

REPORT OF THE EQUAL PAY AUDIT WORKING GROUP, 2009

Appendices

- Appendix 1 Equal Pay Policy Statement
Appendix 2 Data reports

1. Introduction

1.1 At its meetings held in February 2009, both the Academic and Support Staff JNCs agreed that the Personnel Office should carry out an equal pay audit in keeping with an undertaking in the Human Resources Strategy for 2007-2010 and the National Pay Framework Agreement, 2006-09. A small working group would be established consisting of management and trades union representatives.

1.2.1 Membership of the Working Group was as follows:

- Ian Harvie, *Personnel Office (Chair)*
- Maureen Donnelly, *GMB*
- Richard Jump, *UCU*
- David Mitchelmore, *Unison*

Prospect was unable to accept an invitation to join the group.

1.2.2 The Group agreed the following terms of reference for itself:

- To agree the methodology and scope of the review
- Agree the type and level of information to be disclosed and analysed
- To agree to any initiatives and timescales to address any inequalities that may be identified
- To agree what information will be made available to staff and in what format
- To agree an equal pay policy statement for the University

The Group held three meetings on 20th April, 12th June and 10th July 2009.

1.3 This report represents the Group's collective findings, observations and recommendations.

2. Methodology

2.1 The Group agreed that the audit should be informed by the guidance on Equal Pay Reviews issued to HEIs by JNCHEs in March 2007. This guidance was jointly agreed by the HE employers' national representatives and the unions, including GMB, UCU and Unison¹.

2.2 The Group was guided by the recommendation that "*review[s] should be concerned with the identification of inequities arising because of gender, racial origin, disability, sexual orientation, religion or belief, and age. It should deal with part-time and hourly paid staff and those on short-term contracts, as well as full-time staff on indefinite contracts. It should cover all staff, including those in senior posts*". It further accepted that the audit should focus on "*base pay, allowances and total earnings (including contribution-related pay and bonuses)*". It was agreed that the audit would not extend beyond issues directly connected with pay.

¹ http://www.ucea.ac.uk/en/Publications/JNCHEs_Guidance.cfm

- 2.3 At the request of UCU, the Group also agreed to investigate inequalities surrounding length of service. This would be done in accordance with the following service ranges:

- Staff with less than 6 years service
- Staff with 6 to 10 years service
- Staff with 11 to 15 years service
- Staff with 16 to 20 years service
- Staff with 21 to 25 years service
- Staff with 26 to 30 years service
- Staff with 31 to 35 years service
- Staff with 36 to 40 years service

- 2.4 It was agreed that the analysis would identify differentials across the total workforce, by grade, and by Academic and Support staff categories. For grade, it was agreed that where HERA points parameters were the same (e.g. SG6 and AC1) the equivalent Support and Academic grades should be treated as one grade. The initial set of data reports treated SG10/AC5 and senior staff on the Management Pay Spine as one grade. Reference in this report to 'Senior Management' therefore reflects these grades. A subsequent data set allowed for separate analysis of SG10/AC5.

- 2.5 For the purposes of analysing average pay differentials by age, it was agreed to adopt the following broad age ranges:

- Staff under 21 years of age
- Staff aged 21-30
- Staff aged 31-40
- Staff aged 41-50
- Staff aged 51-60
- Staff aged over 60

- 2.6 The Group agreed that for the purpose of analysing ethnicity data, Black Minority Ethnic (BME) should form one homogenous comparator group against White and should not be broken down into sub-categories.

- 2.7 The Group recognised that the ability to interrogate inequalities in strict accordance with JNCHES recommendations would depend on the sufficiency of data stored on the Personnel Office's Oracle database, and the ease with which this data could be extracted and formatted for reporting purposes. Because the University does not capture personal data relating to sexual orientation and religion or belief, these issues were excluded from the audit. The JNCHES guidance recognised that these might be problematic areas for many institutions to report against.

- 2.8 Contrary to JNCHES guidance, the decision was also taken to exclude contribution awards from the audit. This was because none had been awarded during the course of 2009 and any retrospective analysis was rendered difficult because such awards had traditionally been subsumed within base pay and were therefore not easily identifiable on the Personnel Office's database.

