

Gender pay gap report

For the year ending April 2022



Executive summary

I'm pleased to report that at 3.4% our mean (average) 2022 gender pay gap is lower than the 5.9% reported last year, comparing favourably to the national pay gap of 14.9%, published by the Office for National Statistics (ONS) in October. The figure is lower than our pre-pandemic gender pay gap of 4.3%, and is at its lowest level since we first reported these figures six years ago. Our median gender pay gap of 0.24% is also lower than the 0.88% reported last year.

In addition, our upper quartile gap has reduced by almost half since our 2017 report. This is particularly good news as our overall figure is largely driven by upper quartile differentials, which is something we're working hard to address.

We've maintained a positive ethnicity pay gap, in favour of our non-white population. This has reduced slightly, from 5.7% in 2021 to 4.4% in 2022, based on an improved ethnicity disclosure rate of 68% as at April 2022, compared with 60% the previous year, and we're happy that this year's data is more reflective of the Charity as a whole. By encouraging our people to complete their personal profiles through our online HR system, Workday, we'll help support our ambition to become a more diverse and inclusive employer.

Nurturing a diverse, enthusiastic and highly skilled workforce is critical to the success of Nuffield Health. We strongly believe everyone should be able to make their voice heard, and

“At 3.4%, our 2022 gender pay gap is at its lowest level since we first reported six years ago.”

that our leadership team must be prepared to listen and take action. Our Equity Forum goes from strength to strength. Members continue to drive open conversations, as they discuss challenges faced in the workplace, and their input is contributing to our wider strategy.

Restrictions imposed on us by the COVID-19 pandemic, and our participation in the Government's furlough scheme, meant a large proportion of our workforce pay was not truly represented in our 2020 and 2021 reports. This year's report is based on pay-data taken from April 2022 and, therefore, we're confident it provides a more reliable snapshot of the Charity's gender pay gap than the previous two reports.



Data relating to our acquisition of five hospitals from Aspen Healthcare Limited, which took place in September 2021, is not included in this report. This is because the TUPE transfer into Nuffield Health didn't take place until after the reporting 'snapshot' date in April 2022.



What's our gender pay gap?

Our mean gender pay gap of 3.4% is at its lowest level since our first published report based on April 2017 payroll data. Lower than the 5.9% we reported last year, it's also, once again, significantly below the national average of 14.9%.* Our median gender pay gap of 0.24% is also lower than the 0.88% we reported last year.

Mean gender pay gap

The mean gender pay gap is calculated by comparing the average hourly pay rate for women with the average hourly pay rate for men. A positive gap indicates that the average hourly pay for men is higher than for women, whereas a negative gap would indicate higher pay for women.

As in previous years, our mean gender pay gap is largely driven by the hourly pay rate differentials in our upper quartile, where our most senior positions are placed. However, we're making good progress at this level, with the pay gap almost 50% lower than the figure recorded in 2017.

Across our lower and lower-middle quartiles, the gap is less than 0.5% and, for our upper-middle quartile, it sits at 2.7% in favour of women.

