

New College Durham

Human Resources Department

Strategy & Resources Committee

Equal Pay Audit

1. Introduction

The College is committed to the principle of “equal pay for work of equal value” and recognises that we should operate a pay system that is transparent, free from bias and is based on objective criteria.

In support of this principle the College has:

- A Pay Policy, agreed with the College’s recognised Trade Unions;
- Job Evaluation Systems (see section 3)

In support of the above, the College recognise that the Equality Act 2010 confers that employers publish information such as gender pay reporting data. Although there is no obligation as part of this duty to conduct an Equal Pay Audit, the College recognise that such an analysis is important in provide the background to review current practices.

In 2014 the College undertook a Job Evaluation review exercise, in line with best practice/ACAS guidance as a means of ensuring that our system and associated processes were non-discriminatory. The purpose of this audit is to monitor and review pay changes that occurred as a result of the exercise and to ensure that the system continues to be free from bias.

2. What is an Equal Pay Audit?

The Equality and Human Rights Commission (EHRC) details that an equal pay audit “involves comparing the pay of protected groups who are doing equal work in your organisation, investigating the causes of any pay gaps by gender, ethnicity, disability or working pattern and planning to close any gaps that cannot be justified on grounds other than one of those characteristics”

The EHRC provides a recommended model for carrying out an equal pay audit. The five step approach is detailed as follows:

1. Deciding the scope of the audit and identifying the data required
2. Identifying where employees in protected groups are doing equal work

3. Collecting and comparing pay data to identify any significant equal pay gaps
4. Establishing the causes of any significant pay gaps and deciding whether these are free from discrimination
5. Developing an equal pay action plan and continuing to audit and monitor pay

The following definitions are used by the EHRC to define “equal work” and have been considered throughout when undertaking this audit:

- ‘Like Work’ means where men and women are doing the same or broadly similar work;
- ‘Work rated as equivalent’ means where men and women have had their jobs rated as equivalent under an analytical job evaluation scheme;
- ‘Work of equal value’ means work that is different but which is of equal terms of the demands of the job.

3. Job Evaluation Schemes

The College currently uses two analytical Job Evaluation Schemes:

3.1 Job Evaluation Scheme for Managerial* and Support posts

The College uses the Gauge Job Evaluation Scheme to evaluate managerial* and support posts. Any new Managerial* and Support posts established by the College are evaluated under this scheme.

(*excluding those posts detailed in 3.2 below)

3.2 Job Evaluation Scheme to evaluate Senior Post Holders/Managerial Posts on the Senior Executive Group

The College uses HAY Job Evaluation Scheme to evaluate all Senior Post Holders/Managerial Posts that form part of the College’s Senior Executive Group. Any new Senior Post Holder/Managerial Post that is included on the Senior Executive Group will be evaluated under this scheme.

3.3 Academic Posts

Academic posts are reflective both of the needs of the College and those key recommendations detailed in the Modernising Pay Arrangements of 2006.

Although the College uses analytical job evaluation schemes the audit is a means of ensuring that the scheme has been designed and implemented in such a way as not to discriminate on the grounds of sex.

4. Scope of Audit

- The audit seeks to compare the average basic pay and the total gross pay of men and women in each pay band (ie equal work).
- The data used for this exercise in respect of **basic pay** analysis was taken from the HR/Payroll system (SFP) on 28 September 2015.
- The data used for this exercise in respect of **gross pay** is based on 12 months gross pay received for the period 01 August 2014 to 31 July 2015.
- To ensure comparisons are consistent, when calculating average basic and gross pay this is based on a full-time equivalent salary.
- The analysis has not included casual or agency staff
- The analysis does not include SEG members (those posts evaluated using the HAY methodology)
- Following a job evaluation review exercise that took place in 2014, a number of staff now receive protected pay (in accordance with the terms of the College's Redeployment and Redundancy procedure) where the outcome of the JE resulted in a lower salary range for the post. For these individuals they have been analysed against the posts actual payscale and not the scale that they are protected on. In some cases this may be a reason for a higher than average pay gap.
- The audit further includes some analysis across all protected characteristics, although the main focus is on gender pay reporting.

5. Payscales

5.1 Managerial and Support Pay Scales

The College has an established set of grades and scale points for College Managerial and Support posts.

