



North East London

Pay Gap Reporting 2023 & 2024 (gender & ethnicity)

Remuneration Committee

July 2024

Introduction

All public sector organisations in England employing 250 or more staff are required to publish specific figures regarding their gender pay gap every year based on a snapshot date of 31 March.

As North East London ICB was established in July 2022 with a workforce exceeding 250 employees, the first eligible snapshot date to review our gender pay gap was 31 March 2023.

This pack provides a summary of the headlines emerging from the gender pay gap calculations for 31 March 2023 and 2024.

Although not a statutory requirement, we also examine our pay gap by ethnicity for 2024, which is another first for NHS NEL.

The intention of pay gap reporting is to focus our attention on

taking action to reduce inequalities, bringing to life commitments from the NHS People Promise, living our own values and creating the best place to work for our staff.

This pack does not offer additional data insights or recommendations on how to close the pay gap. That detail will form part of a wider Equality, Diversity and Inclusion (EDI) action plan that is currently being developed.



What is a gender pay gap?

The **gender pay gap** measures the difference in average pay between men and women and is expressed as a percentage of men's pay. The government requires us to publish calculations based on the following categories:

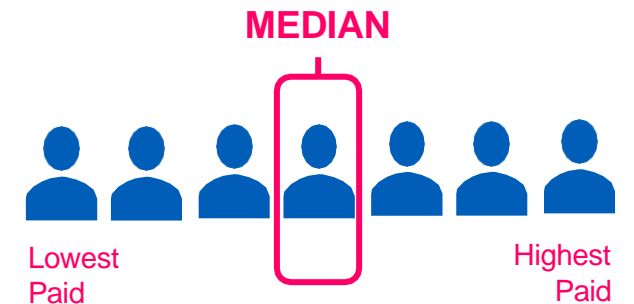
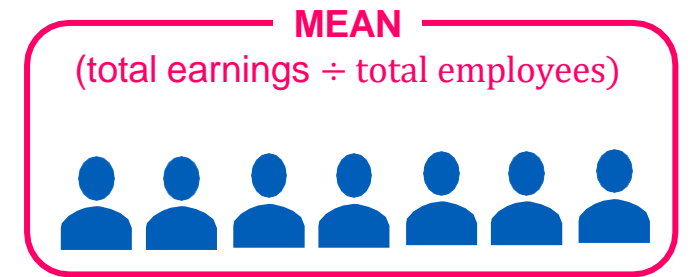
- **Ordinary pay** – hourly rate of pay for men and women using mean and median figures.
- **Quartile pay** – the proportion of men and women split into 4 equal parts based on pay.
- **Bonus pay**- this will be nil for NHS NEL as we do not offer bonus payments.

Mean and Median calculations - we look at both mean (average) and median figures for pay gap reporting. The median is the most representative measure as it stops a small number of very high or very low salaries skewing the results (see illustrations).

Quartile pay bands – is the proportion of employees ordered from highest to lowest paid and grouped into 4 equal (upper, upper middle, lower middle and lower) quartile pay bands.

Equal Pay - a gender pay gap is not the same as equal pay (or failure to observe equal pay). Although both deal with pay disparity at work, an organisation can have a pay gap without breaching equal pay law. This is because **equal pay relates to pay differences between men and women who carry out the same jobs or work of equal value.**

Data validation - data and calculations is based on the NHS Electronic Staff Record and supplied by NHS North of England CSU.



Understanding the gender pay gap data

2023

7.1% MEAN 6.5% MEDIAN

based on headcount of 845 employees on 31 March 2023

These figures tell us that on average women are paid 7.1% (and 6.5% median) less per hour than men. If the figure was negative (say -2%), it would tell us that women are paid more than men on average. These are the headline figures often used by the media to compare pay gaps between different organisations. In 2024, NHS NEL narrowed its mean pay gap to 4.5% whilst the median pay gap of 6.5% remained the same.

