

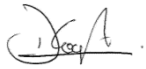


Circle Health Group

Gender Pay Gap Report - for period ending 5 April 2022

Circle Health Group is committed to creating a diverse workforce offering inclusive opportunities for all our workers, regardless of gender. We are passionate about fairness, equity 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 2023

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 every year data on the pay and bonus gap between their male and female workforce.

For the April 2022 reporting period, Circle Health Group is required to report gender pay and bonus gap figures for four legal entities: Circle Health Group Limited (formerly BMI Healthcare Limited), comprised of hospitals and corporate functions across the United Kingdom; Circle (Reading) Hospital Limited; and Three Shires Hospital LLP.

The gender pay data we are required to report is calculated as follows:

- The number of men and women in each pay quarter across the organisation;
- The difference in average hourly rates of pay between men and women (calculated as both a mean and a median value) as a snapshot on 5 April 2022;
- The difference in average performance bonuses and incentive scheme payments between men and women (calculated as both a mean and a median value) in the twelve-month period ending on 5 April 2022; and
- The proportion of men and women who received a bonus or incentive payment in the 12-month period ending on 5 April 2022.

It is important to understand that the gender pay gap is a measure of the difference in the pay 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 data relates to all jobs in the organisation, across all occupations, seniority and remuneration levels. The 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, with no guarantee of regular work, subject to shift demands and workers’ availability.

Our Pay Quarters

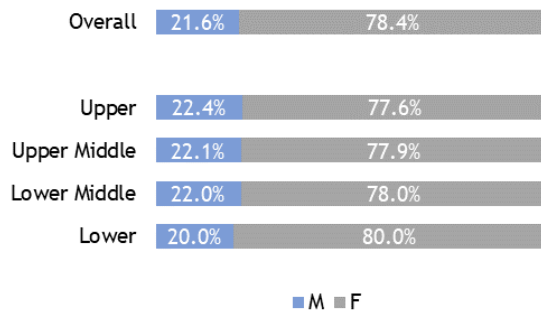
The following charts illustrate the overall gender split across each reporting entity, for the last two reporting years, followed by the balance of men and women throughout four pay range quarters.

The pay quarters are obtained by ordering the hourly rates of pay from highest to lowest and dividing them into four equal groups. The Upper Quarter represents the quarter of the workforce with the highest earnings and the Lower Quarter represents the quarter of the workforce with the lowest earnings.

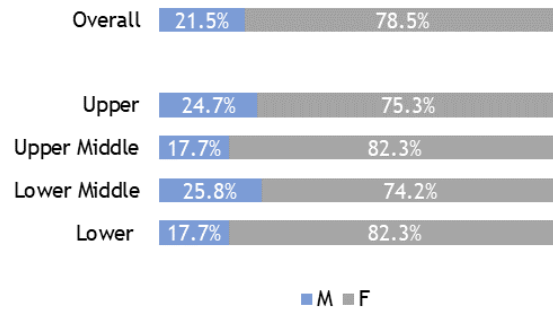
Circle Health Group Limited

On the snapshot date of 5 April 2022, Circle Health Group Limited had 10,758 relevant workers. This group was used to calculate the gender bonus gap figures. For the gender pay gap figures, 457 women and 80 men who were on reduced pay due to a reason of leave, were excluded. This leaves a count of 10,221 full-pay relevant workers, comprising 2,195 (21.5%) men and 8,026 women (78.5%).

