

# Gender Pay Gap Report

## (AGH Solutions Limited – 5 April 2019 snapshot)

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### 1.0 Background

The gender pay gap legislation requires all UK employers with 250 employees or more to publish data every year showing how large the pay gap is between male and female employees. This includes the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the number of men and women according to quartile pay bands.

As an organisation AGH Solutions Limited are committed to equality of opportunity in the workplace and promoting an inclusive culture. The AGH Solutions Limited pay gap shows the percentage difference between the average hourly rate of male employees and the average hourly rate of female employees.

Pay at AGH Solutions Limited, for all employees, is determined through a job evaluation scheme. Both the Agenda for Change and the local AGH Solutions schemes evaluate the job and not the post holder. It makes no reference to gender or any other characteristics of existing or potential job holders. This approach provides assurance that staff are paid the same pay for work of equal value.

It is important to highlight the difference between equal pay and gender pay gap. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. It is entirely possible to have a significant gender pay gap whilst having complete pay equality.

The data must be published on the government website by 31 March 2020.

### 2.0 Reporting requirements

For the purposes of gender pay reporting, the definition of who counts as an employee is defined in the Equality Act 2010. This is known as an 'extended' definition which includes:

- employees (those with a contract of employment)
- workers and agency workers (those with a contract to do work or provide services)
- some self-employed people (where they have to personally perform the work)

For the purpose of the gender pay gap reporting, Agency workers will form part of the headcount of the agency that provides them, and not the employer they are on assignment to.

The data which will be published is based on staff employed by AGH Solutions Limited, taken from a snapshot date of 5 April 2019. The information is sourced from the Electronic Staff Record (ESR) system which holds our employee data.

All employees of AGH Solutions Limited who were employed on full pay on the snapshot date (5 April 2019) are included. Bank staff\* who worked a shift on that date are also included.

*\*Bank staff – are paid irregularly, their working hours are the average number of the hours worked (excluding any hours worked overtime). This is found by dividing the total number of hours worked over the twelve weeks that end with the last complete week of the relevant pay period (5 April 2019). Weeks where no work has been done are substituted for an earlier week. Weeks where work has been done are included. ESR goes back as far back as the end of the last financial year to find 12 weeks in which a bank employee may have worked. If the bank employee has worked less than 12 weeks, the average is calculated on the number of weeks worked.*

Employees who are on half or nil absence or maternity leave, and agency staff are not included.

It is important for AGH Solutions Limited to be sensitive to how an employee chooses to self-identify in terms of their gender. The regulations do not define the terms 'male' and 'female' and the requirement to report gender pay will not result in any employees being singled out and questioned about their gender.

AGH Solutions Limited will base our reporting on the gender identification an employee has provided. In cases where an employee does not self-identify as either gender, the AGH Solutions will be required to omit the individual from the calculations.

Earnings in the gender pay gap calculations include:

- Basic pay
- Shift premium pay/shift allowance - a component of an employee's regular pay used to compensate for them working undesirable or inconvenient hours
- Full paid leave
- Allowances – responsibility allowance, group director and discretionary points (paid to medical staff)
- On call
- Salary sacrifice – we operate salary sacrifice schemes for lease car, bike scheme, and childcare. An employee's ordinary pay is based on their gross pay after and reduction for salary sacrifice.

Earnings in the gender pay gap calculations do not include:

- Overtime pay - used to pay for additional hours worked on an ad-hoc basis
- Redundancy or termination pay
- Pay in lieu of annual leave
- Interest free loans
- Expenses
- Benefits in kind such as a company car
- Reduced pay leave

### **3.0 Gender Pay Gap Analysis**

It is important to note that the AGH Solutions workforce has a high proportion of female employees and the majority of part-time positions are occupied by female employees. This therefore impacts negatively on the pay gap by making the gap

between male and female employees wider. AGH Solutions has an overall gender split of 59.04% female and 40.96% male.

