Medicines & Healthcare products Regulatory Agency

Board Meeting

Equality and Diversity Annual Update

22 October 2018

Issue/ Purpose: The purpose of this paper is to brief the Agency Board on progress in relation to the issue of equality and diversity and to update on current / future plans
Summary: This paper outlines the activities that the Equality and Diversity group have implemented since the last report in August 2017 and identifies plans for the future. There is specific reference and update in relation to the gender pay gap.
Resource implications: None above already approved
EU Referendum implications: None
Timings: The intention is to continue to provide an annual update for the Board
Action required by Board: The Board is invited to comment on the contents of this paper
Links: People Strategy
Author(s): Barbara Murray, Diversity and Wellbeing Lead
Which of the five themes in the Corporate Plan 2013/2018 does the paper support? Organisational Excellence **If relevant, which Business Plan strategic activity does it support?**

CET Sponsor: Vanessa Birchall-Scott, Director of Human Resources

Equality and Diversity – Annual Board Report

1. Background

The Equality and Diversity Group has been running now for almost three years and has retained its mix of staff both divisionally and by grades, as well as being as representative in terms of protected characteristic "staff groups" as possible.

The Group meets quarterly (currently under review) and the lead roles are:

Vanessa Birchall-Scott   **Director of Human Resources**
                                CET sponsor and Chair

Barbara Murray   **Diversity and Wellbeing Lead**
                                Coordinator and lead for the Workforce Data
                                Sub group

Claire Vigurs   **HR Business Partner ***
                                Lead for people/staff matters

Patience Wilson   **Deputy Director Corporate Strategy**
                                Lead for business matters

Mike Leigh   **Head of Facilities and Estates**
                                Lead for all related matters

* Gloria Packer, HR Business Partner, taking the interim people lead from December 2017, to cover maternity leave.

The main focus for the Group over the last year has been to:

- ensure that all divisions/centres have completed an Equality Impact Assessment (EIA) on key policies and processes

- support the Workforce Data Subgroup as they review the Agency data, paying specific attention to additional Gender Pay Gap data, as we are now legally required to do

- ensure that the move to 10SC included a range of diversity and inclusion issues such as a nursing mothers' room and access to various contemplation rooms

- contribute to the focus on Gender Pay Gap (separate section below)

2. Key Equality & Diversity actions/tasks initiated and completed this year:

a. INsite (intranet) Equality & Diversity pages refreshed
    o   Pledge and Objectives updated on both INsite and our external facing website
    o   Equality & Diversity policy (to be reviewed again in January 2019)

b. Equality Data

- o The Workforce Data Sub group has continued to review people data drawn from Oracle Fusion (there was a gap while the new IT system was being implemented)
- o The sub group has been identifying areas for more detailed data/information, such as leavers and reasons for leaving, with a view to identifying any trends that need further probing

c. Staff Networks
- o EU Staff Network, linking separately to the Brexit Task Force
- o Parent Support Network: a relaunch is planned for later in the year, as a disappointing uptake originally
- o Launch of the Staff Inclusion Network with 19 members
- o Recruitment and training of 18 Mental Health Champions, which will become a network
- o Pan Agency expansion of the NIBSC pilot of an Informal Employee Contacts Network

d. Talent and Learning
- o Review of the half day, face to face E&D workshops to ensure relevance and minimise duplication of time and effort
- o Initiated a review of options for replacing the all-staff mandatory disability confident eLearning module (now re-launched by Civil Service Learning as a course for managers only)

e. Equality Impact Assessments
- o Signed off all current EIAs and put in place a process for refresh and update as necessary

f. Recruitment
- o Recruitment and Selection training was rolled out in March 2017 with 50 staff trained to date. E&D elements of the course include avoiding discriminatory language, defining and avoiding unconscious bias in shortlisting and in interviews. There has then been a pause in the training but has now re-launched to include Success Profiles.

3. **Key Equality & Diversity actions/tasks continuing this year and planned:**

See attached equality data analysis for reference (a broader range of data was provided with the CET version of this report)

a. Collecting and monitoring data on the diversity of our workforce
- o This allows us to examine how our employment policies and processes are working, so that there can be focus upon areas which are flagged as potentially disproportionate in terms of certain groups of staff
- o The data collection, along with analysis, informs and shapes priorities and appropriate action, including search for further related information to contribute to the initial picture
- o The E&D Group through the work and interventions of the Diversity and Wellbeing Lead / Data Sub group, will continue reviewing Agency people data to ensure trends are noted and extra monitoring put in place where necessary.

There has been some delay to progress in this respect due to the implementation of Fusion, but this focus on evidence by way of data is now back on track.

b. There will be continuing meetings with the Resourcing Manager to ensure our recruitment processes are open and fair, and the Agency is marketed as an employer with equality and diversity at the centre of its people agenda and Policies. This work will include monitoring people from application to appointment (data not initially available from Fusion but work in progress).

c. We will work with the Learning and Talent Team to monitor the uptake of Civil Service Learning equality and diversity modules, to ensure that staff are fully aware of the need to maintain fairness, inclusion, and robust decision making, across all staff groups:
   - *Equality and diversity essentials (all staff)*
   - *Unconscious Bias (Managers) – under review*
   - *Disability Awareness (all staff)*

d. There will be ongoing oversight of bonuses awarded, to identify whether there is an 'even spread' among staff groups and where this is not the case to seek further information in order to assess whether there is any related action to be considered.

e. We will specifically scrutinise the leavers data to see where trends lie, look at reasons for leaving the Agency, note areas that need probing and work with our HR Business Partners in supporting managers with any areas of concern.

f. There will be continuing work with the Agency's Staff Support Networks to further boost the drive to build a culture of inclusion which is "owned" by staff.

g. Jointly, with the Learning & Talent Team, we will work on encouraging participation in the Positive Action Pathway that is open to women, minority ethnic, disabled and LGBT employees and also the Crossing Thresholds programme for women.

h. The HR Systems Advisor has taken on the task of creating a dashboard with equality and diversity visuals, some of which have been reflected in this report. We will continue to develop this dashboard and publish on INsite for staff reference.

i. We will continue to encourage staff to identify their staff group categories so that we have more robust data in terms of analysis of these staff groups and it is pleasing to note that there has been an increase in completion rates.

