

**UNIVERSITY OF  
FORWARD  
THINKING  
WESTMINSTER** 

# **Equal Pay Report 2015-16**

**Prepared by:  
Management Information  
Resourcing and Reward**

## **EXECUTIVE SUMMARY**

It is important to note that the overall gender pay gap is reflective of the distribution of men and women across pay grades as well as any pay discrimination [Equality Challenge Unit: Promoting Equality in Pay, April 2010]. In the context of a Higher Education Institution that has undertaken pay modernisation, as Westminster has, there are few significant pay gaps within grades, and the overall ratio of female to male pay will be determined largely by the gender distribution across grades. This may raise issues in relation to equality and diversity, which are important and require action, but are outside the scope of the equal pay review itself.

**The main conclusion from carrying out this Equal Pay Audit is that the University does not have any significant need for concern over equal pay issues when comparing employees within current grades.**

The UCEA Employment Bulletin in August 2016 noted “The existence of a gender pay gap should not be conflated with unequal pay, as legally defined....a company can have a large gender pay gap and no equal pay problems while another can have no gender pay gap but have vulnerability to equal pay challenges.” It is therefore important to remain vigilant to any possible challenges to equal pay.

The implementation of a Pay Framework, new pay and benefit package offered to staff from 1st August 2009, and the University’s response to its’ financial challenge and reduced headcount, has not impacted adversely on any of the staff groupings looked at in this audit.

**1. Gender** - Where pay gaps were identified in respect of gender, further investigation and analysis showed that there were justifiable reasons for these. **The main reason for any pay differential can be attributed to the position of individuals within a grade, as determined by automatic incremental progression, which is primarily based on length of service.**

The audit has also reviewed criteria for appointing senior staff in particular to certain fixed salaries e.g. for Professorial staff. **This audit did not highlight starting salaries to be a significant factor in relation to any gender-based pay differentials**, which is a positive indicator of observance to the Human Resources guidance on starting salaries, a business case is required to be submitted to the Head of Resourcing and Reward / HR Director for their consideration, for any case that is made to offer a salary above the salary minimum for the grade.

Additionally, for Professorial staff the University now routinely advertises the salary at the start of the grade, rather than the full range from Prof C to Prof A, to strengthen adherence to this policy and to ensure fairness and consistency in appointment procedures for new starters, which is a particular concern in the current economic context of high unemployment, greater competition for jobs and arguably appointments made to more experienced and skilled candidates. .

**2. Ethnicity** - Although there may be a small number of variances in relation to ethnicity, there were legitimate explanations for the variances and in most cases we are dealing with very small numbers of staff in certain ethnic groups; it is therefore very difficult to make reasonable and statistically significant comparisons on pay. **In most cases Westminster average pay for BME staff is more favourable, but the under representation in more senior positions and across Corporate Services, has been noted.**

**3. Disability** - The number of colleagues who have declared a disability is low; it equates to less than 5% of *all* staff at the University. Where there was a significant variance in pay, this

is largely attributable to a small number of declared disabilities within this staff group, amongst members of staff who have recently joined the University so have lower salaries on the bottom spine point. These individuals have been treated consistently in line with the University's incremental progression policy.

**4. Age** – Salary differentials reflect length of service and career progression.

**5. Senior Staff** - It became evident that in respect of some senior staff in Professorial and Dean of Faculty posts, a proven track record in research and scholarly activities were key factors in determining salaries at the appointment stage. Where colleagues have published high quality and high profile research which was valuable for the University's research profile, this was more significant than factors such as age in respect of salaries.

**6. Other equality areas**- We continue to collect sensitive information in the areas of 'sexual orientation' and 'religion and belief' and have included data on these two categories within this audit. Disclosure rates are low and therefore analysis is not yet statistically significant. We will continue to capture this data with the aim to reduce the number of 'unknowns'. This equality area will be reviewed again at the time of the next audit in 2018 and we will consider the results of any data collection exercise that have been carried out and the comprehensive/accuracy of any data collected.

**7. Agency staff and "off payroll working"** - For the 2016 audit we have reviewed data concerning agency staff and "off payroll working", otherwise referred to as "personal services companies". "Off payroll working" refers specifically to scenarios where an organisation engages the services of an individual via the individual's own limited company, known as a "personal service company" (PSC). Following UCEA guidance we have identified approximately **6** instances of PSCs being engaged in the twelve months up until and including July 2016; all of these company directors were male. At the time of the audit we have identified **32** members of agency staff with **66%** being male, and **53%** at the equivalent of grade NG6 and above. Within these higher level grades **88%** are male.