Overall breakdown of male and female employees



Tells us that NHS NEL employs more women (59%) than men (41%). This does not change significantly in 2024 with a gender split of 60% women and 40% men.

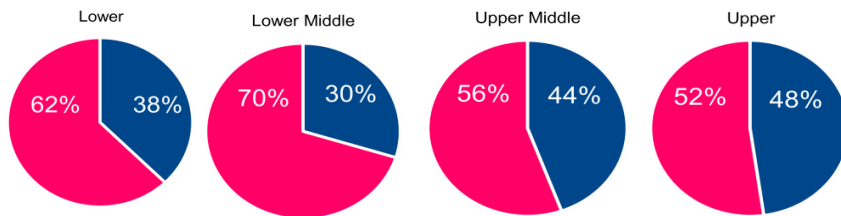
Mean (average) and median hourly pay by gender

	Female	Male	Difference
Mean	£30.37	£32.67	£2.30
Median	£28.59	£30.58	£1.99

These figures provide the average pay per hour for men and women using both mean and median calculations. In both cases, men earn more than women by £2.30 (mean) and £1.99 (median).

When seeking to reduce our gender pay gap aspects to consider include review of flexible working practices, internal progression opportunities, bias during recruitment and working with the Women's staff network.

Proportion of females and males in each pay quartile



These charts illustrate the number of men and women in each pay band when divided into 4 pay quartiles. Upper is the highest paid quartile. Although women are well represented in each quartile, we employ more men in higher paid quartiles.

Gender pay gap for 2023 and 2024

2023

7.1% MEAN 6.5% MEDIAN

based on headcount of **845** employees on 31 March 2023

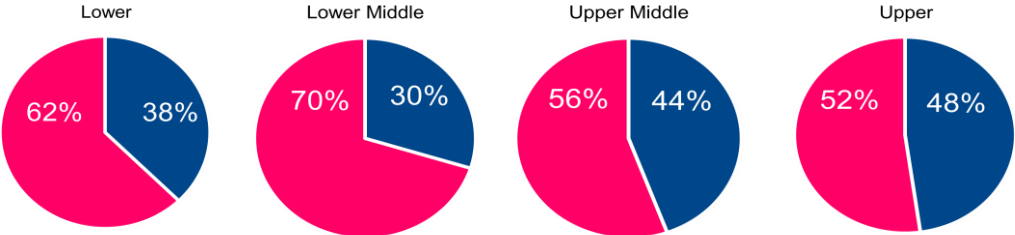
Overall breakdown of male and female employees



Mean (average) and median hourly pay by gender

	Female	Male	Difference
Mean	£30.37	£32.67	£2.30
Median	£28.59	£30.58	£1.99

Proportion of males and females in each pay quartile



2024

4.5% MEAN 6.5% MEDIAN

based on headcount of **797** employees on 31 March 2024

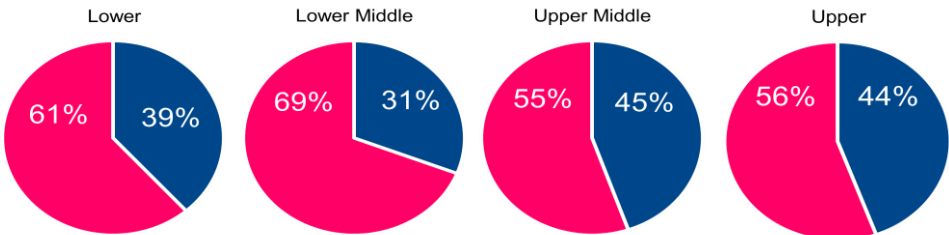
Overall breakdown of male and female employees



Mean (average) and median hourly pay by gender

	Female	Male	Difference
Mean	£32.30	£33.81	£1.51
Median	£30.02	£32.11	£2.09

Proportion of males and females in each pay quartile



Ethnicity pay gap

The **ethnicity pay gap** is the difference between average hourly earnings for Ethnic Minority colleagues compared with White colleagues and is presented as a percentage of White colleagues pay.