Normally a grade comprises of three scale points. However in exceptional cases the College may decrease the number of scale points within an

established grade, for example grade A has one scale point following the removal of the two lower scale points to respond positively to the College's commitment to the Living Wage Campaign.

When appointed to a Managerial and Support post, an employee will normally commence at the bottom scale point for the grade and receive an annual incremental pay rise on 1st August until they reach the top scale point of the grade.

In order to qualify for such an increment an employee must have a minimum of 6 months continuous service in post. Where employment in post commenced after 1 February the incremental progression will not be paid in the August of the year they took up post.

Where an employee has been paid a higher salary at a previous organisation, immediately prior to taking up post at the College, the College may consider appointing on a higher scale point, subject to approval by the Director of Human Resources and Corporate Services.

5.2 Academic Pay Scales

The College has an established set of grades and scale points for College Academic posts.

For staff appointed to an academic post within the 'Teaching and Training' pay scale (TT01-TT07) the HR Department undertakes a salary assessment to determine the appropriate starting salary. The salary assessment methodology takes into account previous experience and qualifications detailed for the role.

Where an employee has been paid a higher salary at a previous organisation immediately prior to taking up post at the College, the College may consider appointing them to a higher scale point, within the agreed grade for the post. This is subject to the approval of the Director of Human Resources and Corporate Services

Where an appointment is made to an academic post within the 'Advanced Teaching' pay scale (AT01- AT03), an individual will normally be appointed to the bottom scale point of that pay scale. Where an employee has been paid a higher salary at a previous organisation, immediately prior to taking up post at the College, the College may consider appointing on a higher scale point, subject to approval by the Director of Human Resources and Corporate Services.

A single increment is normally payable on 1 August each year, until the maximum of the pay scale is reached. In order to qualify for such an increment, there is a requirement for a minimum of six months continuous service after date of commencement of employment. Where employment in the post commences after 1 February the incremental progression will not be paid in the August of the year the employment commenced.

Both Academic Pay Scales include one discretionary scale point (TT08 and AT04). Progression to these discretionary points is not achieved by incremental progression. These discretionary scale points are used for post(s) that have identified additional responsibilities.

6. Data Analysis

The data used for this exercise in respect of basic pay analysis was taken from the HR/Payroll system on 28 September 2015. The following table provides a summary of key data used as part of this analysis:

	All Employees
Salary Range	£5266.96 - £54,290
Males	198 (35.23 %)
Females	364 (64.77%)
Average Pay (all staff)	£26,851.36
Average Pay (all females)	£26,781.73
Average Pay (all males)	£29,214.61

The following tables provides a breakdown of male and female staff by each contract group:

	Male	Female	Total
Academic	100	141	241
Curriculum Support	44	162	206
Curriculum Management	11	12	23
Corporate Support	38	39	77
Corporate Management	5	10	15

A number of employees have two or more posts, often at different grades, and these have been analysed separately. The totals do not therefore correlate directly with the numbers of actual employees within the organisation.

For the purpose of this report, an analysis has been undertaken, firstly in respect of 'basic pay' and secondly 'gross pay'. Basic pay relates to the grade/scale that is determined as a result of either job evaluation or for academic appointments via a salary assessment. Gross pay includes all pay allowances including shift allowances, Market Rate Supplement (MRS) payments and honorarium payments. It does not include travel and subsistence reimbursements.

To calculate a gender pay gap the following calculation is used:

$$\text{Gender pay gap} = \frac{\text{Average (mean) male salary} - \text{Average female salary}}{\text{Average male salary}} \times 100\%$$

The figure is shown as a negative percentage if the calculation demonstrates that female staff have a higher average pay than male staff.

The Equality and Human Rights Commission (EHRC), details significant differences between the average basic pay or average total earnings of men and women performing equal work to be a difference of 5% or more and are therefore worthy of further investigation.