There are risks associated with having significant numbers of individuals paid off payroll e.g. agency staff, consultants, suppliers/PSCs. These individuals are often paid above our graded salaries and can therefore create anomalies and misunderstandings within the pay grading structure, as well as a perceived lack of equality. There are associated risks with having non-University staff in senior posts for longer than six months, who would not necessarily have been subject to the same rigorous recruitment processes, have the same grounding or understanding of University culture, and may not have long term buy in or commitment to the organisation when making key decisions affecting the future of the University. Given the dominance of men within the make-up of PSCs and senior agency staff, there could be potential equality issues in how agency staff and PSCs are engaged, as the appointments are not subject to our normal recruitment and selection procedures.

There are a number of recommendations from the 2014 Equal Pay Audit which have been achieved and embedded into "business as usual" across the University. The full list of completed action points can be found in **Appendix 3**.

## **RECOMMENDATIONS**

Areas that we will monitor and work to strengthen include:

1. It has been noted that the ethnicity pay gap within Corporate Services is -15.2% and this will continue to be monitored and addressed. We would recommend, as part of the wider EDI report, that further investigation is made into recruitment data for the past three years to gather data on how many individuals from a BME background are applying for vacancies, being shortlisted, being interviewed, and being offered roles. The data should be broken down by department and grade for both internal and external vacancies. This will help to provide background information as to whether how the University sources candidates for roles is having an impact on the number of BME staff in senior roles in corporate services.
2. Working with staff networks such as the LGBT network to encourage engagement and disclosure rates.
3. The 2018 review should also assess the extent to which there are any inequities in the provision of benefits such as pensions.
4. Extend 2018 audit remit and report to establish whether there are pay inequities arising because of; gender reassignment, marriage and civil partnership, pregnancy and maternity, and/or from differing contractual arrangements. We have noted that the University has introduced Apprentices in 2015 and therefore these roles should be included in the next Equal Pay Audit in 2018, once roles have embedded and achieved high enough numbers for meaningful data to be collected.
5. Review and monitor use of agency staff, and those paid off payroll, in line with University policies on equal pay and recruitment and selection.

## ANALYSIS

### 1. Gender:

	Female	Male	Total
Gender 2006	960	982	1942
Gender 2008	1047	976	2023
Gender 2010	1027	990	2017
Gender 2012	966	866	1832
Gender 2014	1029	885	1914
Gender 2016	1145	941	2086

Analysis of staff headcount figures has shown that the percentage of all staff who are female has increased steadily since 2010, to the current figure of 55% female in this report.

The data in 2012 reflects the reduced headcount for all male and female staff at the University, following the outcome of the University's response to its financial challenge and the need to reduce the staff salary bill by £6.9m. It is important to note there are 200 more female staff recorded in the 2012 audit, the highest difference since 2006. Another key point to highlight is that where there are senior grades with more male staff, these higher salaries will dominate lower grades with a more even distribution of male and female staff and groups where there are higher average female salaries.

### Gender pay gaps

	2006	2008	2010	2012	2014	2016
1. Level 5	-1.3%	0.0%	-0.6%	0.0%	0.0%	0.0%
2. Level 4	-7.1%	-10.6%	-	-	-	1.8%
3. Level 3	0.0%	-5.1%	2.3%	8.7%	-1.3%	-0.3%
4. Level 2	0.4%	1.8%	1.3%	1.8%	-0.5%	0.2%
5. Level 1	1.0%	-0.7%	-0.8%	-0.8%	0.0%	0.0%
6. Dean of Faculty	4.3%	-4.0%	5.6%	-2.2%	9.2%	1%
7. Director - Academic/ Associate Dean/ Deputy Dean	9.8%	-3.7%	0.7%	1.9%	4.1%	-1.6%
8. Head of Departments	-4.7%	0.9%	1.1%	1.7%	2.2%	3.1%
9. Professor*	-1.4%	-2.2%	-2.1%	-2.2%		
PROF A					0.8%	0.3%
PROF B					-4.3%	-0.6%
PROF C					1.4%	-0.5%
10. Senior Academic	-0.6%	1.6%	1.5%	0.0%	1.2%	2.5%
11. Principal Lecturer /Principal Research Fellow/Reader	-0.4%	0.5%	0.0%	-0.6%	-0.5%	-1.0%
12. Senior Lecturer/Senior Research Fellow/NG7/NG8	-0.1%	-0.7%	-1.6%	-1.4%	-0.8%	-0.3%
13. Lecturer/Research Fellow/NG6	-0.9%	-1.9%	-0.9%	-0.2%	-0.7%	-0.2%
14. Research Associate/NG5	-2.0%	-2.4%	-0.9%	-1.0%	-0.2%	-1.0%
15. NG4	0.2%	1.0%	0.4%	-0.7%	0.4%	-0.6%
16. NG3	0.1%	0.0%	-0.4%	0.1%	0.0%	0.6%
17. NG2	-4.1%	-1.8%	-2.8%	-0.2%	-0.8%	-0.9%