Writing about ethnicity

NHS NEL uses the acronym BME (Black and Minority Ethnic) to represent all ethnicity groupings except “White” and “Not Known” staff. However, we know in practice this is not necessarily helpful as each ethnicity grouping has its own unique identity and experiences different barriers. For this reason, in reporting ethnicity pay gaps we have disaggregated the BME data into different ethnicity groupings. To enable comparison with other organisations that do not break down ethnicity in this way, we also provide the pay gap for BME grouping.

Ethnicity disclosure rates

72 colleagues have not disclosed their ethnicity, which represents 9% of the workforce and will impact the quality of reporting. For example, we have more colleagues stating

their ethnicity as “Not known” than the total number of staff that tells us they are of “Mixed” (31) and “Other” (24) heritage combined.

Intersectionality by gender and ethnicity

We did review average pay by gender and ethnicity and compare it to the average pay for White males. This is known as intersectional analyses and would provide a more nuanced understanding of workplace inequalities. Our initial findings (subject to further validation) suggests BME colleagues, regardless of gender, have the widest pay gap.



2024 ethnicity pay gap

18.2% MEAN 11.2% MEDIAN

Ethnicity pay gap for BME staff when compared to average hourly pay received by White staff.
Based on a headcount of **797 staff as at 31 March 2024.**

NEL's **mean ethnicity pay gap is 18.2% and the median pay gap is 11.2%.** This tells us that BME colleagues are paid on average 11.2% (median) less per hour than White colleagues.

% pay gap by ethnicity

	White	BME	Asian	Black	Mixed	Other	Not Known
Population	44%	47%	21%	18%	4%	4%	9%
Mean	n/a	18.2%	18.8%	16.4%	23.8%	17.6%	13.3%
Median	n/a	11.2%	11.2%	11.2%	22.6%	10.3%	9.8%

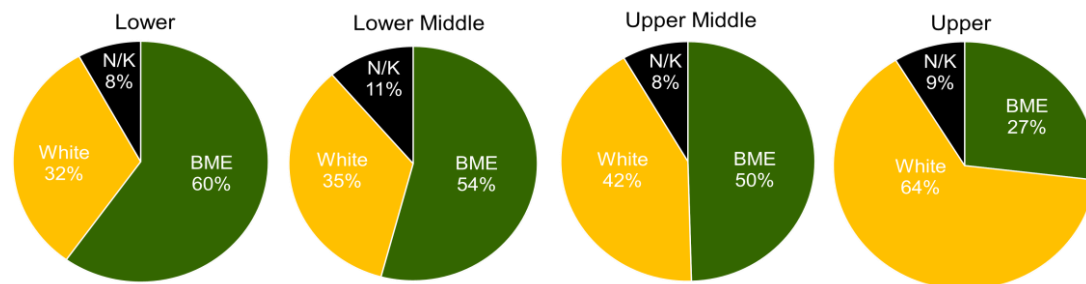
This tables illustrates:

- % breakdown of workforce composition by ethnicity, including a further breakdown of the BME category by Asian, Black, Mixed Heritage and Other staff. The “Not Known” group represents staff that have not disclosed their ethnicity information.
- Mean and median % difference in average pay compared to White staff.

47% of our staff are BME and we have a high ethnicity pay gap (compared to our gender pay gap) which suggests there is a significant disparity in the average pay between BME and White staff.

Understanding the reasons behind the pay gap and taking necessary action will need to be addressed as part of our commitment to creating a more diverse and inclusive workplace.

Proportion of staff by ethnicity in each pay quartile



These charts illustrate the ethnicity profile for each pay quartile. They show that the number of White colleagues steadily increases as they move from lower to the upper middle pay quartile and doubles in the Upper quartile (compared to lower quartile). In contrast, the opposite happens for BME colleagues who are overrepresented in the lower pay quartile compared to the upper quartile.

