

Gender Pay Gap Report

(AGH Solutions Limited – 5 April 2020 snapshot)

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 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 GPG results must be published on the organisations own website and the government site by 31st March each year.

Due to the continuing impact of the Coronavirus (COVID-19) pandemic, the Equalities and Human Rights Commission (EHRC) have announced that employers will have an additional six months after the current reporting deadline to report their gender pay gap information i.e. until 5 October 2021. It is still our intention to report our GPG information in line with previous reporting timelines as this data is readily available.

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 2020) 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 2020). 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 57.78% female and 42.22% male.

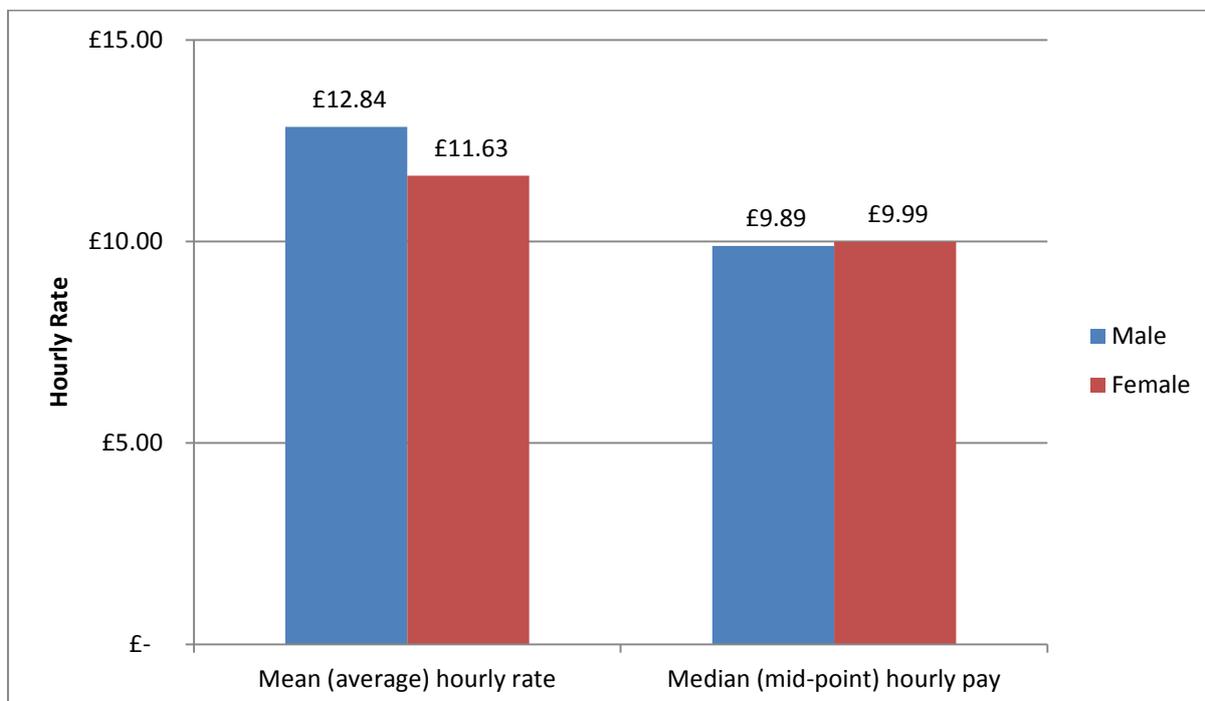
3.1 Gender Pay Gap Mean and Median

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	Women's earning are: 2020
Mean gender pay gap in hourly pay	13.97% lower	5.39% lower	9.41% lower
Median gender pay gap in hourly pay	9.20% lower	6.63% lower	1.04% higher

There has been an increase in the mean gender pay gap and a decrease in the median gap showing that women are paid proportionately higher than males.

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 9.41% or £1.21.
- Based on the median (mid-point) hourly pay is -1.04% or -£0.10.

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	49.06%	£8.86	54	50.94%	£8.59	106
Lower Middle	49	38.28%	£9.48	79	61.72%	£9.59	128
Upper Middle	39	33.33%	£11.16	78	66.67%	£11.10	117
Upper	58	49.15%	£20.37	60	50.85%	£17.76	118
Total	198	42.22%	£12.84	271	57.78%	£11.63	469



Quartile Ranges

Lower = £2.70 to £9.00 per hour.

Lower Middle = £9.00 to £9.89 per hour.

Upper Middle = £9.89 to £12.55 per hour.

- Upper = £12.56 to £83.75 per hour.

