New College Durham

**Gender Pay Reporting as at
31 March 2018**

1.   Introduction and Background

The second annual report on Gender Pay Reporting provides a breakdown of the College's gender pay gap based on the snapshot date of 31 March 2018.

The purpose of Gender Pay is to show the difference between the average earnings of men and women and the submission of this data is required on an annual basis.

As reported previously, there are six calculations that the College is required to report on. These are:

- Average gender pay gap as a mean average;
- Average gender pay gap as a median average;
- Average bonus gender pay gap as a mean average;
- Average bonus gender pay gap as a median average;
- Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment;
- Proportion of males and females when divided into four groups ordered from lowest to highest pay.

A breakdown of these specific calculations can be found at Annex A of this report.

2.   Scope of Report

- The data for this exercise has been taken from March's payroll which includes the snapshot date of 31 March 2018.

- The data includes all employees who are paid on a substantive or fixed term basis as well as College Supply Pool employees;

- For supply pool staff who do not have a regular number of weekly working hours an average of the number of hours worked over the preceding 12-week period has been taken;

- The data includes basic pay, allowances (including Market Rate Supplement (MRS) payments, shift pay premiums;

- The data does not include overtime pay, redundancy or termination payments, or non-cash benefits such as those paid through salary sacrifice;

- For the purposes of this report (as specified in the regulations) a pay period of one month equates to 30.44 days;

- The regulations create two categories of people that need to be taken into account in gender pay reporting: **relevant employees** and **relevant full-pay employees**;

  - A relevant employee is each individual job-holder employed by the College at the snapshot date (31 March 2018). This equates to a total of 697 employees of which 236 are males (33.9%) and 461 are females (66.1%).

  - A full-pay relevant employee is one who is employed by the College and is receiving "full pay" during the specified pay period. Where a member of staff is being paid less than usual rate of pay or zero (ie due to maternity, sickness) then they are not classed as a "full-pay relevant employee" for the purposes of this report. This equates to 668 employees of which 233 are males (34.9%) and 435 are females (65.1%).

3.   New College Durham Results as at 31 March 2018

3.1   The mean gender pay gap

The mean hourly rate of pay for all male full-pay relevant employees is £16.71. The mean hourly rate of pay for all female full-pay relevant employees is £14.23.

The mean gender pay gap therefore equates to 14.84%

3.2   The median gender pay gap

The median hourly rate of pay for all male full-pay relevant employees is £17.51. The median hourly rate of pay for all female full-pay relevant employees is £12.46.

The median gender pay gap therefore equates to 28.84%

When the 2018 hourly rates are contrasted to previous years we see a decline in the overall rates for both genders (Table 1).

Table 1

	2017	2018
Mean Hourly Rate (Male)	£16.92	£16.71*
Mean Hourly Rate (Female)	£14.69	£14.23*
Median Hourly Rate (Male)	£18.18	£17.51*
Median Hourly Rate (Female)	£13.52	£12.46*

*The reductions to hourly rates are linked to change in College staffing composition (eg in-sourcing domestic services, skill mix (eg introduction of tutorial support posts) and the turnover of staff).

3.3   The mean bonus gender pay gap

The College does not make bonus payments

3.4   The median bonus gender pay gap

The College does not make bonus payments

3.5   The proportion of males and females receiving a bonus payment

The College does not make bonus payments

3.6   The proportion of males and females in each quartile band

- Of the 167 relevant full-pay employees in the lower quartile, 45 are male and 122 are female. This means that 27% are male and 73% are female;

- Of the 167 relevant full-pay employees in the lower middle quartile, 45 are male and 122 are female. This means that 26.9% are male and 73.1% are female;

- Of the 167 relevant full-pay employees in the upper middle quartile, 76 are male and 91 are female. This means that 45.5% are male and 54.5% are female;

- Of the 167 relevant full-pay employees in the upper quartile, 67 are male and 100 are female. This means that 40.1% are male and 59.9% are female.

4.   Conclusion

The following table provides a comparison of the key measures of gender pay (mean and median) from 2017 and that reported this year.

	2017	2018	Variance
Mean Gender Pay Gap (%)	13.18	14.84	+1.66
Median Gender Pay Gap (%)	25.63	28.84	+3.21

The gender pay gap is defined as the difference in median pay between men and women.

The national gender pay gap is currently reported as 18.4% (calculated on a median basis) thus meaning that the College's pay gap is higher than the national average but it is important to stress that this measure does not take into account equal pay for equal work.

There is very little statistical data available at this stage (based on the 2017 data exercise) to allow us to undertake a detailed analysis particularly across the education sector. The government has detailed that they will publish comparison tables on the gender pay gap as a means of encouraging companies to do more to address pay inequality, however this data is yet to be published.