5.1 Basic Pay Analysis

5.1.2 Support Staff

Table 1: Basic Pay Analysis of Support Grades (A-H), including National Minimum Wage rates

Grade	Female Count	Male Count	Total	% Female	% Male	Mean average pay of females	Mean average pay of males	Pay Gap	In favour of
A	2	1	3	67	33	15888	15888	0%	Neutral
B	48	17	65	74	26	16525.29	16408	-0.715%	Female
C	35	18	53	66	34	17753.06	17807.17	0.304%	Male
D	34	3	37	92	8	20213.26	20213.26	1.34%	Male
E	40	21	61	66	34	22289.4	22464.76	0.78%	Male
F	15	5	20	75	25	25087.94	24896.4	-0.77%	Female
G	12	4	16	75	25	27601.67	27601.67	-0.26%	Female
H	8	6	14	57	43	29783.25	29783.25	0.26%	Male
MAPP	5	5	10	50	50	5266.96	5266.96	0%	Neutral
NMW	2	2	4	50	50	11218.83	11218.83	0%	Neutral
Total	201	82	283			191511.12	191790.6	0.15%	Male

The analysis detailed in Table 1 does not show any significant pay gaps that would need further investigation in line with EHRC guidance.

5.1.3 Academic Staff

The following table provides a breakdown of academic staff (by male and female) and their associated salary spinal point:

Table 2: Academic staff, current spinal point

Scale Point	Female Count	Male Count	Total	% Female	% Male
TT01	3	1	4	75	25
TT02	5	1	6	83	17
TT03	6	4	10	60	40
TT04	3	5	8	38	63
TT05	15	6	21	71	29
TT06	7	5	12	58	42
TT07	81	63	144	57	43
LEC	0	1	1	0	100
SLEC	1	1	2	50	50
TT08	1	0	1	100	0
AT01	2	1	3	66.7	33.3
AT02	5	1	6	83.3	16.7
AT03	12	11	23	52	48
AT04	0	0	0	0	0

Table 3: Basic Pay Analysis of Academic Pay Scales

Scale	Mean average pay of females	Mean average pay of males	Pay Gap	In favour of
Academic	33,090.39	33,465.19	1.12%	Male
Advanced Teaching	40,073	40,466.92	1.58%	Male

In terms of the above TT08 has been included within the analysis, however appointment to this scale point clearly attributes additional responsibilities that extend beyond lecturing and therefore could not be deemed to be 'like work. If taken out the average pay of females would drop to £33,058.83 which slightly increases the Pay Gap to 1.21%.

Currently no staff are appointed on the salary scale of AT04.

The analysis detailed in Table 3 does not show any significant pay gaps that would need further investigation in line with EHRC guidance.

Academic Starting Point

An analysis has been undertaken of the starting salary point academic staff have been appointed to, based on the outcome of a salary assessment. This data is based on

appointments made within the last five years. This information is presented in the table below:

Table 4: Analysis of academic starting point for commencements within last 5 years

Scale Point	Female (%)	Male (%)
TT01	14 (18.2%)	4 (8.7%)
TT02	6 (7.8%)	7 (15.2%)
TT03	5 (6.5%)	5 (10.9%)
TT04	24 (31.2%)	6 (13%)
TT05	4 (5.2%)	6 (13%)
TT06	6 (7.8%)	2 (4.3%)
TT07	18 (23.4%)	16 (34.8%)
TT08	0	0
Total	77	46

The salary assessment methodology is based on qualifications (notably a teaching qualification) and previous experience that is relevant to the role. For every 2 full years of relevant work experience 1 point is awarded, of which 3 points is the maximum that can be awarded for this element.

The analysis shows that a larger proportion of female staff than male staff are appointed on the bottom of the teaching scale (TT01). This in part may be due to the fact that a higher proportion of female staff tend to be employed on a fractional/part-time basis whilst managing childcare responsibilities. Given that the calculation is based on full-time hours (1 FTE), a female member of staff that may have the same number of years' experience as her male counterpart but works less than part-time (ie less than 37 hours per week) may be disadvantaged under the current methodology.

As a result of these findings further investigation has shown that the methodology is applied equally and fairly to all teaching staff regardless of their sex. Where staff are appointed on the bottom of the pay-scale this in the main is attributed to the individual having minimal relevant experience.

Where staff are appointed beyond TT04 this is generally as a result of the College matching staff's current salaries. As a result it could be argued that the College is simply replicating external bias. The College could therefore move to an incremental based approach where all staff are appointed on the bottom of the pay-scale, however we know that this would restrict the College's ability to attract and recruit suitable candidates.