<b>18. NG1</b>	4.0%	0.9%	2.4%	<b>-6.4%</b>	2.1%	-
<b>19. NG0</b>	-	-	-	-	-	3.4%

\*From 2014 onwards Professorial Salaries have been split into Prof A, Prof B and Prof C categories according to the level at which they are working and their academic contribution to the University.

However, the overall results for all staff (full and part time) based on gender identified that female staff are paid less on average than male staff, by 8.4%. This is the same as the 2014 audit. This can be attributed to there being fewer female staff in some more senior roles. This is also consistent with the national picture where *“The gap between men’s and women’s earnings has remained relatively consistent from 1997 to 2015 at around £100, but this corresponds to a faster rate of increase for women than for men over this period (a 78 per cent increase compared with 59 per cent respectively), meaning that the gap has been closing in percentage terms.”* (Office of National Statistics annual earnings survey 2015-provisional)

There are significantly fewer female staff in grade groups 8 to 11 (Head of Department, Professors, Principal Lecturers and Principal Research Fellows). Overall, 42.8% of staff in groups 8 to 11 are female; the biggest gap is within the Professors (38.0% female) although this is an improvement of 10% since the 2014 report.

#### Background to the Professorial appointment process

Professors are placed on a fixed salary at appointment which is reviewed at the annual Professorial Salary Review Committee meeting. Professors are placed on a fixed point scale. Their position is dependent upon the “quality” of research and esteem factors that a Professor can bring to the University to enhance its reputation in their field of excellence in line with the University’s strategic vision. Following successful appointment to the title of Professor, further salary advances are dependent on meeting and exceeding, on a sustained basis, performance-related criteria. The evidence required to demonstrate this includes; number of research students, MPhil/PhD completed by students; research income generated; research contracts obtained; research papers published; books published; actual teaching load; student projects supervised (subdivided into undergraduate and postgraduate projects); external committee work; consultancy income generated, and any other responsibilities, for example, Course Leader. Clear and robust criteria that describe expected outputs of delivery for the University’s three categories of Professor (Professors A, B and C) under the four headings of; Research, Teaching, Leadership & Management and Knowledge Transfer & Professional Standing, have been enhanced and are published on the HR website.

#### **Comparison with 2006 to 2014 data**

A clear and positive improvement can be reported. The average pay gap between male and female staff has decreased by 4.1% since 2008.

#### **2. Ethnicity:**

	<b>BME</b>	<b>White</b>	<b>Unknown/ Info Refused</b>	<b>Total</b>
<b>Ethnicity 2006</b>	340	1339	263	1942
<b>Ethnicity 2008</b>	424	1418	181	2023
<b>Ethnicity 2010</b>	441	1459	117	2017
<b>Ethnicity 2012</b>	411	1341	80	1832
<b>Ethnicity 2014</b>	434	1366	114	1914
<b>Ethnicity 2016</b>	513	1478	95	2086

The number of BME staff has been increasing since 2006. The number of staff recorded as unknown or who declined to disclose their ethnicity has decreased since 2014 despite an increase in the overall headcount. Overall the University has a BME staff population of 25.0%, which compares very favourably with the HE sector average of 11.8%.

### Ethnicity pay gaps

The table below shows the difference in average salary of all BME staff in comparison to all White/Non-BME staff. As there is an under-representation of BME in the most senior positions, pay analysis can be misleading due to the small numbers involved. Overall, the results show no significant differences of greater than 5%.