- 2.9 The Group agreed that differentials of over 5%, or trends in favour of one group (even if the differentials were less than 5%) would be considered 'meaningful' and therefore subject to further investigation.

3. Equal Pay Policy

- 3.1 The Group agreed the text of an Equal Pay policy for adoption by the University. It is a core requirement of equal pay reviews that organisations adopt an equal pay policy statement

where they do not already have one. The text conforms to the 'best practice' models proposed by the Equal Opportunities Commission's (now Equality and Human Rights Commission) *Code of Practice on Equal Pay*² and the JNCHES guidance, which is based on the same source. The text of the statement is at appendix 1.

4. Equal Pay Analysis

4.1 The data reports used in the audit are at appendix 2³ These took as their reference point staff in post as at 23rd April 2009, casual staff paid during April 2009, and Hourly Paid Lecturers with recorded hours during April 2009. The total number of employees upon which the audit was based was 2,339. References to staff numbers are occasionally given in brackets in this report.

4.2 Gender

4.2.1 A pay differential of 15% in favour of males exists when average total pay across all male (1,081) and female (1,258) employees is taken in account. This increases to 17.2% when average base pay alone is examined. Both figures are significant⁴. The differential in average allowances between male (817) and female (977) is 5.4% in favour of females.

4.2.2 Differentials are far less exaggerated however when total and base pay are analysed across individual grades. With the exception of SG3, the differential between male and female across all grades in terms of average total pay is less than 5%. For SG3 it is 8.63%. When average base pay is examined, all differentials are within 5%. The differentials are significant however when average allowances are compared, with a differential of 18.95% in favour of male in SG1 and 22.61% in favour of female in SG3. Differentials of over 5% favour male in three grades (SG1; SG4; SG9/AC4) and female in three grades (SG3; SG6/AC1; SG7/AC2). There is therefore no clear trend in favour of one gender.

4.2.3 The Group concluded that the apparent anomaly between the substantial pay differential across all employees, but less substantial differentials across individual grades, resulted from the imbalance of male and female employees across grading levels within the University. The group noted that more female than male staff were employed in each of the lower grades (SG1 to SG6/AC1) and more male than female staff in each of the higher grades (SG7/AC2 to 'Senior Management'). In proportional terms, 59% of males were employed in grades SG7/AC2 and above but only 43% of females.

4.2.4 The differentials in average allowances were ascribed to the different rates of London Weighting paid to Support (£4,220) and Academic (£3,259) staff.

4.2.5 The Group considered that the key metric of base pay showed no compelling evidence of unjustifiable inequities resulting from policies or practices (e.g. salaries on appointment). Factors contributing to differentials in average total pay were the different rates of London Weighting and the imbalance in male and female representation across grade levels. The Group recommended that the University take steps to redress the latter.

4.3 Ethnicity

4.3.1 A pay differential of 24% in favour of White members of staff (1,652) compared to BME (557) was evident in terms of average total salaries across all employees, and 25.5% in favour of White in terms of average base salaries⁵. The differential in average allowances across all employees was 3.5% in favour of BME.

² See <http://www.equalityhumanrights.com/advice-and-guidance/information-for-employers/equal-pay-resources-and-audit-toolkit/the-sex-discrimination-act-and-pay/the-code-of-practice-on-equal-pay/> and click on [Code of practice on equal pay](#) link for PDF document.

³ Thanks are due to Andrew Raisin in the Personnel Office for generating the data reports used by the Group.

⁴ The national gender pay gap, as reported by the Women and Work Commission in July 2009, is 22.6% However, different factors and methodologies contribute to the calculation of both sets of figures. Comparison therefore is to be treated with some caution.

⁵ The ethnic identity of 130 employees is unknown on the Oracle data base.

