

Medicines and Healthcare products Regulatory Agency

Board Meeting - public session 20 October 2017

Equality and Diversity – Annual Board Update

Issue/purpose:

The purpose of this paper is to brief the Board on progress in relation to the issue of equality and diversity and provide assurance in terms of current position and future plans.

Summary/Key points:

The Agency's Equality and Diversity Group provides the Board with an annual update. The Group has implemented a number of initiatives, these include advertising current Civil Service Learning Equality and Diversity training, both face to face and e-learning, developing a new Agency course and advertising Employee Networks. A range of further initiatives are planned including setting up an Inclusion Network, details of which can be found on INsite.

Timings:

The intention is to continue to update the Board on progress annually

Action required:

The Board is invited to comment on the contents of this paper.

Links:

People Strategy

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FOI/publication issues: N/A

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Equality and Diversity – Annual Board Update, October 2017

1. Background

The Equality and Diversity Group is now well established with representation from each division/centre.

The main focus for the Group over the last year has been to ensure that all staff have access to Equality and Diversity training and that each division/centre starts to conduct Equality Impact Assessments (EIA) on key policies and processes.

The Equality and Diversity staff data sub group continue to meet to review equality data and this includes the annual staff profile report and the quarterly bonus reports.

The Agency is now legally required to carry out a Gender Pay Gap Report. This is a new requirement since the last Equality and Diversity report. Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

2. Key progress to date includes:

- Further work on the INsite Equality & Diversity page and publicised contact email address
- Previously approved Equality and Diversity pledge and objectives published on INsite and external facing website
- An employee equality data sub group who regularly review data available and provide feedback to the Equality and Diversity group.
- Equality & Diversity policy consulted on and launched
- Publication of DH protected characteristic groups, which all Agency staff have access to.
- Implementation of staff EU network – linking separately to the EU Task Force
- A request for interest in a parent staff network, with a view to launch by the end of this year
- A request for interest in a Disability and a Carers network was also sought and as this was not successful, details of an Equality and Inclusion network have been published to seek interest. This group, will cover all protected characteristics and will liaise with other DH and Agency networks.
- The Equality and Diversity Group carried out a review of all Equality and Diversity e-learning modules available through Civil Service Learning. These courses are now published on INsite with suggested target audience.
- The Equality and Diversity Group also organised and attended a pilot face to face training session. Feedback from the Group was collated and has been fed back to the training provider. Half day workshops are taking place this month at both NISBC and Buckingham Palace Road.
- Each division/centre has identified whether Equality Impact Assessments are relevant to their work and where this is the case have identified priorities and produced EIAs for review of other Group members. This piece of work is continuing.

3. Equality Staff Data

The employee equality data sub group of the Equality and Diversity group reviewed the staff profile data produced in 2016 (provided with the October 2016 Board paper). The sub group made various recommendations on further data and additional analysis, such as relate to turnover and recruitment. There were also areas which the group wanted to continue to monitor, such as bonus payments by ethnicity.

The group has also now reviewed data from this year and has asked that further analysis is carried out as to reasons for leaving, especially for women, as a higher proportion of women are leaving the Agency, and ethnicity tracking throughout the recruitment cycle.

Please see attached a sample of data from the annual report at appendix I. for profile of the workforce and various related activities. Please note that this year we are yet to complete the full implementation of the new HR Information System, Fusion. This system, once fully embedded, should improve our ability to extract and analyse the data held within the system. This year we were also only able to provide recruitment data after the implementation of the Recruitment system, Taleo. Therefore, the Recruitment data provided is from 1 September 2016 to 31 March 2017.

The E&D group is also intending to forge further links with other bodies, both similar organisations such as PHE and representative bodies such as the Disability Forum and Stonewall. These should provide benchmark data and comment which will help the sub group to identify priorities and related actions.

The sub group will continue to analyse data as it becomes available throughout the year and report back to the E&D group on findings/recommendations.

