

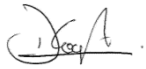


Circle Health Group

Gender Pay Gap Report - April 2021

Circle Health Group is committed to creating a diverse workforce offering inclusive opportunities for all our employees and workers, regardless of gender. We are passionate about fairness, equality and inclusion; creating an environment where our people can thrive, grow and develop professionally and personally.

I confirm that the data contained within this report is accurate and meets the requirements of the Gender Pay Gap reporting regulations.



David Cooper, Chief People Officer
4 April 2022

Our Gender Pay Gap Report in Context

Under the current Gender Pay Gap reporting legislation, private employers with 250 or more staff are required to publish data every year showing the pay gap between their male and female workforce.

It is important to understand that the gender pay gap is a measure of the difference in the pay (converted to an hourly rate) of men and women across an entire organisation, irrespective of the nature of their work or level of seniority. This is fundamentally different from equal pay, which involves a direct comparison of two individuals or groups of individuals to ensure they are paid comparably when performing the same or similar work, or work of equal value.

Our gender pay gap takes into account all jobs in the organisation, across all occupations, seniority and remuneration levels. Our figures relate to staff on a contract of employment, both full-time and part-time, as well as bank workers who are engaged to perform work on an “as and when” basis.

Circle Health Group are required to report April 2021 gender pay and bonus gap figures for four legal entities: BMI Healthcare Limited, which is comprised of 47 hospitals and corporate functions across the country; our Circle hospitals in Reading and Bath as well as Three Shires Hospital LLP.

This is the first reporting year for Three Shires Hospital LLP due to its workforce exceeding the 250 staff threshold. This is the last reporting year for Circle Hospital (Bath) Ltd as the ownership of this hospital transferred to the Royal United Hospitals Bath NHS Foundation Trust with effect from 1 June 2021, when it was renamed Sulis Hospital Bath Ltd.

As required by the Gender Pay Gap reporting legislation, the figures in this report relate to the difference in the mean and median hourly rate of pay between male and female staff and the proportion of male and female staff across four quartile pay bands as a snapshot on 5 April 2021. The figures also illustrate the difference in the mean and median bonus pay between men and women, and the proportion of male and female staff who received bonus pay in the twelve-month period preceding 5 April 2021.

On the snapshot date of 5 April 2021:

- a) Circle Hospital (Bath) Ltd had 301 full-pay relevant workers: 252 women (83.7%) and 49 (16.3%) men.
- b) Circle Hospital (Reading) Ltd had 264 full-pay relevant workers: 195 women (73.9%) and 69 (26.1%) men
- c) BMI Healthcare Ltd had 9,715 full-pay relevant workers: 7,613 women (78.4%) and 2,102 (21.6%) men.
- d) Three Shires Hospital LLP had 212 full-pay relevant workers, 179 women (84.4%) and 33 (15.6%) men.

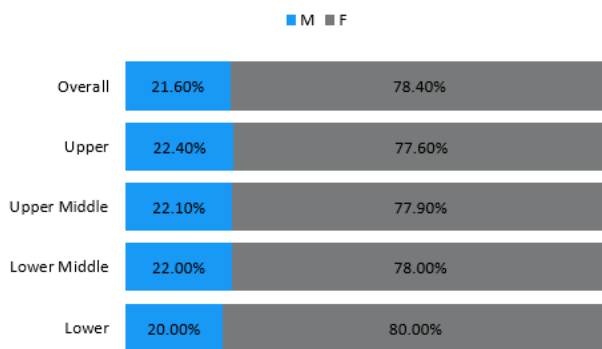
Our Pay Quartiles

The charts below show the proportion of men and women in the four equal pay quartiles, alongside the overall gender for each reporting entity.

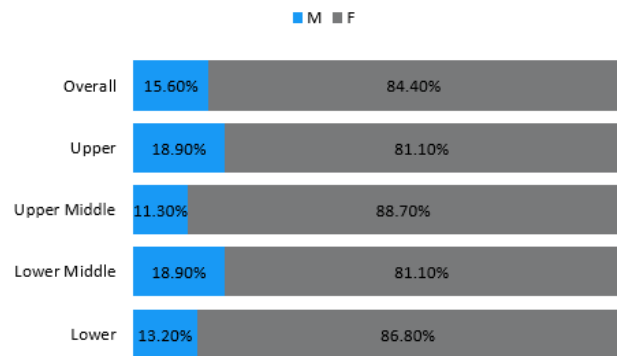
The pay quartiles are obtained by ordering the hourly rates of pay from highest to lowest and grouping them into four equal bands. For each legal entity, the Upper Quartile represents the quarter of the workforce with the highest earnings and the Lower Quartile represents the quarter of the workforce with the lowest earnings.