5.1.4 Management Staff

Table 5: Basic Pay Analysis of Management Pay Scales

Pay Scale	Female Count	Male Count	Total	% F	% M	Mean average pay of females	Mean average pay of males	Pay Gap	In favour of
MS00-01	3	2	5	60	40	35017	35573.5	1.56%	Male
MS00-02	2	0	2	100	0	36130	0	No comparator	
MS01-03	1	0	1	100	0	37238	0	No comparator	
MS02-04	3	1	4	75	25	38345.67	37238	2.97%	Female
MS03-05	4	4	8	50	50	40011.5	41241.75	2.98%	Male
MS04-06	0	0	0	0	0	0	0		
MS05-07	0	3	3	0	100	0	41678	No comparator	
MS06-08	1	0	1	100	0	42792	0	No comparator	
MS07-09	2	0	2	100	0	45260.5	0	No comparator	
MS08-10	0	0	0	0	0	0	0		
MS09-11	2	2	4	50	50	45103	45103	0%	Equal
MS10-12	1	0	1	100	0	47729	0	No comparator	
MS11-13	0	1	1	0	100	0	51667	No comparator	
MS12-14	0	0	0	0	0	0	0		
MS13-15	3	3	6	50	50	51667	52541.33	1.66%	Male
MS14-16	0	0	0	0	0	0	0		
MS15-17	0	0	0	0	0	0	0		

The analysis detailed in Table 5 does not show any significant pay gaps that would need further investigation in line with EHRC guidance.

5.2 Gross Pay Analysis

5.2.1 Support Staff

Table 6: Gross Pay Analysis of Support Grades (A-H), including NMW rates

Grade	Mean average pay of females	Mean average pay of males	% Pay Gap	In favour of
A	15888	15888	0%	Neutral
B	16593.63	17330.66	4.25%	Male
C	17945.2	18472.99	2.86%	Male
D	20218.42	21145.73	4.39%	Male
E	22491.24	23158.45	2.88%	Male
F	25280.88	25352.34	0.28%	Male
G	27601.67	28227.25	2.22%	Male
H	29805.13	29860.67	0.19%	Male
MAPP	5273.1	5266.96	-0.12%	Female
NMW	11259.79	11218.83	-0.37%	Female

The analysis detailed in Table 6 does not show any significant pay gaps that would need further investigation in line with EHRC guidance. However there are two pay grades that demonstrate a higher pay gap than what has been presented thus far. The reasons for these can be detailed as:

- Support Grade B (4.25% pay gap) – this is due to Security Officer Posts within this band that attract a shift allowance due to the pattern of work, and also the fact that all Security Officers are trained first aiders, thus receive a First Aider Allowance accordingly. Although these allowances are applied equally to both male and female staff, the majority of Security Officer posts are currently held by male staff.
- Support Grade D (4.39% pay gap) – the increase within this band is solely due to the fact that the Security Co-ordinator posts sits within this banding and similar to that detailed above, attracts both First Aider and shift allowances. This post is currently occupied by a male employee.

5.2.2 Academic Staff

Table 7: Gross Pay Analysis of Academic Pay-Scales

Scale	Mean average pay of females	Mean average pay of males	Pay Gap	In favour of
Academic	33,180.10	33,813.95	1.87%	Male
Advanced Teaching	40,336.16	40,774.62	1.08%	Male

Within the College there are a number of posts that are deemed to be “hard-to fill” posts and where a post has been advertised more than once

The analysis detailed in Table 7 does not show any significant pay gaps that would need further investigation in line with EHRC guidance.

5.2.3 Management Staff

No additional payments have been made to staff within a management role, hence no analysis is presented.

5.3 Pay Gaps by Protected Characteristics

The requirements of the Equality Act places a strong focus on ensuring that men and women are paid the same where they are performing equal work. However that right extends across all protected groups to ensure that any pay gaps are not attributed to a specific protected characteristic.

