

Gender, ethnicity and disability pay gaps report **2023**

Our 2023 pay gaps reports

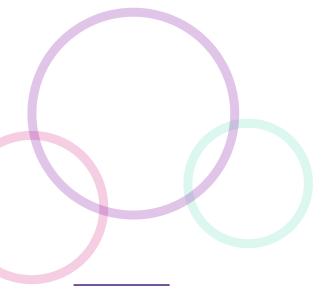
What are pay gaps?

Pay gaps are an equality measure that show the difference in average and median earnings for different groups of people in an organisation. At the NMC we publish our gender, ethnicity and disability pay gaps each year. Publishing our gender pay gap is a legal requirement, and we voluntarily publish our ethnicity and disability pay gaps as part of our commitment to transparency and improvement in these areas.

Gender pay gap

As an employer with over 250 employees, we have had a legal duty since 2017 to publish our gender pay gap data and a written statement on our website. We report our data to the online government pay gap reporting service.

The gender pay gap measures the gap between the average pay for women against the average pay for men.



Ethnicity pay gap

The ethnicity pay gap measures the difference between the average pay for Black and minority ethnic (BME)¹ colleagues, and the average pay for white colleagues. We choose to publish our ethnicity pay gap using the same methodology as the gender pay gap to be transparent and to help us set actions to tackle race inequality.

Disability pay gap

We also publish our data on the average pay for disabled and non-disabled colleagues using the same criteria. This is to help us understand where gaps may exist, and what actions we need to take to improve disability equality in the workforce.

What's the difference between mean and median?

The mean pay gap measures the average pay for one group against another, for example the average pay for women in an organisation compared to the average pay for men.

The median pay gap compares the 'middle' pay for one group against another, when all values are ranged from low to high. The median is less affected by outliers when compared to the mean.

¹ The terminology used throughout this document is Black and minority ethnic (BME). This aligns with terminology used by NHS WRES (Workforce Race Equality Standard). The NMC recognises that language in this area is constantly changing and we regularly keep the language that we use under review.

At a glance: What does our data show?

The tables on this page set out our pay gap data as of April 2023². We don't award bonuses at the NMC, so we don't report a bonus gap.

We continue to see a positive disability pay gap although there has been some narrowing of the mean this year.

At a glance, our data shows we have seen increases in gender and ethnicity pay gaps.

However, there is some positive progress underlying these figures, for example:

- An overall 6.2 percent increase in the number of BME colleagues recruited at the NMC in the last 12 months, including a 0.5 percent increase in our highest paying grades.
- An increase of 1.2 percentage points in the number of colleagues with a disability.
- Six women sit on our Executive Board out of eight members.
 Most senior positions are held by women with 65 percent in our highest quartile.
- Over the longer term: women made up 64 percent of the workforce in 2019, in the latest report it was 69 percent and while BME representation has remained largely stable at around 40 percent, those in the highest pay quartile have increased from 23 percent in 2020 to 25 percent in the latest report.

Gender pay gap

	Mean	Median
2023	8.1%	14.6%
2022	6.2%	12.7%
Change	+1.9% 👚	+1.9% 👚

Ethnicity pay gap

	Mean	Median
2023	27.5%	39.7%
2022	25.5%	27.1%
Change	+2.0%♠	+12.6%

Disability pay gap

	Mean	Median
2023	-6.1%	-7.8%
2022	-4.4%	-11.8%
Change	- 1.8% ↓	+3.9% ★

While context and data is important and we have strengths to build on, it is not the same as the lived experience of colleagues. Our overarching message and commitment is that we need and want to go further to reduce our pay gaps. This report sets out how we will achieve that aim.

What does this data mean?

Why do we have pay gaps?

Pay gaps exist for many different reasons, but most significant is the unequal distribution of different groups at different grades. For example, at the NMC we have a higher proportion of women and BME colleagues in lower quartiles³ of grading compared to the upper quartiles. This is the main reason our mean and median ethnicity and gender pay gaps have grown over the last 12 months as relatively small increases or decreases at specific grades can have significant impacts on pay gaps.

In the past year the number of people working at the NMC increased by 1.7 percent (from 1,060 to 1,078 employees). The main growth was in our middle grades which includes a number of appointments of legal colleagues, to help us reduce our fitness to practise caseload.

An underrepresentation of BME colleagues in the highest quartile and an overrepresentation in our lowest quartile are the main causes of our mean and median ethnicity pay gaps. The increase from last year has mainly been caused by increased recruitment of BME colleagues in our lower and lower middle quartile roles and a reduction in white colleagues being recruited at these levels.