4. <u>Gender Pay Gap Report</u>

As the Board will be aware, the Agency is now legally required to carry out a Gender Pay Gap Reporting exercise and to publish the results annually. An update on progress in this respect and reference to the first Gender Pay Gap reports published (Department of Health & Social Care and the Agency; both in December 2017) was provided to the Board in February 2018. The data for this year's report is currently being analysed in a parallel exercise with DHSC and Public Health England (as all

are reported together, albeit the intention again this year is to produce an Agency specific report as well). The publication date is 26th November 2018.

DHSC have produced a Gender Pay Gap Action Plan Update template and as this is required in terms of format for their purposes, this is also being utilised to provide an update on actions completed, in progress and planned. This plan includes all actions identified in the original published Agency report and updated in terms of progress. **Please see attached action plan for reference**.

Agency Equality & Diversity Profile

## People data overview as at 31st March 2018

Staff numbers
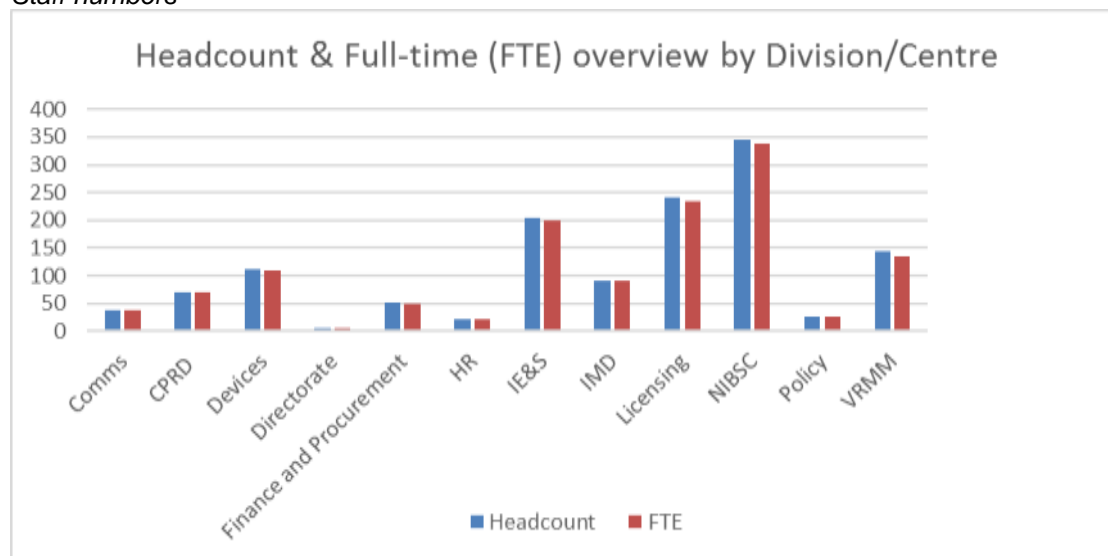
The Agency employed 1355 staff (an increase of 20 on last year's reported figures), with 1315 staff being full-time employed.
- As this demonstrates, the majority of staff work full time
- There are a variety of flexible working possibilities available to staff and analysis of take up will be included in future reports.
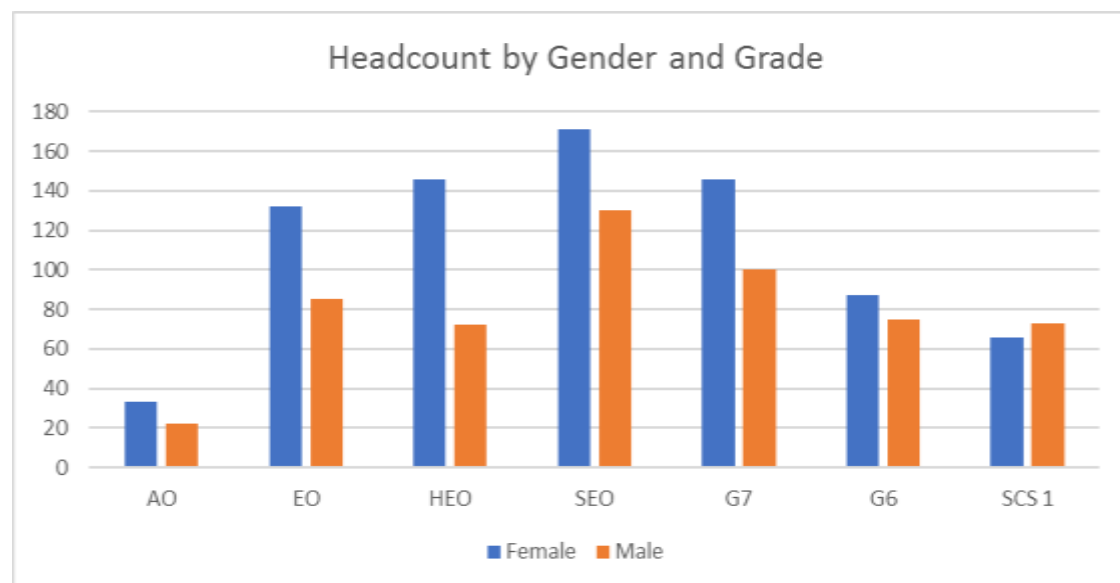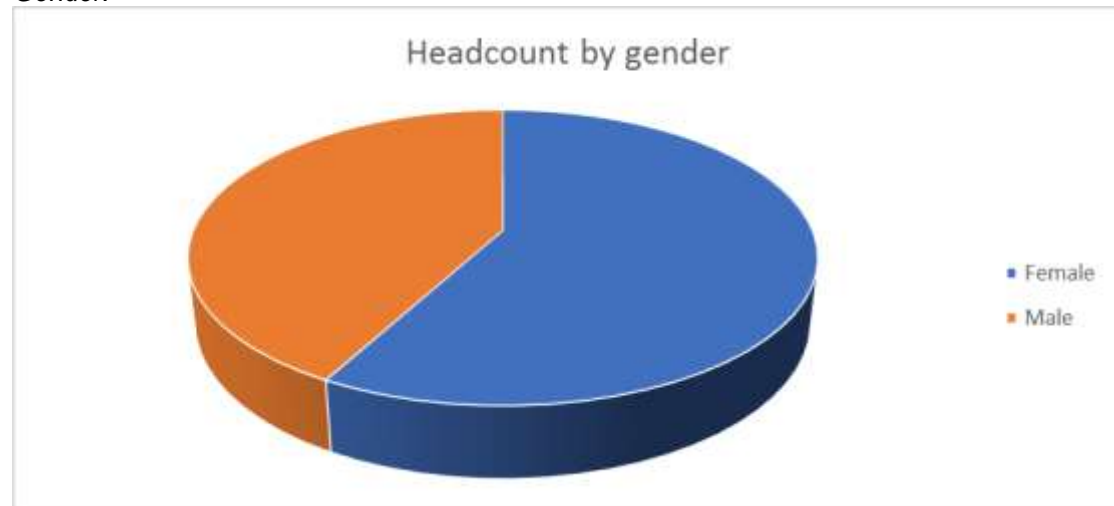
Ethnicity of staff:
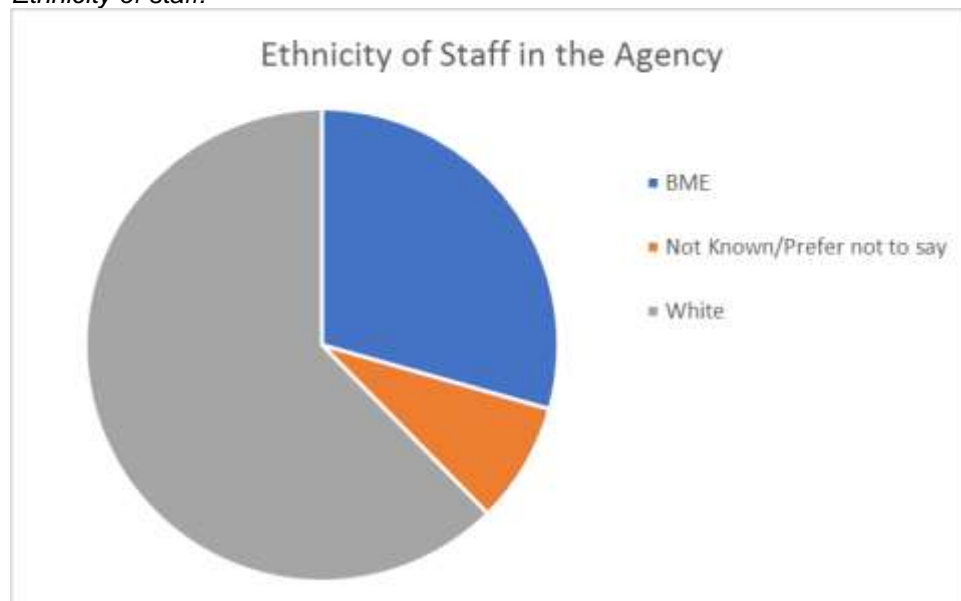
- 393 staff (29%) are from a Black and Minority Ethnic background
- 854 staff (63%) are from a white background
- 108 staff (8%) elected 'prefer not to say'