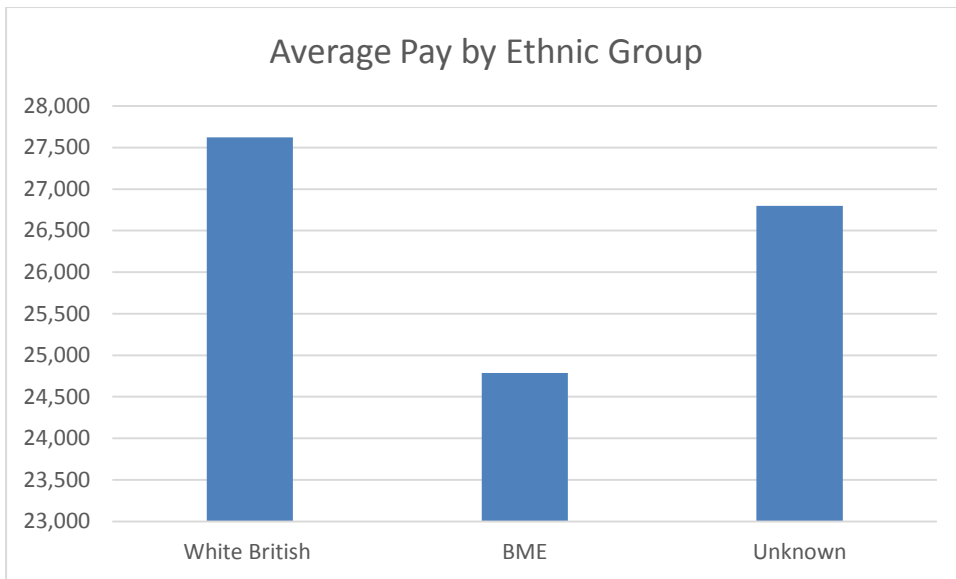
The numbers reported within the following section are based on data that has been disclosed against each of the remaining protected characteristics. Although the College operates an Employee Self Service facility it is fully reliant on the individual updating their own personal information. The College's HR department continues to encourage staff to disclose such information through greater promotion of the employee self-service facility and this work will continue.

5.3.1 Ethnicity

The College's ethnic profile is 96.6% 'White British'. This is consistent with the ethnic profile of the region.

As a result the data is not sufficiently robust to allow for detailed analysis

The following however, provides an overview of the average pay of all staff by ethnic group.

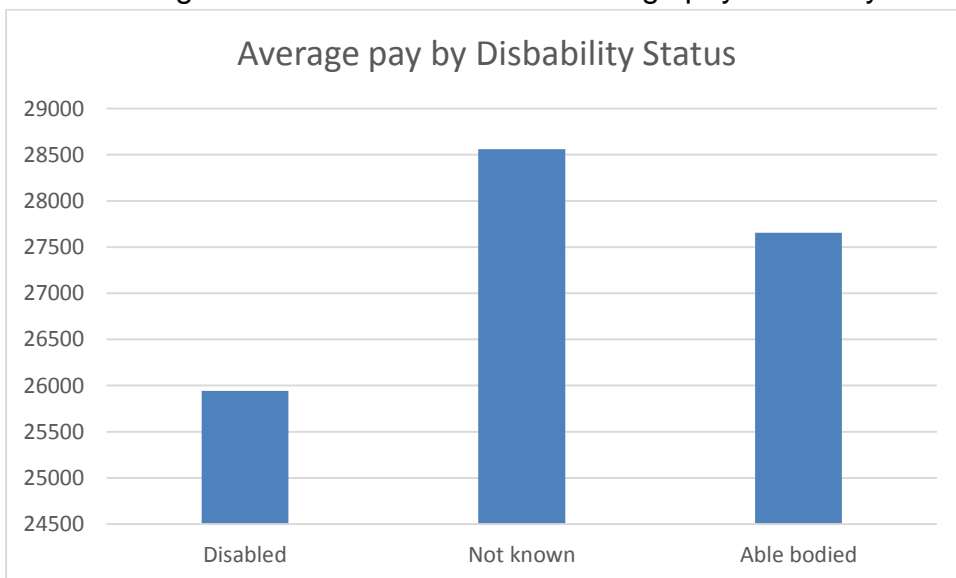


5.3.2 Disability

Approximately 3% of staff have declared themselves as having a disability and a further 3% of staff are reported as either 'unknown' or 'prefer not to say'.