However according to the Annual Survey of Hours and Earnings (ASHE) which is based on a 1% sample of jobs taken from the HMRC PAYE records, in 2015 the median gender pay gap within the Education sector was 25.3% and in 2016 stood at 26.7% (*Source: Office of National Statistics website*). The latest report based on 2017 data is unfortunately not due to be published until November 2018.

Governors will recognise in the 2017 report that we highlighted that the gender pay gap would likely increase due to the fact that we were due to transfer the cleaning contract in-house. The Cleaning staff were all female and paid on national minimum rates of pay. The College at transfer increased the rate of pay by 11% (to align pay rates with College salaries) but the nature of this role the pay is still at the lower end of the College's agreed pay scales (as determined by the College's JE system).

The make-up of staffing within the College has not changed significantly in the last year in terms of the male/female ratio. The College still employs a higher proportion of female than male staff with more men occupying senior roles within the organisation and part-time opportunities largely being filled by women. It is worth noting that 56% of the female workforce are employed on a part-time basis, compared to only 33% of men undertaking part-time work.

What is fundamental and is key to note is that the College's pay and grading structure is determined by Job Evaluation and not driven by gender.

The construct of calculating an organisation average salary per gender, does not advance the analysis of equal pay for equal value, it is two averages which simply provides for headline figures. Indeed on the same set of data women form 59.9% of the higher paid quartile – the issue appears to be that too many women form the majority of staff in the lower and lower middle quartile – many of these post are recruited via external advert and the posts grades are determined by job evaluation process. The College has invested considerable efforts over the last 15 years to develop:-

- Pay Policy;
- Harmonised terms and conditions of employment;
- Analytical Job Evaluation;
- Flexible working Policy;
- Recruitment and Selection.

These policies/processes allow for flexible working arrangements which attract individuals who have considerable responsibilities outside work, and allows for retention of staff whose external responsibilities (eg child care) grow over their employment. We recognise overall that the average salary of males at higher that those than female at New College Durham, but we recruit for all posts on merit, and often via an open external competition. We will continue to develop relevant staff in leadership/management skill with our ongoing

investment in staff training. But fundamentally, if any individual perceive that their role is not graded correctly we have a comprehensive process to allow us to consider such matters via an analytical job evaluation process.

5.   Recommendation

The Strategy and Resources Committee is asked to note the contents of this report and provide approval for the data detailed above to be published in line with our legal reporting obligations.

Karl Fairley
Director of Human Resources and Corporate Services

Calculations

The calculations that have been utilised for this exercise are in accordance with those published in the regulations.

1.   The mean gender pay gap

This calculation shows the difference between the mean hourly rate of pay that male and female full-pay relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the mean hourly rate of pay of all male full-pay relevant employees

B is the mean hourly rate of pay of all female full-pay relevant employees

The result is expressed as a percentage

2.   The median gender pay gap

This calculation shows the difference between the median hourly rate of pay that male and female full-pay relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the median hourly rate of pay of all male full-pay relevant employees

B is the median hourly rate of pay of all female full-pay relevant employees

The result is expressed as a percentage

3. The mean bonus gender pay gap

This calculation shows the difference between the mean bonus pay that male and female relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the mean bonus pay of all male relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

B is the mean bonus pay of all female relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

Female and male relevant employees who were not paid bonus pay during the 12-month period ending with the snapshot data are not included.

The result is expressed as a percentage.

4. The median bonus gender pay gap

This calculation shows the difference between the median bonus pay that male and female relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the median bonus pay of all male relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

B is the median bonus pay of all female relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

Female and male relevant employees who were not paid bonus pay during the 12-month period ending with the snapshot data are not included.

The result is expressed as a percentage.

5. The proportion of males and females receiving a bonus payment

These calculations show the proportion of male relevant employees who were paid any amount of bonus pay, and the proportion of female relevant employees who were paid any amount of bonus pay.

The first part of the calculation is:

$$\frac{A}{B} \times 100$$

A is the number of male relevant employees who were paid bonus pay during the 12-month period ending with the snapshot data.

B is the number of male relevant employees

The second part of the calculation is:

$$\frac{C}{D} \times 100$$

C is the number of relevant female employees who were paid bonus pay during the 12-month period ending with the snapshot data.

D is the number of female relevant employees

6. **The proportion of males and females in each quartile band**

This calculation shows the proportions of male and female full-pay relevant employees in four quartile pay bands, which is done by dividing the workforce into four equal parts.

The calculations used are:

Part 1

$$\frac{A}{C} \times 100$$

Part 2

$$\frac{B}{C} \times 100$$

A is the number of male full-pay relevant employees in the quartile

B is the number of female full-pay relevant employees in the quartile

C is the total number of employees in the quartile