This ethnicity profile is very similar to the previous year, and not out of line with population census data for London and surrounding areas.

Gender:

The headcount by gender and by gender/grade shows a larger proportion of women to men across all grades except for SCS1. This aligns with the larger proportion of women overall, but also links to the main gender pay/grade gap issue, with more men in higher grade/paid roles and more women in lower grade/paid roles.

Disability:

Headcount by disability
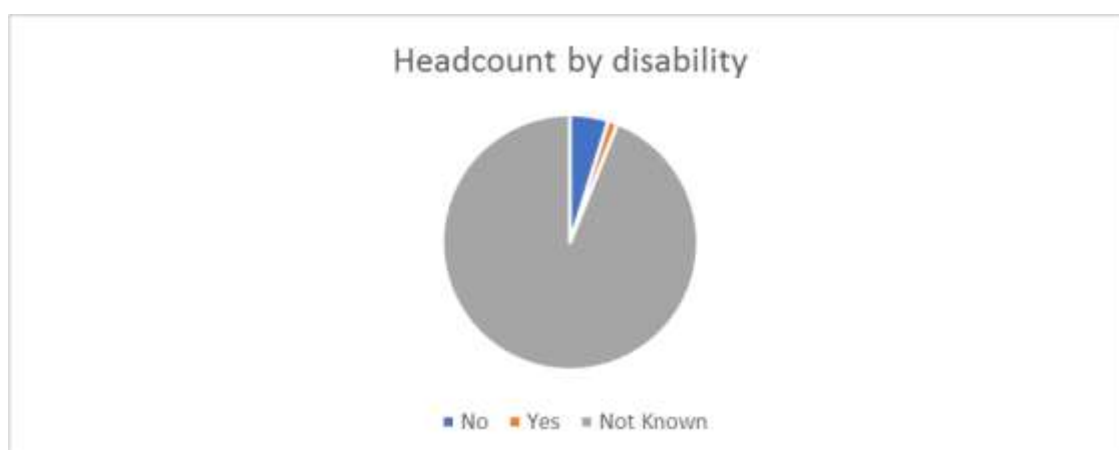
66 (5%) of staff have indicated that they did not have a disability, and 16 (1%) of staff indicated that they had a disability. 1273 (94%) staff have not identified. A decision was made upon introduction of Fusion not to transfer this data from the previous system, but to ask staff to self-identify anew due to concerns about the lack of data and whether staff may have reason to identify differently over time. Unfortunately, this is still work in progress.

