

Board Meeting in Public

Tuesday, 26 November 2024

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| Title of Paper | Ethnicity and Gender Pay Gap Reports 2024 | Agenda No. | 4.1.2 |
| Nature of Paper | <input checked="" type="checkbox"/> Official | <input type="checkbox"/> Official Sensitive | |
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| Lead Executive | Julie Pinder, Chief People Officer | | |
| NED Sponsor | | | |
| Presented for | <input checked="" type="checkbox"/> Approval | | |
| Executive Summary | | | |
| <p>The Equality Act 2010 (Gender Pay Gap (GPG) Information) Regulations 2017 require employers with more than 250 employees to publish and report specific figures about their gender pay gap on an annual 'snapshot date' of 31 March. Regulations on GPG reporting require NHSBT to publish specific data about its GPG to the government by 30 March 2025. The Care Quality Commission (CQC) include NHSBT's performance against these indicators in their inspections under the Well-Led domain.</p> <p>NHSBT's GPG 2024 data shows success in reducing the gap:</p> <ul style="list-style-type: none"> • GPG as mean pay has been narrowed from 5.04% to 3.8% in favour of male staff • GPG as median pay has been narrowed from 3.57% to 2.18% in favour of male staff <p>NHSBT is not required to publish an Ethnicity Pay Gap (EPG) report but the King's Speech did announce that the government intends to introduce a new Equality Bill that will include the mandate to report on ethnicity pay gaps. To get ahead of that statutory requirement, and to give Board assurance of our current standing, NHSBT's baseline EPG data has been confirmed as:</p> <ul style="list-style-type: none"> • EPG as mean pay is 1.28% in favour of white staff • EPG as median pay is -3.86% in favour of ethnic minority staff <p>The GPG and EPG reports and single equalities action plan (which covers WRES, WDES, GPG and EPG) form part of NHSBT's D&I plan which is in line with the NHSBT Strategy. The reports contain information relating to the 12-month period from 1 April 2023 – 1 April 2024.</p> | | | |
| Previously Considered by: | | | |
| Women's and GRacE Network, EDI Council, People SLT, Executive Team, and Board's People Committee | | | |
| The Board is asked to: | | | |
| <ul style="list-style-type: none"> • Discuss the contents of the report and themes emerging from the workforce data • Agree the report for publication on the NHSBT D&I web pages. | | | |
| Recommendation | | | |
| Risk(s) identified (Link to Board Assurance Framework Risks) | | | |
| Principal Risk - P-07. Staff capacity and capability Principal Risk - P-08. Managers skills and capability | | | |
| Strategic Objective(s) this paper relates to: | | | |
| <input checked="" type="checkbox"/> Invest in people and culture | | | |
| Appendices: | 1. Single Equality Action Plan (for WRES, WDES, GPG and EPG) | | |

NHSBT Gender and Ethnicity Pay Gap Report 2024

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1. NHSBT Gender Pay Gap Report 2024

Since 2017, NHSBT has been required to report annually on its gender pay. The gender pay gap shows the difference in the average earnings between male and female employees within NHSBT.

The **mean** gender pay gap is the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

The **median** gender pay gap is the difference between the median hourly rate of pay for male full-pay relevant employees and that of female full-pay relevant employees.

NHSBT's gender ordinary pay gap has reduced in 2024. The headline results are presented below (a figure of zero indicates a favourable situation for women):

- **3.8% mean pay** (down from 5.04% last year)
- **2.8% median pay** (down from 3.57% last year)
- **-11.35% mean bonus** (down from 19.54% last year)
- **63.82% median bonus** (up from 26.83% last year)

2. Gender Pay Gap reporting requirements

NHSBT is required to report annually on its gender pay in six different ways:

- **Median gender pay gap** – difference between the median hourly rate of male full -pay relevant employees and that of female full pay relevant employees.
- **Mean gender pay gap** – difference between the mean hourly rate of pay of male full pay relevant employees and that of full-pay relevant female employees.
- **Median bonus gap** – difference between the median bonus gap paid to male relevant employees and that paid to relevant female employees.
- **Mean bonus gap** – difference between the mean bonus pay paid to white and other ethnic backgrounds.
- **Bonus proportions** – proportions of relevant employees from white and other ethnic backgrounds who were paid bonus pay during the relevant period.
- **Quartile pay bands** – proportions of full pay relevant male employees and female employees in the lower, lower middle, upper middle and upper quartile pay bands.