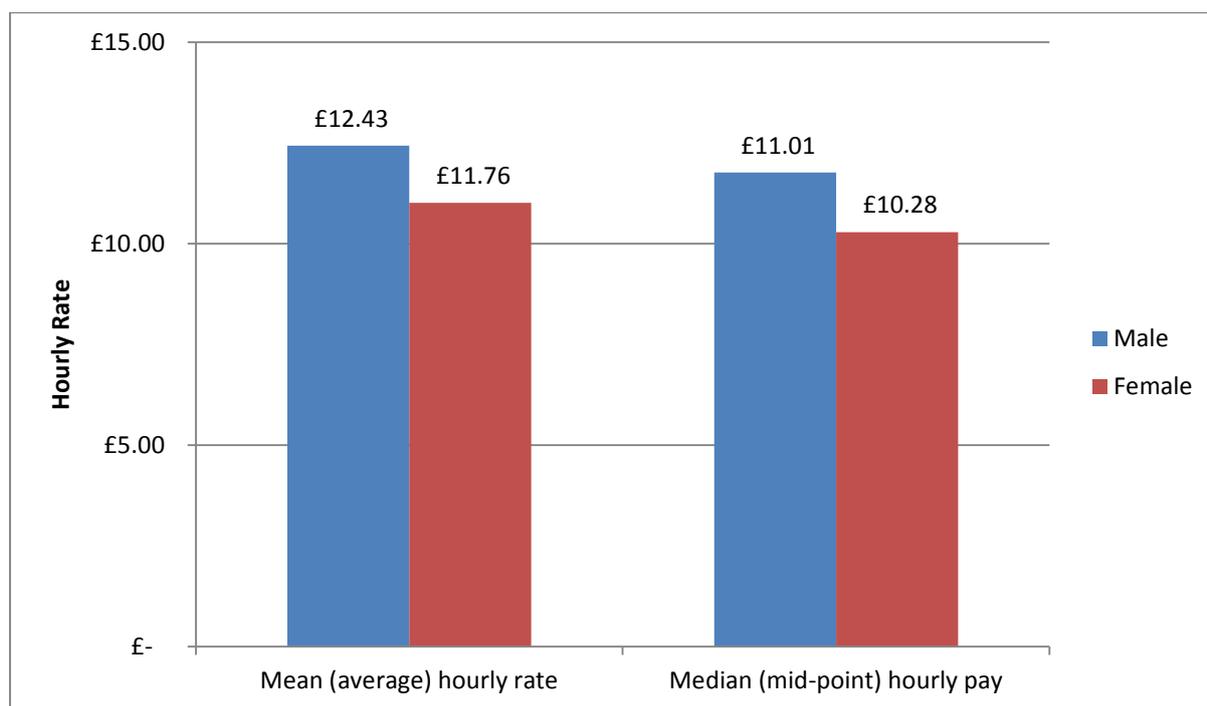
### 3.1 Gender Pay Gap Mean and Median

The gender pay gap shows the difference in average earnings between all men and women in the organisation. 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 of male full-pay relevant employees and that of female full-pay relevant employees.

	Women's earning are: 2018	Women's earning are: 2019
Mean gender pay gap in hourly pay	13.97% lower	5.39% lower
Median gender pay gap in hourly pay	9.20% lower	6.63% lower

There has been positively reduction in both mean and median gender pay gap quartiles. Factors which have impacted on the change have been increase in employment of females across all areas and the increase in pay of higher paid females.

### 3.2 Gender Pay Gap Hourly Rate



The graphs above show that AGH Solutions Limited gender pay gap is:

- Based on the mean (average) hourly pay is £0.67 this is a decrease from £1.68 in 2018
- Based on the median (mid-point) hourly pay is £0.73 this is a decrease from £0.91 in 2018

### 3.3 Gender Pay Gap by Quartile

Quartile	Male			Female			Total
	Headcount	% Headcount	Mean (Average) Hourly Pay	Headcount	% Headcount	Mean (Average) Hourly Pay	
Lower	52	55.32%	£8.34	42	44.68%	£8.31	94
Lower Middle	22	23.40%	£9.73	72	76.60%	£10.04	94
Upper Middle	36	38.30%	£11.68	58	61.70%	£11.49	94
Upper	44	46.32%	£19.21	50	52.63%	£17.46	95
Total	154	40.96%	£12.43	222	59.04%	£11.76	376



#### Quartile Ranges

Lower = £4.75 to £9.01 per hour.