However, it should be noted that there is no disclosed representation in groups 1 to 4 – Level 2 to Level 5, Dean of Faculty and Academic Director. Collectively there are only 23 members of staff in these groups.

Ethnicity pay gaps	2006	2008	2010	2012	2014	2016
1. Level 5	-	-	-	-	-	-
2. Level 4	-	-	-	-	-	-
3. Level 3	-	-	-	-	-	-
4. Level 2	-	-	-	-	-	-
5. Level 1	-0.3%	-	-1.2%	0.6%	0.0%	0.0%
6. Dean of Faculty	-	-8.7%	-	-	-	-
7. Director - Academic/ Associate Dean/ Deputy Dean	-	-	-	-	-	-
8. Head of Departments	4.1%	2.6%	-0.7%	1.9%	-1.6%	0.0%
9. Professor*	-2.9%	-4.5%	-3.4%	-1.5%		
PROF A					-	-
PROF B					-	1.6%
PROF C					1.8%	1.5%
10. Senior Academic	-0.9%	0.0%	0.2%	-0.2%	0.3%	-
11. Principal Lecturer /Principal Research Fellow/Reader	-1.4%	-2.3%	-0.2%	0.7%	-1.1%	-2.3%
12. Senior Lecturer/Senior Research Fellow/NG7/NG8	-2.2%	-2.0%	-1.0%	-1.4%	-0.7%	-0.3%
13. Lecturer/Research Fellow/NG6	1.3%	0.3%	0.7%	1.0%	-0.3%	0.1%
14. Research Associate/NG5	-2.4%	-2.2%	0.9%	0.7%	0.7%	-1.3%
15. NG4	-0.1%	-0.5%	0.8%	0.7%	0.9%	0.6%
16. NG3	0.2%	0.0%	0.5%	0.6%	1.0%	0.7%
17. NG2	2.6%	3.0%	3.9%	2.3%	1.0%	-0.2%
18. NG1	2.4%	1.7%	0.5%	-0.7%	-1.9%	-3.5%
19. NG0	-	-	0.0%	0.0%	0.0%	-3.5%

\*From 2014 onwards Professorial Salaries have been split into Prof A, Prof B and Prof C categories according to the level at which they are working and their academic contribution to the University

### Comparison with 2006 to 2014 data

Little change can be reported. The average Ethnicity pay gap is 17.5% and this is attributable to lack of representation in senior grades and is consistent with the 2014 figure.

For the 2016 audit we have broken down the data further in order that we may be able to recognise and address any areas of concern. The average ethnicity pay gap within our Academic staff is -3.9%, whilst within Corporate Services it is -15.2%.

### 3. Disability

	Yes	No	Total
<b>Disability 2006</b>	44	1898	1942
<b>Disability 2008</b>	46	1977	2023
<b>Disability 2010</b>	84	1933	2017
<b>Disability 2012</b>	88	1744	1832
<b>Disability 2014</b>	96	1818	1914
<b>Disability 2016</b>	95	1991	2086

The table below shows the difference in average salary of all disabled staff in comparison to all non-disabled staff. The disclosure rate of disabled staff doubled in 2010, due to successful data capture exercises and disclosures continue to rise in 2016 proportionally in line with headcount. There is no disclosure/representation in Level 5, Level 4, Dean of Faculty and NG0.

