

Ethnicity Pay Gap 2018/19

1. Background

Although not yet mandated to do so, in March 2019 St George's produced its first Ethnicity Pay Gap report alongside its second Gender Pay Gap report. This showed that on average white employees were paid £2.37 an hour more than Black, Asian and minority ethnic (BAME) employees.

As figures were collated for the 2018/19 Gender Pay Gap, to be published in March 2020, the information for ethnicity was also collated and the findings are detailed in the following report.

As this is the second year we are reporting on this we can compare the figures with the previous year. However it is important to note that two sets of data do not comprise a trend. If the figures have improved or deteriorated then we can try to determine why, but this is not necessarily a major cause of concern or celebration.

2. What we are reporting on

The figures are produced in the same format as the gender pay gap figures, and so we have calculated:

- The mean basic pay gap
- The median basic pay gap
- The proportion of White and BAME staff in each quartile pay band

The mean pay gap is the difference between the pay of all white and BAME employees when added up separately and divided by the total number of white and BAME employees in the workforce.

The median pay gap is the difference between the pay of the middle white employee and the middle BAME employee, when all of the employees are listed from the highest to the lowest paid.

Though part of the gender pay gap reporting, this report does not include figures for the bonus pay gap i.e. the difference in how many white and BAME staff receive bonus payments.

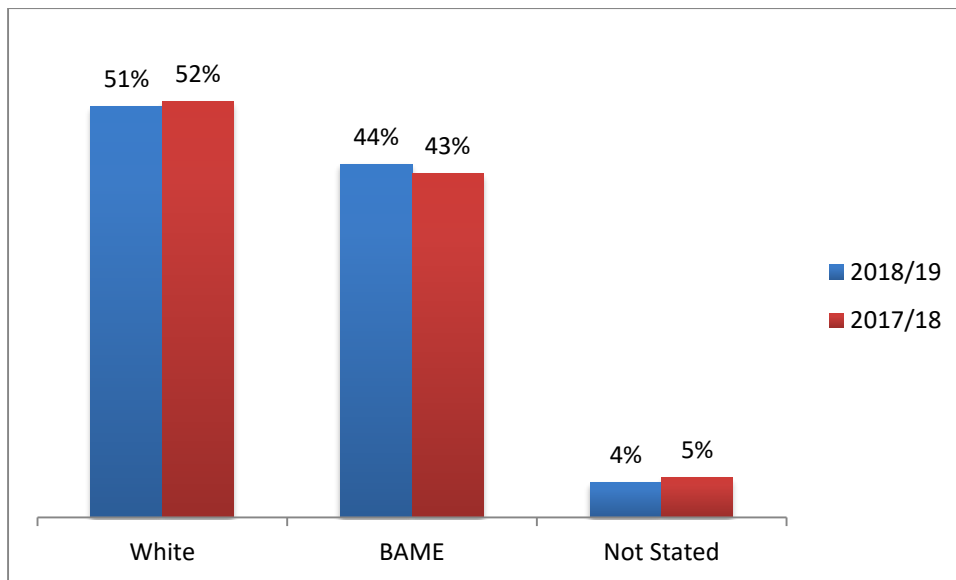
3. Who is included?

All staff who were employed by St George's and on full pay on the snapshot date (31st March 2019) are included. Bank staff who worked a shift on the snapshot date are included. Consultant Additional Programmed Activities (APA's) are included, as are Clinical Excellence Awards (CEA's). The calculations exclude overtime pay and expenses.

Employees who are on half or nil absence or maternity leave, hosted staff (e.g. GP Trainees) and agency staff have not been included.

4. Trust Ethnicity Profile (based on headcount)

At the snapshot date St George's University Hospitals NHS had 4,597 white employees and 3,955 BAME employees. There are also 395 employees whose ethnicity is unknown. This is a slight decrease in white employees and slight increase in BAME employees than in 2018:



Whilst the Trust has a 97% complete set of ethnicity data for substantive staff, there are a number of gaps for bank staff which the pay gap data includes. However some of these gaps have been addressed over the year and the number of 'unknowns' have reduced, and so the data set for 2018-19 is 96% complete.