3. Tables showing headline data

Table 1 showing proportion of NHSBT women and men headcount with pay gaps since 2021:

| Gender Pay Gap | 2024 | 2023 | 2022 | 2021 |
|---|---------------|--------|--------|--------|
| Women headcount (percent) | 68.12% | 68.48% | 68.39% | 68.77% |
| Men headcount (percent) | 31.88% | 31.51% | 31.61% | 31.23% |
| Women's mean earnings lower than men's earnings | 3.81% | 5.04% | 5.25% | 8.06% |
| Women's median earnings lower than men's earnings | 2.80% | 3.57% | 0.15% | 3.76% |

Table 2 showing *mean* and *median* ordinary and bonus pay gaps at NHSBT since 2021:

| Data snapshot date | Ordinary pay <i>mean</i> (percent) | Ordinary pay <i>median</i> (percent) | Bonus pay <i>mean</i> (percent) | Bonus pay <i>median</i> (percent) |
|--------------------|------------------------------------|--------------------------------------|---------------------------------|-----------------------------------|
| 31.03.21 | 8.1% | 3.8% | 36% | 50% |
| 31.03.22 | 5.25% | 0.15% | -4.67% | -16.67% |
| 31.03.23 | 5.04% | 3.57% | 19.54% | 26.83% |
| 31.03.24 | 3.81% | 2.8% | -11.35% | 63.82% |

Table 3 showing the 4 quartiles (by numbers and percent) of women and men at NHSBT:

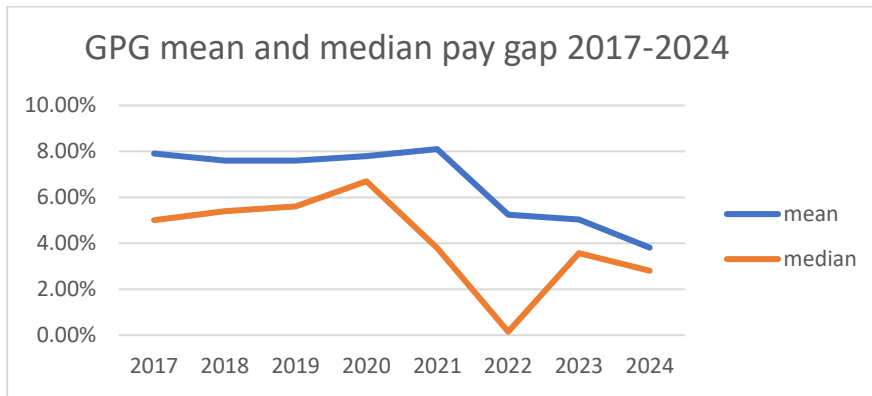
| Quartiles 2024 | Female | Male | Total |
|-----------------------------------|----------------------|----------------------|-------------|
| Lower (0–25% of full-pay) | 1093 (68.57%) | 501 (31.43%) | 1594 |
| Lower middle (25–50% of full-pay) | 1100 (68.88%) | 497 (31.12%) | 1597 |
| Upper middle (50–75% of full-pay) | 1100 (68.88%) | 497 (31.12%) | 1597 |
| Upper (75–100% of full-pay) | 1057 (66.15%) | 541 (33.85%) | 1598 |
| Totals | 4350 (68.12%) | 2036 (31.88%) | 6386 |

Table 4 comparing mean and median bonus at NHSBT since 2021:

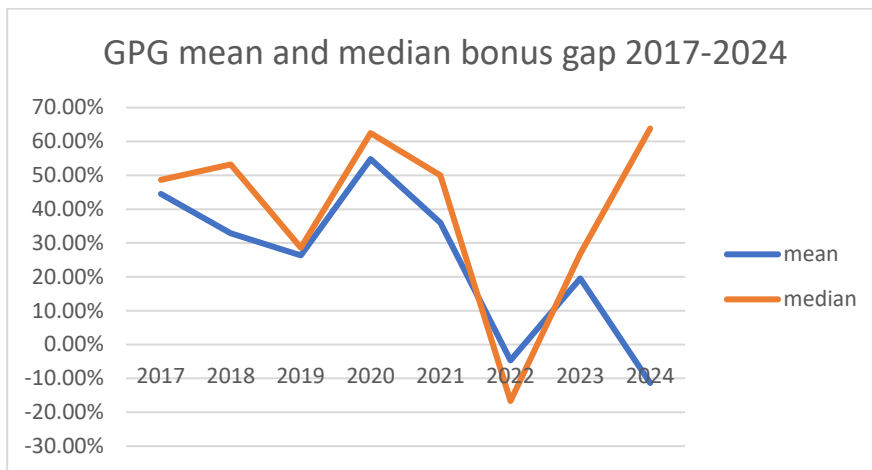
| Gender bonus pay gap | 2024 | 2023 | 2022 | 2021 |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Difference <i>mean</i> bonus pay | -11.35% | 19.54% | -4.67% | 36% |
| Difference <i>median</i> bonus pay | 63.82% | 26.83% | -16.67% | 50% |
| | 0.25% (11) women got bonus | 0.24% (15) women got bonus | 0.46% (18) women got bonus | 0.52% (20) women got bonus |
| | 0.29% (6) men got bonus | 0.06% (4) men got bonus | 0.28% (5) men got bonus | 0.38% (7) men got bonus |

4. Analysis of key findings from the Gender Pay Gap data

• NHSBT's ***mean pay gap*** has **reduced to 3.8%** which is significantly better than public sector organisations (NHS Business Services Authority is 12.6% and the national average is 14.3%). This translates into the fact that for every £1 we pay to men we pay 96.19p to women.



• NHSBT's **median pay gap** is reduced to **2.8%**. This translates into the fact that for every £1 we pay to men we pay 97.19p to women.



• The **quartiles data** shows the distribution of men and women through the pay bands do not reflect overall gender composition of NHSBT's workforce, with proportionately more men than women in the high pay quartile. This year, men are lower in number than their average in the lowest three quartiles where women are over-represented. We identify the number of women and men employed in each pay quartile and express the resulting figures as a percentage of the total number of employees in the relevant quartile.

• The **bonus pay gap** has changed significantly this year, the mean stands at -11.35% and median at 63.82%. NHSBT sees more women receive bonuses compared to men, but the number of women receiving these has been falling. Seventeen employees received a bonus but this is 0.26% of the 6386 employees (it was 0.3% in 2023 and 0.4% in 2022).

NHSBT aims for women to receive more Clinical Impact Awards (CIAs) and at a greater value to be more comparable with men who received them. Local clinical awards were given to across-the-board eligible consultants. There can be three types of bonus payments: the NCEA and LCEA1 'Old National Awards'; the LCEA2 'Shared Pot'; and the NCIA 'New National Awards'.

There were a small number of ESM bonuses included in this round of reporting.

The negative *mean* percentage figure indicates that overall, in this reporting period, women received higher CIAs. This year, four of the 10 women matched the higher value amounts of bonus that men have historically achieved. There were six others whose amounts were smaller which therefore affected the median.

5. **Responding to our Gender Pay Gap data**

Action planning to reduce our gender pay gap has centred around helping to reduce our bonus percentage gap by actively promoting the CIA scheme to women and ethnic minorities.

While we are pleased that our gender pay gap is lower than the national average, NHSBT is committed to further reduce the gap. This will entail attracting and increasing the proportion of men in lower grade roles alongside increasing the proportion of women occupying more senior roles. NHSBT will continue to review our data and identify areas of improvement.