We aspire to be an employer of choice for BME people and an increase in recruitment of BME colleagues is therefore positive.

Much of this recruitment was in our Professional Regulation team, supporting us with our need for a diverse and representative range of colleagues working on fitness to practice cases. However, despite making some progress with an increase of 0.5 percentage points in BME colleagues working in our upper quartile of pay and a 1.6 percentage point increase in colleagues working in our upper middle quartile of pay, we are not making as rapid progress in increasing the representation of BME colleagues in more senior grades.

While we welcome a positive median disability pay gap, we recognise that under-reporting of disability in the workforce may be a cause of our results. Our data shows that people in our upper pay quartile are more likely to share the fact that they are disabled in diversity monitoring.

We also recognise that we have more to do to support colleagues across the organisation to share information about their disability

as the proportion of colleagues who have told us they are disabled is below the national average. Disabled people make up approximately 20 percent of the UK working age population and 9.8 percent of NMC employees. As a result of targeted internal communications exercises,

the number of colleagues who have told us they are disabled has increased from last year by 24, but we still want to improve further.

³ At the NMC our lower quartile is made up largely of roles in grade 1 to 3, our lower middle quartile is made up of roles in grade 3 and 4, our upper middle quartile is made up of roles in grade 4 to 6 and our upper quartile is made up of grade 6 plus roles.

What is the difference between pay gaps and equal pay?

Pay gaps vs equal pay

A pay gap compares the average pay for different groups of people. It's different from equal pay, which instead looks at whether people are paid the same for work of equal value and whether there is pay inequity across protected characteristics for people in the same or similarly graded roles.

Simply put, pay gaps are more about representation at all levels of the organisation. Equal pay is the legal requirement to pay the same for work of equal value.

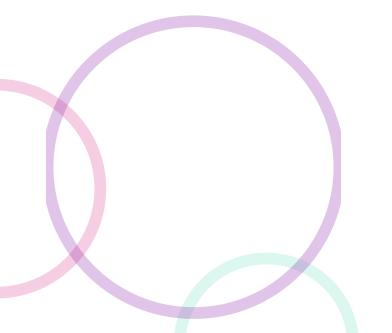
Does the NMC have an equal pay issue?

No, we do not. In addition to pay gap reporting and analysis we undertake stringent equal pay audits as part of our annual pay awards.

The table below highlights that pay differentials by gender, ethnicity and disability are well below our target of five percent. Anything above this would be considered to be a statistically significant difference. This positively highlights there are no significant pay differences when we compare employees doing the same (or 'like for like') roles across the NMC. These small differences reflect distribution with pay ranges (i.e. when people were appointed) and the fact that some roles for which we pay specialist premia, in particular IT and legal, have historically had less diverse talent pools.

Equal pay - April 2022

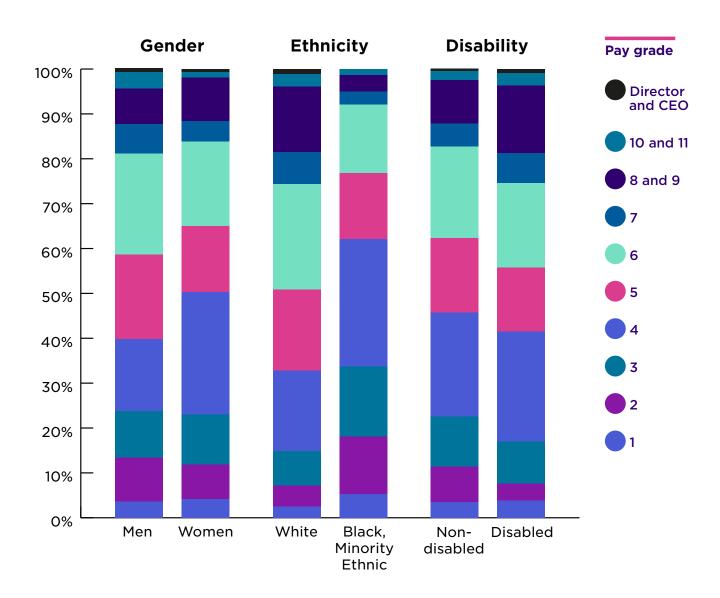
Gender	Ethnicity	Disability
1.2%	-0.6%	1.3%



Representation of gender, ethnicity and disability across grades at the NMC

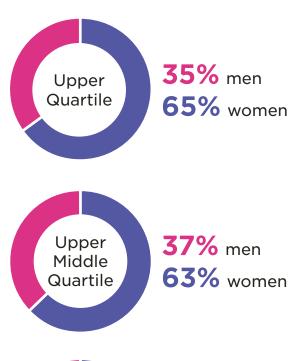
The charts below show the distribution of NMC colleagues in each of our internal pay grades by the protected characteristics for each of the pay gaps.

