



Herefordshire and
Worcestershire
Clinical Commissioning Group

Gender Pay Gap Report

31/03/2021

1. Foreword – Simon Trickett, Chief Executive Officer

Within Herefordshire & Worcestershire CCG, we fully recognise that the success of our organisation is reliant on the talent, commitment and dedication of our people. Our aim is that our workforce will be truly representative of all sections of society where everybody feels respected and able to give their best.

We believe that embracing diversity and inclusion is essential to our organisation and culture; assisting our people to develop and realise their potential, generating new ideas, and utilising the skills of the total workforce. This will enable us to maximise employee satisfaction and attract and retain the talented people we need to deliver sustainable, long-term success.

It is our aim to ensure that no employee or job applicant receive less favourable facilities or treatment on the grounds of age, disability, sex, gender reassignment, pregnancy and maternity, race, sexual orientation, religion or belief, and marriage and civil partnership. All our people, whether part-time, full-time or temporary, will be treated fairly and with respect. Furthermore, selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability.

We have a responsibility to attract and develop the best talent and continue to promote careers within the health and care sector. This will help us to build a high-performing workforce and contribute to sustainable development, creating opportunities for future generations.

This report enables us to articulate the nature of the challenge we face and the associated strategies we will progress to address the aspects highlighted. Our Executive Leadership Team are committed to identifying and taking action in this area and, as we transition towards the establishment of a new Integrated Care System in July 2022, we will continue to measure and report on our progress. This report therefore outlines the nature of the opportunity for our organisation to contribute to the delivery of a more diverse workforce and we are committed to doing the work to ensure we can meet these challenges.

2. Gender Pay Gap – Introduction

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6 April 2017 and requires all UK companies employing 250 or more employees to publish statutory calculations every year which identify the pay gap between their male and female employees.

The gender pay gap gives a snapshot of the gender balance within an organisation, measuring the difference between the average earnings of all male and female employees, irrespective of their role or seniority. It is distinct from equal pay, which relates to paying males and females fairly for work that is similar or of equal value. Gender pay reflects the underlying workforce demographics within an organisation.

This initial report therefore is based on a “snapshot” of the pay of all H&WCCG employees as at 31 March 2021 and has been produced in line with guidance contained within the Equalities Act 2010. In line with these legislative requirements, there are six calculations that must be

reported; three based on pay and three based on bonus to show the difference between the average earnings of men and women in our organisation

- The mean and median gender pay gap.
- The mean and median bonus gap and proportion who receive bonuses.
- The relative proportions of male and female employees in each quartile pay band

The gender pay gap is the percentage difference in the hourly rate of pay of men and women employees. Although our gender pay gap is broadly similar to many other NHS organisations, we recognise that it is greater than the current UK average of 15.5% for all industries¹. We are keen therefore to focus on the aspects that drive our existing pay gap as this will enable us to understand and focus on the actions we need to adopt to improve.

From our review we are confident that our existing pay gap is not a pay issue, rather it is driven by the structure and demographics of our current workforce. Although currently a greater number of women are employed within the CCG in comparison to men, male employees tend to occupy more senior positions. This analysis is detailed within Table 2 which indicates a significantly higher levels of women than men in lower and lower middle quartile pay bands. Although the number of women within upper middle quartile and upper quartile pay bands remain greater than the corresponding number of men within these pay bands, the overall levels of women within these higher pay bands decreases. The concentration of men within the upper middle quartile and upper quartile is the main factor causing our gender pay gap.

However, our pay data shows that there are actions we can take as we move forward and while we do not have an equal pay issue there are steps we are able to take to reduce our pay gap including an examination of the structure of our workforce and consideration of the actions we can take to encourage and develop more women into senior posts.

This is the first Gender Pay Gap Report which has been developed for Herefordshire and Worcestershire CCG and, while the statistics in this report are a snapshot of our organisation at the 31 March 2021, the actions we have taken since then are included together with the proposed actions for 2022/23. These actions are key for our organisation as we transition towards the establishment and operation of an Integrated Care System which must be fully reflective of the diverse nature of our patients and the wider population we serve.

3. Gender Pay Gap Headline Results 31 March 2021

The data for our report was collected as at 31st March 2021 and at this date our workforce consisted of a total of 305 employees, 205 women and 60 men.

¹ Office for National Statistics: Gender Pay Gap in the UK 2020

a) Mean and Median Gender Pay Gap

When calculating our gender pay gap, we consider both the mean and median measures. The mean pay gap represents the difference in the average hourly pay for men when compared to the average hourly pay for women. The mean is an important measure of women's labour market disadvantage.

