

New College Durham
Human Resources Department
Strategy & Resources Committee
Equal Pay Audit 2019

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.

The College last undertook an equal pay audit in 2015 and it was agreed at the Strategy and Resources Committee meeting in November 2015 that the College would seek to undertake regular audits, which we propose to conduct every four years, unless any specific concerns emerges which would prompt reconsideration of this timeframe.

The data presented in this report represents the College’s second audit.

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 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. Equal Pay vs Gender Reporting

Whilst equal pay deals with the differences between men and women who carry out the same jobs, similar jobs or work of equal value, gender pay gap shows the differences in the average pay between men and women.

The Strategy and Resources Committee will be aware that the College have a legal duty under the Equality Act 2010 to report on gender pay and we have done so over the last two years.

It is noted that there is no legal requirement for the College to undertake an equal pay audit, however there is a strong emphasis placed on such a practice under the public sector duty. Similarly undertaking regular audits ensures that the College continues to monitor and implement fair pay systems.

4. College Payscales

4.1 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.

4.2 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.

Copies of the College Pay Scales are available on the College intranet.

5. 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 12 November 2018.
- The data used for this exercise in respect of **gross pay** is based on 12 months gross pay received for the period 01 August 2017 to 31 July 2018.
- 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) and considered separately by the Remuneration Committee of the Corporation.
- The audit further includes some analysis across all protected characteristics, although the main focus is on gender pay reporting.

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, regular overtime 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.

6. Organisational Gender Distribution

The current gender distribution in the College is 67.7% female and 32.3% male. This differs very slightly from the 2015 audit with a split of 64.8% female and 35.2% male.

| | All Employees |
|----------------------------------|----------------------|
| Salary Range | £7,138.38 - £58,623 |
| Males | 186 (32.3%) |
| Females | 389 (67.7%) |
| Average Pay (all staff) | £28,265.09 |
| Average Pay (all females) | £26,945.97 |
| Average Pay (all males) | £31,023.91 |

The breakdown of current staff by full and part time roles is detailed in the table below with the vast majority of roles continuing to be undertaken by female staff.

| Gender | Full Time | Part Time |
|---------------|------------------|------------------|
| Male | 150 | 36 |
| Female | 192 | 197 |

It is important to note that a number of employees have two or more posts, often paid at different grades, thus they have been analysed separately for the purposes of this report. The totals detailed above therefore do not correlate directly with the number of actual employees within the organisation.

The following table provides a breakdown of male and female staff by each contract group.

| | Male | Female |
|------------------------------|-------------|---------------|
| Academic | 97 | 123 |
| Curriculum Support | 39 | 172 |
| Curriculum Management | 7 | 15 |
| Corporate Support | 37 | 66 |
| Corporate Management | 6 | 13 |

7. Basic Pay Analysis

6.1 Support Staff

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

| Grade | Male Count | Male (average) | Female Count | Female (average) | Pay Gap % | In favour of |
|-----------------------------|------------|----------------|--------------|------------------|-----------|--------------|
| Support Grade A | 1 | £16,667 | 16 | £16,667 | 0 | Neutral |
| Support Grade B | 11 | £17,375 | 43 | £17,258.44 | 0.67 | Male |
| Support Grade C | 18 | £18,591.33 | 35 | £18,330.69 | 1.40 | Male |
| Support Grade D | 2 | £20,527 | 43 | £20,356.91 | 0.83 | Male |
| Support Grade E | 24 | £22,929.67 | 52 | £22,965.58 | -0.16 | Female |
| Support Grade F | 6 | £25,408.17 | 18 | £25,652.61 | -0.96 | Female |
| Support Grade G | 3 | £28,509.67 | 15 | £28,035.53 | 1.66 | Male |
| Support Grade H | 6 | £30,943.50 | 9 | £30,885.33 | 0.16 | Male |
| Modern Apprentice (MAPP) | 2 | £7,138.88 | 5 | £7,138.88 | 0 | Neutral |
| National Minimum Wage (NMW) | 3 | £12,334.6 | 2 | £12,810.49 | -3.86 | Female |

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

The largest pay gap for support grades actually lies with NMW rates where the rate of pay is determined by age. The posts that occupy these rates of pay are apprentices engaged on an apprenticeship framework. The hourly rate for this group ranges from £5.90 per hour (for workers aged 18-20) and £7.83 per hour (for workers aged 25 and over).