#### Disability pay gaps

	2006	2008	2010	2012	2014	2016
<b>1. Level 5</b>	-	-	-	-	-	-
<b>2. Level 4</b>	-	-	-	-	-	-
<b>3. Level 3</b>	-	-	-	-	-1.0%	0.2%
<b>4. Level 2</b>	-	-	0.2%	0.0%	2.1%	-0.7%
<b>5. Level 1</b>	0.3%	0.5%	0.7%	2.1%	0.0%	0.0%
<b>6. Dean of Faculty</b>	-	-	-	-	-	-
<b>7. Director - Academic/ Associate Dean/ Deputy Dean</b>	-	-	-	<b>5.6%</b>	<b>7.3%</b>	-
<b>8. Head of Departments</b>	-1.8%	3.0%	0.3%	-1.3%	-3.0%	-3.6%
<b>9. Professor*</b>	-0.7%	-0.5%	0.5%	-1.3%		
<b>PROF A</b>					0.5%	-
<b>PROF B</b>					-	1.6%
<b>PROF C</b>					<b>8.1%</b>	1.5%
<b>10. Senior Academic</b>	-	-	1.6%	-0.2%	-	4.0%
<b>11. Principal Lecturer /Principal Research Fellow/Reader</b>	-1.2%	5.1%	2.7%	1.4%	-0.2%	2.0%
<b>12. Senior Lecturer/Senior Research Fellow/NG7/NG8</b>	-2.7%	0.2%	0.9%	0.7%	0.4%	0.0%
<b>13. Lecturer/Research Fellow/NG6</b>	-0.9%	-0.9%	1.1%	1.5%	-1.1%	-1.5%
<b>14. Research Associate/NG5</b>	-5.4%	4.1%	<b>3.7%</b>	3.7%	2.2%	2.7%
<b>15. NG4</b>	2.4%	1.4%	-1.3%	2.2%	<b>5.9%</b>	-2.2%
<b>16. NG3</b>	-1.1%	3.9%	<b>3.0%</b>	-0.5%	-0.1%	1.8%
<b>17. NG2</b>	2.6%	-4.2%	-	-	<b>-6.0%</b>	<b>-5.6%</b>
<b>18. NG1</b>	-	-	1.3%	2.6%	2.1%	2.0%
<b>19. NG0</b>	-	-	-	-	-	-



\*From 2014 onwards Professorial Salaries have been split into Prof A, Prof B and Prof C categories according to the level at which they are working and their academic contribution to the University

#### Comparison with 2006 to 2014 data

Overall, there is a positive picture, with a decrease in the pay gap since 2006 of 10%, and this pay gap is in favour of disabled people. Overall, disabled staff are paid more on average than non-disabled staff by 1.4%. This is attributed to a higher disclosure rate in more senior roles.

It has been noted that there is pay gap of **-5.6%** in Group 17- NG2. This is largely attributable to a small number of declared disabilities within this group, amongst members of staff who have recently joined the University so have lower salaries on the bottom spine point. These individuals have been treated consistently in line with the University's incremental progression policy.

#### 4. Age:

	34 and under	35 - 49	50 - 65	66 and over	Total
Age 2006	481	786	671	4	1942
Age 2008	461	819	736	7	2023
Age 2010	435	820	758	4	2017
Age 2012	379	801	647	5	1832
Age 2014	361	799	715	39	1914
Age 2016	471	826	734	55	2086

In accordance with the recommendation made by the Equality Challenge Unit in its April 2010 publication ("Promoting Equality in Pay"), we have adopted the Higher Education Statistics Agency (HESA) age groupings (e.g. Group 1 covers staff aged 34 and under, group 2 covers 35 to 49, group 3 covers 50 to 65 and group 4 covers staff aged 66 and over. This chart shows an increase in the number of staff in all the age groupings since 2014.

In a context of salary progression based upon continuous service and length of time in a grade, with annual incremental progression for staff in groups 11 to 19, the results show salary increases that reflect length of service in a grade for the different age categories. The largest numbers of staff fall within the '35 to 49' age grouping and are generally at an earlier stage in their career within these grades.

Where the results have identified some pay gaps of more than 5% for senior staff, further investigation and analysis has revealed that the pay gaps were attributed to salaries increasing with length of service, age in respect of experience and seniority, complexity of roles and market forces in the wider economic context. In addition, in some cases, we are again dealing with a very small group of senior academic colleagues. It is therefore very difficult to make statistically significant comparisons on pay, and we run the risk of identifying individuals. Market forces are also a prime consideration when recruiting to these senior level posts and these vary over time.

#### Comparison with 2006 to 2014 data

As shown in the table below, the University's age profile broadly mirrors the HE sector, with slightly lower proportions in the 16-24 and 25-34 categories. As anticipated, we have seen a significant increase in the proportion in the 65-74 age category since 2012, from 1.2% to 3.7%.

Age Category	Benchmark (DLA) %	UoW All Staff %
16-24	3.9%	2.8%
25-34	21.6%	19.8%
35-44	26.0%	26.7%
45-54	27.1%	26.9%
55-64	18.6%	20.1%
65-74	2.7%	3.7%
75+	0.1%	0.0%

### **5. Part Time – All Staff**

The difference in average salary of part time staff were compared to full time staff. The average salary for part time staff is 0.8% higher than full time staff (across all grades as a total figure) which is a slight improvement compared to -1.1% in 2014.