5. Ethnicity Pay Gap

Ethnicity	MEAN Hourly Rate	MEDIAN Hourly Rate
White	22.18	19.59
BME	19.69	17.31
Difference	2.49	2.28
Pay Gap %	11.23%	11.64%

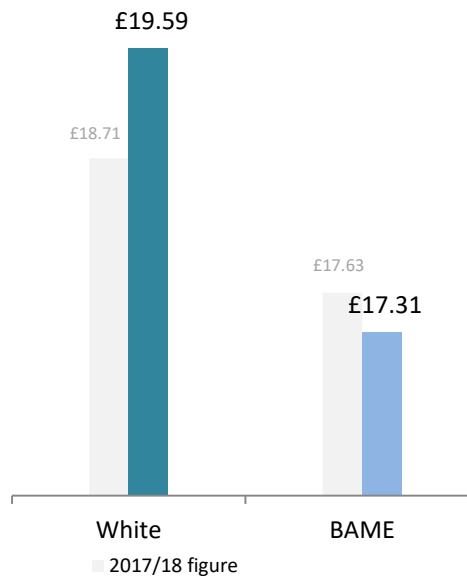
The mean hourly pay for white employees is £2.49 higher than that of BAME employees, which is a gap of **11.23%**, The median pay for white employees is £2.28 higher than BAME employees, which is a gap of **11.64%**.

In 2017/18 the mean hourly pay for white employees was £21.46 and £19.09 for BAME employees. This was a difference of £2.37 an hour and a pay gap of 11.04%. The median hourly pay for white employees was £18.71 and £17.63 for BAME employees. This was a difference of £1.08 an hour and a pay gap of 5.77%.

Mean Hourly Rate



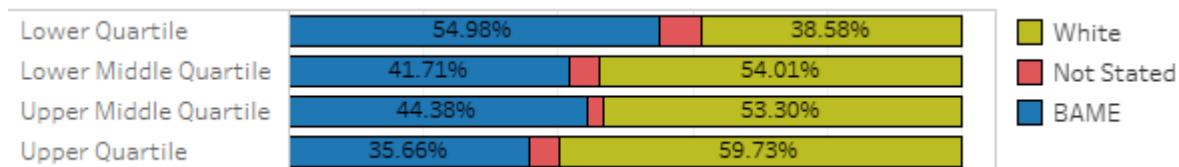
Median Hourly Rate



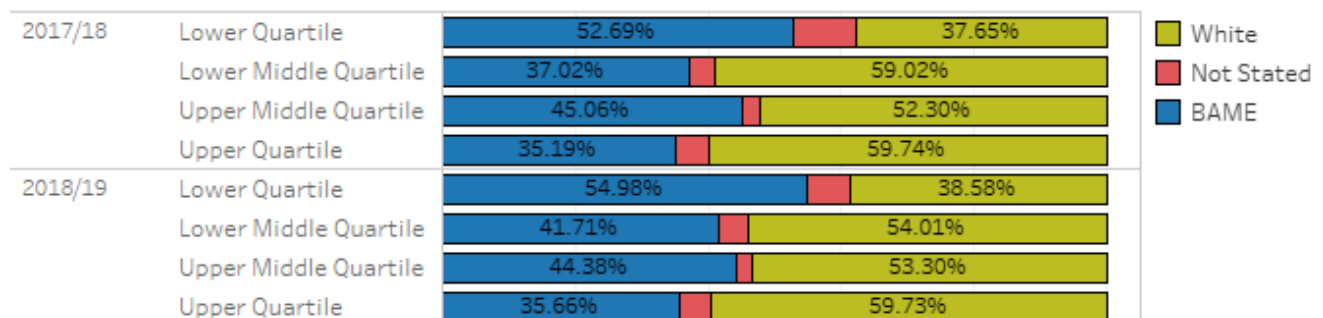
The average hourly rate for white employees increased by £0.72, which represented a 3.25% increase. For BAME employees it increased by £0.60, which represented a 3.05% increase. However the median hourly rate increased by £0.88 for white employees (a 4.49% increase), but actually fell by £0.32 for BAME employees, a decrease of 1.85%.