Lower Middle = £9.03 to £10.33 per hour.

Upper Middle = £10.47 to £13.33 per hour.

- The table and graph above show that in quartile 1 – Lower, female and male employees are paid almost equal amounts. Male employees are paid £0.03p more giving a gender pay gap of 0.36%. In quartile 2 – lower middle, female employees are paid slightly more than male employees giving a gender pay gap of -3.19% or £0.31p. In quartile 3 – upper middle, male employees are paid

slightly more than female employees giving a gender pay gap of 1.63% of £0.19p. In quartile 4 – upper, the gender pay increases to 9.11% or £1.75.

- AGH Solutions Limited has an overall gender split of 59.04% female and 40.96% male. There is a disproportionate number of males in the lower/upper middle quartiles.

### **3.4 Bonus Pay**

In the year reported AGH Solutions Limited were not making bonus payments.

### **4.0 Conclusion**

AGH Solutions is comparable with other NHS wholly owned subsidiaries, in that it has a higher number of females than males in its workforce.

The national mean average gender pay gap is 17.5% (National Office of Statistics October 2018) AGH Solutions mean gender pay gap of 5.39% is therefore, significantly lower than that for the wider sector. In comparison to 2018 there is less significant pay gaps across all areas with the exception of the upper quartile where the gender pay gap where male employee are paid 9.11% more than female employees.

### **5.0 Actions we currently take which contribute to addressing the gap:**

As part of our commitment to tackling discrimination and advancing equal opportunities for all staff there are a number of measures already in place which go some way to address our gender pay gap, including:

- Offering shared parental leave and flexible working arrangements
- Actively supporting women to return to work following maternity or adoption leave
- Using anonymised application processes to reduce unconscious bias in recruitment
- Having a comprehensive staff handbook which includes supporting employment policies which are regularly reviewed.

### **5.1. Actions we are planning on taking to close the gap:**

The Gender Pay Gap is a reflection of pay differentials between different groups of employees; and within employee groups over time. The commitment to being an inclusive employer and to addressing inequalities in all aspects of employment ensures we plan to take positive steps to tackle the gender pay gap, including:

**Further training for staff.** We recognise that unconscious bias may still play a part in gender pay gap, so through management skills training we will ensure managers and employees understand their responsibilities under the Equality Act 2010 and that fair and non-discriminatory practices are followed.

**Transition from Agenda for Change (AfC) band 1 to band 2.** As part of AGH Solution's commitment to protect employees who transferred from the Trust those staff employed on AfC terms and conditions band 1 have been provided with the opportunity to transfer to the higher salary band. This transition will be implemented from 1 April 2020 and will contribute to narrowing the gender pay gap as the band 1 workforce includes a high proportion of females.

**Flexible working.** We recognise the importance of flexible working to all staff groups and particularly those with caring responsibilities. We are reviewing our policies and approaches to flexible working for all employee groups with the aim of increasing flexibility to ensure employees are supported with caring responsibilities.

**Recruitment.** As outlined in the AGH Solutions People Plan Our recruitment will reflect the diversity of our community increasing the number of female staff especially in traditionally male dominated roles through alternative methods of recruitment. We will offer a range of work patterns that will attract individuals who are unable to work within the traditional working patterns offered.

**Development Reviews.** We understand that an effective performance development review process, which supports internal career opportunities and progression is a priority in the AGH People Plan. Particularly focussing upon access to training and development for women in part time roles and the development of women into higher graded roles.

**Staff Voice Forum.** Through our Staff Voice forum we will gain an understanding of any gender equality issues.

## **5. Declaration**

I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

*David Moss, Managing Director, AGH Solutions Limited*