Table 2: Basic Pay Comparison for Support Staff from 2015 (when last audit was undertaken) to 2018

| Grade | 2014 | In Favour of | 2018 | In Favour of |
|-----------------|-------|--------------|-------|--------------|
| Support Grade A | 0 | Neutral | 0 | Neutral |
| Support Grade B | -0.72 | Female | 0.67 | Male |
| Support Grade C | 0.30 | Male | 1.4 | Male |
| Support Grade D | 1.34 | Male | 0.83 | Male |
| Support Grade E | 0.78 | Male | -0.16 | Female |
| Support Grade F | -0.77 | Female | -0.96 | Female |
| Support Grade G | -0.26 | Female | 1.66 | Male |
| Support Grade H | 0.26 | Male | 0.16 | Male |
| MAPP | 0 | Neutral | 0 | Neutral |
| NMW | 0 | Neutral | -3.86 | Female |

The EHRC states that “as a general rule, any recurring differences of 3% or more merit further investigation”. As the above table shows this is not the case at New College Durham therefore no further investigation is needed.

6.2 Academic Staff

The following table provides a breakdown of academic staff (by male and female) and their associated spinal points.

Table 3: Breakdown of Academic Staff by spinal point

| Academic Pay Point | Male Count | Female Count |
|--------------------|------------|--------------|
| TT01 | 1 | 3 |
| TT02 | 0 | 1 |
| TT03 | 2 | 5 |
| TT04 | 1 | 13 |
| TT05 | 1 | 9 |
| TT06 | 9 | 8 |
| TT07 | 66 | 66 |
| TT08 | 1 | 2 |
| Lecturer Grade | 1 | 0 |
| SLEC | 1 | 0 |
| AT01 | 2 | 1 |
| AT02 | 1 | 1 |
| AT03 | 10 | 12 |
| AT04 | 0 | 2 |

Table 4: Basic Pay Analysis of Academic Pay-Scales

| Scale | Male (average) | Female (average) | Pay Gap | In favour of |
|--------------------------------|----------------|------------------|---------|--------------|
| Teaching & Training | £35,277.44 | £33,940.72 | 3.79 | Male |
| Advanced Teaching | £41,464.46 | £41,845.88 | -0.92 | Female |

Table 5: Basic Pay Comparison for Academic Staff from 2015 (when last audit was undertaken) to 2018

| Grade | 2014 | In Favour of | 2018 | In favour of |
|--------------------------------|------|--------------|-------|--------------|
| Teaching & Training | 1.12 | Male | 3.79 | Male |
| Advanced Teaching | 1.58 | Male | -0.92 | Female |

Although the analysis detailed in Table 4 does not show any significant pay gaps that would need further investigation in line with EHRC guidance it is noted that the pay gap has increased (as detailed in Table 5) within the 'Teaching and Training' payscale in favour of males. This can be attributed to the growth within the Technology provision which still continues to attract a larger number of male applicants, from occupations which pay towards the upper points of our salary scales and we need to match or better salaries to attract candidates.

Table 6: Analysis of academic starting point commencements within the last 4 years

| Scale Point | Male | Female |
|-------------|-----------|------------|
| TT01 | 3 (9.4%) | 7 (12.3%) |
| TT02 | 1 (3.1%) | 4 (7%) |
| TT03 | 3 (9.4%) | 2 (3.5%) |
| TT04 | 6 (18.8%) | 26 (45.6%) |
| TT05 | 0 | 4 (7%) |
| TT06 | 4 (12.5%) | 3 (5.3%) |

| | | |
|--------------|------------|------------|
| TT07 | 15 (46.9%) | 11 (19.3%) |
| Total | 32 | 57 |

Table 6 demonstrates that there are still more males being appointed to the top of the scale, however 11 of the 15 male appointments made at TT07 (top of the lecturing payscale) were made within the School of Technology, which is still an area which draws its applicants from working environments which are traditionally heavily male dominated. There is a significant national skills shortage of such staff which results in them commanding high salaries within the recruitment market.