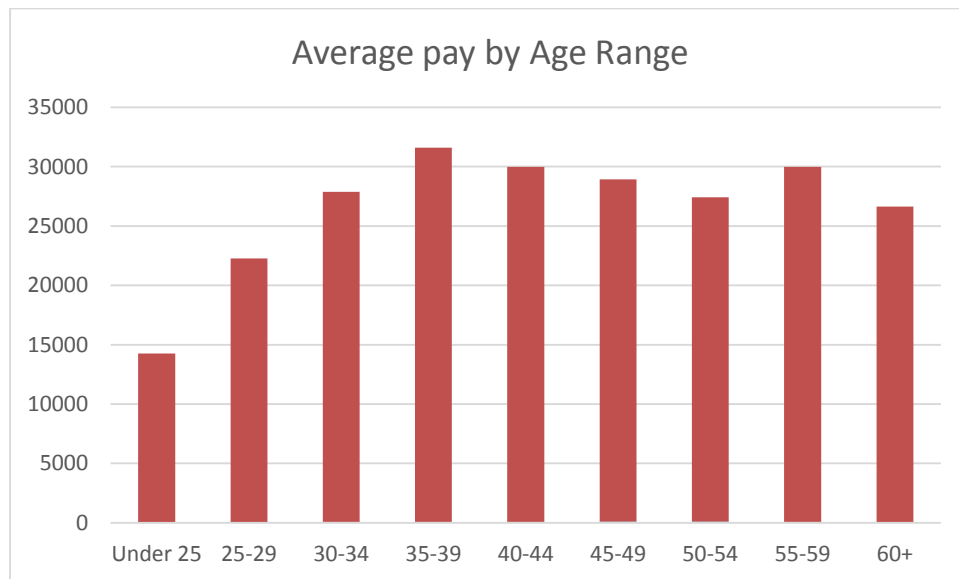
As a result the data is not sufficiently robust to allow for detailed analysis

The following chart however details the average pay of staff by disability status.



5.3.3 Age

The following chart details the average pay across the various age ranges.



Analysis of pay rates for different age ranges within the College shows that the average pay rate for staff is greatest in the 35-39 age range. The pay rate appears to drop slightly for the 60+ age range but when considered in relation to the headcount within this age range (24) it makes up the smallest proportion of staff that the College employs.

The College employs a number of apprentices who largely fall into the under 25 category. The pay of these individuals is determined nationally and sit outside of the College's pay and grading structure (as determined by the job evaluation process). If the apprentices were not included within the analysis the average pay of this group would increase to £18,017.

Furthermore, as part of the salary assessment process for academic staff the number of years' experience is used as one factor for determining an individual's starting pay. Clearly where such individuals have limited experience within the teaching profession their starting salary is lower than that of an individual that has significantly more years' experience. This in part could attribute to the average salary being marginally lower for the 16-34 age range.

5.3.4 Sexual Orientation

Where sexual orientation has been indicated 43% of staff report themselves as being 'heterosexual'. However there still remains a large percentage of staff where this data is recorded as either "unknown" or prefer not to say".

As a result the data is not sufficiently robust to allow for detailed analysis

5.3.5 Religion or Belief

The trend in relation to staff demonstrating a willingness to disclose their religion /belief appears to continue, however this remains a small percentage in terms of the total number of staff employed. From those willing to disclose their religion or belief, the highest percentage is for 26%. However, 58% of staff have made no disclosure.

As a result the data is not sufficiently robust to allow for detailed analysis

5.3.6 Marriage and Civil Partnership

The College does not actively monitor data in terms of Marriage and Civil Partnership. However the College is committed to the development of positive policies and practices to promote equal opportunities. Currently 49% of the College's workforce have stated that they are married and 2 staff have identified themselves as a having a civil partnership.

As a result the data is not sufficiently robust to allow for detailed analysis

5.3.7 Gender Reassignment

We currently do not collect this data, however we are in the process of making changes to our application form to allow us to report on such information in the future.

5.3.9 Pregnancy and Maternity

Regulations came into force on 01 December 2014 regarding shared parental leave. Shared parental leave provides parents with the greater flexibility in determining care arrangements for their child. To date no requests have been made under this scheme, although the pay entitlement associated with such leave is applied equally regardless of sex.

Conclusion

The analysis of both basic pay and gross pay have not identified any significant gaps. When analysing gross pay there are two pay bands where the pay gap is close to what is deemed a "significant" pay gap of 5%. Where further investigation has taken place it has shown that the pay difference in the main relates to the payment of shift allowances and the higher proportion of male workers within these

roles. However the application of these allowances has been proven to be applied equally and consistently to both male and female workers.

Recommendations

The Strategy and Resources Committee is asked to note the contents of this report.

Furthermore it is recommended that:

1. The College carries out a regular equal pay audit every three years in line with the Equality, Diversity and Inclusion scheme to ensure it continues to fulfil its obligations under the Equality Duty in respect of Equal Pay.
2. The College seeks to review the current salary assessment methodology applied to Academic posts.

Karl Fairley

Director of Human Resources and Corporate Services