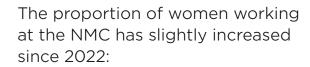
In the NMC the internal grading system ranges from grade 1, which is our lowest paid grade, to the Director and CEO grades. The charts highlight which grade our median colleagues fall in for each protected characteristic.

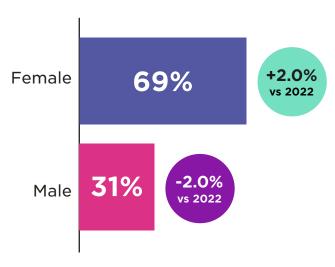


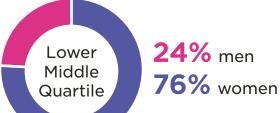
Workforce gender: Quartiles

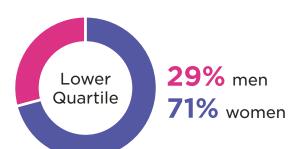
Overall, our workforce is made up of 69 percent women and 31 percent men.⁴











There were also changes in the quartiles compared to 2022:

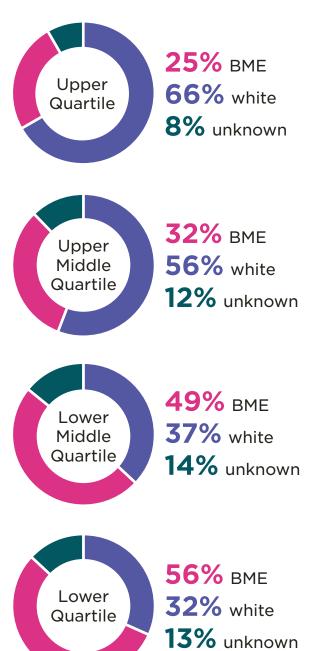
Upper Quartile	+1.0%	in men
Upper Middle Quartile	+2.1%	in women
Lower	· F 7 0/	
Middle Quartile	+5.3%	in women

We recognise that the requested data collection for statutory reporting purposes is binary, and that this does not reflect the identity of some of our colleagues. We are working to ensure our processes and policies are fully inclusive of trans and non-binary people. We acknowledge that the nature of this report as a pay gap report to compare men and women may limit our understanding of pay gaps in relation to some trans and non-binary people. We have committed to disaggregating and cross-referencing this data further. We already enable colleagues to enter their gender identity but now, due to low numbers, for pay gap reporting and payroll they are asked to select a gender.

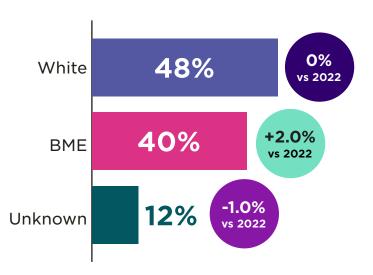
Workforce ethnicity: Quartiles

Overall, our workforce is made up of 40 percent Black and minority ethnic colleagues and 48 percent white colleagues.

12 percent of colleagues have not shared this information in their monitoring data.



Since 2022 the proportion of employees sharing information around their ethnicity has slightly increased:

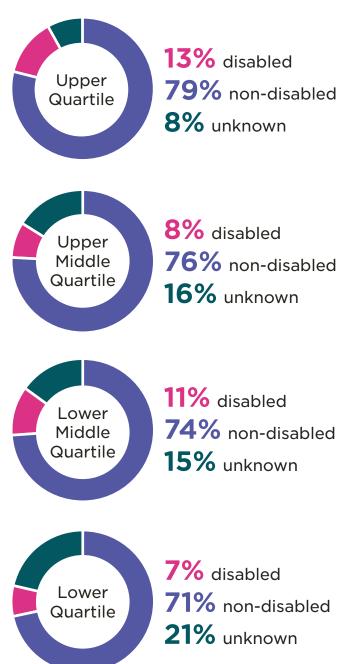


There were changes in the quartiles compared to 2022 which point to an overall increase in BME representation:

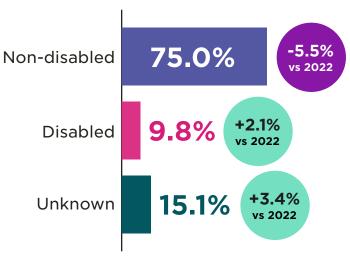
	White employees	BME employees
Upper Quartile	+2.0%	+0.5%
Upper Middle Quartile	+1.5%	+1.6%
Lower Middle Quartile	-3.6%	-0.2%
Lower Quartile	-2.1%	+7.7%

Workforce disability: Quartiles

Overall, our workforce is made up of 9.8 percent disabled colleagues and 75 percent non-disabled colleagues. 15.1 percent of colleagues have not shared this information in their monitoring data.



The biggest change this year was a proportional decrease in non-disabled employees:



There were changes in the quartiles compared to 2022:

compared c	compared to 2022.	
	In disabled employees	In non- disabled employees
Upper Quartile	+4.2%	-3.6%
Upper Middle Quartile	+0.1%	-4.0%
Lower Middle Quartile	+4.9%	-8.5%
Lower Quartile	-1.1%	-5.7%

What are we doing to tackle our pay gaps?

Our ethnicity and gender pay gaps have increased from last year and this is disappointing in terms of our ambition for the organisation.

Underpinning these headline figures however are some positive trends in improving the overall diversity of the NMC that show we are moving in the right direction. These include an overall increase in BME colleagues working at the NMC, reflecting increases in representation across three pay quartiles. We need to continue with our current plans as part of our overarching EDI strategy but we will need to be more targeted in our actions and prioritise activity which will support narrowing our pay gaps, with a specific focus on increasing the representation of BME colleagues at more senior grades. We will continue to deliver the actions set out in our EDI plan (2022- 2025) and have recently refreshed our **People Plan** to be even more ambitious.

Our EDI plan is holistic in its approach; however, specific actions set out to move the dial particularly on race equality, will also directly relate to tackling our gender and disability pay gaps. We recognise that sustainable progress takes time and have set out a number of actions which we believe will have a positive impact on the recruitment, progression and retention of colleagues from under-represented groups, over a three-year period.

Progress at the end of year one

In 2022 we set ourselves the following aims:

- to see an improvement in leadership accountability and oversight for EDI;
- to implement our new Applicant Tracker System (ATS) to post job adverts and handle candidates' applications, to support improvements in recruitment services:
- to establish an offer of leadership and career development, with a diverse community of colleagues accessing this to support their progression. We set out to ensure that women and Black and ethnic minority colleagues were proactively invited to join in with the development as part of our positive action;
- to role model part-time and job share working at every level with a particular focus on senior roles;
- to listen to and learn from evidence such as exit interviews and recently appointed internal candidates to support us to create targeted interventions.

While it is of course hugely disappointing that it is not reflected our figures yet, all of these aims have been progressed in 2022-2023 and we have put in place strong foundations for progress.

We have reshaped our approach to the oversight of the EDI plan. Our EDI Leadership Group has a refreshed terms of reference document. This ensures that there is clarity on its new core purpose of monitoring the progress of the EDI plan against agreed corporate EDI benchmarks and targets, drawing relevant issues to the attention of the Executive Team and ensuring an integrated approach to the promotion of EDI in major, cross-organisational projects.

We went live as scheduled with our new ATS on 1 November 2022 to improve how we track data to learn and improve our recruitment strategies and campaigns for roles where we need to be conscious of pay gaps. While there were some difficulties in the early phase of implementation, these have now been addressed and the system is working well. Qualitative feedback from a recent colleague survey indicates significant improvements in the quality and consistency of recruitment. The ATS is also providing us with improved mechanisms to invite colleagues to share their diversity data at the start of their employment journey. The ATS alone will not have a direct impact on pay gaps. Recruiting a more diverse workforce, which is more evenly distributed across grades, relies on a multitude of factors, in particular our ability to attract a

diverse talent pool and approaches taken by recruiting managers. The ATS does however increase the tools available to support inclusive recruitment, in particular in helping us take a standardised approach to the anonymisation of a range of applicant data to address unconscious bias and providing real-time data on the impact of decisions we take at each stage of the recruitment process.

..feedback from a recent colleague survey indicates significant improvements in the quality and consistency of recruitment

With regards to our leadership and career development offer, we have had another hugely successful cohort of our Rising Together mentoring programme. In the third year of running this programme we saw increasing numbers of participants benefiting from a programme of mentoring, networking and formal learning. Around 30 percent of mentees got a promotion, secured a secondment or changed to a new role within 12 months of completing the programme and 95 percent rated their overall experience with the Rising Together programme as very good and excellent.