3.4%

Mean gender pay gap

30.7%

Mean bonus pay gap

0.24%

Median gender pay gap

51.8%

Median bonus pay gap

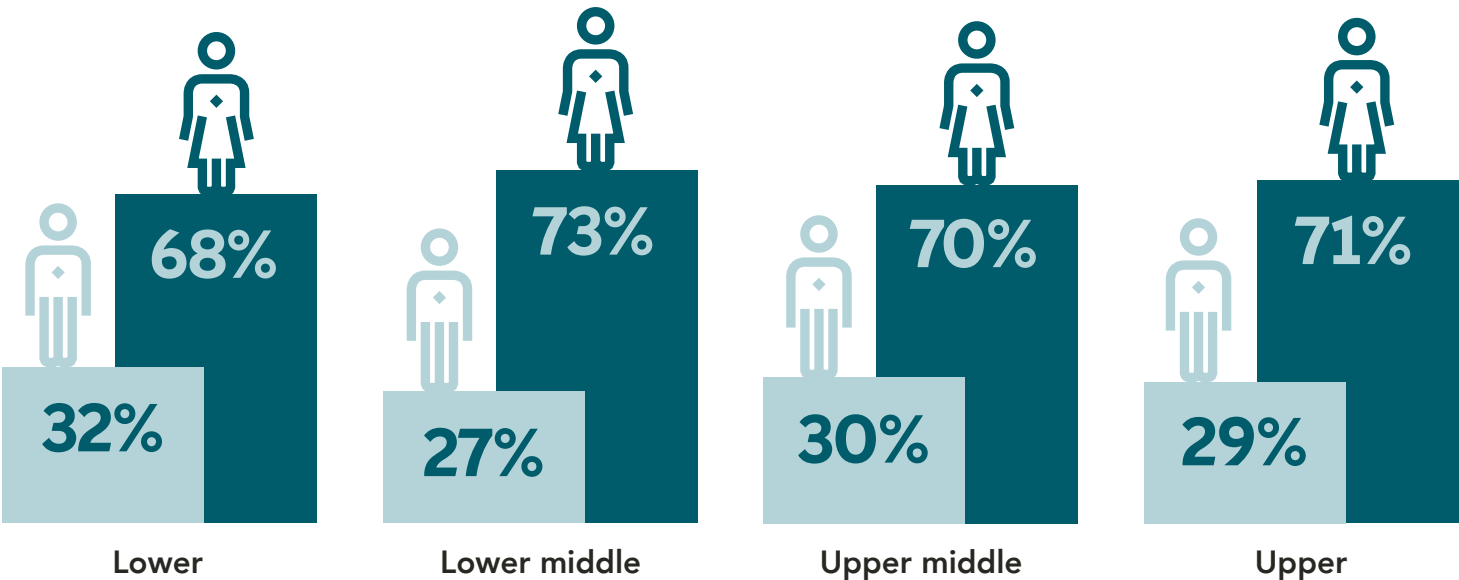
Proportion of employees who received bonus pay

13.1%



7.70%

Proportion of employees in quartile pay bands



Median gender pay gap

The median gender pay gap is calculated by arranging all hourly pay rates in ascending order and taking the middle value for both men and women, and comparing the two. A positive gap indicates men's pay rate is higher than women's.

Bonus pay gap

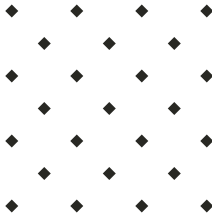
The bonus pay gap reflects bonuses paid in the 12 months to April 2022. Our mean bonus gap for 2022 is 30.7%, down from 36.3% in 2021, with our median bonus gap at 51.8%, up from 21.3% last year.

Whilst the percentage of both men and women receiving a bonus increased over 2021, a higher proportion of the bonuses received by women came from commissions and other incentives, as opposed to the discretionary senior manager bonus scheme, which has a higher earnings potential.

It remains the case that, of the women who received a bonus in 2022, nearly 40% worked part-time. The bonus gender pay gap is calculated on total payments and doesn't take into account pro-rated payments, which are reduced for part-time workers in line with their total pay.

I confirm that this statement is true to the best of my knowledge and belief.

Steve Gray - Chief Executive Officer



What's our ethnicity pay gap?

In line with last year, and in the continued absence of a mandatory reporting requirement, we're reporting on our mean and median ethnicity pay gaps. In this second year of voluntary reporting, we've once again adopted the binary definitions recommended by the ONS.

As with our gender pay gap, our ethnicity pay gap calculations are based on pay data taken from April 2022, which show we've narrowed our ethnicity pay gap at both the mean and median:

- **Mean pay gap** – 4.4% in favour of our non-white population, compared to 5.7% in 2021
- **Median pay gap** – 13.8% higher for our non-white population, compared to 17.8% in 2021.

In 2019, the ONS reported an ethnicity pay gap of 2.3% in favour of the white population, albeit their reporting of ethnicity pay gap analysis has subsequently been discontinued.

At 68%, our ethnicity disclosure rate improved for 2022, compared with 60% for 2021. We continue to encourage our people to complete their profiles online, so we can share a more accurate picture of ethnicity pay gaps in the future.



