

# Gender pay gap report 2017 to 2018

March 2019

We support providers to give patients safe, high quality, compassionate care within local health systems that are financially sustainable.

# Contents

Introduction .....	2
Scope.....	3
Gender pay gap data .....	4
Closing and removing the gap .....	6

# Introduction

It is now mandatory for organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 that came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require relevant organisations to publish their gender pay gap by 30 March 2018 (and then annually) including: the mean and median gender gaps in hourly pay; the mean and median gender gaps in bonus pay; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate that there may be a number of issues to deal with and the individual calculations may help to identify what those issues are.

The gender pay gap is different to 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.

From 1 April 2016, NHS Improvement is the operational name for the organisation that brings together Monitor, the NHS Trust Development Authority (TDA), Patient Safety, the National Reporting and Learning System, the Advancing Change team and the Intensive Support Teams.

NHS Improvement supports the fair treatment and reward of all employees irrespective of gender.

This report fulfils NHS Improvement's reporting requirements, analyses the figures in more detail and sets out what we are doing to close the gender pay gap in the organisation.

# Scope

For the purpose of reporting, the definition of an employee is that under section 83 of the Equality Act 2010. The Regulations require public sector organisations that have 250 or more employees to base their employee data on the 'snapshot' date of 31 March 2018. All employee data in this report is extracted from the NHS Improvement payroll system. The hourly rate is calculated using base pay and allowances for employees receiving full pay.

NHS Improvement does not operate a bonus system. Where the term 'bonus' is applicable, this will be in relation to honouring Clinical Excellence Awards (CEAs) to a small minority of employees.

# Gender pay gap data

The NHS Improvement headcount for in-scope employees on the 'snapshot' date of 31 March 2018 is 1231. The gender breakdown shows significantly more female (58.3%) than male (41.7%) employees.

## Mean and median hourly pay

As at 31 March 2018 the mean gender pay gap in hourly pay is 14.3%, showing the difference between the mean (average) hourly rate of pay for men and women. This is an overall reduction of 0.7% compared to the mean hourly rate in 2017. The median gender pay gap is 15.7%, showing the difference between the median (mid-point) hourly rate of pay for men and women. This is an overall reduction of 1.7% compared to the median hourly rate in 2017.

NHS Improvement uses Agenda for Change (AfC) pay bands for its 71.3% NHS TDA employees and the Mercer pay grade for its 28.7% Monitor employees. Each Monitor pay band has a specific pay range. Under AfC, employees move through points in the pay range by annual increments, based on performance. Therefore, employees who have spent longer in a particular pay band would be expected to earn more, regardless of gender. Grades are determined by the level of responsibility for each job role and all jobs go through an independent evaluation process. The Monitor pay scheme does not have any annual (or other) salary increments. Monitor employees have recently been given the option of transferring employer to the NHS TDA and AfC terms and conditions of service. Work on this is continuing.

## Bonus pay gap

There is no bonus scheme operated at NHS Improvement. As at 31 March 2018 no employees were in receipt of a CEA payment.

**Figure 1: Quartile pay bands – hourly pay**

Quartile	Female %	Male %
Lower	73.6	26.4
Lower middle	56.2	43.8
Upper middle	50.6	49.4
Upper	52.9	47.1

There have been slight increases in the upper quartiles for women. However, much like the 2017 figures, the lower quartiles still show an uneven distribution of male and female employees, with women making up 73.6% of the lowest quartile. This demonstrates that the pay gap is partly due to the higher proportion of women occupying more junior roles.

# Closing and removing the gap

At NHS Improvement our core values and behaviours underpin everything we do, and we demonstrate them in the way we behave towards each other, our partners and providers.

In line with the NHS Constitution values and an ongoing drive to improved values-based cultural awareness and change, NHS Improvement is committed to addressing the gender pay gap. In principle, NHS Improvement's participation in the AfC pay system delivers fair pay for work of equal value. Assessment of our agenda pay gap data shows that while we achieve gender equality in overall numbers, we do have an increase in male seniority at very senior levels, directly contributing to our gender pay gap.