- Regular data monitoring. We can analyse the GPG data ahead of the next snapshot date of 31 March 2025 and do this on a directorate and centre-based breakdown.
- Directorate engagement. We will engage Assistant Directors – People and Culture to discuss with Directorate Senior Management Teams how to support directorate-specific actions and, where necessary, take remedial action in the next reporting round. This should have a positive impact on continuing to reduce the pay gap.
- Recruitment. We have insights into directorate and centre-based trends. We can delve deeper into recruitment activity based on gender split and understand recruitment decisions within directorates and centres, across all pay bands, and gain knowledge of what is driving our pay gaps and embrace good practice.
- Diversity of senior groups. We will widen the pay gap analysis to take an intersectional approach so that it goes beyond reviewing recruitment practices on gender to increase diversity across multiple protected characteristic groups. For instance: race and sex, or disability and sex.
- Clinical impact awards. We will continue work done to increase the number of women being awarded Clinical Impact Awards, so the scheme increases to ensure a balanced bonus pay gap.
- Talent management. Continue our work to build specialist support programmes for women to move into leadership, offering all staff greater flexibility to do their role whilst managing personal commitments by using our Flexible Working policy and Shared Parental Leave policy. Generate more awareness of the apprenticeship offering to support our future talent pipeline and diversify the future workforce to be more representative.
- Networks. Continue providing peer support via staff networks to ensure engagement of protected characteristics and provide a strong voice within NHSBT to lived experience and inclusive insight.
- Training. Develop line manager capability on people policies to get support to individuals on wellbeing, belonging and reward for all colleagues to improve retention.

6. Actions from our Gender Pay Gap

| Gender pay gap actions for the coming year | |
|--|--|
| 1 | Continue to roll out the D&I team's reverse mentoring scheme (for characteristics incl. sex) |
| 2 | All Internal Communications-supported events for 2024-25 to encompass theme of tackling bullying and harassment in the workplace including International Women's Day and Ada Lovelace Day |
| 3 | Deep dive into workforce profile by sex intersected by disability, race, and banding to inform workforce information report and Workforce Race Equality Analysis with intersectional perspective |
| 4 | Promote specialist support programmes for women to grow in leadership, offering networking and peer support for women in the workplace |
| 5 | Promote access to Clinical Impact Awards for women, removing any barriers with applications. |
| 6 | Embed the staff network charter and review the standard operating procedure detailing support and resources available to all staff networks and chairs including the women's network |
| 7 | Encourage women's network and all staff network chairs to continue with training and development in the staff network chair role via external partner Radius Network Training |
| 8 | Scope a staff network (including women's network) maturity model to support evaluation and development of staff networks |

7. NHSBT Ethnicity Pay Gap Report 2024

The purpose of this section of report is to present the ethnicity pay gap data at NHSBT. The aim of this report is to explore the ethnicity pay gap across NHSBT. Understanding our ethnicity pay gap will inform areas of policy and practice as we work towards becoming an intentionally inclusive organisation, with a culture where difference is valued, and where everyone can work feeling like they belong.

This is the first NHSBT ethnicity pay gap report. It will be published annually by 31 March, the snapshot date for measuring the previous year's performance. Data has been analysed using the categories: White, Not Stated (which includes not known) and ethnic minority. Just 4% of NHSBT staff's ethnicity is unknown.

The **mean** ethnicity pay gap is the difference between the mean hourly rate of pay of white full-pay relevant employees and that of ethnic minority full-pay relevant employees.

The **median** ethnicity pay gap is the difference between the median hourly rate of pay for white full-pay relevant employees and that of ethnic minority full-pay relevant employees.