6. Pay Quartile Split

6.1. By Quartile



Given that BAME employees comprise of 44% of our workforce, they are clearly over-represented in the lower pay quartile and under-represented in the upper pay quartile. Comparing the data with the previous year, there has been increases in the proportion of BAME employees in the lower and lower middle quartiles.



6.2. By grade

Comparing the number of employees in each grade from last year can help explain the increase in the median pay gap:

Grade	2017/18		2018/19	
	White	BAME	White	BAME
Band 2	463	766	460	807
Band 3	259	316	264	349
Band 4	312	262	320	290
Band 5	818	632	685	687
Band 6	744	695	825	694
Band 7	741	321	734	361
Band 8a	259	96	278	94
Band 8b	84	23	88	28
Band 8c	49	7	32	9
Band 8d	29	3	38	4
Band 9	12	1	10	1
VSM	13	2	15	3
Medical	710	464	740	494
Total	4493	3588	4489	3821

There has been a notable increase in BAME employees at the lower bands compared with white employees. As the median looks at the middle figure when lining up the staff from lowest paid to highest, having an increase in BAME employees at lower bands is bound to have an impact, and this is why the median pay gap has increased. However this is not necessarily a negative. We have 233 more BAME employees than last year, whilst the number of white employees is basically unchanged. New staff will typically be on the bottom of the scale so they will earn less than existing employees. The issue of over-representation of BAME employees in lower bands and under-representation in higher bands is not to be ignored, but this does suggest that we are recruiting higher numbers of BAME employees who with the right training and development opportunities can progress up the career ladder in St George's and in time can help address this imbalance.

Grade	No. of White staff	No. of BAME staff	White Hourly Rate*	BAME Hourly Rate*	Difference	Gap*	2017/18 Gap*
Band 2	460	807	12.03	12.26	-0.23	-1.88%	-1.09%
Band 3	264	349	12.17	12.09	0.08	0.64%	-0.44%
Band 4	320	290	13.50	13.22	0.27	2.02%	2.87%
Band 5	685	687	16.36	17.31	-0.95	-5.80%	-7.24%
Band 6	825	694	19.70	21.83	-2.13	-10.82%	-9.20%
Band 7	734	361	23.58	23.80	-0.22	-0.93%	-1.33%
Band 8a	278	94	27.30	28.16	-0.86	-3.15%	-2.34%
Band 8b+	168	42	36.83	33.73	3.09	8.40%	9.21%
VSM	15	3	68.50	71.60	-3.10	-4.52%	-8.38%
Medical	740	494	37.10	35.83	1.26	3.41%	5.72%

*refers to the mean hourly rate

* negative values mean that the difference and the gap are favourable to BAME staff

If we break the figures by band it shows that the pay gap is in favour of BAME employees in bands 2, 5, 6, 7, 8a, and VSM. Compared with last year's figures the gap has narrowed in some bands, most notably in bands 4, 8b+ and Medical. The pay gap remains in favour of BAME employees at VSM level despite them being severely under-represented. This gap has narrowed over the year.

6.3. By different ethnic groups

Number of employees:

Asian/Asian British – 1,685 (18.33%)

Black/Black British – 1,479 (15.72%)

Chinese/Other – 454 (4.8%)

Mixed Race – 337 (3.65%)

Not Stated – 395 (5.33%)

White/White British – 4,597 (52.18%)

Ethnicity	Mean Hourly Rate	Median Hourly Rate
White/White British	22.18	19.59
Asian/Asian British	21.21	18.90
Difference	0.97	0.69
Pay Gap	4.36%	3.52%
Pay Gap 2017/18	3.93%	-2.13%

Black/Black British	16.91	14.65
Difference	5.27	4.94
Pay Gap	23.74%	25.23%
Pay Gap 2017/18	23.78%	25.40%
Chinese/Other	22.99	21.85
Difference	-0.81	-2.25
Pay Gap	-3.67%	-11.50%
Pay Gap 2017/18	-3.96%	-12.57%
Mixed Race	19.77	17.21
Difference	2.40	2.38
Pay Gap	10.84%	12.15%
Pay Gap 2017/18	11.72%	12.89%

Looking at the figures broken down by the different ethnic groups can help identify if any groups are particularly affected. There is a small pay gap between Asian/Asian British employees and White employees – the mean pay gap has increased, and the median has reversed from being in favour of Asian/Asian British employees to being in favour of White employees.