4. Gender Pay Gap Report

As previously stated the Gender Pay Gap Report is now a legal requirement; the report below is presented in the required template, which is accompanied by clear definitions and has been formed using the standard calculations for use by all organisations

In order to undertake the calculations, data has been extracted from the Agency's payroll. The data is selected as at a specific date each year, which is called the 'snapshot date'. The snapshot date for public sector organisations is 31 March.

The data used is from all relevant employees, taking account of full time equivalent pay and gender.

The template covers:

- mean gender pay gap in hourly pay (the difference between the average of men's and women's pay)
- median gender pay gap in hourly pay (the difference between the midpoints in the ranges of men's and women's pay)
- mean bonus gender pay gap (the difference between the average of bonuses paid to men and women)
- median bonus gender pay gap (the difference between the midpoints in the ranges of men's and women's pay)
- proportion of males and females receiving a bonus payment
- proportion of males and females in each pay quartile (Quartile's formed by listing all employees with their hourly rate, from highest to lowest and splitting them into four quartiles)

Gender Pay Gap Report (standard template)

Snapshot date: 31 March 2017

		%
1. Mean gender pay gap - Ordinary pay		10.1
2. Median gender pay gap - Ordinary pay		8.6
3. Mean gender pay gap - Bonus pay in the 12 months ending 31 March		23
4. Median gender pay gap - Bonus pay in the 12 months ending 31 March		25
5. The proportion of male and female employees paid a bonus in the 12 months ending 31 March:	Male	27
	Female	30
6. Proportion of male and female employees in each quartile.		
Quartile	Female %	Male %
First (lower) quartile	16	9
Second quartile	15	10
Third quartile	14	11
Fourth (upper) quartile	13	12

In the report above points 1 – 5 show the %'age that men receive more than women.

Further Analysis – Ordinary pay

The report above shows that on average men earn 10% more pay per hour than women. As the requirement to carry out this report has only been implemented this year, we are unable to compare this percentage with other similar organisations. However, it has been suggested that the UK's National Pay Gap is 18% and 13% across the Civil Service.

Grade Calculation	Female	Male	Female Mean Hrly Rate	Male Mean Hrly Rate	% Difference
AA	2	5	£10.25	£10.42	2%
AO	39	19	£11.96	£12.18	2%
EO	148	80	£14.16	£14.33	1%
HEO	116	71	£16.77	£16.99	1%
SEO	166	115	£20.98	£20.86	-1%
Grade 7	121	101	£27.38	£27.67	1%
Grade 6	86	74	£35.27	£35.96	2%
SCS (including SCS1, SCS2 & SCS3)	65	73	£44.06	£46.31	5%
All employees	743	538	£23.18	£25.78	10%

The data above show's that there is between -1% and 4% difference in mean pay rates within each pay band. However, there are more men in SCS pay bands than women and therefore more men on a higher salary than women. This is reflected in the 10% pay gap.

The Agency will continue to carry out further analysis taking into account the restrictions of the new HR Information System, whilst we are in the implementation stage. Further analysis will focus on mean pay differences for men and women by job, grade and length of service.

Further Analysis – Bonus Pay

The report also shows that men earn 23% more in bonuses per year than women, even though a higher percentage of women were paid a bonus than men. For example, 5% of male colleagues were awarded a bonus of over £5,000 compared to 2% of female colleagues. 16.5% of women were awarded a bonus under £1,000 in comparison to 11% of men.

Breaking this down further, the mean bonus for men is £690.45 compared to £532.70 for women. The median bonus for men is £1,220 compared to £915 for women.

