distributed equally between all eligible consultants on a temporary basis however some men and women consultants receive awards achieved under the older system, and this leads to large pay gaps despite the available awards being evenly distributed between eligible consultants in recent years.

The PROPORTION of Men and Women Receiving a BONUS PAYMENT

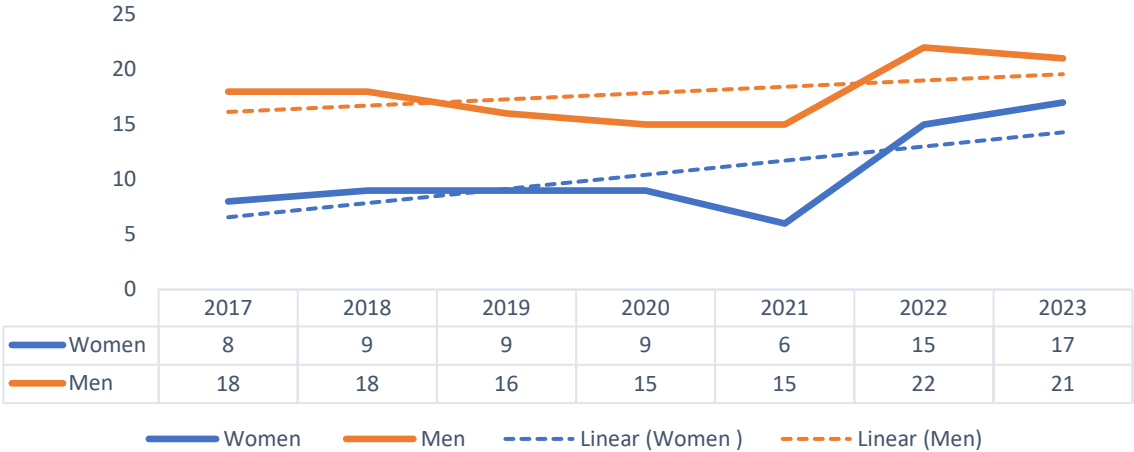
	2021	2022	2023	Change 22/23
Men	1.98%	2.75%	2.74%	Similar to 2022
Women	0.28%	0.70%	0.76%	Small Increase

There has been a small increase in the percentage of women receiving a bonus, but the proportion of men remains higher than the proportion of women.

Reason for the decrease in the proportion of men and women receiving a bonus.

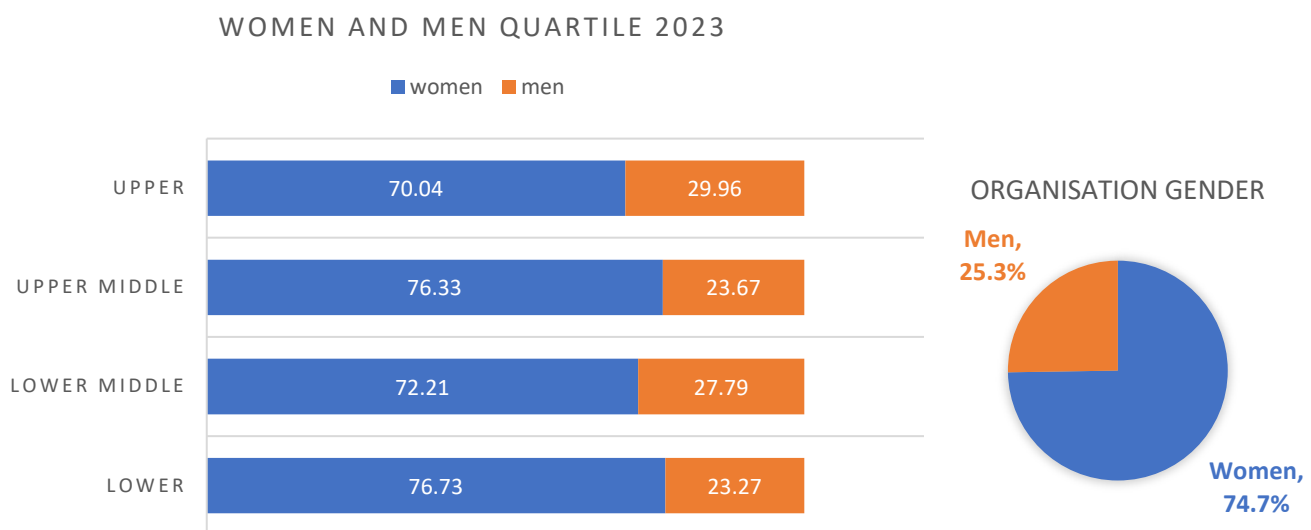
The reason for the changes are an increase in the number of women and a decrease in the number of men receiving a bonus from 2022 to 2023 this is due to the available clinical excellence awards being distributed evenly as noted earlier.