As with the previous year is it the second largest BAME group – Black/Black British – which has the largest pay gap, at 23.75% for the mean figure. This means that white employees get paid on average £5.27 an hour more than black employees.

It is therefore beneficial to examine the pay gap for Black/Black British employees by staff group:

Staff Group	No. of White/White British staff	No. of Black/Black British staff	White/White British Hourly Rate	Black/Black British Hourly Rate	Difference	Gap	2017/18 Gap
Add Prof Scientific and Technic	337	86	19.98	16.69	3.29	16.46%	14.51%
Additional Clinical Services	318	371	13.43	12.84	0.59	4.41%	3.39%
Administrative and Clerical	951	359	17.85	13.90	3.96	22.15%	23.58%
Allied Health Professionals	532	35	21.14	19.83	1.31	6.19%	11.42%
Estates and Ancillary	152	70	13.86	13.04	0.82	5.93%	4.69%
Healthcare Scientists	168	55	24.01	23.01	1.00	4.16%	2.90%
Medical and Dental	740	54	37.10	33.48	3.62	9.75%	0.16%
Nursing and Midwifery Registered	1399	449	20.82	20.37	0.45	2.17%	0.70%

The pay gap has increased in the Medical and Dental staff group from 0.16% to 9.75%. Whilst this is a steep increase, the small number of Black/Black British employees in this staff group compared to white employees means that the pay gap is prone to wild variation. It is also worth noting that the number of Black/Black

British employees in this staff group has increased from 34 to 54, so this group will have more entry level employees who will be on lower pay, but it is also showing more representation which can only balance the pay gap in future years.

As with 2017/18 there is a large gap in the admin and clerical staff group, where white employees get paid on average £3.96 more than black employees comprising a pay gap of 22.15%. This is primarily where the overall pay gap lies, so it is worth looking at the pay differences of this staff group by pay band:

Band	No. of White/White British staff	No. of Black/Black British staff	White/White British Hourly Rate	Black/Black British Hourly Rate	Difference	Gap	2017/18 Gap
Band 2	185	96	11.68	11.50	0.18	1.52%	5.23%
Band 3	131	83	11.94	11.67	0.28	2.31%	0.58%
Band 4	234	96	13.50	13.13	0.37	2.72%	3.48%
Band 5	100	37	15.70	16.17	-0.46	-2.96%	-4.75%
Band 6	68	17	19.72	19.46	0.26	1.34%	-4.23%
Band 7	75	17	22.39	22.64	-0.25	-1.12%	0.78%
Band 8a	55	6	27.12	27.32	-0.20	-0.75%	-0.67%
Band 8b+	91	5	43.02	31.72	11.30	26.26%	19.46%

It is clear that the pay gap is primarily because of severe under-representation of black employees at senior level, with only 5 at band 8b or above. The pay gap has increased from 19.46% to 26.26% over the year. Considering that Black/Black British employees are our second most populous BAME group, and that admin and clerical employees make up 50% of all roles at 8b and above, this will be where a large part of our ethnicity pay gap comes from.

7. Progress

Within the past 12 months the Trust has set out its Diversity and Inclusion Strategy and formed a BAME network group with an executive team sponsor.

More recently we have introduced BAME recruitment panel representatives and there is a requirement that all recruitment panels for posts of 8a and above should have someone from a BAME background on the panel.

8. Conclusion

We have already identified and reported in the Workforce Race Equality Standard (WRES) that BAME employees are under-represented at the higher bands and over-represented at the lower bands, so it should come as no surprise that we have a pay gap in favour of white staff.

However the data suggests that the pay gap disproportionately affects Black/Black British employees, who make up 16% of our total workforce. The implication is that the cause of the pay gap may run deeper than simply under-representation of overall BAME employees in the higher pay bands.

9. Next steps

The Trust will soon publish its Diversity and Inclusion Action Plan for 2020/21 which has a number of specific actions around ensuring the Trust operates on a fair basis for BAME staff in terms of recruitment and development.