




Circle Health Group Gender Pay Gap Reports April 2020



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

The Gender Pay Gap in Context

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, regardless of the nature or level of their work. It is fundamentally different from equal pay, which involves a direct comparison of two people or groups of people to ensure they are paid comparably for work of comparable value.

An organisation's gender pay gap takes into account all jobs, both full-time and part-time, at all levels and all salaries. In this report, we show our median and mean gender pay gaps for our reportable legal entities, the median and mean bonus gap and the percentage difference in bonus pay of men and women as a snapshot at 5 April 2020.

- The median is the mid-point of a range of data and illustrates the figure for which half the lines of data above and half are below.
- The mean, sometimes referred to as the average, is the sum of all the values in a data set, divided by the total number of values.

On the snapshot date of 5 April 2020 :

- a) Circle Hospital (Bath) Ltd had 277 relevant employees. This group was used to calculate the gender bonus gap and bonuses paid figures. For the gender pay gap figures, a total of 11 women who were on reduced pay were excluded. This leaves a count of 266 fullpay relevant employees, 217 women (81.6%) and 49 (18.4%) men.
- b) Circle Hospital (Reading) Ltd had 299 relevant employees. This group was used to calculate the gender bonus gap and bonuses paid figures. For the gender pay gap figures, 3 women who were on reduced pay were excluded. This leaves a count of 296 full-pay relevant employees, 225 women (76.0%) and 71 (24.0%) men
- c) BMI Healthcare Ltd had 10, 401 relevant employees. This group was used to calculate the gender bonus gap and bonuses paid figures. For the gender pay gap figures, 662 employees who were on reduced pay due to a reason of leave, were excluded. This leaves a count of 9, 739 full-pay relevant employees, 7, 706 women (79.1%) and 2, 033 (20.9%) men.

Our Gender Pay Gap

Under the current Gender Pay Gap reporting legislation, we are required to report April 2020 gender pay gap figures for three legal entities, our Circle hospitals in Reading and Bath as well as BMI Healthcare Limited, which is comprised of 47 hospitals across the country.

	BMI Healthcare Ltd		Circle Hospital (Reading) Ltd		Circle Hospital (Bath) Ltd	
	Median	Mean	Median	Mean	Median	Mean
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%

For comparison, the UK national gender pay gap for 2020 is 15.5% as identified by the [Office for National Statistics](#).

The gender pay gap figures for our two smaller legal entities are prone to larger fluctuations, as demonstrated in the changing figures in the table above. This is not only because the actual overall sample sizes are smaller, but also because the data sets are significantly imbalanced in terms of gender.