6.3 Management Staff

Table 7: Basic Pay Analysis of Management Pay Scales

| Scale | Male Count | Male (average) | Female Count | Female (average) | Pay Gap | In Favour of |
|---------|------------|----------------|--------------|------------------|---------------|--------------|
| MS00-01 | 0 | n/a | 5 | £36,074 | No Comparator | |
| MS00-02 | 2 | £37,221 | 3 | £36,456.33 | 2.05 | Male |
| MS01-03 | 0 | n/a | 1 | £38,362 | No Comparator | |
| MS02-04 | 1 | £39,501 | 2 | £39,501 | 0 | Neutral |
| MS03-05 | 1 | £40,648 | 2 | £40,648 | 0 | Neutral |
| MS04-06 | 0 | n/a | 0 | n/a | No Comparator | |
| MS05-07 | 1 | £42,040 | 2 | £42,488.5 | -1.07 | Female |
| MS06-08 | 1 | £42,937 | 4 | £43,225.5 | -0.67 | Female |
| MS07-09 | 1 | £45,221 | 0 | n/a | No Comparator | |
| MS08-10 | 0 | n/a | 1 | £46,465 | No Comparator | |
| MS09-11 | 0 | n/a | 1 | £46,465 | No Comparator | |
| MS10-12 | 2 | £49,170 | 3 | £49,170 | 0 | Neutral |
| MS11-13 | 0 | 0 | 0 | 0 | | |
| MS12-14 | 0 | 0 | 0 | 0 | | |
| MS13-15 | 1 | £53,225 | 1 | £53,225 | 0 | Neutral |
| MS14-16 | 0 | 0 | 0 | 0 | | |
| MS15-17 | 0 | 0 | 0 | 0 | | |
| MS16-18 | 0 | 0 | 0 | 0 | | |
| MS17-20 | 3 | £56,827.67 | 3 | £56,827.67 | 0 | Neutral |

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

Table 8: Basic Pay Comparison for Management Staff from 2015 (when last audit was undertaken) to 2018

| Scale | 2014 | In Favour of | 2018 | In Favour of |
|---------|-------|---------------|-------|---------------|
| MS00-01 | 1.56 | Male | n/a | No Comparator |
| MS00-02 | n/a | No Comparator | 2.05 | Male |
| MS01-03 | n/a | No Comparator | n/a | No Comparator |
| MS02-04 | -2.97 | Female | 0 | Neutral |
| MS03-05 | 2.98 | Male | 0 | Neutral |
| MS04-06 | n/a | n/a | n/a | n/a |
| MS05-07 | n/a | No Comparator | -1.07 | Female |
| MS06-08 | n/a | No Comparator | -0.67 | Female |
| MS07-09 | n/a | No Comparator | n/a | No Comparator |
| MS08-10 | n/a | n/a | n/a | No Comparator |
| MS09-11 | 0 | Neutral | n/a | No Comparator |
| MS10-12 | n/a | No Comparator | 0 | Neutral |
| MS11-13 | n/a | No Comparator | n/a | n/a |
| MS12-14 | n/a | n/a | n/a | n/a |
| MS13-15 | 1.66 | Male | 0 | Neutral |
| MS14-16 | n/a | n/a | n/a | n/a |
| MS15-17 | n/a | n/a | n/a | n/a |
| MS16-18 | n/a | n/a | n/a | n/a |
| MS17-20 | n/a | n/a | 0 | Neutral |

The above table shows that there are no recurring differences of 3% or more that would require investigation. In many cases given the small number of staff that are paid on the management scale there is simply no comparator.

7.0 Gross Pay Analysis

7.1 Support Staff

Table 9: Gross pay Analysis of Support Grades (A-H), including NMW rates

| Grade | Male (average) | Female (average) | Pay Gap | In favour of |
|-----------------------------|----------------|------------------|---------|--------------|
| Support Grade A | £16,667 | £16,717.62 | -0.30 | Female |
| Support Grade B | £18,378.14 | £17,301.50 | 5.86 | Male |
| Support Grade C | £18,185.61 | £18,511.56 | -1.79 | Female |
| Support Grade D | £21,208.74 | £20,459.10 | 3.53 | Male |
| Support Grade E | £23,657.18 | £23,280.69 | 1.59 | Male |
| Support Grade F | £26,770.59 | £26,165.44 | 2.26 | Male |
| Support Grade G | £28,509.67 | £28,035.53 | 1.66 | Male |
| Support Grade H | £31,082.10 | £31,015.53 | 0.21 | Male |
| Modern Apprentice (MAPP) | £7,138.38 | £7,138.38 | 0 | Neutral |
| National Minimum Wage (NMW) | £12,334.60 | £12,810.60 | -3.86 | Female |

The analysis detailed in Table 9 shows one grade (Support Grade B) where the pay gap, in favour of men is significant (5.86%). The reason for this being that Security Officer Posts fall within this band and attract a shift allowance due to the pattern of their work. Furthermore all security officers are trained first aiders which again attract an additional payment of First Aid Allowance. These allowances are applied equally to both male and female staff, however the majority of Security Officer posts continue to be held by male staff.