The most notable change from last year's reporting period is that BMI Healthcare Ltd saw a drop in the proportion of men in our Upper pay quartile and an increase in the proportion of men in the Upper Middle quartile. These changes have resulted in a more consistently balanced profile across our pay quartiles.

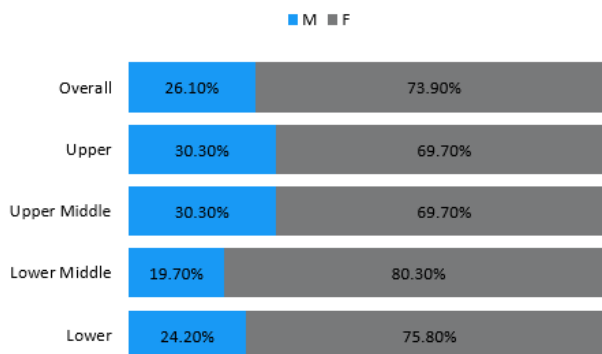
BMI Healthcare Ltd



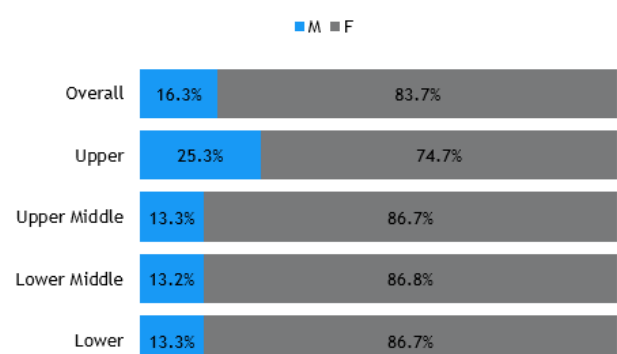
Three Shires Hospital LLP



Circle Hospital (Reading) Ltd



Circle Hospital (Bath) Ltd



Our Gender Pay Gap

The table below shows the percentage difference in mean and median hourly rate of pay between male and female across our four reporting entities in the last 5 reporting years.

	BMI Healthcare Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd		Circle Hospital (Bath) Ltd	
	Median	Mean	Median	Mean	Median	Mean	Median	Mean
2021	2.6%	8.5%	-1.7%	8.5%	17.3%	-18.6%	21.6%	14.4%
2020	- 2.7%	13.7%			10.2%	12.6%	11.6%	10.3%
2019	- 5.7%	10.9%			4.7%	12.5%	- 4.1%	3.2%
2018	- 4.3%	8.8%			10.7%	11.5%	5.3%	5.8%
2017	- 3.5%	8.9%			8.0%	8.2%	19.1%	17.5%

The nature of the gender pay gap formulas mean that the figures are likely to fluctuate significantly every year.

When looking at the gender pay gap, the median rate is seen as a more representative figure as this is the mid-point value of the range of data obtained by lining up the hourly rates of pay from smallest to largest. The mean, sometimes referred to as the average, is calculated by adding up the hourly rates of all workers and dividing that figure by the number of workers. This means the final mean figure can be more easily skewed by a small number of highly paid individuals.

For comparison, the median UK national gender pay gap for 2021 was 15.4% as identified by the [Office for National Statistics](#).

Explaining our Gender Pay Gap

Circle Health Group is committed to providing equal opportunities to all, regardless of gender or other characteristics, and supports equality through fair pay. Our annual pay review process is applied fairly to all employees across our entire Group. We are committed to offering fair remuneration packages which are purely reflective of an employee's skills, experience and qualifications. Our rates of pay are regularly benchmarked internally and externally with the NHS and other independent sector providers. In support of our commitment to fair pay to all, Circle Health Group remains a National Living Wage employer.

When reviewing our gender pay gap differentials, it is important to take into account that the figures relate to a wide range of roles, both clinical and non-clinical, hospital-based and corporate, and that a gender split inevitably occurs within specific roles. The figures for BMI healthcare Ltd reflect a wider data sample and a larger variety of roles than that of the smaller entities. The figures for the smaller legal entities relate to specific hospitals within the Group, and reflect a proportion of male staff in highly paid positions (senior management and senior medical workforce) and a disproportionate number of female staff in the middle-tier (e.g. nurses) and lower tier (administration and healthcare assistant) roles. High earning roles include Medical Consultants, which are predominantly filled by men. This has had a notable impact on the gender pay gap figures at our Circle Bath and Reading Hospitals, as these two entities have a comparatively larger number of employed medical consultants than BMI Healthcare Ltd.