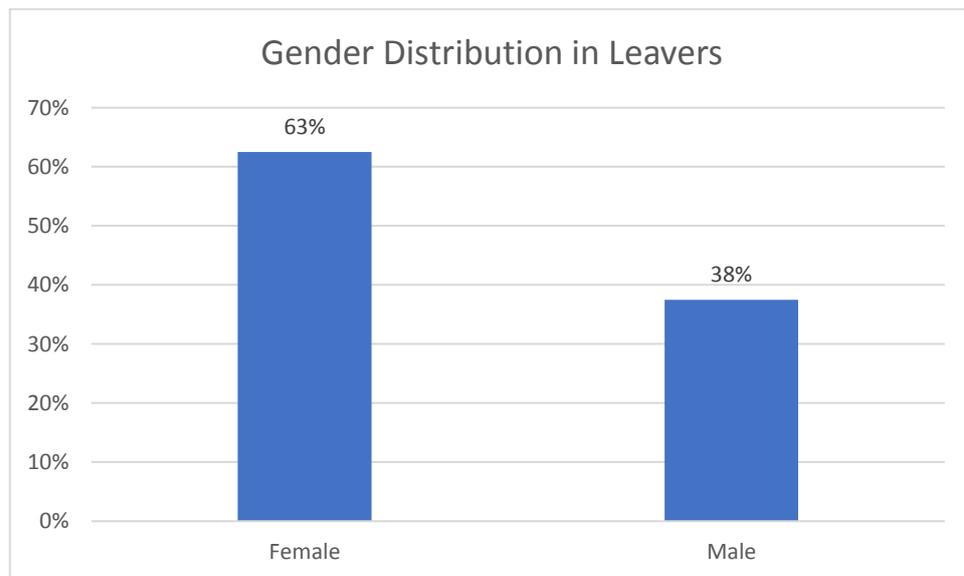
Initial thoughts on action to be taken to try to reduce the pay gap:

1. All new starters continue to be recruited up to the local R&D ceiling with some flexibility to submit a business case to appoint above the R&D ceiling with approval from the Agency Pay Committee.
2. For Assessors, there is flexibility to pay above the bottom of the CDF band and whilst we do not want to remove the flexibility, HR would like to review the process for setting salaries for new Assessors, ensuring that the process is robust and seen to be fair, with related guidance.
3. For HR Business Partners to ensure that an Equality Impact Assessment is carried out for any business case to award a Market Pay Supplement to a job or to pay an individual above the R&D ceiling, and for this to be included in the proposal to the Agency Pay Committee.
4. For the Gender Pay Gap to be borne in mind when reviewing special recognition bonuses from April 2017 to March 2018, by HR Business Partners reviewing the quarterly bonus report with SMT's.
5. Review talent and learning initiatives to ensure that positive action is taken to ensure that women are attracted to and have an equal opportunity to apply for senior roles.

We are obliged legally to publish this information on both the Agency's website and the Government Equalities Office (GEO) website. Our data published on the GEO website will be combined with Department of Health and other ALB's that fall under the DH umbrella. It is optional to publish a narrative of the report, which CET have agreed that the Agency will do and the narrative is currently being developed (checking in with DH and PHE who are working on this in parallel).

Equality & Diversity Employee Analysis Report, 2017**Appendix I :Highlights of Equality & Diversity Employee Analysis Report, 2017**

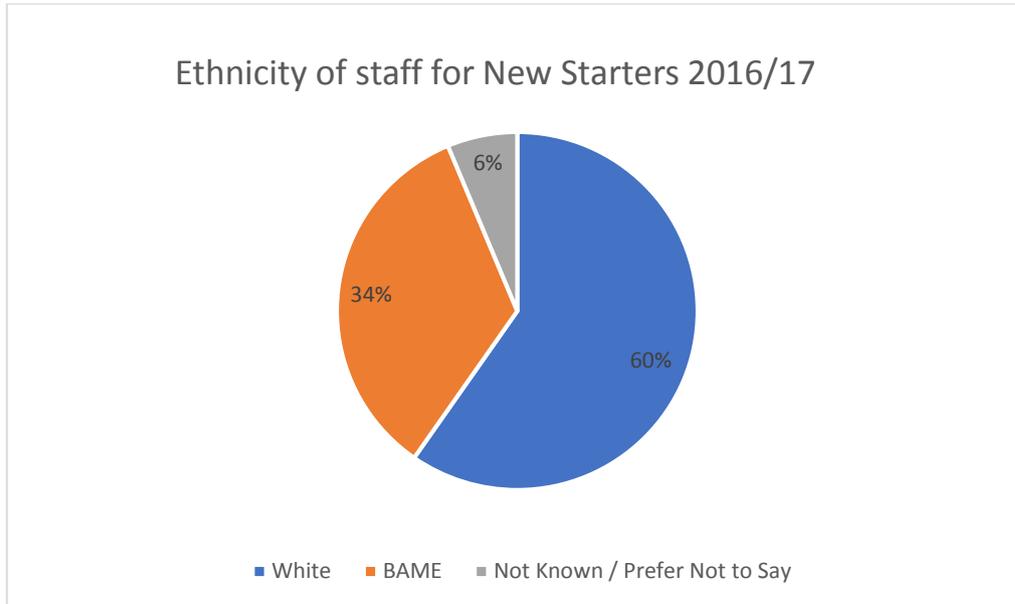
The information below is a selection of data from the annual report. The data below covers areas which the staff data sub group will be exploring further.