We have also launched our **Management Essentials** programme which is mandatory for all managers across the NMC. The programme is designed to set expectations of all NMC managers, provide a holistic framework for performance management in the hybrid workspace and give a robust grounding for managers who have not had the chance to fully develop their skills. It will provide tools to help with specific situations and space for managers to pause and reflect. This will create a community of managers who can provide peer to peer support. Equality, diversity, and inclusion runs through every single part of this programme, both for individuals who we want to support to develop and progress, but also so that all colleagues can benefit from investment in management and leadership.

Equality, diversity, and inclusion runs through every single part of this programme

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Improved management capability is critical to achieving consistent delivery of our EDI actions, including ensuring that underrepresented groups are encouraged, supported and nurtured to develop their careers within the NMC. With our improving representation and investment in leaders and schemes like Rising Together we think we are on the right path to continue to improve our representation rates at more senior levels in the NMC.

We have also appointed our first Executive Director job share as the Director of People and Organisational Effectiveness, role modelling that part-time and job share working can be possible at every level.

We have refreshed our exit interview approach and included questions which directly address issues in relation to colleagues' experiences of equality and inclusion. This will give us richer data and additional insights to support targeted actions. This data reinforces the appropriateness of actions we are already committed to as many former colleagues have cited lack of training and/or support from managers to develop their skills and potential as factors in why they left the organisation.

In addition to the actions set out in our last pay gap report, following a Total Reward consultation with all our colleagues, we have reformed our pay structures and introduced annual pay progression steps. We have also reduced our pay ranges to continue to mitigate any equal pay issues arising. In the longer term, while we recognise that pay alone will not close pay gaps, this will mitigate the known issue of colleagues being "stuck" at specific points within long pay ranges with no visible means of progression.

Priorities for the next 12 months:

Last year we set out that by the end of 2023-2024 we will aim for:

A all colleagues to be more skilled on EDI; to be competent and confident on topics directly relevant to their role; and be equipped to recruit, develop and support diverse teams effectively;

fewer barriers and issues arising in relation to recruitment and progression for women and BME colleagues; an improvement in the provision of disability inclusion and reasonable adjustments;

role modelling part-time and job share working at every level but particularly senior roles.
And in our resourcing, we'd aim to make job descriptions more modular and accessible on a part-time or job share basis.

We remain committed to all of these things but, given the increases in our ethnicity and gender pay gaps, we recognise that we need to be more ambitious. In renewing our commitments to narrow our pay gaps we are also proposing to set new, public targets for the promotion and recruitment of **BME** colleagues and candidates at grade 6 and above. These will be set out in our new corporate plan and we will report on progress against them in our annual report.

In order to meet our ambitions, our priorities for the next 12 months include:

Recruitment and resourcing:

We will introduce mandatory training for all vacancy holders to build confidence and understanding and develop a more consistent approach to inclusive recruitment. We will reinvest colleague time freed up by the improved ATS to continuously improve the quality and reach of our job adverts and labour market engagement. This will be done with a particular focus on addressing disparities in representation of BME colleagues in grades where they are currently underrepresented compared to junior grades.

Targeted development and progression of staff: Rising Together and Management Essentials are a strong starting point to develop colleagues, but we need to convert this into higher levels of tangible progression, particularly for BME colleagues who are overrepresented in the lower quartile. A further cohort of Rising Together started in October 2023 and will for the first time have clear post-programme mechanisms for talent moves and possible progression.

Senior recruitment: We are also going to be more proactive about identifying and sponsoring diverse talent for recruitment to senior roles as part of improved talent and succession planning. This will include more networking and outreach by senior colleagues to ensure that the NMC is recognised as an employer of choice for people from diverse backgrounds, and looking at good practice and working with external partners to reach to BME applicants.

Disability inclusion and reasonable adjustments: We will review and improve our reasonable adjustments policy and process to ensure that all disabled colleagues who require reasonable adjustments receive these in a timely way. Given the individual nature of reasonable adjustments it is not possible to set a one-size-fits-all time limit on this but our refreshed guidance will make clear the importance of timely implementation of reasonable adjustments. We will also support increased use of our reasonable adjustments passport so that reasonable adjustments can be logged, regularly discussed and retained without interruption when colleagues move role or change manager. We will refresh our EDI learning materials to ensure that colleagues are supported to understand how the social model of disability is relevant to their work at the NMC and how this relates to our approach to reasonable adjustments. We will continue to work with our colleague networks and internal communication channels to increase the proportion of colleagues completing diversity data monitoring. We will focus on increasing the

number of colleagues sharing information about disability with the aim that 90 percent of colleagues in all pay quartiles have done this by the end of the financial year.