The median measure represents the "middle point" of a defined population. If you separately lined up all the men and women within the organisation, the median pay gap represents the difference between the hourly pay rate of the "middle man" compared to that of the "middle woman". This median measure gives you an indication of what the 'typical' situation is but masks the effects of the very best paid individuals at the senior level of the organisation. If the mean pay gap is much bigger than the median pay gap, this indicates that those people at the most senior positions in the organisation are overwhelmingly men and are paid considerably more than the average.

Our specific results have been analysed with reference to the two specific pay arrangements in operation within Herefordshire & Worcestershire CCG: the National NHS Agenda for Change (AfC) Terms and Conditions and Very Senior Manager Terms and Conditions (VSM), which is managed through the CCG Remuneration Committee. As of 31st March 2021, 247 employees were engaged via AfC contract terms, a further 19 employed via VSM pay type and 39 employed on a local PayScale (which includes GPs, Clinical Leads etc.).

Table 1

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	£42.56	£27.19
Female	£26.46	£22.27
Difference	£16.10	£4.91
Pay Gap %	38%	18%

Our calculations show that within the CCG, a mean gender pay gap in hourly pay of 38% exists and a median gender pay gap in hourly rate of 18%. Further analysis was completed which compared the number of men and women at different levels within AFC pay bands (see Graph 1) and this confirms a predominance of men in more senior job grades across the organisation and this therefore directly impacts the gender pay results.

b) Quartile Pay Bands

The quartile distribution is intended to provide information in relation to 'the glass pyramid', showing the distribution of men and women employees across the organisation. Typically, the number of female employees tend to be more prevalent within less senior positions than their male counterparts and this generally results in a gender pay gap as their corresponding earnings will be lower.

A pay quartile is calculated by listing the hourly pay rates for everyone in the organisation then dividing them into four equal- sized groups. We then work out the percentage of men and women in each group.

Table 2

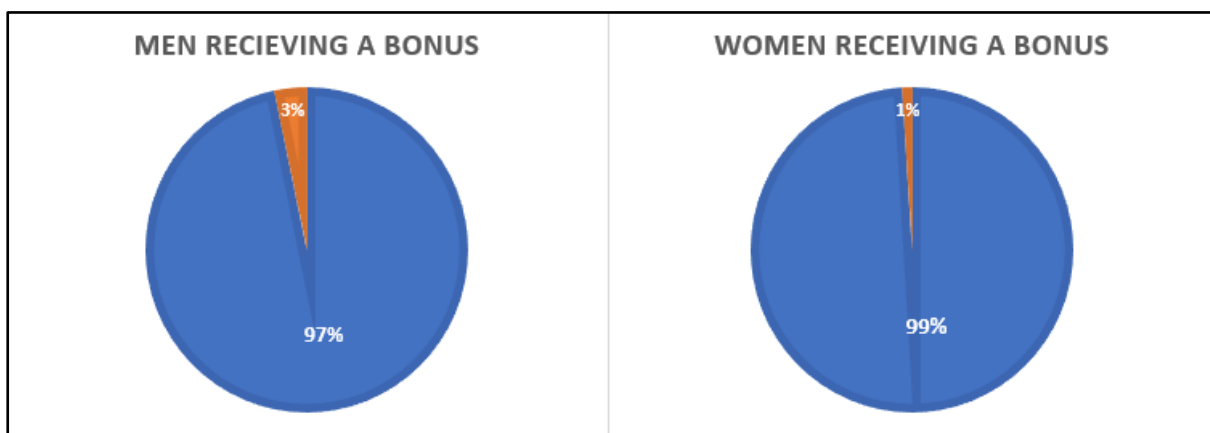
Quartile	No. of Female	No. of Male	Female %	Male %
1 – Top Quartile	43.00	27.00	61.43	38.57
2 – Upper Middle Quartile	49.00	14.00	77.78	22.22
3 – Lower Middle Quartile	51.00	16.00	76.12	23.88
4 – Lower Quartile	62.00	3.00	95.38	4.62

As previously highlighted, there are significantly more female employees within the lower quartile pay bands within the organisation when compared with corresponding numbers of men. In addition, the incidence of female employees reduces as we move through the four pay quartiles whereas, in comparison the numbers of men increases, thus impacting on our overall pay gap figure.

c) Mean and Median Bonus Pay Gap

When determining the mean and median bonus pay gap within the organisation, it must be noted that a only a very small percentage of employees were in receipt of a bonus payment during the reference period and this therefore impact our comparison figures for bonus payments. The proportion of women who received a bonus is 1% during the reference period with the proportion of men who received a bonus is 3% as shown in Fig.1 below.

