

## **Ethnicity Pay Gap Reporting 2024**

### **Background to the Trust**

The Norfolk and Norwich University Hospital (NNUH) is a 1,200 bed teaching hospital with state of the art facilities for modern patient care. NNUH is one of the largest teaching hospitals in England serving predominantly the people of Norfolk and North Suffolk.

### **Ethnicity Pay Gap Reporting – Introduction**

In 2017 the UK government published the first report to examine the barriers people from Ethnic Minorities face in employment, named Race in the Workplace. Their report highlighted the need to first be able to measure the disadvantage some ethnic groups face, prior to then addressing the barriers to earning as much as their white colleagues. In 2018, the Race Disparity Unit and CIPD led the call for the introduction of ethnicity pay gap reporting in “Our Manifesto for Work”. This led to the government consultation on whether to introduce mandatory ethnicity pay gap reporting, which ran from October 2018 to January 2019. The Women and Equalities Committee published a report calling for the Government to implement mandatory reporting of ethnicity pay by April 2023. The Government decision was not to mandate ethnicity pay gap reporting. The Trust will be reporting on its ethnicity pay gap as part of its Caring with Pride Corporate strategy, People and Culture Strategy and Diversity, Inclusion and Belonging Strategy as well as its commitment to being an anti-racist organisation. In the absence of a mandatory framework for ethnic pay gap reporting, organisationally need to select their own reporting measures. As a Trust we have chosen to align our calculations with the gender pay gap, but also take into account the complexity of ethnicity pay reporting when compared with gender pay reporting. We have chosen to replicate the measure used in gender pay gap reporting with some customisation, to account for the different data sets. The gender pay gap report compares two distinct groups – male and female – whereas ethnicity recorded on the Electronic Staff Record (ESR) can fall into one of four broad categories: white, Black, Asian and minority ethnic, blank (not recorded) and unspecified (chose not to answer). The way that gender is recorded on ESR means that there can be no blank or unspecified records. In calculating the mean and median differences, we have chosen to focus on those who have specified their ethnicity to give the most precise view of the ethnicity pay gap in the Trust, as people with blank or undeclared ethnicities could either be Black, Asian and minority ethnic or white. The blank and unspecified records are included in the Trust average.

We have presented the data using the following calculations:

- The mean and median ethnicity pay gaps
- The mean and median ethnicity bonus pay gap
- The proportion of Black, Asian and minority ethnic and white employees who received a bonus
- The proportions of Black, Asian and minority ethnic and white employees in each pay quartile

The ethnicity pay gap report shows the difference in the average pay between Black, Asian and Minority Ethnic staff in our workforce. Where there is a positive percentage, this means that the pay of white staff is higher than the pay of Black, Asian and Minority Ethnic employees. Where there is a negative percentage this means the pay gap is in favour of Black, Asian and Minority Ethnic employees.

All calculations relate to the pay period in which the snapshot day falls, which is 31 March 2023. This report is in line with the Equality Act 2010 regulations. 9,599 employees were categorised as “relevant employees” for the purposes of the ethnicity pay calculations; the same data set as the gender pay gap was used.

### Workforce Profile

The table below shows the proportions of the relevant workforce from a Black, Asian and minority ethnic background and a white background, as well as those who had not completed their ethnicity on Electronic Staff Record (ESR) and those who had indicated they did not wish to disclose their ethnicity (“Blank/Not Stated”).

Breakdown by:	All Staff	%
<b>Ethnicity</b>		
Asian or Asian British	737.7	9.0%
Black or Black British	243.4	3.0%
Mixed	123.9	1.5%
Other	255.5	3.1%
White British	5,672.1	69.2%
White Other	549.7	6.7%
Blank/Not Stated	614.3	7.5%

### The Core Calculations

<u>The core calculations</u>		31 March 2023
1.	The mean ethnicity pay gap for NNUH	-22.3%
2.	The median ethnicity pay gap for NNUH	-13.6%
3.	The mean ethnicity bonus* gap for NNUH	18.2%
4.	The median ethnicity bonus* gap for NNUH	0.0%
5.	The proportion of white staff receiving a bonus* payment	3.9%
6.	The proportion of BAME staff receiving a bonus* payment	10.4%