We will also continue to embed our new reward structures and policy to promote transparency and progression. The new pay policy also has tighter controls for the appointment of external candidates which aim to reduce disparities between internal and external colleagues which has been source of concern for NMC colleagues.

Many of the actions we have set out above are part of our refreshed People Plan. As part of this plan, every work strand will have a clearly defined set of success factors, metrics and evaluation.

By the end of year three:

At the end of 2023-2024 we will review progress and look at where we can go further with targeted positive action.

We hope to see gaps in representation reduced across all tiers of our workforce to support progress towards closing our pay gap. Through our approach to benchmarking and openness to engaging and learning, both from our colleagues and external stakeholders, we aim to continue to embed best practice EDI considerations in our next EDI and people plans for 2025 and beyond.

Our People Plan and EDI Plan have further detail on actions.

How will we know we're making progress?

We'll use a range of internal and external measures to make sure we are held accountable for making progress on our EDI ambitions and pay gaps.

This includes continuing to conduct in-depth and intersectional analysis of the data shared by colleagues and those applying to work for us to understand where recruitment, retention and career progression barriers exist, and which groups are disproportionately affected by these barriers. This data includes pay gap information but also feedback from colleagues via our internal Your Voice survey, our recruitment and onboarding survey, exit interviews, EDI employee networks, and stakeholder views via benchmarks such as the NHS Workforce Race Equality Standard.

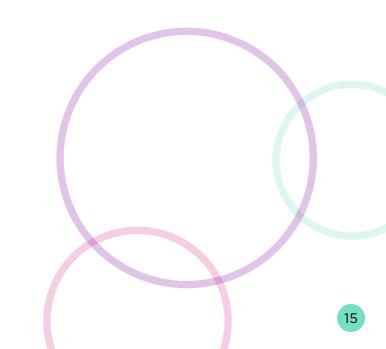
We will measure progress against our internal target to increase senior level representation of BME colleagues and provide disaggregated information at a departmental level so that senior leaders can understand how they are supporting delivery against this.

We will measure progress against our internal target to increase senior level representation of BME colleagues

The actions to tackle our pay gaps and progress will be monitored as part of our EDI action plan under the leadership of our EDI Leadership Group and the scrutiny of members of Executive Board and Council.

Executive Board members will have EDI targets included in their objectives.

Following internal communications work to highlight the importance of sharing diversity monitoring data and how we will use it, there has been a noticeable increase in the number of colleagues inputting their diversity monitoring information in our internal HR systems, particularly in relation to ethnicity and disability. We will continue to monitor the proportion of colleagues sharing their diversity characteristics with us and take targeted action to encourage sharing among groups where rates of data sharing are low.



Summary

We have delivered on actions which provide a positive foundation for progress but recognise that we need to do more to address the root causes of our widening pay gaps.

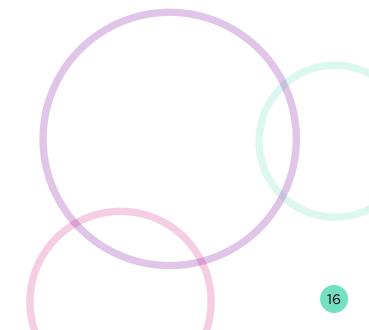
We welcome the additional sustained focus and impetus that our updated actions will bring to our work. These show not only our aspirations around narrowing our pay gaps but also our commitment to transparency and willingness to be held to account.

Through actions such as raising the confidence and competence of colleagues in key areas including mandatory recruitment and management essentials training, we aim to support all colleagues to deliver on our individual and collective responsibilities to address the issues causing our pay gaps.

...we aim to support all colleagues to deliver on our individual and collective responsibilities to address the issues causing our pay gaps

Our work to address the challenges shown by our pay gap data will be informed and supported by our continuing positive engagement with our employee networks and other stakeholders. Our EDI and People plans set out mutually supportive and ambitious frameworks for action.

We are committed to making the changes needed to reduce our pay gaps, building on and expanding our existing commitments. We realise that sustainable change may take time but we've set out clear actions to measure ourselves against and recognise our collective responsibility for delivering on these.



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