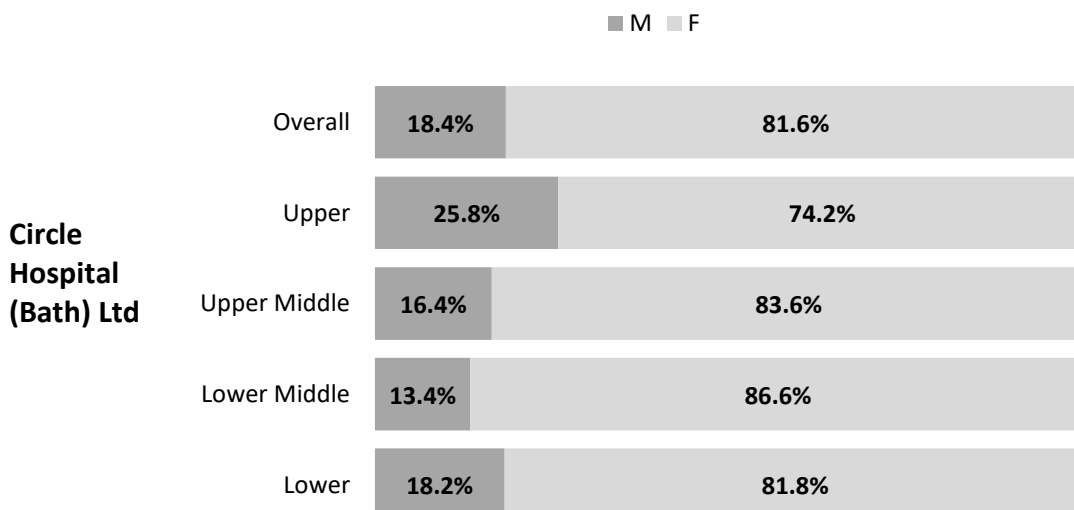
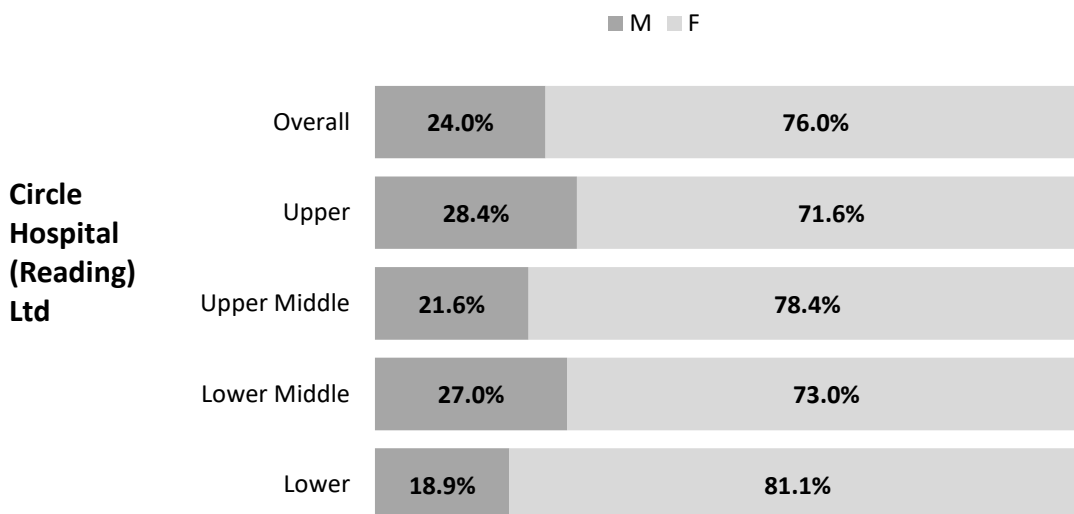
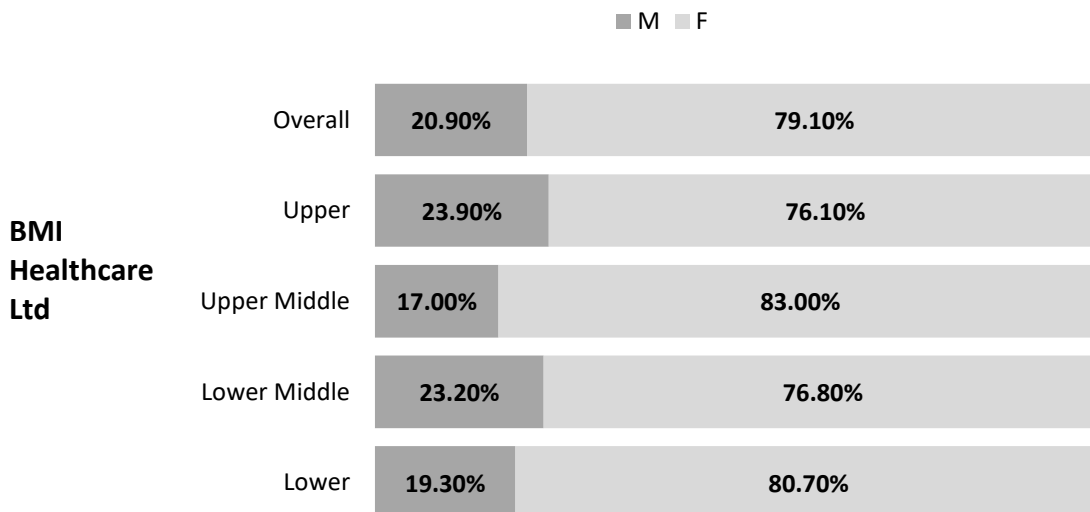
For example, for this process Circle Hospital (Bath) Ltd has a data set of 49 men compared to 217 women - a ratio greater than 4 to 1. For the calculation to determine the median salary for male employees, the median male salary would be the 25th salary in the list of 49. If that median figure had been based on the next salary down in the list (the 26th and not the 25th) the gender pay gap figure for Circle Hospital (Bath) Ltd as a whole would have fallen by 4% - as either side of that median salary there happens to be a significant difference in the hourly rate.

In small, imbalanced data sets like this, relatively small changes can therefore seem to have a disproportionate effect – 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 change in the number of people excluded from this calculation process for not being [full-pay relevant employees](#) (under the definitions in the gender pay gap legislation) can have a material effect on the results.

Our Pay Quartiles

Below we have shown the proportion of men and women in the four pay quartiles for each reportable legal entity. This illustrates the gender distribution within each – so 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.



Our Gender Bonus Gap

These are the mean and median gaps between the bonuses paid to men and women during the period 6 April 2019 to 5 April 2020. Our gender bonus gap data comprises several bonus and incentive plans in place across different parts of the business, including recruitment and retention bonuses paid for specific recruitment campaigns for critical hard-to-fill clinical roles. It 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.

The bonus differentials at the two Circle hospital sites are due to the negligible number of employees who received a bonus during the reference period, as detailed in the second table below. For example, in the 2020 data for Circle Hospital (Bath) Ltd, the median figure for bonuses paid to men used for this comparison is based on a dataset of just three bonus payments. As with the gender pay gap data, the relatively low headcounts at these sites (and by extension the low number of actual bonus payments made) mean that small changes in the absolute numbers and values of bonus payments made can have a significant impact on the percentages reportable here.

In addition to the factors above, the Circle sites data for 2018 were impacted by the sale of shares by employees in connection with the acquisition of Circle Holdings plc in 2017.

	BMI Healthcare Ltd		Circle Hospital (Reading) Ltd		Circle Hospital (Bath) Ltd	
	Median	Mean	Median	Mean	Median	Mean
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%

Bonus Payments by Gender

This indicates the proportion of men and women who received a bonus payment in period 6 April 2019 to 5 April 2020

	BMI Healthcare Ltd		Circle Hospital (Reading) Ltd		Circle Hospital (Bath) Ltd	
	Male	Female	Male	Female	Male	Female
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%