- 4.3.2 As with gender, differentials were less exaggerated when analysed by individual grade. In terms of average total pay, differences were less than 2% across all grades except 'senior management' level, where the differential was 6.03% in favour of White. At 'senior management' level the data compared 117 White employees with 13 BME. When analysed separately, the differential for SG10/AC5 was 2.7% in favour of White (48 White employees compared to 7 BME). Whilst the differential was less than 2% in all other grades, the trend favoured White in all grades except AG6/AC1. A similar trend manifested itself in terms of base pay, with all differentials favouring White other than for SG1 where the differential was 0.18% in favour of BME. The greatest differential was again at 'senior management' level (7.94% in favour of White), though this fell to 2.3% when SG10/AC5 was examined separately. Differentials in terms of allowances favoured White in five grades and BME in four. The greatest differential was again at 'senior management' level, albeit this time 18.95% in favour of BME. This became 15.8% in favour of White when SG10/AC5 were looked at alone. Differentials exceeded 5% in SG1, SG3 and AG7/AC2, all favouring White. All differentials favouring BME were less than 5% other than at 'senior management' level.
- 4.3.3 The group noted that only 11% of senior roles within the University were occupied by BME staff. This was less than the proportion of BME staff employed across the workforce as at July 2009 (17%). However, only 6.8% were employed in the lowest grade (SG1) with BME representation at all grades in between being 20% or above with the exception of SG5 (16.24%). Ascribing the discrepancies between the overall workforce average pay differential and individual grade differentials to imbalances in grade assignment was less compelling therefore than for gender. Analysis of pay point position for BME staff likewise proved inconclusive as a factor explaining this ambiguity.
- 4.3.4. Although the group saw no compelling evidence of unequal pay practices, it nevertheless considered that the trend in favour of White for the key metric of base pay was deserving of notice and that steps should be taken to remedy this trend. It also considered the disproportionately low numbers of BME staff in senior management positions to amount to a pay inequality that the University should take steps to redress.

4.4 *Disability*

- 4.4.1 The number of staff declared disabled on the Personnel Office's database at the time of the audit was 15 out of a total workforce of 2,339. This equated to less than 1%. This rendered impossible any meaningful analysis of pay differentials between disabled and no-disabled staff.
- 4.4.2 In so far as the data lent itself to any analysis, it showed significant average pay differentials in favour of disabled staff over those not known to be disabled of 14.4% in terms of base pay, 15.1% in terms of allowances, and 13.2% in terms of average overall pay.
- 4.4.3 The Group agreed that the University should take steps to increase the comprehensiveness of its data capture for disabled staff so that more meaningful analysis could be undertaken in future.

4.5 *Age*

- 4.5.1 Average total pay across all age bands was £34,302. Typically staff aged 41-50 had an average salary of 15.4% in excess of this; staff aged 51-60 a salary of 22.6% in excess; and staff aged 60 and over 11.4% in excess. Staff aged 21 and below earned 53.1% less than the workforce average; staff aged 21-30 earned 36.42% less; and staff aged 31-40 earned 3.2% less. The same trend with similar differentials manifested itself in terms of average base pay. A reverse trend was evident with respect to allowances where staff aged 21 and under were paid on average 12.18% more than the average figure of £3,821, and staff aged 60 and over 11.94% less.

4.5.2 The Group requested data on the proportion of leavers per age category. It noted that the highest proportion of leavers was in the 21-30 age group (13.3%). This reaffirmed the group's instinctive belief that this was the most 'mobile' cadre within the workforce (i.e. in terms of willingness to seek alternative employment) and that this helped explain the lower than average total and base earnings for this group. Staff in the age category over 60 showed a similar turnover rate (13.2%) for obvious reasons (i.e. retirement).

4.5.3 The Group concluded that the data revealed a predictable trend by demonstrating that, in general, age brought with it greater earnings potential. This reflected the mechanistic nature of incremental pay structures which reward time spent in post with pay progression steps, a fact that would translate into a age = enhanced salary correlation. The Group ascribed the reverse trend with regard to allowances to factors such as the differential rates of London Weighting, and the fact that allowances (including London Weighting) were not paid to staff on the management pay spine. The Group did not interpret the data as showing evidence of unjustifiable age discriminatory practices.

4.6 *Length of Service*

4.6.1 Staff with less than six years service earned on average 27.4% less than the workforce average total salary of £34,302. The data indicated that staff with service in excess of six years in all cases earned more. Average base pay data revealed the same trend, but with smaller differentials across all service length periods. Differentials varied with respect to average allowances without any compelling trend.