Gender**Gender : Leavers**

The number of leavers in 2016/17 was 134; 63% of these leavers were women and 38% were men. This has been flagged as a concern by the staff data sub group and is being followed up.

Ethnicity**Ethnicity : New Starters**

34% of new starters stated that they were of a 'BAME' background. This is slightly lower than last year when 31% of all new starters from a BAME background, 6% of all employees have not declared. In comparison to last year there has been a 3% increase of new starters who are from a BAME background. We have also seen a 3% decrease in the amount of people that would prefer not to say.

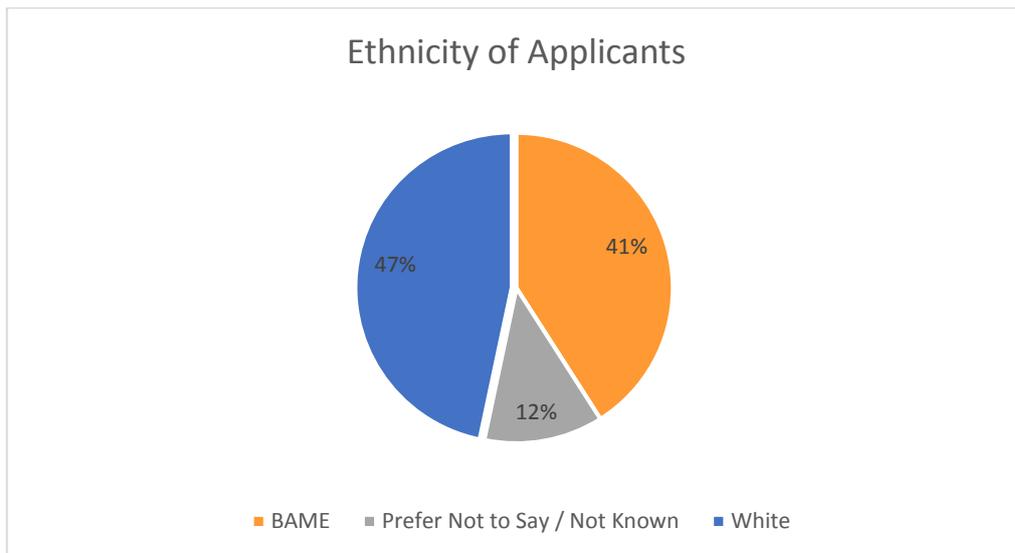


Ethnicity : Applicants

Applicants by Ethnicity from 1 September 2016 to 31 March 2017

Out of 4259 applicants 47% were from a 'White' background and 41% were from 'BAME' background. Last year in quarter 3 and 4, 545 of applicants stated that they were from a 'white' background and 32% were from a 'BAME' background.

When looking at this data the split between applicants does seem to be even. However, a larger percentage of white applicants appear to be successful as a higher percentage of new starters are from a 'white' background. It is worth noting that the due to the changes in the HR software the reporting periods are not the same.



