




Circle Health Group

Gender Pay Gap Report - April 2023

Declaration

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 2024

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.

To comply with the current statutory requirements, gender must be reported in a binary way. As a result, our report doesn't differentiate pay data for colleagues who may identify differently.

For the April 2023 reporting period, Circle Health Group are required to report gender pay and bonus gap figures for three 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 data we are required to report is:

- 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 2023.
- The proportion of men and women who received a bonus or incentive payment in the year up to April 2023.
- The difference in average bonuses and incentive payments between men and women (calculated as both a mean and a median value) in the twelve-month period ending on 5 April 2023.

The concept of gender pay gap is fundamentally different from equal pay. Equal pay 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.

Gender pay gap is a measure of the difference in the average pay of men and women across an entire organisation, irrespective of the nature of their work or level of seniority.

Circle Health Group's gender pay and bonus gap data relates to all jobs in the organisation, across all occupations, clinical and non-clinical roles, encompassing all levels of seniority and remuneration.

Under the current legislation, Gender pay and bonus gap figures must be calculated including all 'relevant workers', which comprise individuals on a **contract of employment**, both full-time and part-time, as well as workers engaged on a **bank worker agreement**, providing services on an "as and when" basis, with no guarantee of regular work, subject to shift demands and workers' availability. The requirement to include clinical bank workers' rates in the calculation introduces a degree of variability in our reporting data.

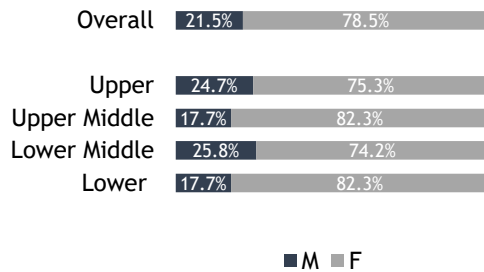
Our Pay Quarters

The charts below illustrate the overall gender split across each reporting entity, for the last two years, followed by the distribution 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.

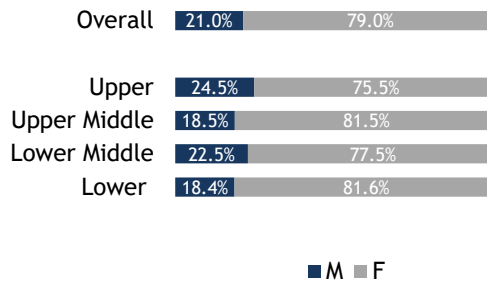
Circle Health Group Ltd

Circle Health Group had 10,911 relevant employees on the snapshot date of the 5 April 2023. This group was used to calculate the gender bonus gap figures. For the gender pay gap figures, 535 women and 90 men who were on reduced pay due to a reason of leave, were excluded. This leaves a count of 10,286 full-pay relevant employees, comprising 8,125 women (79%) and 2,161 (21%) men.

2022



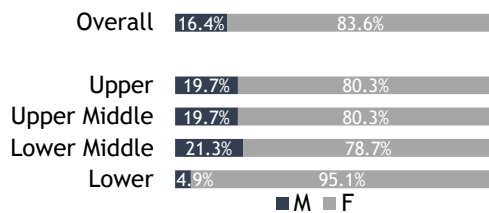
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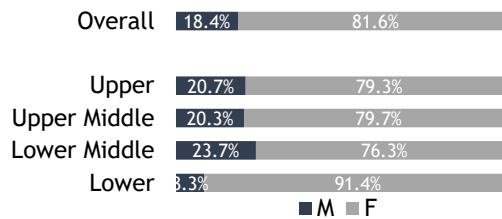
Three Shires Hospital LLP

Three Shires had 253 relevant employees on the snapshot date of the 5 April 2023. This group was used to calculate the gender bonus gap figures. For the gender pay gap figures, 19 women who were on reduced pay due to a reason of leave, were excluded. This leaves a count of 234 full-pay relevant employees, 191 women (81.6%) and 43 (18.4%) men.