Fig. 1



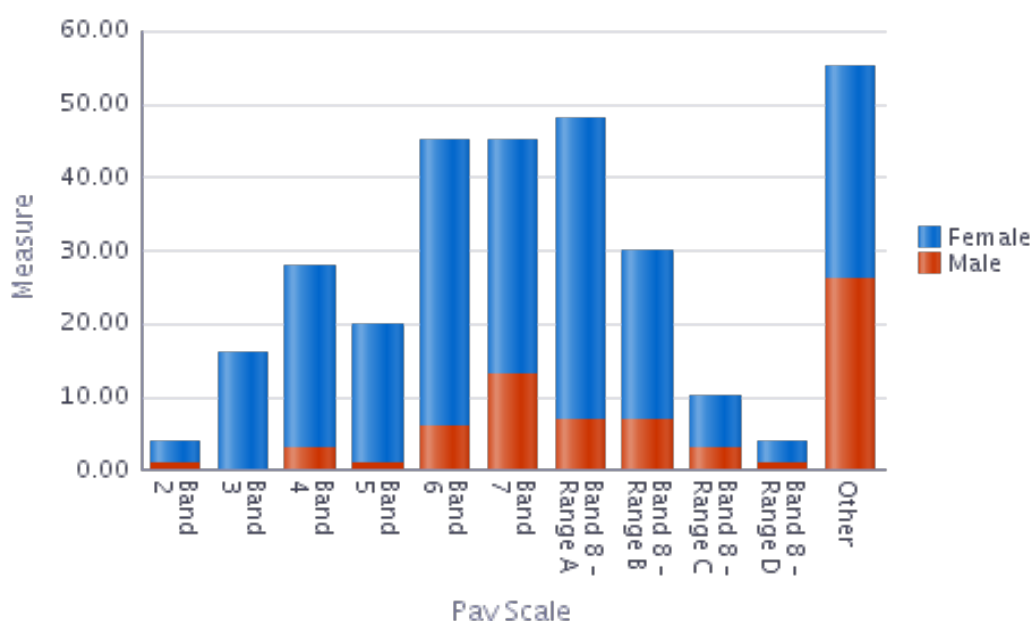
The calculations indicate a difference in mean bonus payments of 45% and a difference in median bonus payments of 45% but in light of the limited prevalence of bonus payments within

the organisation it is difficult to make any meaningful assessment in this area.

4. Workforce Data and Pay Description

Within Herefordshire and Worcestershire CCG workforce, 77% of employees are female compared with a total of 23% male employees. In their infographic ‘Gender in the NHS 2019’, NHS Employers reported that England had a working population of 53% men and 47% women while, by comparison, the NHS comprised of 23% men and 77% women. The graph below shows the levels of men and women at each pay band across the whole CCG.

Graph 1 - Gender Profile 31/03/21



5. Further Analysis by Pay Type

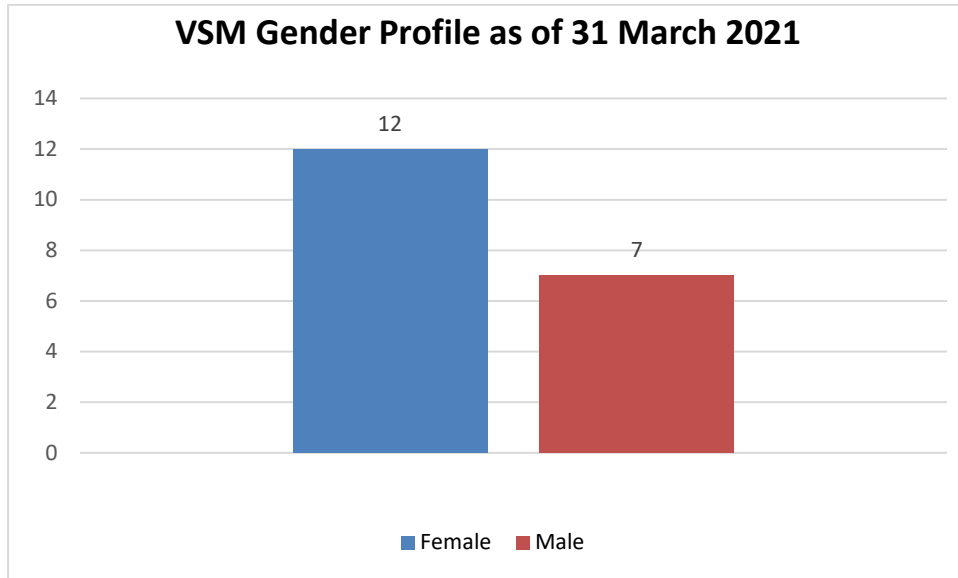
The majority of Herefordshire and Worcester CCG staff are employed via national AFC terms of service. Graph 1 above provides an analysis of the gender profile of the CCG staff employed on AFC pay structure while Table 4 and Graph 2 below show a more focused analysis of the VSM pay structure.