4.6.2 As with the age data, the Group concluded that the service length data revealed a predictable trend by suggesting that average earnings capacity increased with service length. Again, this was attributed largely to the nature of incremental pay structures rewarding satisfactory service over time with annual progression steps, as well as service length (or experience) being an indirect factor enhancing prospects of promotion and re-grading.

4.6.3 The Group noted corruptions in some of the data calculations.

4.7 *Full Time and Part Time Staff*

4.7.1 An average total pay differential of 42.8% existed in favour of full-time staff (1,285) over part time staff (1,054) with respect to total pay. The differentials in favour of full-time staff were 43.8% for base pay and 19.1% for allowances.

4.7.2 The differential in terms of average total pay exceeded 5% in grades SG1 and SG7/AC2, where the differential favoured full-time staff by 6.86% and 8.33% respectively. Average pay differentials also favoured full-time staff in grades SG4, SG5, and SG6/AC1. It favoured part-time staff in grades SG8/AC3, SG9/AC4 and 'senior management', and SG10/AC5 when analysed separately. Average base pay differentials were less than 5% across all grades. With the exception of grades SG5 and SG7/AC2 the differential in all cases favoured part-time staff. The variation in rates of London Weighting meant significant differentials existed in terms of average allowances between full and part time staff.

4.7.3 The Group concluded that there was no compelling evidence of discriminatory practices influencing the base pay of part-time and full-time staff. Differentials in average total pay were influenced by the different rates of academic and support staff London Weighting. The Group noted that proportions of part-time to full-time employees declined significantly as one went higher up the grade structure. The University should ensure that staff at all grade levels were treated equally with respect to part-time working opportunities.

4.8 *Fixed-Term and Permanent Contract Staff*

- 4.8.1 The average total pay differential for staff on fixed-term (719) and permanent (1,620) contracts was 47.3% in favour of the latter. The average differential in base pay terms was effectively the same (47.5%). Average allowances favoured permanent contract staff by 15.5%.
- 4.8.2 In grading terms, with the exception of SG3 and ‘senior management’ grades, the average base pay differential was within 5% for fixed-term staff and staff on permanent contracts. The differential at SG3 favoured permanent staff by 10.63%, and favoured fixed-term contract staff by 36.3% in the ‘senior management’ grade. However, it only marginally favoured permanent staff (0.8%) when SG10/AC5 were analysed separately. With the exception of SG3, the trend favoured permanent staff up to SG9/AC4, where the differential favoured fixed-term staff by 4.42%. Significant variations existed in terms of average total pay (ranging from 11.31% in favour of permanent staff in SG3 to 30.86% in favour of fixed-term contract staff in ‘senior management’), with only SG5 and SG9/AC4 showing differentials within the 5% tolerance range. When analysed separately, the differential for SG10/AC5 was reduced to 3.3% in favour of permanent staff. Variations in allowances ranged from 31.13% in favour of fixed-term staff in SG1 (where 96% of the staff are part-time), to 45.23% in favour of permanent staff in SG7/AC2. Differentials favoured fixed term staff in SG1, SG4 and (marginally) in SG5, and permanent staff in SG3, SG6/AC1, SG7/AC2, SG8/AC3, SG9/AC4 and ‘senior management’.
- 4.8.3 The Group again concluded that there was no compelling evidence of discriminatory practices influencing the key metric of base pay of fixed-term and permanent staff. The limited term nature of fixed term appointments, and the impact this would have on long-term pay progression, was felt to explain the trend in favour of staff on permanent contracts. Differentials in terms of average total pay were influenced by the different rates of academic and support staff London Weighting.
- 4.9. *Term Time and Full Year Staff*
- 4.9.1 Figures showed there to be a 13.1% base pay differential in favour of Full Year staff (2,167) over Term Time staff (172). The differential in terms of allowances was 49.7% in favour of Term Time staff. No data was supplied to allow an analysis of grade differentials.
- 4.10. *Support Staff*
- 4.10.1 The average total pay of male and female staff across all grades within the Support Staff category showed a difference in favour of male of 5.19%, and 5.92% in terms of average base pay. The average differential for allowances favoured female by 1.15%.
- 4.10.2 The average total pay of White and BME favoured White by 12.79%, and by 16.83% in terms of average base pay. The average differential for allowances marginally favoured White (0.63%).
- 4.10.3 The limited disability data available showed significant differentials in favour of disabled staff in terms of average base pay, allowances and total pay (c12% in each case). The reservations expressed at 2.7 and 4.4 regarding the reliability of disability data for meaningful analysis apply however.
- 4.10.4 The average base pay of staff in the Support category was £24,176, approximately £10,000 below the University wide average for all staff. In age terms, the 31-40 age group earned nearest to this average (£26,838). The average base pay of staff in the age categories below this was substantially less, with the age group 21-30 having an average base pay of £19,010 (21.37% below the average). Staff in the age categories 41-50 earned 14.11% more than the base pay average, and staff in the age category 51-60 earned 12.03% more. Support staff aged 60 and over earned 8% less than the average however, a departure from the overall trend where staff aged over 60 continue to earn more than the average. The same trend manifested