Number of Women and Men Paid a Bonus



The PROPORTION of Men and Women in each PAY QUARTILE

In 2023 the percentage of men in the upper pay quartile has increased slightly but the percentage in the Upper Middle is less than the average for the organisation. The table on p.3 shows that the number of women in the Upper and the Upper Middle pay quartiles has increased more than the number of men over time this appears to have had a positive impact on our mean and median pay gaps.



Section 2: Risks

2.1 The change in the number of women in senior roles has impacted on our gender pay gap but our data also indicates a positive change in the number of women in the upper middle pay bands, we know through reviewing our data that a high percentage of women in the upper middle pay band work in clinical rather than corporate roles and have a positive influence on the improved pay gap. Positive change in the number of women in the upper pay bands appears to have been consistent since 2019 but any change that might impact on this would be a risk in relation to potentially increasing our gender pay gap.

2.2 Our mean and median pay gaps are low and benchmark positively against other similar organisations. Our Median Pay Gap is the second lowest (2022) of five comparable mental health trusts in the region and our Mean Pay Gap is the second lowest of the same group. This suggests that our Gender Pay Gaps have reduced due to changes within our organisation rather than external factors affecting pay generally in the NHS

2.3 Our bonus pay gaps are high but may decrease over time depending on changes in national policy.

Section 3: Assurance

Benchmarking

3.1 Benchmarking data is available from the Government Gender Pay Gap web site, this is only available for the 2022.

- In 2022 SHSC had the second lowest median and mean pay gaps compared to five similar organisations based on comparison data taken from the Government web site¹
- In 2022 SHSC had the second highest Mean Bonus Pay Gap of the five organisations and the highest Median Bonus Pay Gap of the five organisations.

Benchmarking indicates a very positive benchmark in relation to our Median and Mean Gender Pay Gaps but not in relation to our Bonus Pay Gaps. Median Bonus Pay Gaps in other organisations can be affected by other types of bonus payments that are not paid at all in SHSC, for example payment of long service awards, however this level of information is not available to consider.

Section 4: Implications

Strategic Priorities and Board Assurance Framework

4.1 This paper is relevant to the strategic aim of -Transformation - Changing things that will make a difference. Our mean and median pay gaps have reduced over time reflecting a positive transformation.

Equalities, diversity, and inclusion

4.2 This report is directly relevant to the pay gap between women and men and narrowing the gap is an organisational Equality Objective.

Culture and People and Integration and system thinking

4.3 As noted above NHS gender pay gaps in the region have tended to be published in March of the year following the pay gap data becoming available, it is now likely following local discussion that in 2023 more NHS organisations will publish their Gender Pay Gap before March 2024.

¹ Community and Mental Health NHS FT in the North East and Yorkshire with between 1000 and 4999 employees

Financial

4.4 There are no specific financial considerations associated with this report

Sustainable development and climate change adaptation

4.5 As noted above there are external factors relevant to the impact on women and consequently gender pay, however it is not within the scope of this paper to address these in detail.

Compliance - Legal/Regulatory

4.6 This paper is relevant to compliance with the Equality Act 2010 including s.149 of the Act, the Public Sector Equality Duty.

The paper supports the specific requirement in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 to publish our pay gap data annually.

The paper is also relevant to responding to the contractual requirements set out in the NHS standard contract.

Section 5: List of Appendices

There are no appendices associated with this paper