Furthermore maintenance staff are paid within this pay band, all of whom are male. Some of these maintenance activities need to be undertaken outside of normal college times, and hence there is a need for overtime to be undertaken on weekends and in the evening (which is paid at time and half for any hours worked over 37 hours per week). Where such work is needed throughout the College the same enhancement is applied to both male and female staff.

7.2 Academic Staff

Table 10: Gross Pay Analysis of Academic Pay-Scales

| Scale | Male (average) | Female (average) | Pay Gap | In favour of |
|--------------------------------|----------------|------------------|---------|--------------|
| Teaching & Training | £35,633.33 | £34,097.64 | 4.3 | Male |
| Advanced Teaching | £41,849.08 | £41,977.13 | -0.31 | Female |

Gross pay for males is higher for the 'Teaching and Training' grade due to the number of male staff that are appointed within Technology with a Market Rate Supplement (MRS). Technology is nationally recognised as an area in which recruitment is exceptionally difficult and therefore makes attracting candidates from industry incredibly difficult without the ability to match salaries to those paid in industry, hence we apply a MRS to these posts. The fact that only one female staff within Technology receives a MRS, reflects the fact that there are very few females within these professions and when we are able to recruit we will pay them a comparable salary (with MRS) to that of male colleagues .

7.3 Management Staff

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

8.0 Analysis across Protected Characteristics

The Equality Act, and in particular the duties placed on public sector providers means that there is a strong emphasis placed on the monitoring of equal pay across other protected characteristics.

The Equality Act defines the nine protected characteristics as:

- Age
- Disability
- Ethnicity
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Religion or Belief
- Sexual Orientation
- Gender (as reported above)

Although the College allows staff to update their own personal details via the College's self-service function, the number of staff reporting protected characteristics continues to be low, (despite staff being encouraged to update their own records) thus data is not sufficiently robust for all characteristics to be enable a detailed analysis.

8.1 Age Analysis

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

| Age Range | Average Pay | Head count |
|-----------|-------------|------------|
| Under 25 | £16,643.07 | 34 |
| 25-29 | £24,016.03 | 37 |
| 30-34 | £27,954.29 | 59 |
| 35-39 | £31,216.58 | 82 |
| 40-44 | £31,113.51 | 59 |
| 45-49 | £28,282.84 | 81 |
| 50-54 | £29,137.56 | 96 |
| 55-59 | £26,956.17 | 76 |
| 60+ | £30,012.84 | 51 |

The College employs a number of apprentices who in the main fall within the under 25 age category. The pay for these individuals is determined by the government in which the National Minimum Wage rates apply.

The average pay rate for staff continues to be greatest in the 35-39 age range.

8.2 Disability Status

| Disability Status | Average Pay | Head count |
|-------------------|-------------|------------|
| Disabled | £28,522.64 | 19 |
| Not Known | £23,025.75 | 31 |
| Able Bodied | £25,265.26 | 525 |

Only 3.3% of the College workforce have declared themselves as having a disability with a further 5.4% reported as either 'unknown' or 'prefer not to say'. The College pay rates are not set with reference to disability status, the fact the above data shows a positive impact on our disabled staff is purely coincidental.

Conclusion

The College's grading structure is robust in terms of equal pay as there are no significant equal pay disparities within the grades. Where differences do occur there is a clear rationale behind it.

The main gaps are specific to certain occupational groups and in particular where MRS allowances are made as a means of attracting suitable applicants.

The College has a predominance of female staff employed in lower grade occupations. Since the transfer of the cleaning function in-house (which took place in 2017) this has increased further, with such staff being paid Support Grade A.

The College is committed to ensuring a robust and consistent approach to the grading of new posts using the College's agreed Job Evaluation Schemes.

The College continues to encourage applications from under-represented groups. However where gender imbalances exist this is usually historical and therefore making changes in these areas is somewhat slow.

Recommendations

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

KARL FAIRLEY

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