What next?

The purpose of this pack is two-fold:

- a. To meet our statutory obligations for reporting our gender pay gap by uploading required information to www.gov.uk and our intranet.
- b. To take meaningful action that will help to incrementally reduce our pay gaps.

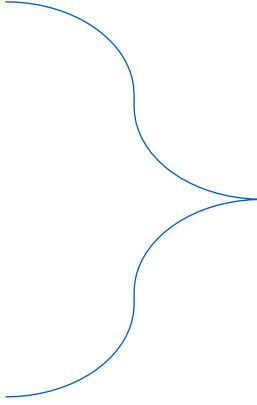
We are in the process of developing a focussed Equality, Diversity and Inclusion (EDI) action plan for our workforce. Early agreed actions that will form part of that plan are listed here in the column 2.

Early EDI actions agreed

- Increase **disclosure rates** of protected information shared by staff.
- Become a **Disability Confident Employer** (level 2).
- Participate in **WRES and WDES**.
- Develop series of engagement events to raise awareness.
- Anti racism system training.
- Agree “Equality and Fairness” programme of work objectives and deliver.

Appendix

1. 2023 gender pay gap report
2. 2024 gender pay gap report



This information is summarised on slide 5 and displayed here in table format.

Gender Pay Gap Reporting - 31st March 2023

Statutory Reporting Data			
Pay Rates		Gender Pay Gap	
Mean Hourly Rate		7.1%	
Median Hourly Rate		6.5%	
Pay Quartile Information			
Pay Quartiles	Female	Male	Total
Upper proportion of females and males paid above the 75th percentile.	52.2%	47.8%	100%
Upper Middle - proportion of females and males paid between the median and 75th percentile.	55.6%	44.4%	100%
Lower Middle - Proportion of females and males paid between the median and 25th percentile.	70.2%	29.8%	100%
Lower - Proportion of females and males paid below the 25th percentile.	62.4%	37.6%	100%
Bonus Information			
Bonus Pay		Gender Bonus Gap	
Mean Bonus		0%	
Median Bonus		0%	
Bonuses Paid			
Females paid a bonus as % of all females		0%	
Males paid a bonus as % of all males		0%	

Hourly Pay			
Female Pay as % of Male Pay	Hourly Rate (Female)	Hourly Rate (Male)	Difference
92.9%	£30.37	£32.67	£2.30
93.5%	£28.59	£30.58	£1.99
Workforce Composition			
Female Headcount	Male Headcount	Total Headcount	
501	344	845	

Gender Pay Gap Report 31st March 2024

Statutory Reporting Data			
Pay Rates		Gender Pay Gap	
Mean Hourly Rate		4.5%	
Median Hourly Rate		6.5%	
Pay Quartile Information			
Pay Quartiles	Female	Male	Total
Upper proportion of females and males paid above the 75th percentile.	55.6%	44.4%	100%
Upper Middle - proportion of females and males paid between the median and 75th percentile.	55.3%	44.7%	100%
Lower Middle - Proportion of females and males paid between the median and 25th percentile.	69%	31%	100%
Lower - Proportion of females and males paid below the 25th percentile.	61.5%	38.5%	100%
Bonus Information			
Bonus Pay		Gender Bonus Gap	
Mean Bonus		0%	
Median Bonus		0%	
Bonuses Paid			
Females paid a bonus as % of all females		0%	
Males paid a bonus as % of all males		0%	

Hourly Pay			
Female Pay as % of Male Pay	Hourly Rate (Female)	Hourly Rate (Male)	Difference
95.5%	£32.30	£33.81	£1.51
93.5%	£30.02	£32.11	£2.09
Workforce Composition			
Female Headcount	Male Headcount	Total Headcount	
476	321	796	

End.