itself in terms of total pay, with the average total pay figure being £27,943. Staff in the age categories 31-40, 41-50, and 51-60 earned significantly more than this (8.39%, 12.13%, and 10.31% respectively). Support staff in the age categories <21, 21-30 and >60 earned substantially less (32.75%, 17.87% and 6.19% respectively). Differentials in terms of average allowances were within 5% across all age groups.

- 4.10.5 The average base pay of Support staff rose incrementally with years of service, from 11.56% below the average of £24,176 for staff with less than six years service to 43% above the average for staff with 36-40 years service. The exception was for staff with 21-25 years service whose average base salaries were only 7.19% above the workforce average, reflecting a dip in the otherwise constant incremental trend. The same trend manifested itself with total salaries where staff with 21-25 years service earned only 7.92% above the overall total pay average of £27,943. Average allowances varied significantly by years of service, with staff with service ranges of 26-30, 31-35, and 36-40 years earning only 90%, 91% and 71% respectively of the average of £4,461. Staff with 11-15 years service earned 5.58% more than the average. Staff in age service length categories < 6, 6-10, 16-20 and 21-25 earned within 5% of the average.
- 4.10.6 Support staff on full time contracts had an average base pay of 47.45% more than their part-time colleagues, and 39.93% higher in terms of average overall pay. The difference in terms of allowances was within 5%.
- 4.10.7 Support staff on fixed-term contracts earned on average 66.67% (£17,503) of the base pay of their colleagues on permanent contracts, and 69.27% (£21,111) of their total pay. They also earned 5.47% (£4,346) less than their permanent colleagues when it came to allowances.
- 4.10.8 Support staff on full year contracts earned 9.57% more average base pay than Support staff on term time contracts, and 9.15% more in terms of total pay. The differential in terms of allowances favoured term-time staff by 1.55%.
- 4.11 *Academic Staff*
- 4.11.1 The average total pay of male and female staff across all grades within the Academic Staff category favoured male by 5.63%, and by 4.93% in terms of average base pay. The average differential in terms of allowances favoured female by 5.34%.
- 4.11.2 The average total pay of White and BME favoured White by 11.63%, and by 11.54% in terms of average base pay. The average differential in terms of allowances marginally favoured White (2.10%).
- 4.11.3 The disability data available showed small differentials in favour of staff not known to be disabled in terms of both average base pay and total pay (less than 5% in each case). The differential in terms of average allowances favoured disabled academic staff by 20.38%. The reservations expressed at 2.7 and 4.4 regarding the reliability of disability data for meaningful analysis apply however.
- 4.11.4 The average base pay of Academic staff was £41,108. The average base pay of staff in age bands 21-30 and 31-40 was substantially less, at 72.77% and 85.95% respectively. Academic staff in age band 51-60 had an average base pay of 11.71% in excess of this. Staff in the remaining age bands had average base pay within 5% of this figure. Exactly the same trend, and with only marginal differentials from the average base pay figures, manifested itself in terms of total pay. The average allowances academic staff were in receipt of was £3,123. Staff in age ranges 21-30 and 60 received substantially less than this (72.86% and 86.34% respectively) and staff in age range 51-60 substantially more (7.78%). Staff in other age ranges earned within the normal tolerance range of 5%.