In October 2020 we rolled out a programme of pay enhancements for our clinical staff, ensuring they were at the minimum in line with rates of pay in the NHS' Agenda for Change structures. These enhanced rates of pay account for approximately 1000 clinical staff including hundreds of people across our lower pay quartiles. This, together with the drop in the proportion of men in our Upper pay quartile and an increase in the proportion of men in the Upper Middle quartile, partially accounts for the narrowing of the mean gender pay gap for BMI Healthcare Ltd.

The figures for our three smaller legal entities are prone to larger fluctuations than the figures for BMI Healthcare Ltd, as demonstrated in the changing figures in the table above. This is due to the smaller size of the data samples, as well as the significant gender imbalance of the data sets, as detailed in our pay quartiles. In our smaller legal entities, both the mean and median pay figure for male employees can vary significantly from year to year, as relatively small changes in that group are not balanced out in the same way as they would be in the much larger data set for female employees. For example, for this reporting period Circle Hospital (Reading) Ltd has a data set of 69 men compared to 195 women - a ratio greater than

3 to 1. The median pay figure for men would therefore be the 35th salary in a ranked list of 69. From one year to the next that median salary in a small group could be very different and the resulting comparison with the median salary for women would be affected.

In small gender imbalanced data sets, all that is necessary to cause an apparently significant change in the gender pay gap figure from year to year is for a small number of employees to cross the median boundary from lower-middle to upper middle quartile. This could happen with a difference of just a few pence per hour given the sample size. Additionally, with a small overall sample size, in any given reporting year a small change in the number of people to be excluded from the calculation process as not [full-pay relevant employees](#) (for example due to maternity leave or sick leave) can have a material effect on the results. For this reporting year, the overall data set for Circle Hospital (Reading) Ltd was 10% smaller than for the April 2020 gender pay gap data, which in itself represents a material difference in the source data for this process.

Our bank workers are included in our gender pay data, as required by the reporting legislation, which also has an effect on the way our figures can vary year-on-year. Working as part of our bank of temporary clinical staff means working on an ‘as and when needed’ basis, with no guarantee of regular work, subject to shift demands and workers’ availability. In any given gender pay snapshot month, the number and type of bank shifts on offer and the gender profile of the bank workers available to fill such shifts, can vary considerably, thus introducing a further degree of variability into our reportable data. Across the business we have over 4000 bank workers supplementing our contracted workforce of well over 8000 employees, so in any given year’s gender pay data there is a significant proportion of pay data that relates to bank shifts.

Our Gender Bonus Gap

The Gender Pay Gap Regulations require us to report on the difference in median and mean bonus pay received by male and female employees, and the proportion of male and female staff who received a bonus during the twelve-month period ending on 5 April 2021.

The table below shows the proportion of men and women who received a bonus payment in the reference period.

	BMI Healthcare Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd		Circle Hospital (Bath) Ltd	
	Male	Female	Male	Female	Male	Female	Male	Female
2021	3.8%	1.8%	None	None	4.3%	5.3%	16.3%	27.1%
2020	4.9%	2.6%			4.2%	3.5%	6.1%	7.9%
2019	10.8%	5.3%			3.3%	0.5%	3.9%	0.4%
2018	5.1%	2.2%			50.0%	66.3%	61.7%	58.1%
2017	5.3%	2.4%			1.7%	14%	4.6%	4.5%

The table below shows the mean and median bonus gaps between men and women during the reference period.

	BMI Healthcare Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd		Circle Hospital (Bath) Ltd	
	Median	Mean	Median	Mean	Median	Mean	Median	Mean
2021	3.5%	27.3%	None	None	0.0%	63.7	44.7%	4.6%
2020	55.5%	56.0%			0.0%	83.6%	50.0%	-2.0%
2019	13.4%	32.5%			-87.5%	-87.5%	-499.2%	-499.2%
2018	11.0%	28.7%			21.1%	6.5%	16.5%	77.8%
2017	0.0%	-3.5%			0.0%	10.2%	10.6%	44.1%

Our gender bonus gap data comprises multiple bonus and incentive plans in place across different parts of the business, including management bonuses, payable to less than 8% of our workforce, as well as recruitment and retention bonuses paid for specific recruitment campaigns for critical hard-to-fill clinical roles.

As with the gender pay gap data, the small number of bonus payments made in each given year, particularly in the legal entities with smaller headcounts, means that small changes in the absolute numbers and values of bonus payments can have a significant impact on the median and mean gap percentages each year.

Our gender bonus gap data is not indicative of a single bonus plan paying out at substantially different levels to men and women across the group. All our bonus plans are gender neutral by design, the same rules applying to all eligible employees. For some bonus plans, employees who work part-time receive their payments on a pro rata basis. However, the required calculation methodology for this gender bonus gap reporting does not adjust to bring these pro-rated bonuses back to their full-time equivalent level for comparison.