As a baseline, in 2024, NHSBT's ethnicity ordinary pay gap findings are as follows, figures towards zero are more favourable for ethnic minority staff:

- **mean pay 1.28%** in favour of white employees
- **median pay -3.86%** in favour of ethnic minority employees
- **mean bonus 40.65%** in favour of white employees
- **median bonus -151.96%** in favour of ethnic minority employees

8. Ethnicity Pay Gap reporting requirements

In 2018 the UK Government consulted on mandatory ethnicity pay gap reporting but did not bring forward legislation to adopt the practice. The UK government elected in July 2024 has declared its intention to publish a new Equality Bill in 2024-25 which will make ethnicity pay gap and disability pay gap reporting a mandatory requirement alongside gender pay gap reporting. NHSBT is voluntarily completing an ethnicity pay gap report in 2024 as part of our commitment to improve inclusion and tackle inequalities in the workplace.

The ethnicity pay gap is calculated by taking all employees across NHSBT and comparing the average pay of our white employees with that of ethnic minority employees. This means that even though the NHS has nationally agreed pay bands in place forming national terms and conditions of service, including a national job evaluation process to ensure everyone is paid fairly for undertaking the same or similar roles, it is still possible to have an ethnicity pay gap.

In the absence of legislation and statutory guidance, NHSBT has chosen to report our ethnicity pay gap in the same way that we report on gender pay gap using the following six measures;

- **Median ethnicity pay gap** – difference between the median hourly rate of white full -pay relevant employees and that of full pay relevant employees from ethnic backgrounds.
- **Mean ethnicity pay gap** – difference between the mean hourly rate of pay of white full pay relevant employees and that of full-pay relevant employees from ethnic backgrounds
- **Median bonus gap** – difference between the median bonus gap paid to white relevant employees and that paid to relevant employees from ethnic backgrounds.
- **Mean bonus gap** – difference between the mean bonus pay paid to white and ethnic backgrounds
- **Bonus proportions** –proportions of relevant employees from white and ethnic backgrounds who were paid bonus pay during the relevant period.
- **Quartile pay bands** – proportions of full pay relevant employees from white and ethnic backgrounds in the lower, lower middle, upper middle and upper quartile pay bands.

9. Key Findings from our Ethnicity Pay Gap

- Our **mean ethnicity pay gap** is 1.28% which is similar to some other public sector organisations. This translates into the fact that for every £1 we pay to white staff we pay 98.72p to those of ethnic minority heritage.
- Our **median ethnicity pay gap** is -3.86%. which is dissimilar to some other public sector organisations. This would translate into the fact that for every £1 we pay to ethnic minority staff we pay 96.14p to white staff.
- The **quartiles data** shows the distribution of ethnic minority and white staff through their hourly ordinary pay received, does not reflect the overall composition of the workforce. Employees grouped together in a category of ethnic minority community were best represented higher than their proportionate amount in one quartile (upper middle) at 26.2% whereas their proportion in the company is 21.65%. White staff were the same or higher than their proportion in all three other quartiles, as shown in the last column in the table.

10. Tables showing headline data

Table showing quartile pay divisions by race, percent of ethnic minority, white and not stated

| Quartile | Total per quartile | Asian | Black | Mix/ other | Ethnic minority total | % ethnic quartile | Not said | %N/S in quartile | White British | White Other | Total white | % white quartile |
|-----------------------------------|--------------------|------------|------------|------------|-----------------------|-------------------|------------|------------------|---------------|-------------|-------------|------------------|
| Lower (0–25% of full pay) | 1593 | 167 | 95 | 43 | 305 | 19.1% | 61 | 3.80% | 1,158 | 69 | 1227 | 77% |
| Lower middle (25–50% of full pay) | 1596 | 170 | 107 | 75 | 352 | 22% | 57 | 3.60% | 1,088 | 99 | 1187 | 74.40% |
| Upper middle (50–75% of full pay) | 1597 | 217 | 146 | 55 | 418 | 26.2% | 66 | 4.10% | 972 | 141 | 1113 | 69.70% |
| Upper (75–100% of full-pay) | 1596 | 172 | 95 | 40 | 307 | 19.2% | 66 | 4.10% | 1,084 | 139 | 1223 | 76.60% |
| Totals | 6382 | 726 | 443 | 213 | 1382 | | 250 | | 4302 | 448 | 4750 | |
| Proportion | | 11.37% | 6.94% | 3.33% | 21.65% | | 3.91% | | 67.4% | 7.01% | 74.42% | |