- 4.11.5 The analysis of average pay by length of service showed that academic staff in service range 21-25 years earned the highest base and total pay (c.30% above the average of £41,108). Only staff with less than six years service earned below the average (c.13.5%) for both average base and total pay. Differentials in average allowances were significant in all service ranges other than for academic staff with between 31-35 years service. Again, only staff with less than six years service earned less than the average (84.28%).
- 4.11.6 The average pay of full-time academics compared to part-time academics was significantly higher across the range of pay components, ranging from a favourable differential of 29.24% for base pay, 30.49% for total pay and 69.52% for allowances.
- 4.11.7 Academic staff on fixed-term contracts earned on average 70.79% of the base pay of their colleagues on permanent contracts, and 69.74% of their total pay. They also earned 58.27% less than their permanent colleagues when it came to allowances.
- 4.11.8 Academic staff on full year contracts earned 48.14% more average base pay than Academic staff on term time contracts, and 51.23% more in terms of total pay. The differential in terms of allowances favoured permanent contract staff by 133%.

5. Conclusions

- 5.1 The Group was relatively reassured by the ‘overall picture’ the data presented. However, it did not give the assurance that there were no inequalities across the workforce or that there were not factors influencing equal pay that the University should seek to address. It acknowledged that the single most significant cause of inequality in terms of total pay were the differential rates of London Weighting.
- 5.2 The Group noted in particular the following
- i. The imbalance of male and female representation across grade levels as a factor influencing average pay.
 - ii. The trend showing that White staff received on average higher base pay than BME staff. This was without obvious explanation.
 - iii. The disproportionately low number of BME staff in senior management positions.
 - iv. The lack of adequate data to allow for meaningful analysis of potential disability inequities.
 - v. The reduction in the number of part-time staff in higher grades.
- 5.3 The Group also recommended that
- i steps should be taken to assemble data on sexual orientation and religion and belief for future equal pay audits.
 - ii Contribution awards should be made easily identifiable on the Personnel data system so as to facilitate reporting.
 - iii That given the challenges in extracting and reporting on data from the Personnel data base, that consideration be given to acquiring equal pay reporting software for future audits.

EQUAL PAY POLICY STATEMENT

The University of Greenwich is committed to the principle of equal pay for work of equal value for all its employees. It recognises that equal pay is a legal right under both domestic and European law, regardless of contractual status, age, disability, ethnicity, gender, sexual orientation, religion or belief, political affiliation, and socio-economic background. It believes that operating a fair, transparent and objective pay system sends a positive message to its employees and stakeholders, and is fundamental to sustaining organisational reputation, well-being and success.

In support of these aims the University uses the HERA (Higher Education Role Analysis) job evaluation methodology to assign jobs to grades and hence salary levels. The University's salary structure derives from the Higher Education sector's national pay framework. The University is committed to working in partnership with recognised trades unions to agree appropriate measures to tackle any unfair, unjust or unlawful practices that are identified.

Actions to implement policy

In support of its commitment to equal pay the University will:

- Undertake periodic equal pay reviews as well as monitor the impact of pay practices.
- Provide training, guidance and support for staff involved in pay and benefits decisions.
- Provide clear information to employees on pay policy and practices and how pay is determined.
- Respond to grievances on equal pay as a priority.
- Regularly review and monitor pay policies and practices in line with legislative requirements and good practice guidelines.
- Discuss and seek agreement with trades unions to any revisions and amendments to this policy and to pay practices.

Definitions

For the purposes of this policy the following definitions apply:

Pay: As defined by Article 141 of the Treaty of Rome, pay is defined as “*the ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his (or her) employment from his (or her) employer*”. Pay therefore includes pensions, discretionary bonuses and sick pay as well as other additional benefits.

Equal work: means like work or work rated as equivalent or work of equal value.

Like work: means work which is the same or broadly similar.

Work rated as equivalent: means work which has been rated as equivalent under an accredited job evaluation scheme.

Work of equal value: means work which is of broadly equal value or worth in terms of the demands of the job when compared under headings such as skill, decision-making and physical effort.

Responsibilities

Responsibility for ensuring equal pay rests ultimately with the Vice-Chancellor and Court. At an operational level, responsibility rests with the Director of Personnel.