2021



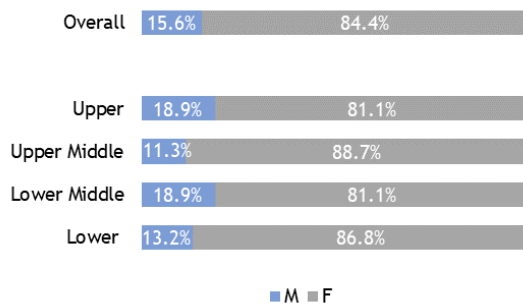
2022



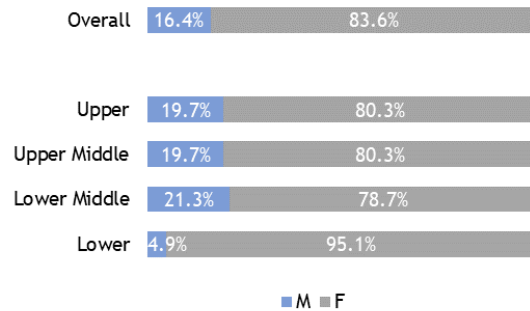
Three Shires Hospital LLP

On the snapshot date of 5 April 2022, Three Shires Hospital LLP had 257 relevant workers. This group was used to calculate the gender bonus gap figures. For the gender pay gap figures, a total of 12 women and 1 man, who were on reduced pay due to a reason of leave, were excluded. This leaves a count of 244 full-pay relevant workers, 40 (16.4%) men and 204 women (83.6%).

2021



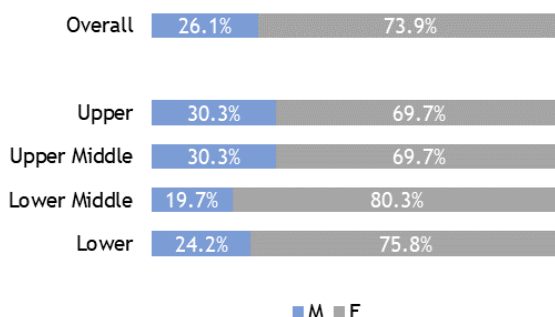
2022



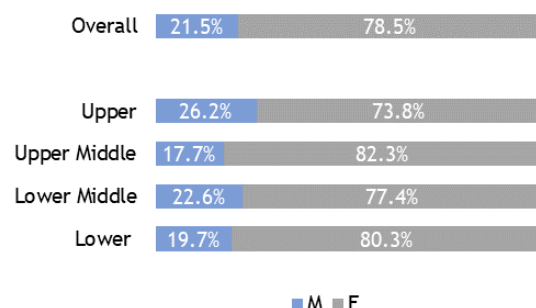
Circle Hospital (Reading) Limited

On the snapshot date of 5 April 2022, Circle Hospital (Reading) Limited had 258 relevant workers. This group was used to calculate the gender bonus gap figures. For the gender pay gap figures, 11 women and 1 man, who were on reduced pay due to a reason of leave, were excluded. This leaves a count of 246 full-pay relevant workers: 193 women (78.5%) & 53 (21.5%) men.

2021



2022



Our Gender Pay Gap

The table below shows the percentage difference in mean and median hourly rate of pay between male and female workers across our three reporting entities on the snapshot date of 5 April 2022 in the last 3 reporting years. A value greater than zero indicates that, on average, men earn more than women; a negative value means, on average, women earn more than men.

	Circle Health Group Limited		Three Shires Hospital LLP		Circle Hospital (Reading) Limited	
	Median	Mean	Median	Mean	Median	Mean
2022	-1.4%	14.7%	17.7%	13.1%	0.7%	6.3%
2021	2.6%	8.5%	-1.7%	8.5%	17.3%	-18.6%
2020	-2.7%	13.7%	-	-	10.2%	12.6%

The mean shows the difference between average pay of male and female workers, meaning all hourly rates are added together for each gender and divided by the total number of male/female workers. The median is the midpoint numerical value which splits the top 50% and bottom 50% of hourly rates, arranged from smallest to largest. When looking at the gender pay gap, the median rate is considered to be a more representative metric, as the mean figure can be more easily skewed by a small number of highly paid individuals.

For comparison, the median gender pay gap for the 12-month period ending on 31 March 2022 for all employees in the UK was 14.9% as identified by the Office for National Statistics.

The nature of the gender pay gap formulas, calculated as the difference in the pay of men and women across the entire organisation, irrespective of the nature of their work or level of seniority, mean that the figures are likely to fluctuate significantly every year. In addition, a 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. Further, the inclusion of clinical bank workers' rates in the calculation introduces an additional degree of variability in our reporting data. 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, which also influences the way our pay gap figures can vary year-on-year.