### **Grade Groups**

Analysis of the difference in average salary of part-time staff compared to full time staff at each grade level showed only one significant difference at 5% or above.

- Grade Group 19, NG0 – the average pay gap is 6.5% in favour of part time staff. On further investigation, it can be confirmed this is due to 2 members of part time staff who both have significantly longer service than the full time staff.

### **Gender and Part-time staff**

Analysis of the difference in average salary of part-time female staff compared to male staff showed no significant differences.

### **Ethnicity and Part-time staff**

Analysis of the difference in average salary of part-time BME staff compared to white staff showed no significant differences.

### **Disability and Part-time staff**

Analysis of the difference in average salary of part-time disabled staff compared to non-disabled staff showed two significant differences at 5% or above:

- Grade Group 9, Professors (PROF C) – the average pay gap is -8.6%. On further investigation, it can be confirmed that there is only one part-time disabled member of staff in this grade group and therefore the data is not statistically significant. All individuals within the Professorial grades are subject to an annual salary review and awarded pay increases based on strict criteria around research, teaching excellence and academic distinction.
- Grade Group 17, NG2 – the average pay gap is -6.3%. On investigation this can be confirmed to be due to two individuals with comparatively short length of service.

### **Age and Part-time staff**

Analysis of the difference in average salary of part-time staff compared to full-time staff across the various age categories showed only one significant difference at 5% or above.

- Grade Group 10, Senior Academic – within the 66+ age category, there is an average pay gap of -6.7% between part-time and full-time staff. Further investigation reveals that of 6 members of staff, just 1 is part-time and has relatively lower length of service at this grade.

### **6. Visiting Lecturers (Hourly paid / part time)**

Since 2014 the audit has been extended to open-ended Visiting Lecturer staff. The results showed no significant differences between Visiting Lecturer staff with respect to gender (-0.1%), ethnicity (-3.8%), disability (0.4%) or age category.

## **7. Sexual Orientation and Religion & Belief**

Data analyses in respect of sexual orientation and religion or belief has raised some practical difficulties, due to the lack of systematic data in respect of most staff. The number of responses to this information has been increasing but, the available data collected could not yet be regarded as 'statistically significant', as any analysis would only represent less than 40% of the workforce. The University is considering methods of improving the available data to find a solution and more efficient way of collecting information securely via employee self-service, working within the challenges of appropriate methods from an information security perspective. We do plan to work with the staff LGBT network to also encourage greater disclosure.

## **8. Agency staff and "Off Payroll Working"**

For the 2016 audit we have reviewed data concerning agency staff and "off payroll working", otherwise referred to as "personal services companies". "Off payroll working" refers specifically to scenarios where an organisation engages the services of an individual via the individual's own limited company, known as a "personal service company" (PSC).

There are risks associated with having significant numbers of individuals paid off payroll e.g. agency staff, consultants, suppliers/PSCs. These individuals are often paid above our graded salaries and can therefore create anomalies and misunderstandings within the pay grading structure. There can be a perceived lack of equality amongst substantive staff, leading to an impact on morale and productivity. The negative perceptions can lead to discontent and disengagement, with a misunderstanding of the worth of different roles, and encouraging behaviours that don't align with our values. There are associated risks with having non-University staff in senior posts for longer than six months, who would not necessarily have been subject to the same rigorous recruitment processes, have the same grounding or understanding of University culture, and may not have long term buy in or commitment to the organisation when making key decisions affecting the future of the University. Given the dominance of men within the make-up of PSCs and senior agency staff, there could be potential equality issues in how agency staff and PSCs are engaged, as the appointments are not subject to our normal recruitment and selection procedures.

### **Off Payroll Working**

Following UCEA guidance we have identified approximately **6** instances of PSCs being engaged in the twelve months up until and including July 2016; all of these company directors were male. It should be noted that the data is not entirely reliable as there is not currently a robust system to capture the use of PSCs, so the real number could be higher. There are significant risks associated with engaging PSCs including; tax implications and proposed sanctions from HMRC; not undertaking appropriate tender exercises; potential conflicts of interest; lack of buy-in or understanding of Westminster culture; and rising wage costs being masked.