7.	The proportion 'Not Stated' staff receiving a bonus payment	7.1%
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### Pay Quartiles by Ethnicity

Quartile	Hourly Rate Top of Quartile	BAME HC in Quartile	White HC in Quartile	'Not Stated' in Quartile	BAME % in the quartile	White % in the quartile	Not Stated % in the quartile
1	£12.58	164	2,108	123	6.8%	88.0%	5.1%
2	£16.84	369	1,849	180	15.4%	77.1%	7.5%
3	£22.24	436	1,791	169	18.2%	74.7%	7.1%
4	£115.85	534	1,716	160	22.2%	71.2%	6.6%
<b>Total</b>		<b>1,503</b>	<b>7,464</b>	<b>623</b>	<b>15.7%</b>	<b>77.8%</b>	<b>6.6%</b>

### Understanding the Ethnicity Pay Gap Data

It is important to emphasize that an ethnicity pay gap is not the same as unequal pay. Unequal pay means that employees performing equal work, or work of equal value, are not receiving equal pay. It is unlawful to discriminate both directly and indirectly against employees and people seeking work because of their race. This includes paying an employee less or giving them terms and conditions which put them at a disadvantage because of their race.

An ethnicity pay gap is a measure of the difference between ethnic groups' average earnings across an organisation or the labour market over a period, regardless of role or seniority. It is not a like-for-like comparison of employees of different ethnicities. Even if an employer has a fair pay and reward policy, and even if it has equal pay, it could still have a pay gap.

For example, a company has 5 pay bands with equal numbers of employees in each. At each pay band, employees of all ethnicities doing equal work, or work of equal value, are paid the same. This means the employer has equal pay. However, a higher proportion of black and Asian employees are in the lowest pay bands, and a higher proportion of white British employees are in the highest pay bands. This means that the average hourly pay for black and Asian employees is lower than the average hourly pay for white British employees. As such, the employer would have a pay gap, despite having equal pay.

We have found it helpful to review the staffing profile across the NNUH and understand the 'ethnicity pay gap' within each 'pay band/ group'. Below is a table which reflects the pay bands the Trust. The information in the table is sourced from the same data which provided the ethnicity pay gap figures, i.e. the staffing position as at 31 March 2023.

Pay Band	BAME Headcount	BAME Avg Hourly Rate £	White Headcount	White Avg Hourly Rate £	Not Stated Headcount	Not Stated Avg Hourly	Total Avg Hourly Rate £	Pay A Ho
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Apprentice	1	£4.81	54	£5.23	6	£5.15	£5.21	£0
Band 1	0	£0.00	1	£10.37	0	£0.00	£10.37	
Band 2	223	£13.41	1670	£12.41	148	£12.76	£12.54	-£1
Band 3	48	£12.17	832	£12.04	30	£12.35	£12.06	-£0
Band 4	82	£14.06	794	£13.29	36	£13.74	£13.38	-£0
Band 5	423	£17.89	1171	£16.89	180	£17.43	£17.18	-£1
Band 6	149	£20.32	1215	£20.33	52	£20.64	£20.34	£0
Band 7	49	£23.28	714	£23.47	26	£24.34	£23.48	£0
Band 8a	19	£26.88	244	£26.37	9	£28.18	£26.46	-£0
Band 8b	8	£29.66	97	£30.32	6	£28.73	£30.19	£0
Band 8c	3	£34.29	37	£36.57	2	£34.28	£36.29	£2
Band 8d	2	£43.63	21	£42.87	0	£0.00	£42.94	-£0
Band 9	1	£49.36	16	£49.77	0	£0.00	£49.75	£0
Non Consultant Medical	319	£26.17	264	£27.84	79	£25.57	£26.76	£1
Consultant	175	£50.23	318	£53.70	52	£53.38	£52.55	£3
Exec/Non-Exec Directors	1	£67.09	11	£75.06	3	£68.45	£73.21	£7
Trust Contract	0	£0.00	5	£49.51	3	£37.59	£45.04	
<b>Total</b>	<b>1,503</b>	<b>£23.06</b>	<b>7,464</b>	<b>£18.86</b>	<b>632</b>	<b>£20.94</b>	<b>£19.65</b>	<b>-£4</b>

\* Positive figures in the column 'Pay Gap Avg Hourly Rate' indicate a pay gap in favour of white staff

The above data indicates that for AfC bands, the ethnicity pay gap is in favour of Black, Asian and Minority Ethnic staff within bands; 2,3,4,5, 8a and 8d. These figures contribute to the mean ethnicity pay gap of -22.3% in favour of ethnic minority colleagues.