- NHSBT's **bonus pay gap** has a *mean* of 40.65% and *median* of -151.96%. We know from NHSBT's Gender Pay Gap report that there were 17 recipients of a bonus, of which there were 11 women and six men. Pivot-tabling this by ethnicity shows there are 13 bonus recipients in the White group and four in the ethnic minority category.

Table showing bonus mean and median bonus pay gap for employees by race and sex:

| Ethnicity Bonus 2024 (17) | Mean Bonus Pay | Median Bonus Pay |
|-----------------------------|----------------|------------------|
| Ethnic minority (4: 3F, 1M) | 12,064.02 | 21,112.08 |
| White (13: 8F, 5M) | 20,329.44 | 8,379 |
| Difference | 0.4065 | -1.5196 |
| Pay Gap % | 40.65% | -151.96% |

Regarding bonus payments, the findings show a higher ratio of females to males (3:1) in the ethnic minority group than there are in the White group. The ethnic minority staff group also has a lower average bonus pay amount of £12,064.02 compared to the White group's bonus pay which averages £20,329.44. The mean bonus pay gap is therefore 40.65% which translates into the fact that for every

White person receiving £1 in bonus a ethnic minority employee gets 59.35p. Small employee numbers result in medians which can work out very differently to means.

Due to the larger number of recipients with lower bonuses in the 13-person White group, the median stayed low even though five of the 13 bonus pay amounts for the White group were high in comparison. The median bonus pay gap is therefore -151.96%. The median has come to be known for its fair reflection in the case of distorted outliers at either end of the scale because with the median there is no need to convey the information of minimum and maximum values. The only caveat is that is not statistically reliable as ‘a type of average’ when there are only four items in the list.

11. Responding to our Ethnicity Pay Gap data

We will continue to listen to our employees from different ethnic backgrounds across NHSBT. We want to understand their lived experience of working with us to inform all areas of policy and practice.

Our aim is to monitor and close any significant gaps in our median and mean pay gaps. We will do this by making all our vacant posts and roles accessible, flexible, and appealing to diverse pools of talent. We will continue to encourage applications from ethnically diverse groups, and we continue to work towards a fully inclusive culture where difference is celebrated and valued. And where everyone has the option of working flexibly so they can deliver the best care to our patients, donors, and service users.

12. Action from our Ethnicity Pay Gap for 2025

It is recognised that closing an ethnicity pay gap does not have a quick and easy fix, but we will glean valuable insights from tracking and reporting our ethnicity pay gap year on year. NHSBT recognises that these pay gap metrics need to be met with meaningful, consistent and sustained actions that shift our cultural norms. Now that we are tracking this, we have a greater responsibility towards commitment and flexibility to do things differently and to learn and benefit from greater inclusion and equal progression.

| Ethnicity pay gap actions for the coming year | |
|--|--|
| 1 | Continue end-to-end Inclusive Recruitment review to identify areas to root out discrimination or bias and improve fairness, transparency, and opportunity for every candidate to be their best |
| 2 | Roll out D&I team’s initiative ‘Career Kickstart’ to boost career conversations, coaching and progression |
| 3 | Increase resource to roll out use of ethnic minority recruitment panel members in Band 8A+ jobs |
| 4 | Promote take-up of flexible working opportunities among staff |
| 5 | Promote opportunity for learning and development course, and D&I team’s reverse mentoring programme |

13. Single Equality Action Plan (for WRES, WDES, GPG, EPG)

The GPG, EPG, WRES and WDES action plans are prepared by the D&I team with input from Assistant Directors in the People Directorate. The single action plan is appended to this report and has been reviewed by staff networks. It will operate as a live document with monitoring and review through the People Directorate Plan and EDI Council.