In the future all personal data fields will be mandatory for new starters, so that we have more robust information/reporting. This proposal would see staff electing 'prefer not to say' rather than leaving certain fields blank. The graph above is an example of a staff category with significant non-disclosure issues for current staff and the other is sexual orientation, as for similar reasons a decision was made to ask for self-identification after Fusion was implemented and both will be the focus for continuing efforts to improve.
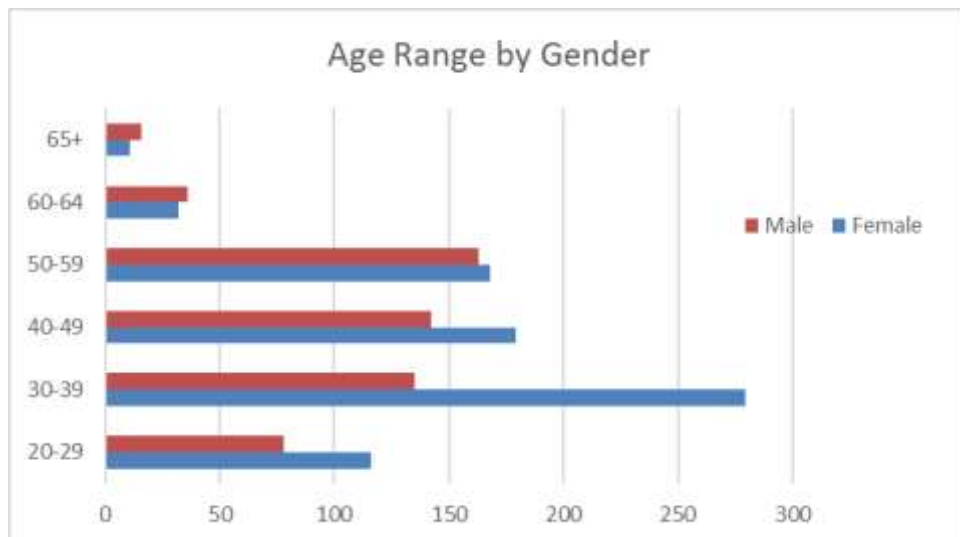
Work pattern:

Work Pattern: full-time / part-time
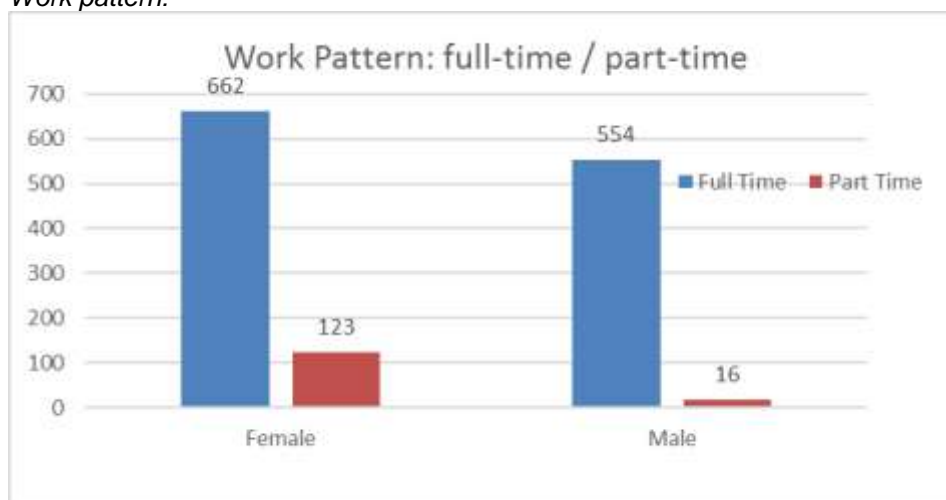
The Agency has139 (10%) part time staff and 1216 (90%) full time staff. Of this 139 part time workers, we see 123 are women and 16 are men. These percentages are similar to last year's figures.

As noted above, further analysis of uptake of flexible working opportunities will be added to this analysis in future.

Age:

Age Range by Gender

There are more women in younger age groups than men, roughly equalising in the 50 to 59 age range and then switching to more men in the 60-65+ age groups
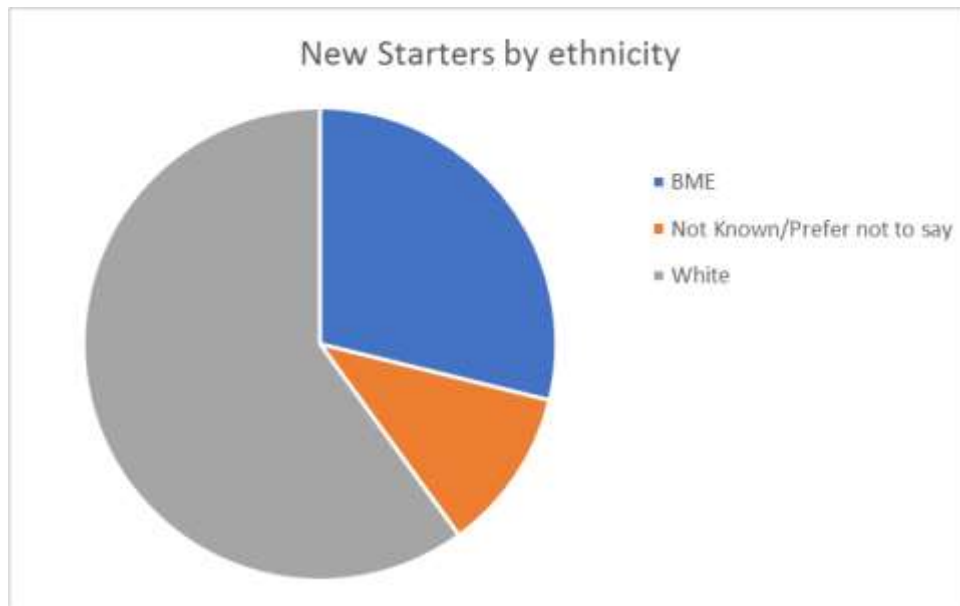
New Starters:-