Since the last gender pay gap report in 2017, NHS Improvement has continued to:

- review and implement recruitment policies and processes. This is so that we engage in values-based recruitment by continuing to operate an anonymised application process to help ensure fairness. At least one member of the recruitment panel is required to have received formal interview training, either internally or externally
- actively support women returning from maternity and adoption leave, and operating shared parental leave and flexible working arrangements (for example job-share and part-time working)
- offer training and development for all employees, including actively promoting participation in our talent and leadership programme 'Aspire'.

NHS Improvement has further undertaken a range of actions to reduce this disparity, including:

- engaging in a pilot programme of cultural intelligence training, reviewing the outcomes for learners and assessing its appropriateness to roll-out to the whole organisation. The programme is designed to build capability within



our workforce to recognise and respond to diversity as an essential element across all levels of our organisation

- offering support through NHS Improvement's coaching and mentoring programme designed to help participants develop the skills, understanding, knowledge and motivation to develop and succeed
- engagement with the Employers Network for Equality and Inclusion (ENEI) to support all employees access to wider information and awareness of gender pay (and other inequitable) gaps, and through their support we continue to seek recommendations for priorities and action according to our workforce data.

## Joint working

In addition to our legal responsibilities under the Equality Act 2010, NHS Improvement and NHS England as system leaders have acknowledged the importance of demonstrating that our approaches to the change process triggered by the joint working programme are open, fair and transparent.

We are committed to ensuring that the NHS Improvement and NHS England joint working programme provides an opportunity to address gender equality issues in our workforce.

Our approaches include:

- ensuring that our executive has gender balance and their ongoing development takes account of the role modelling of women in senior positions. As an active step towards guaranteeing this, a senior equality and diversity representative participated in every interview panel for the new executive posts that report to the chief executives
- focus on how to build and improve its inclusion programme by integrating NHS Improvement's Inclusion Partnership with NHS England's Diversity and Inclusion Steering Group, opening more opportunities for NHS Improvement employees to be involved in diversity and inclusion activity. Included in this, the Women's Development Network, with a focus on supporting the development of women in non-managerial roles, is now an integrated aspect of our joint diversity and inclusion offer to employees

- we are proactively completing equality impact assessments at each stage of the joint working programme to ensure that the change does not exacerbate gender inequality. This includes analysis of the gender balance at each decision-making point and careful consideration of the actions that the organisation can take to mitigate any disproportionate impact of the change process on gender equality.

## Gender pay group

Originally developed by NHS England, NHS Improvement is actively participating in the gender pay group. This group has the lead role in identifying and supporting further initiatives to improve NHS England and NHS Improvement's position on gender pay. The group comprises representatives from the HR and organisational development group, trade unions and the Women's Network.

The group has been established to respond to and drive improvements across NHS England and NHS Improvement to improve and achieve pay equality in gender (and the other eight protected characteristics under the Equality Act 2010: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation).

The group will achieve its aims by:

- involvement and consultation on NHS England's and NHS Improvement's plans, strategies, policies and guidance
- acting as a channel for communication with senior management on gender issues
- assisting in the co-ordination of events and activities that celebrate gender diversity at NHS England and NHS Improvement
- supporting and feeding into the implementation of the Equality, Diversity and Inclusion Strategy and action plans.

A gender pay gap action plan is in the final stages of development.

Contact us:

**NHS Improvement**

Wellington House  
133-155 Waterloo Road  
London  
SE1 8UG

**0300 123 2257**

**[enquiries@improvement.nhs.uk](mailto:enquiries@improvement.nhs.uk)**  
**[improvement.nhs.uk](http://improvement.nhs.uk)**

 **[@NHSImprovement](https://twitter.com/NHSImprovement)**

This publication can be made available in a number of other formats on request.