2022



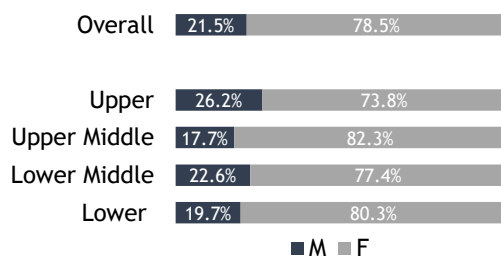
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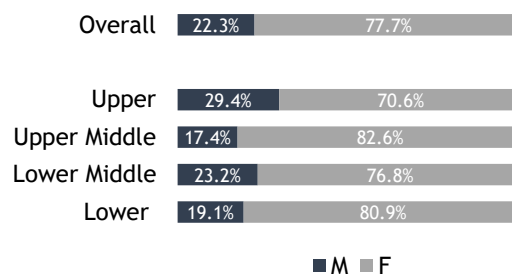
Circle Hospital (Reading) Ltd

Circle Reading had 291 relevant employees on the snapshot date of the 5 April 2023. This group was used to calculate the gender bonus gap figures. For the gender pay gap figures, 15 women and 2 men, who were on reduced pay due to a reason of leave, were excluded. This leaves a count of 274 full-pay relevant employees: 213 women (77.7%) & 61 men (22.3%).

2022



2023



Our Gender Pay Gap

The table below shows the percentage difference in mean and median hourly rate of pay between men and women in the three reporting entities, on the snapshot date of 5 April, in the last 3 reporting years.

	Circle Health Group Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd	
	Median	Mean	Median	Mean	Median	Mean
2023	2.9%	15.2%	12.7	12.1%	3.9%	9.4%
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%

The **mean** average is calculated by totalling all hourly rates and dividing them between the total number of workers. The **median** is the midpoint numerical value which splits the top 50% and bottom 50% of a range of hourly rates, lined up from smallest to largest.

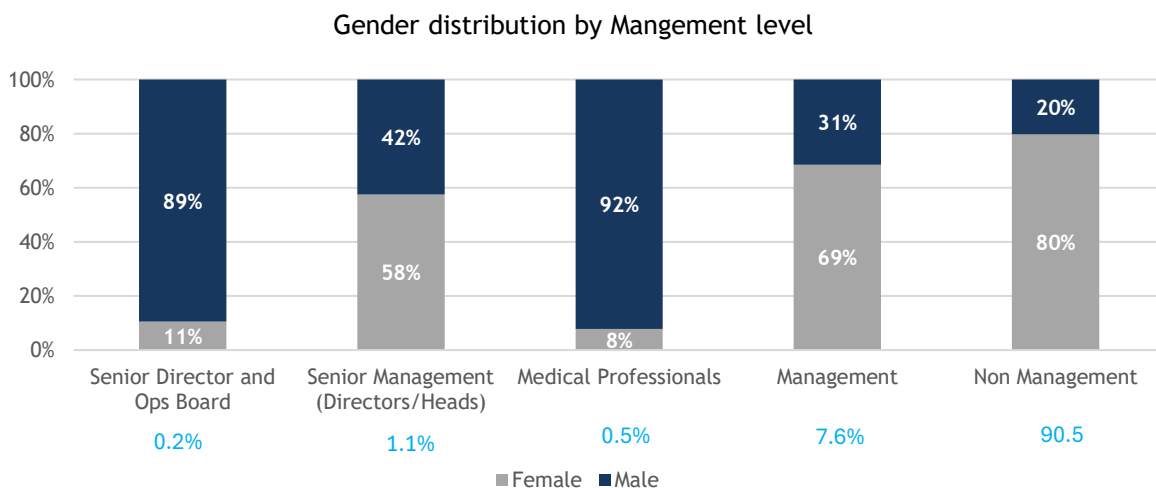
Generally, the **median rate** is seen as a **more representative figure** as the mean can be more easily skewed by a small number of highly paid individuals.

Overall, our median gender pay gap for hourly pay across the three entities is greater than zero, showing that the median pay of men is slightly higher than the median pay of women. For comparison, our median gender pay gap remains lower than the median UK national gender pay gap for all employees in the UK, which the Office for National Statistics in April 2023 calculated as 14.3%.

Across all reporting entities, we continue to observe that the proportion of men in the upper pay quarter is comparatively higher than the overall gender split, suggesting a higher percentage of male workers in highly paid positions. This gender imbalance is evident at Senior Director level and for medical positions (Medical Consultants and Clinical Chairs), which are predominantly filled by men.

However, across other Senior Management positions, which include Hospital Directors and Functional Heads of Department, and in middle management positions, the demographic appears in favour of women, as detailed below. This suggests there is a healthy 'pipeline' of females currently in management positions, who could potentially progress into the most senior positions in the company as vacancies arise in the future.

The table below portrays the gender distribution across all Circle Health Group Employing entities, excluding bank workers, on the snapshot date of 5 April 2023, by Management level.



% of headcount in each Management Group

We believe the key driver of our median gender pay gap is the disproportionate number of female workers in the lowest two pay quarters. More than 90% of our staff is in a non-managerial role and 80% of these are female workers. This group include administrative functions, non-registered clinical workers and middle-tier nursing roles, which remain predominantly filled by women.