### **Agency Staff**

At the time of the audit we have identified **32** members of agency staff with **66%** being male, and **53%** at the equivalent of grade NG6 and above. Within these higher level grades **88%** are male. There are known costs associated with paying staff via an agency, including agency mark up, annual leave (agency staff are often paid for annual leave rather than taking it as time off) and tax. Even taking this into account, agency staff are often paid well above our normal pay grades. This can be due to roles being specialised and hard to recruit to, market rates/demands and "reactive recruitment" e.g. needing somebody quickly to fill a role. Although agency staff are not employees of the University and therefore not formally covered by our equal pay audit, on-going agency roles at high salary levels can lead to inconsistencies and anomalies in our pay grades and structures, and the distribution of senior roles/salaries between male and female staff.

## **Appendix 1- Equal Pay Guidance and Methodology**

Equal Pay is firmly part of the social and political agenda. The University's Gender Equality Scheme (in response to the Equality Act 2006) and Equal Pay Policy reinforce our commitment to equal pay and require us to carry out an Equal Pay Audit every two years. The Equality Act 2010 replaced all existing equality legislation, including the Equal Pay Act (1970), and introduced a range of specific measures, including the publication of gender pay gap data by individual HEIs, and placed a significant emphasis on closing the gender pay gap, where it exists. An equal pay review forms part of a wider process, measuring the effectiveness of an organisation's equality and diversity policies, identifying areas for further action, and demonstrating an organisation's continuing commitment to those objectives.

The University supports the principle of equal pay for work of equal value. Legislation allows an individual to claim Equal Pay with a member of the opposite sex on the grounds that they are doing:

- Like work.
- Work rated as equivalent under a job evaluation scheme.
- Work of equal value – in terms of demands made under headings e.g. effort, skill and decision making.

Additionally, we are committed to making the same comparisons for all protected characteristics in respect of ethnicity, disability, age and we make reference to the two further categories of sexual orientation and religion and belief.

The Equal Pay Audit has three main aims:

- 1 To compare the pay of University staff undertaking equal work.
- 2 To investigate the causes of any gender, ethnicity, disability and age pay gaps.
- 3 Take action to close gaps that are based on the grounds of gender, ethnicity, disability and age.

The 2016 Equal Pay Audit is the sixth audit to be carried out by the University. The first audit was undertaken in the summer of 2006. A formal Equal Pay Policy was developed and approved as a result. The 2006, 2008 and 2010 audits were carried out using the UCEA Equal Pay Toolkit. This toolkit was specifically designed to support the production of equal pay reports and aid any investigation into ensuring equal pay for work of equal value. In order to get further detailed reports, some level of customisation to the toolkit was also undertaken. The UCEA Equal Pay Toolkit is focused primarily on gender-based equal pay gaps. Westminster's audit was extended in 2012 to include sexual orientation and religion and belief. The remainder of the audit was carried out using data in the HR SAP system, extracted onto bespoke Excel spreadsheets, to produce combined statistical reports showing pay gaps and variance actions which form the basis of the audit. This continued to be the methodology used for the 2014 audit.

### **Background Information**

The 2010 audit looked at pay data, since the University implemented the JNCHES Framework Agreement and offered a new pay and benefit package to staff covered by this Framework from 1<sup>st</sup> August 2009. Overall 88% of these staff are covered by the new package. This audit includes comparisons with the 2006, 2008, 2010, 2012 and 2014 audit outcomes.

The new benefits introduced in 2009 addressed a number of harmonisation issues between the academic and professional support staff groups and included for academic staff; a higher London weighting allowance and higher starting salaries on Lecturer, Senior Lecturer and

Principal Lecturer pay grades as well as higher salaries at the top of all three grades as well. For professional support staff the package included a higher annual leave allowance. Government advice in relation to the Employment Equality (Age) Regulations 2006 is that, in general, differences in pay between men and women resulting from pay progression within a grade by traditional annual increments, may be justified by the benefits to the organisation of increased experience, competence or performance ensuring greater expertise. This is sufficient for systems providing payments up to five years. In practice this means anything up to a six-point pay scale (minimum point on the scale plus five incremental points). After this period specific justification may be required. This has become regarded as good practice in relation to other equality areas and one to which Westminster adheres.