-4.4%

Mean ethnicity pay gap

-13.8%

Median ethnicity pay gap

Addressing our gender and ethnicity pay gaps

We're on a continuous journey to develop an inclusive workplace, where everyone feels they belong. Over the last 12 months, we've taken important steps, including appointing our first Equity Specialist who will support a culture of inclusivity across the Charity.



People networks
We've continued to grow our Equity Forum. And, by providing valuable insights, and highlighting opportunities to make the experience of our people more inclusive, it's members are actively influencing the progress of the Charity's equity agenda.

The delivery of leadership development programmes, designed specifically for those from minority backgrounds, was mentioned in last year's report. In 2022 we delivered 'Embracing your Diversity as a Leader' online classroom sessions, aimed at employees with minority characteristics who were aspiring to become future leaders. Feedback from the sessions was overwhelmingly positive and included comments such as 'thought provoking and insightful' and 'allows a safe space for ideas, thoughts, and experiences to be heard'.



In addition to our Equity Forum, we have a growing number of diversity networks and working groups which provide further opportunities for our people to share their experiences, address inclusion needs, and help shape the actions that will drive change across the Charity.

In 2022 our Black Employee Network was launched, to sit alongside the existing LGBTQIA+ and Muslim Networks. More recently, we established a Disability Working Group to help us better understand the needs,

and improve the process of agreeing reasonable adjustments across the Charity to accommodate disabled employees.

In the year ahead, we'll actively seek to increase the membership of our networks and working groups, to allow us to continue to gather valuable insights from our people at all levels.

Senior leaders
2023 will see the launch of our reciprocal mentoring scheme, where senior leaders are connected to team members with minority characteristics. This initiative will be an effective way to build genuine awareness of some of the barriers faced by diverse groups. It will enable our senior leaders to demonstrate their commitment to diversity and inclusion by taking time to get to know employees they may otherwise have no interactions with.

D&I Index
In 2022, participation in HR Datahub's Diversity and Inclusion (D&I) Index provided access to detailed insights across a number of protected characteristics, including age, disability, ethnicity, gender and LGBTQ+, together with a suggested priority action plan for each. These findings will feed directly into our equity, diversity and inclusion plans for the years ahead.

Our plans for the year ahead

- Continue to grow our employee resource groups to generate insights from minority employee members
- Report on access to apprenticeship opportunities for minority compared to non-minority employees
- Use insights from our participation in HR Datahub's D&I Index to help shape our equity, diversity and inclusion plans for the years ahead.



Case study

Justine Duda, Hospital Director, Guildford and Woking hospitals.

Justine Duda joined Nuffield Health's Guildford Hospital in 2015 as Matron, after a 30-year career in the NHS, where she held a variety of nursing roles including matron and director of nursing.

In 2021 she applied for the job of Hospital Director at Guildford, surprising herself when she was offered the role. "I was a nurse through and through, so this wasn't something I'd ever anticipated doing, but I love it," says the 53-year-old mother of four daughters.

Since then, Justine has taken on the role of Hospital Director at Woking Hospital, alongside her existing duties at Guildford, overseeing all aspects of their operation.

It hasn't all been plain sailing. "While my clinical experience helped me work with the consultants and nursing teams, I lacked the financial knowledge of running a hospital. But I had an amazing mentor. We all need someone to say 'you can do this'," she says.

When she started her career as a trainee nurse, Justine didn't have a plan: "I think you can be disappointed if you don't meet the milestones. It's best to go with the flow and never knock back an opportunity. You don't lose anything by trying – sometimes the hardest but the best thing can be deciding something isn't right for you."

Justine believes having so many women at senior management and executive level is empowering, and demonstrates Nuffield Health's commitment to encouraging equality. "It provides positive role models," she says.

Looking back, what advice would she give her younger self? "Working hard pays off, but your dream job isn't a dream every day, so you have to want to do it. And even at the worst of times you must be able to laugh."

“Having so many women at senior management and executive levels is empowering.”



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