Our gender pay gap figures are likely to fluctuate significantly every year due to:

- 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. 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.
- Any 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) can have a material effect on the results. Due to the gender imbalance of our workforce, the impact of these exclusions can be considerable.
- The inclusion of clinical bank workers' rates in the calculation adds a degree of variability to our reporting data. In any given month, the number and type of bank shifts on offer and the gender profile of the bank workers available to fill such shifts, varies considerably. This variability influences the gender pay gap figures year-on-year.
- The figures for the smaller legal entities are prone to larger fluctuations, 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.

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 2023.

	Circle Health Group Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd	
	Male	Female	Male	Female	Male	Female
2023	6.6%	4.2%	-	0.5%	4.8%	1.8%
2022	16.4%	10.4%	7.3%	2.3%	13.0%	5.9%
2021	3.8%	1.8%	-	-	4.3%	5.3%

The table below shows the mean and median gaps between the bonuses paid to men and women during the same reference period, to 5 April 2023.

	Circle Health Group Ltd		Three Shires Hospital LLP		Circle Hospital (Reading) Ltd	
	Median	Mean	Median	Mean	Median	Mean
2023	11.8%	33.7%	-	-	42.3%	50.5%
2022	47.3%	42.8%	7.4%	-9.7%	29.5%	-44.9%
2021	3.5%	27.3%	-	-	0.0%	63.7

Overall, our median gender bonus gap in the three entities is greater than zero, showing that the mean and average value of bonuses paid to men is slightly higher than the value paid to women.

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 admin functions as well as recruitment referral and retention bonuses paid for specific recruitment campaigns or for critical hard-to-fill clinical roles.

All bonus and incentive plans are gender neutral by design, the same rules applying to all eligible employees in a similar role, regardless of gender.

It should be noted that during the twelve-month period ending on 5 April 2023, there have been no payments of bonuses under the Management Bonus scheme. The small number of bonus payments made in the period, particularly in 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.

Bridging the Gap

Circle Health Group is committed to providing equal opportunities to all, regardless of gender or other individual characteristics, and supports equity through fair pay.

When reviewing our gender pay gaps, it is important to consider that the figures relate to a wide range of roles across the whole business, clinical and non-clinical, hospital or office based, and for operational positions and corporate functions.

The fluctuating gender pay gap rates reflect a gender split which may occur within specific roles or for individuals who received payments on the snapshot date of 5 April 2023. Our gender pay and bonus figures do not indicate unequal rewards for men and women undertaking the same duties.

Circle Health Group strive to provide equal access to opportunities, information, and resources to our staff, to ensure fair treatment for all and enable our employees to thrive in an environment of outstanding patient care.

Circle Health Group continues to take positive steps to mitigate our gender pay gap, and work towards a more balanced gender representation across all levels of the organisation. These include:

Effective pay practices

Our pay practices and processes are applied consistently to all workers to ensure our remuneration packages are purely reflective of an employee's role, responsibilities, skills and qualifications.

Circle Health Group has implemented a national pay framework across most roles. This framework comprises regular internal and external benchmarking of individual pay rates and a robust annual pay review process which ensure that our workers are fairly remunerated for their work.

Supporting development and career paths

Circle offers a wide range of development management and leadership programmes to support our workforce. The aim is to empower all genders and groups to progress in their career and to be represented at all levels of the organisation.

Our development programmes target all career stages. In fact, seventy per cent of managers have taken advantage of the available routes to progress internally. The programmes on offer include:

- Future Leaders - for individuals in non-management positions with high potential to progress
- Learning to Lead - for junior Team Leaders and Supervisors
- Recognising leaders - for individuals already in a management role
- Operational Leaders - for Senior Operational Management
- Towards Outstanding - for Senior Leaders, Directors, and Corporate functional leads

In October 2023, we launched the Oxford Women's Leadership Development Programme from Saïd Business School, University of Oxford, to strengthen our commitment to support women to become senior leaders within the business. The programme aims to address the barriers that women must overcome to pursue senior leadership roles. By helping female leaders enhance their leadership strengths, the programme also facilitates generational learning in which women pass on leadership skills to younger peers, facilitating female inclusion.

Inclusive practices and initiatives

In November 2022, we launched our Diversity, Equity and Inclusion (DE&I) Advisory Board to support our journey to become a truly inclusive organisation. The Board is comprised of ten members of staff, who are passionate advocates for workplace diversity, equity and inclusion. The Board meets bi-monthly to provide perspectives and recommendations on all aspects of DE&I, supporting the development of policies and strategies underpinning inclusive initiatives company-wide.