Table 4

Gender	Avg. Hourly Rate	Median Hourly Rate
Male	59.71	56.25
Female	46.67	46.19
Difference	13.04	10.05
Pay Gap %	22%	18%

The gender profile of VSM employees at VSM level is female dominated and the associated average pay gap across this cohort is 22% with a median pay gap of 18% which is more broadly in line with wider UK industry figures. This indicates that, where women are positioned in senior roles within our organisation, the resulting pay gap is narrower than that across the wider CCG organisation.

Graph 2



6. The difference between Equal Pay and Gender Pay Gap

The principle of equal pay is that men and women are paid the same rate for **like work**, (i.e. work rated as equivalent or work of equal value as set out in the Equality Act 2010.)

The definition of a gender pay gap is different in that it relates to the difference between the **average earnings of men and women over a period of time**, irrespective of their role or seniority. It therefore captures any pay differences between men and women on a broader level.

In contrast to equal pay, the gender pay gap is much more of a reflection of workforce profile than about unequal rewards for men and women doing the same job. It is about the work women do and their position in the organisational hierarchy. One of the main reasons for a gender pay gap is that men are more likely to be in senior roles. An organisation that predominantly has men at senior levels and women in junior roles will have a gender pay gap.

Even if an employer has an effective equal pay policy, it could still have a gender pay gap if, for example, the majority of women are employed in lower-paid jobs as is the case within the CCG.

The intention behind gender pay gap reporting is to increase transparency of the differences in pay between men and women in the workplace with the aim of closing the gender pay gap.

7. Actions we have taken as a CCG

Diversity and in this case, gender diversity, is crucial to our long-term success and we are therefore keen to implement a range of initiatives and approaches with the aim to secure a correspondingly diverse pool of talent for our organisation.

The CCG currently has implemented several policies, strategies and initiatives aimed at developing and supporting staff diversity and are committed to improving our overall approach to equality, diversity and inclusion; these include:

- Mandatory Equality and Diversity training for all staff
- Development of a comprehensive Equality, Diversity and Inclusion action plan.
- Introduction of a Values-based approach to Recruitment & Selection
- Introduction of Hybrid Working to support staff to achieve a positive work-life balance
- All staff to continue to have a meaningful Annual Appraisal which looks at both organisational and personal growth, development and the introduction of wellbeing conversations.
- Launch of Cultural Ambassadors Programme to encourage challenge and oversight during recruitment and selection activities.

8. Actions Proposed for 2022/23

We recognise the need to take action across a range of areas including the development of a robust and diverse talent pipeline, highlighting and celebrating our female role models and providing strong management support to encourage and enable women to succeed. We will continue to focus on opportunities for flexible working practices to enable our women to achieve a positive work-life balance while progressing their careers.

As our organisations moves towards transition to the proposed ICS, we will continue to focus on the following actions and initiatives aimed at further understanding and reducing our gender pay gap during 2022/23:

- A robust approach to recruitment and selection focusing on a values-based approach and supported by staff training to address unconscious bias.
- A review of our approach to flexible working, to identify opportunities to improve take-up and ensure promotion to prospective employees.
- Continue to build on CCG Equality, Diversity, and Inclusion action plan.
- Establish a local E&I Forum to focus on diversity initiatives and highlight appropriate actions and initiatives for adoption. Within this context the aim will be to develop an inclusive workforce where women feel engaged and enabled to work in a way which is beneficial to both the business and individual employee.
- Develop a robust approach to Career Conversations – enabling and encouraging female

talent to aspire to and attain senior management positions.

- Measure progress and success via a range of metrics including the outputs of staff engagement surveys to assess the degree of improvement year on year. Further measures include recruitment data and D&I statistics.
- Ensuring our policies support diversity and actively support our diversity agenda and reflect best practice in this area.