To help further explain this, 15.3% of our workforce are from a Black, Asian and Minority Ethnic background. Of 15.3% we have clustered the pay brackets as follows; 24% of BAME staff are within Bands 1-4, 44% are within Bands 5-9 and 33% are within the medical staff group. The below table compares these figures against our white staff. This shows that of the % of BAME staff, a larger proportion tend to be in higher paid positions. What is important to highlight is that we are aiming for an equal balance and not for a disparity in white colleagues progressing.

Band Grouping	% of White staff	% of BAME staff
Bands 1-4	45%	24%
Bands 5-9	47%	44%
Medical staff	8%	33%

### Understanding the Bonus Gap data-

Following the same Guidance as the Gender Pay Gap Reporting Regulations, 'bonus pay' means any remuneration that is the form of money relating to profit sharing, productivity, performance, incentive or commission. It is clear within the regulations that bonus pay does not

include ordinary pay, overtime pay, redundancy pay or termination payments. Without mandatory guidance we have chosen to align the bonus pay definition with the gender pay gap reporting regulations on bonus pay.

For the purpose of this report, Clinical Excellence Awards (CEA) payments are regarded as 'bonus pay'. The CEA scheme is intended to recognise and reward those Consultants who perform 'over and above' the standard expected for their role. Awards are given for quality and excellence, acknowledging exceptional personal contributions towards the delivery of safe and high quality care to patients and to the continuous improvement of NHS services.

As at 31 March 2023, the NNUH had a total of 545 consultants. These individuals tend to undertake some of the highest paid roles in the Trust, and on top of their salary may receive a CEA award. The proportion eligible consultants receiving a CEA award is:

As a % of:	BAME		As a % of:	White		As a % of:	Not Stated	
Entire workforce	157 of 9,599	1.6%	Entire workforce	290 of 9,599	3.0%	Entire workforce	45 of 9,599	0.5%
BAME workforce	157 of 1,503	10.4%	White Workforce	290 of 7,464	3.9%	Not stated workforce	45 of 632	7.1%
All consultants	157 of 545	28.8%	All consultants	290 of 545	53.2%	All consultants	45 of 545	8.3%
BAME consultants	157 of 175	89.7%	White consultants	290 of 318	91.2%	Not stated consultants	45 of 52	86.5%

Following the Gender Pay Gap Reporting regulations, we have provided a reporting of bonuses as a percentage of the entire workforce by Black, Asian and Minority Ethnic staff, White staff and those who have not stated their ethnicity.

### **Development Actions**

As this is a new report for the Trust, there is no comparison data for previous years however, we will aim to compare previous years data in the future and to benchmark with other NHS organisations that choose to publish an ethnicity pay gap report.

The Following actions are in place:

- A succession planning process has recently been introduced for senior roles across the organisation, and ethnicity data from this will be reviewed. This will indicate whether we are reaching all colleagues or if a more focussed approach is required for certain groups of staff.
- As part of our Diversity, Inclusion and Belonging Strategy, balanced interview panels will be introduced for roles at Bands 8A and above (as well as medical appointments) to improve both ethnicity and gender balance on appointing.
- A quarterly analysis of all applicants to the Trust and recruitment success rates for staff across all groups is also reviewed by our diverse networks to help identify potential concerns and opportunities for improvement.
- It is also of note that staff data on ESR does not currently capture ethnicity information for all staff. Whilst this may not significantly impact gender pay gap reporting, we will continue to encourage staff to update their diversity information to give increased confidence in our reporting.