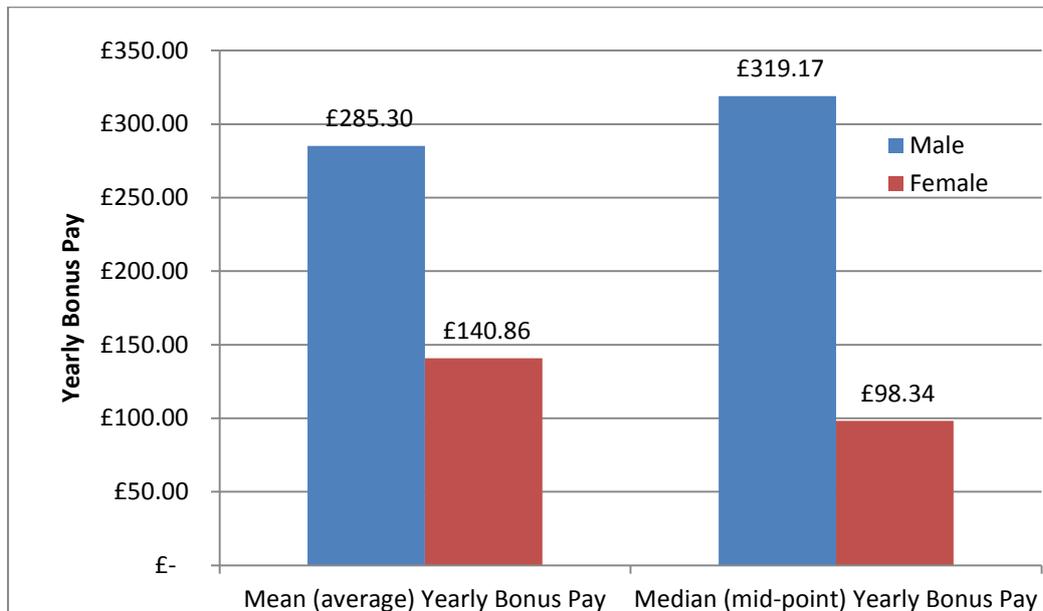
The table and graph above show that in quartile 1 – Lower, male employees are paid slightly more than female employees. Male employees are paid £0.27p more giving a gender pay gap of 3.05%. In quartile 2 – lower middle, female employees are paid slightly more than male employees giving a gender pay gap of -1.16% or -£0.11p. In quartile 3 – upper middle, male employees are paid slightly more than female employees giving a gender pay gap of 0.54% of £0.06p. In quartile 4 – upper, the gender pay increases to 12.81% or £2.61.

AGH Solutions Limited has an overall gender split of 57.78% female and 42.22% male. There is a disproportionate number of males in the lower/upper middle quartiles.

3.4 Bonus Pay

Mean and Median Bonus Pay Gap

Gender	Mean (average) Yearly Bonus Pay	Median (mid-point) Yearly Bonus Pay	% Receiving Bonus
Male	£285.30	£319.17	11.27%
Female	£140.86	£98.34	5.35%
£s difference	£144.44	£220.83	
% difference	50.63%	69.19%	



Comments

- AGH Solutions Limited has an average (mean) bonus pay gap of 50.63%.
- AGH Solutions Limited has a median bonus pay gap of 69.19%.

The bonus pay gap is significantly high, which can be as a result of more males employed on AGHS terms and conditions of employment than females and therefore being in receipt of the AGHS bonus. 24 males were in receipt of a bonus and 16 were females, showing the difference in male to female ratio in those employed on AGHS terms. This will be seen to improve in future year reports due to the establishment of a clear bonus system.

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 although this gender split is not significantly statistical with 57.78% being female and 42.22% being male.

The national mean average gender pay gap in the Public Sector economy is 15.7% (ONS at October 2019). For private sector organisations in 2020, the gap among full-time employees fell to 7.4%, from 9.0% in 2019 (November 2020).

AGH Solutions mean gender pay gap of 9.41% in 2020 has increased from 2019 which was 5.39%. The gap is above the private sector benchmark but well below the public sector benchmark. An executive male appointment in 2020 may be the reason for the increase in the mean pay gap.

The median gap has improved from the previous year and is -1.04% compared to 6.63% in 2019 which is a positive reflection of the rate of pay for women across the organisation.

The Bonus pay gap is also driven by the higher proportion of males in receipt of AGHS terms and conditions of employment.

5.0 Actions we continue to take to addressing gender pay 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:

We are committed to being an inclusive employer and taking positive steps to reduce the pay gap. During 2020/21 the global pandemic has impacted on the ability of the organisation to proactively take forward further steps previously identified following the 2020 GPG report, however a refreshed approach to address the gap is now being reviewed.

Further training for staff

Enhanced training will be delivered through 2020/21 to educate managers and employees on unconscious bias and their responsibilities under the Equality Act 2010. This will also include the promotion of fair and non-discriminatory people practices. The HRBP Team are refreshing the manager skills training aligned with the AGHS People Plan for 2021/21 and the training will incorporate inclusion as a golden thread into its content.

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 AGHS continues to offer those employees who chose to remain on band 1 grades the opportunity to transfer to band 2 in line with the AfC process.

Flexible working

We recognise the importance of flexible working to all staff groups and particularly those with caring responsibilities, male and female. AGHS operational management team will be reviewing the commitment for 'flexibility from day one' to be consistent with the Trust's principles as they adhere to the NHS People Plan and this will be considered during 2021/22. This approach will also support the attraction of females into leadership positions across the organisation.

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.

We will continue to support the recruitment of apprentices into our workforce along with greater opportunities for work through the Government Kickstart scheme which is being supported from May 2021.

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