Age and gender:

New Starters by age and gender
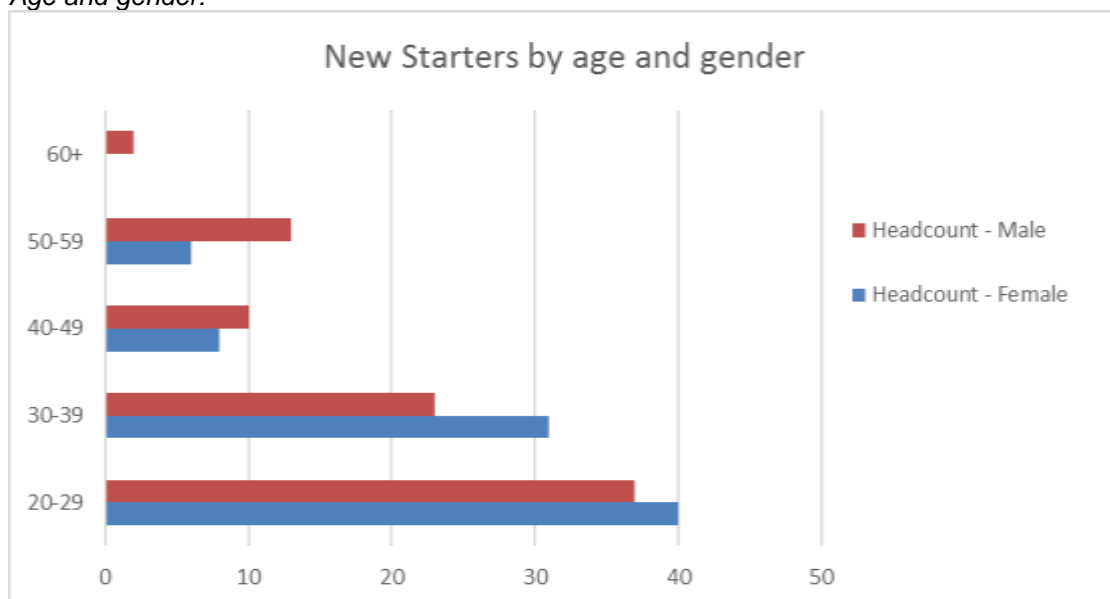
The number of new starters recruited during the year were 170 and evenly split between males and females - 85 males and 85 females were recruited; again with more females in the younger age ranges and a switch at 40+.

Ethnicity:

New Starters by ethnicity

- BME
- Not Known/Prefer not to say
- White

- 49 (29%) of new starters reported that they are from a BAME background. This represents a slight reduction from the previous report of 34%
- 102 staff or 60% reported they were from a white background, and
- 17 new starters or 11% of new starters chose 'prefer not to say' which is an increase on last year's figure of 6%

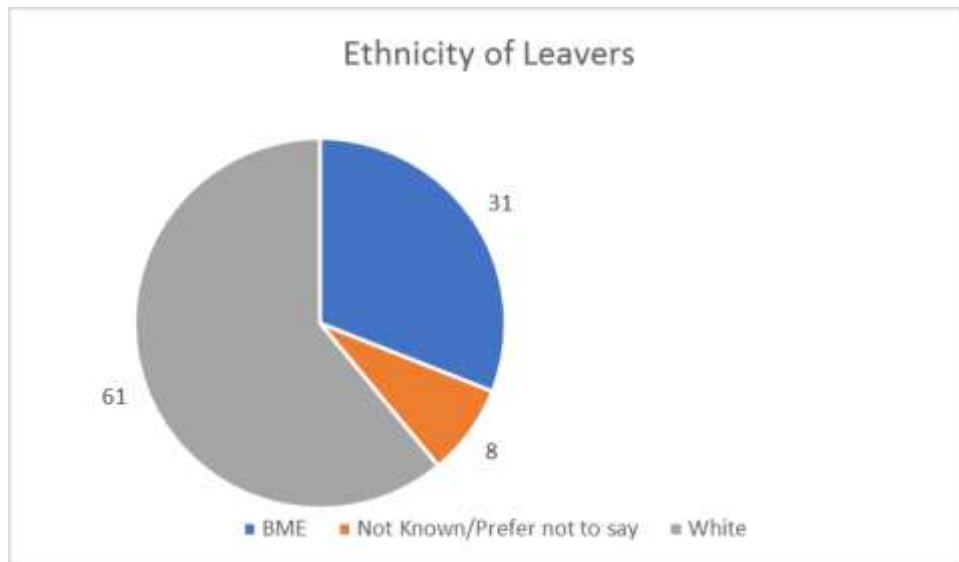# Leavers:-

By gender and age:

Leavers by gender and age
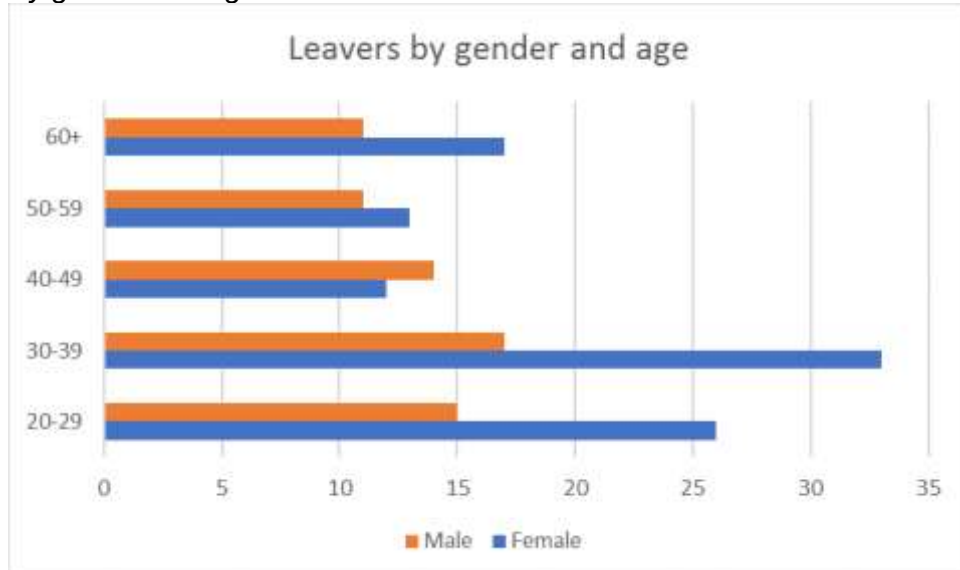
- Male
- Female

A total of 169 staff left the Agency: 101 (60%) females and 68 (40%) males.

The data group will be continuing to pursue additional information such as exit interview feedback to understand whether there are any gender specific issues to address, albeit there are more females than males in the workforce.

Ethnicity:

Ethnicity of Leavers

The ethnicity of leavers looks to be similar to the profile of staff in the Agency.

Staff Performance & Ranking

Delegated Grades ranking distributions

Ranking Distributions by Ethnicity

Rankings	White	White %	BAME	BAME %	Not Known	Not Known %	Grand Total
Exceeded	197	28	66	18	22	25%	285
Good	500	70	276	77	63	72%	839
Requires Improvement	14	2	17	5	3	3%	34
Grand Total	**711**	**100**	**359**	**100**	**88**	**100**	**1158**

- The ranking for delegated grades shows that a higher percentage of white employees were scored as Exceeded
- There were significantly more staff from a BAME background ranking as Good in comparison with the Exceeded category
- More BAME colleagues were ranked in the Requires Improvement category

Note:
- The difference in percentages between White and BAME staff ranking is an issue that the data sub group will continue to explore

- We do not understand the (potential) impact of the "not known/prefer not to say"

Ranking Distributions by Gender

Ranking	Female	Female	Male	Male	Grand Total
Exceeded	173	25%	112	24%	285
Good	495	73%	344	73%	839
Requires Improvement	17	2%	17	3%	34
Grand Total	**685**	**100%**	**473**	**100%**	**1158**

The analysis by gender is similar in terms of ranking categories.

SCS ranking distributions

SCS Ranking Distributions by Gender

Rankings	Female	Female %	Male	Male %	Grand Total
Exceeded	16	24%	20	27%	36
Met	45	67%	49	66%	94
Not Met	6	9%	5	7%	11
Grand Total	**67**	**100%**	**74**	**100%**	**141**

- The data above shows that 3% more males were ranked as Exceeded compared to females
- There were (almost) even split in the Met and Not Met categories fo rboth males and females
- Last year we reported that more females were in the Exceeded and Met categories compared to males. The numbers are relatively small and does not represent a concern at this stage, but will be continuously monitored by the data subgroup.

SCS Ranking Distributions by Ethnicity

Rankings	White	White %	BAME	BAME %	Prefer not to say	Prefer not to say	Grand Total
Exceeded	30	28%	3	15%	3	21%	36
Met	73	68%	13	65%	8	58%	94

Not Met	4	4%	4	20%	3	21%	11
Grand Total	**107**	**100%**	**20**	**100%**	**14**	**100%**	**141**

The breakdown of data by ethnicity above shows a significant disparity in the number of staff from a BAME background being scored in the Exceeding and Good categories compared to staff from a White background. For example 3 staff of BAME background were ranked as Exceeded compared with 30 staff from a White background. This is concerning when you note that the total number of staff from a White background in the Exceeding category alone, is greater than the sum total of staff from a BAME background in the SCS

Note:
- As per the action in the delegated grade overview above, the data sub group will continue to explore the issue of BAME ranking

Special Bonus Pay (delegated grade)
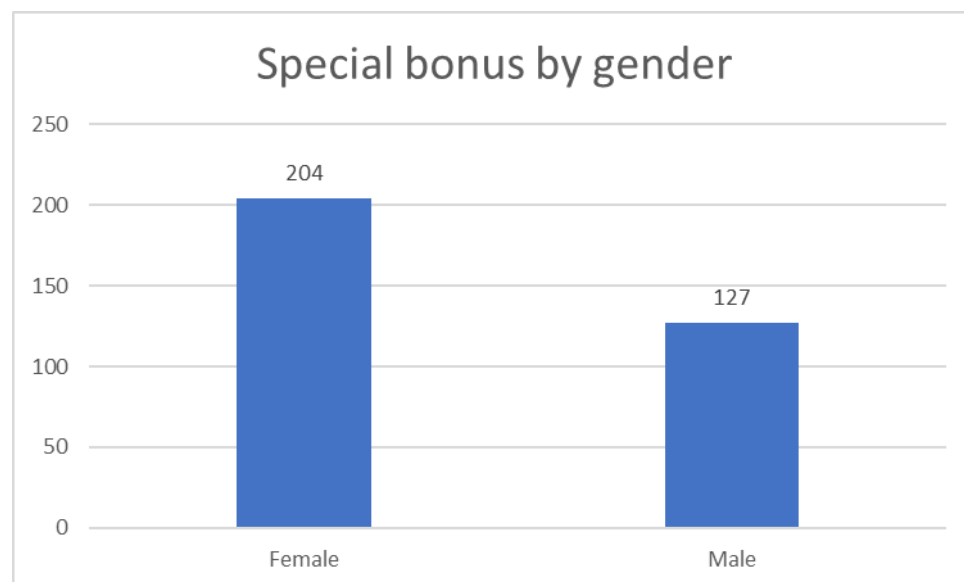
331 staff received a bonus (included performance related pay):
- 204 females (*28% of the delegated grade female population*) with an accumulated total of £218,281.93, and