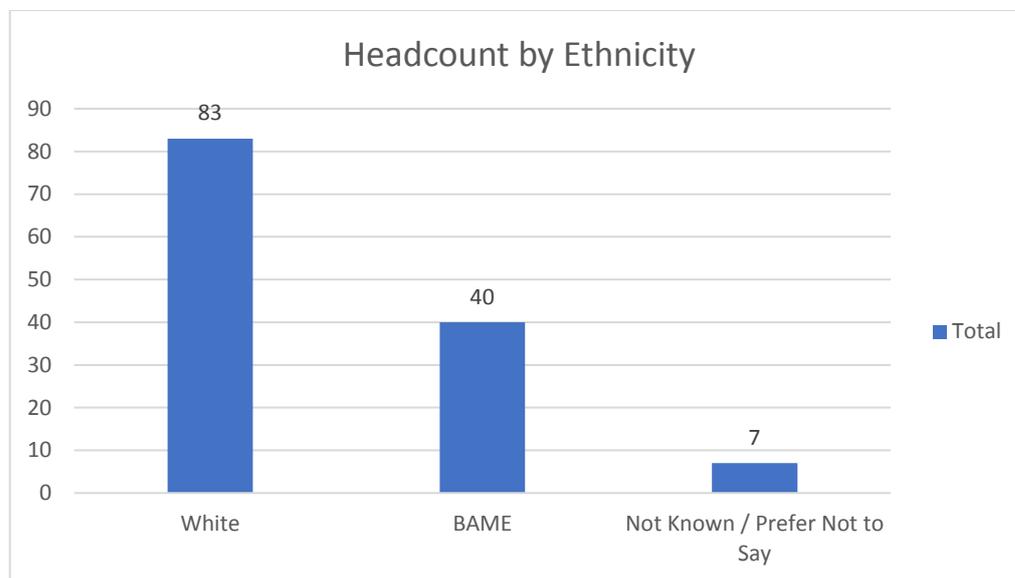
After reviewing the ethnicity data for New Starters and Applicants, the staff data sub group have requested to review the ethnicity data for different stages of the recruitment cycle, such as, a breakdown by Ethnicity for those that were shortlisted and those that were interviewed. The purpose of this will be to determine if those of

a BAME background are being unsuccessful at either the application or interview stage. We will work with colleagues in Resourcing to review this data.

Ethnicity : Special Bonus

Special bonus paid by ethnicity

The number of special bonuses paid to staff from a “White” background was higher with 64% compared to BAME staff 31%. This is comparable to last year where 28% of those that received a bonus were from BAME background. Even though the gap has reduced there does seem to be a larger proportion of “White” employees receiving a bonus and this should be taken into consideration when the HR Business Partners review the quarterly bonus data with SMT’s.



Disability

The Agency has 38 employees with a disability declared which is 3% of the workforce. 17% of the workforce did not declare their disability status or this information is not known. The percentage of employees with a disability has only increased slightly. However, the number of employees who have not provided this information has reduced by 10%. The concern is still the number of employee’s that do not declare if they have a disability or not. As a result of last year’s analysis of related data, we did try to set up an employee network for disabled colleagues. Unfortunately, we did not receive a response to this request. We have now advertised an Inclusion Staff network which will be open to all employees. If we receive a good response to this request the aim will be to discuss this with the group and ask for suggestions as to how we can increase the confidence in staff so that they provide this information.

Disability Status 2016/17

Disability	Headcount	%
Yes	38	3%
None	1065	79%
Not Known/ Prefer not to say	232	17%

Total	1355	100.00%
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Sexual Orientation

The Agency has 34 (3%) employees from a 'Bisexual/Gay' sexual orientation. 34% of the workforce has a declaration, 'Not known/prefer not to say', which is slightly less than last year when 38% selected this category. In the 2015 report showed that 2 employees stated that they were from a Bisexual/Gay orientation and 44 % had a declaration of not known/prefer not to say. Again, as with disability data the greatest concern is the number of employee's that prefer not to say. This is something that we would also want to explore with the Inclusion Network.

Sexual Orientation	Headcount	%
Bisexual/ Gay	34	3%
Heterosexual	844	63%
Not Known/ Prefer not to say	457	34%
Total	1335	100%