The figures for Circle Health Group Limited reflect a wider data sample and a larger variety of roles than that of the smaller entities. The figures for the smaller legal entities are prone to larger fluctuations, as demonstrated in the three-year 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 quarters.

As seen above, each pay range quarter remains highly imbalanced. Given the considerably higher proportion of women across the organisation, any slight change in the sample of men or their pay rates can have a comparatively higher impact on the pay gap figures. For example, one notable change from last year's reporting period is that Three Shires LLP saw a significant decrease in the proportion of men in the Lower pay quarter and an increase in the proportion of men in the Upper Middle and Upper quarters. This resulted in an increase in both median and mean gender pay gap for this entity.

Our Gender Bonus Gap

The table below shows the proportion of men and women who received a bonus or incentive payment in the twelve-month period ending on 5 April 2022.

	CHG Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd	
	Male	Female	Male	Female	Male	Female
2022	16.4%	10.4%	7.3%	2.3%	13.0%	5.9%
2021	3.8%	1.8%	-	-	4.3%	5.3%
2020	4.9%	2.6%	-	-	4.2%	3.5%

The table below shows the mean and median bonus gaps between the bonuses paid to men and women during the same reference period, to 5 April 2022.

	CHG Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd	
	Median	Mean	Median	Mean	Median	Mean
2022	47.3%	42.8%	7.4%	-9.7%	29.5%	-44.9%
2021	3.5%	27.3%	-	-	0.0%	63.7
2020	55.5%	56.0%	-	-	0.0%	83.6%

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. Our data reflects multiple bonus and incentive plans in place across different parts of the business, payable to different roles. These include management bonuses, payable to less than 9% of our workforce, performance/KPI based incentive schemes for specific administrative functions, as well as recruitment referral and retention bonuses paid for specific recruitment campaigns or for critical hard-to-fill clinical roles. All of these bonus plans are gender neutral by design, the same rules applying to all eligible employees.

For some of our bonus or incentive plans, employees who work part-time receive their payments on a pro rata basis. However, the required calculation methodology for the gender bonus gap reporting does not adjust to bring these pro-rated bonuses back to their full-time equivalent level for comparison. Given that a higher percentage of females work part-time, this factor is also likely to negatively affect the bonus pay gap.

Conclusions

When reviewing our gender pay gap differentials, it is important to consider that the figures relate to a wide range of roles, both clinical and non-clinical, hospital-based and corporate functions, and that some roles disproportionately attract specific genders.

We are confident that our gender pay gap is not as a result of unequal pay based on gender but predominantly a reflection of the Group’s overall workforce gender profile, irrespective of role and seniority.

Across all reporting entities, we can observe that the proportion of men in the Upper quarter is comparatively higher than the overall gender split, suggesting a higher percentage of male staff in highly paid positions. The data also continues to show a disproportionate number of female staff in the Lower quarter. For example, for Circle Health Group Limited, 28% of the male population (vs 24% of female population) is in the Upper quarter. High earning roles include senior management, medical professional roles (including Medical Consultants or Clinical Chairs), which are predominantly filled by men and reflects the gender imbalance within those roles across the healthcare sector.

While we pay women the same rate as men for doing the same job, their higher representation within these grades brings down the average pay for women compared with men. Conversely, lower-tier roles, such as administrators or non-registered clinical workers or middle-tier positions such as nurses remain predominantly filled by women.

Circle Health Group is committed to providing equal opportunities to all, regardless of gender or other individual characteristics, and supports pay equity through fair pay. We continue to take several positive steps to mitigate our gender pay gap and ensure the continuous fair treatment of females across the organisation.

We offer a wide range of development management and leadership programmes to support our workforce and enable all genders to progress and be fairly represented at most levels of the organisation.

Our pay practices and processes are applied fairly to ensure our remuneration packages are purely reflective of an employee's skills, experience, and qualifications. We have introduced a national pay framework across most hospital-based roles. This, together with the regular internal and external benchmarking of our pay rates will help balance the gender pay gap and ensure our workers are fairly remunerated for their work.