- 127 males (*26% of the delegated grade male population*) with an accumulated total of £144,961.58

Note that the manager discretion on bonus sums linked to category has now been removed.

Special bonus by ethnicity

90

25

216

■ BAME   ■ Prefer not to say   ■ White
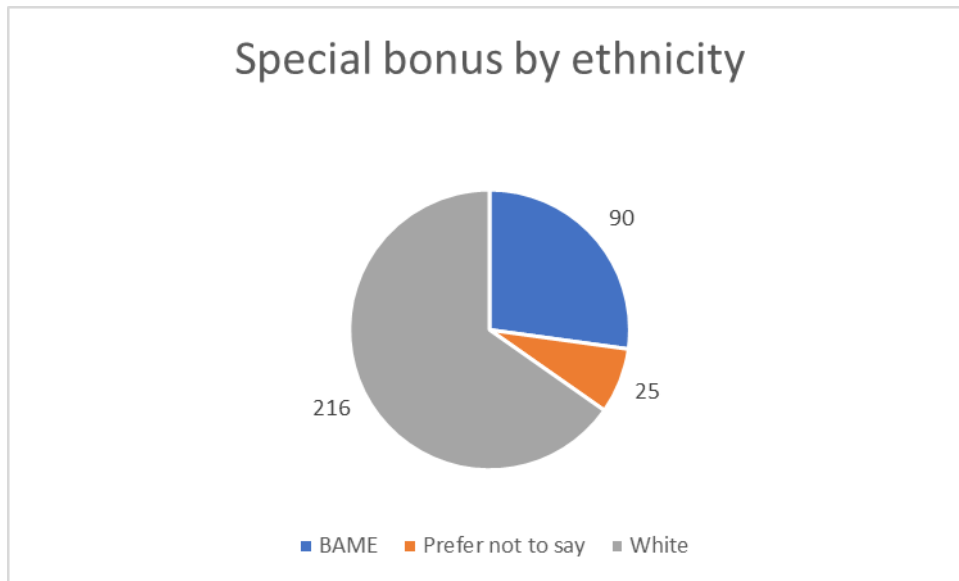
The bonus figures by ethnicity appear to reflect the make up of staff

Gender Pay Gap Action Plan update

This is an update to the previous report of March 2018 and refers to the related Action Plan (in bold below). The ongoing analysis of gender pay data to understand where any additional targeted action needs to focus, should be noted.

What	Why	Impact & measures	Risks & Opportunities
What are we doing now? Further analysis of gender pay data to understand where any additional targeted action needs to focus The original Agency report already provided information by grade; further supplemented by a report identifying gender/grade by division/centre. No clear evidence of gender pay bias on this basis **What more can we do?** Additional analysis of differences in grade/gender by division/centre where the difference in gender pay is above the 10.5% mean figure – 6 divisions This further analysis (yet to be shared internally) supports the previous conclusion that the issue is the number of males in higher graded roles, compared to females **Going Further** No further analysis of data planned	**Reason for intervention?** Initial analysis focussed on differences in grade and then grade within division/centre (best equivalent roles analysis as common job types not available). This was intended to identify high level reasoning for pay gap. More detailed analysis, focussed upon divisions/centres with a higher level of pay gap than the mean figure and consider again whether indeed there was an issue related to pay within grade/division or centre i.e. similar/equivalent roles. **Evidence** Analysis of grade and of grade by divisions/centre, plus more detailed analysis of those above the mean difference.	**Impact** Further assurance around the reasoning of the pay gap allowing focused action to address appropriately **Measures** see Evidence	**Risks** The possibility of analysis not having identified individual cases within grade of gender pay difference within equivalent roles **Opportunities** To focus our efforts appropriately upon differences in gender pay related to grade, having sought assurance via evidence that pay for equivalent roles is not an issue

What	Why	Impact & measures	Risks & Opportunities
in respect of equality of pay for equivalently graded roles. Focus on analysis of data related to gender grade differences and reasoning.			
What are we doing now? All new starters continuing to be recruited in line with Agency pay policy and any flexibility requiring a business case related to the role and approval by Human Resources (small flexibility) /the Agency Pay Committee (larger pay flexibility) **What more can we do?** Clearer guidance on the circumstances in which flexibility may be considered and a requirement for an Equality Impact Assessment (already included for larger flexibility cases to Agency Pay Committee) Guidance in draft and to be consulted upon. Resourcing Team and Business Partners to continue to support managers with their recruitment campaigns and the new starter pay policy **Going Further** Quarterly monitoring of new	**Reason for intervention?** To ensure equality of pay among all staff recruited and address any concerns about women being less likely to negotiate starting salary **Evidence** Quarterly monitoring of new recruits to identify any application of flexibility and audit reasoning	**Impact** Consistency in appointing salaries **Measures** see Evidence	**Risks** Could lead to a reduction in flexibility of starting salary and loss of potential appointees **Opportunities** To recognise and encourage females to have more confidence in negotiating in this type of situation

What	Why	Impact & measures	Risks & Opportunities
recruits to identify any application of flexibility (small and larger) and audit reasoning, to be considered by the Agency Pay Committee.			
What are we doing now? Continued analysis and opportunity for challenge and action in relation to the profile of staff considered for bonuses at Executive Team level (Delegated special bonuses and reward vouchers and SCS in-year bonuses) Review of the Special Bonus scheme led to introduction of spot bonus sums in place of previous manager discretion **What more can we do?** Managers and senior management teams, including HR, already involved in nomination process and to become more aware of potential bias from communicated reason for decision re moving to spot rates **Going Further** Continued analysis and challenge	**Reason for intervention?** To reduce manager discretion in terms of sum of money awarded for each of the three bonus categories. There is now one fixed sum for each category **Evidence** Quarterly analysis did not identify a specific gender bias in delegated grade data, but the gender pay bonus difference related to the SCS in-year bonus, for which there were more males than females last year (more males within SCS) and actually there are more females then males this year (annual one-off events)	**Impact** A more consistent approach to allocating bonus sums **Measures** See Evidence	**Risks** We have mitigated our risks through continued analysis but will continue to monitor **Opportunities** Greater awareness of the possibility of indirect discrimination
What are we doing now?	**Reason for intervention?**	**Impact**	**Risks**

What	Why	Impact & measures	Risks & Opportunities
Review of talent and learning initiatives to ensure that positive action is taken to attract and encourage women to apply for senior roles and to provide opportunity for related development Access to the Civil Service Positive Action development opportunities (currently on hold centrally) Further development of the Agency's coaching and mentoring networks Completion of the Agency's Career Pathways project **What more can we do?** Re-launch of the further expanded Career Pathways tool to support staff in visualising the advancement of their career (more related staff story telling) Pilot of interview skills to equip staff to be able to compete effectively for roles Refresh of our coaching and mentoring packages	To ensure that female colleagues feel supported and have the confidence to develop and advance in their careers and be able to step into more senior roles **Evidence** Primarily from coaching one to ones; some female colleagues have identified they feel trapped in their roles and unsure of available opportunities to help them take the next big step, plus lack confidence	Positive action taken to encourage and support women resulting in advanced development and increasing number of appointments of females **Measures** Talent & Learning to maintain a record of take up of in-house, external, and CSL courses Talent & Learning to track the impact the learning has had on the individual Talent & Learning to conduct a deep dive evaluation post relevant courses to see how the learning was used	If females are not encouraged to develop and progress their careers, the Agency could lose valued and experienced members of staff or not gain the potential benefit from them doing so Focus on females could mean that males feel disadvantaged **Opportunities** Connect directly with female employees and ask them what more we can do to support their development/career progression

What	Why	Impact & measures	Risks & Opportunities
Going Further Ensure that we are aware of and participate in any central initiatives			
What are we doing now? Active support for women returning to work following maternity or adoption leave. We offer shared parental leave, job share or part time opportunities as well as the possibility of some home working for appropriate roles and have refreshed our policies to support line managers with discussing options with their staff. **What more can we do?** We have also recently launched an Agency Parents Support Network which will deliver bespoke bite-sized sessions for returning mothers on weaning, reducing anxieties, taking care of self Continue the promotion of wider CSL Talent initiatives and the other support available i.e. coaching and mentoring in the workplace **Going Further**	**Reason for intervention?** To ensure that female staff returning from maternity/adoption leave feel there is support in place and their return and related risks are mitigated **Evidence** Our data shows that more females are leaving the workforce than males and a deep dive shows that most of these are mothers or staff returning from an extended break.	**Impact** Ensure support for females to stay in work after returning from long-term leave thus having a positive impact on, staff, their team, and business **Measures** Ongoing monitoring o Take up of flexible working options on offer o Exit information o Feedback from Parents' Network led sessions	**Risks** With no active support intervention in place, staff returning from extended leave could feel isolated as 'work' will have moved on whilst they were away, and they are juggling multiple priorities. Stress, sickness absence and related turnover escalating Managers feeling overwhelmed in the face of needing to support returners themselves **Opportunities** To retain talented individuals Support for managers

What	Why	Impact & measures	Risks & Opportunities
Develop Maternity mentoring/coaching sessions (one to one and in groups) – test out with Parents Support Network			
What are we doing now? Monitoring and related action in terms of the mandatory requirement for all staff to undertake unconscious bias training and roll out of a programme of recruitment training covering recruitment principles and selection techniques **What more can we do?** Unconscious Bias is now for managers only (CSL decision). The Agency therefore needs to consider a replacement option for all staff **Going Further** Inclusion of an element related to potential discrimination within all internal designed training courses	**Reason for intervention?** To ensure space for thinking on how we make judgements and decisions and the potential for bias **Evidence** Whilst we have no reported evidence of discrimination (employee relations cases log/monitoring), there will be a continuing push to ensure that managers are compliant with mandatory training (note also included reference in the corporate objective for all managers)	**Impact** Managers (and staff when further considered training for staff) will have the space to reflect on own behaviour and the impact on others **Measures** The Talent & Learning team continue to monitor take up of the CSL Unconscious Bias module in ensuring full compliance of managers Note: The Resourcing Manager in Human Resources has designed a new training programme for all recruiting managers and this has been rolled out across the Agency. This includes reference to Civil Service principles, fair process, (appropriate) selection techniques, and robust decision making	**Risks** Miss the opportunity to educate staff on monitoring how they think, assess, and relate to others **Opportunities** To provide thinking space for all managers/staff To provide a recruitment guide for managers with reminders of unconscious bias on equality impacts