The University employs a large number of Visiting Lecturers (VLs). Visiting Lecturers are paid on the same scale as Lecturer grade staff (pro rata) and, as for all staff on appointment, they start at the bottom of the pay grade and are entitled to annual incremental progression, dependent upon meeting continuous service requirements. This has been applied consistently since the implementation of the single 51 point pay scale in 2005, for all University staff.

Where the nature of the work indicates that these hourly paid staff should be placed more appropriately on to a fractional contract with the University, a conversion to a fractional contract at the appropriate grade is undertaken, following a successful application for Grade Review. Visiting Lecturers who have converted to a fractional contract, reflecting their more notable commitment in terms of the role they undertake for the University and their length of service, are included in the applicable Audits.

In 2014 in response to Corporate Services Directors making a case for the University to re-introduce NG7 as a separate grade from the merged NG7&8 grade, the University Registrar and Secretary and the HR Director, consulted and agreed with Unison about how to achieve this. This was implemented for existing staff, as of 1st August 2014. This action has ensured that a valuable grade of NG7 is now available as a career pathway. HR had a record of the small NG7 and larger NG8 roles, although they were paid on the same grade. By paying staff equitably and identifying different sized and graded roles, we are addressing potential equal pay concerns when operating and managing these different-sized roles in practice in the range of departmental structures, across the University.

### **Job Evaluation**

The University's pay and grading structure is underpinned by using the Hay Job Evaluation methodology. Job evaluation is a method of comparing different jobs through a process that seeks to objectively measure the different elements of a job resulting in a total score for each job. A single, analytical job evaluation scheme is a prerequisite for developing a common salary structure which meets the requirements of equal pay legislation and is therefore a key factor in ensuring fairness and consistency of treatment for all staff. It provides the only consistent basis for assessing the relative size of all jobs within an organisation. Jobs are placed in a rank order, according to their size, and placed within appropriate grades, providing a basis for a fair pay and grading structure. Only the job is evaluated, not the person doing the job. The University audits the outcome of its grade review scheme and publishes the results on the HR website.

### **Data Protection**

Equal pay reviews are covered by the Data Protection Act 1998 in terms of the processing of the raw data, the disclosure of data to third parties involved in the review, and the publication of the results. The Act provides protection in relation to 'sensitive personal data'. Therefore the results of this audit can be disclosed as regards individuals or small groups as long as they are in a '*sufficiently anonymised form*', and in more detail only if the individuals

concerned have consented a disclosure. The relevant sections of this report will highlight these points as applicable.

### **Audit Process**

An Equal Pay Audit involves:

- The comparison of pay of men and women doing equal work, those from different racial groups, those who are disabled and those in different age groups.
- The identification of equal pay gaps.
- The explanation and justification of gaps using objective criteria.
- The addressing of any gaps that cannot be satisfactorily explained on the grounds of work content.
- On-going monitoring.

A three stage review process has been adopted for all the University's audits for consistency:

**STAGE 1** = ANALYSIS - data analysis, comparing pay data

**STAGE 2** = DIAGNOSIS - establish the nature & cause & diagnosis of any pay gaps

**STAGE 3** = ACTION - developing a remedial equal pay action plan

This is in line with JNCHES guidance "Equal Pay Reviews: Guidance for Higher Education Institutions" as revised in March 2007. This guidance notes that there will be practical constraints on what is possible, with regard to known data on all equality considerations and also recommends that HEI reviews should address equal pay, in respect of part-time employees to reflect legislation on prevention of less favourable treatment for such staff and as noted above this audit includes this further analysis as applicable.

**In addition, as a reference guide, the EOC advocates that;**

- **where a pay differential related to sex is less than 3%, no action is necessary.**
- **where the difference is greater than 3% but less than 5%, the position should be regularly monitored and**
- **for gender pay gaps of more than 5%, action is needed to address the issue and close the gap.**

**STAGE 1: ANALYSIS** A basic analysis of the relative rates of pay for men and women, people from different racial groups, those with or without disabilities, and those of different sexual orientations, religions or belief and those in different age groups carrying out work perceived to be of "equal value", together with analysis of relative pay rates for full and part time staff (see chart below). The aim is to establish the degree to which inequality exists in the form of a significant pay gap, i.e. any pay gaps which are more than 5%, so that action can be taken in subsequent stages to address any issues and to ultimately close any pay gaps.

### **Pay Gap Analysis:**

- In terms of base pay for each group of staff in terms of work rated as equivalent.
- The pay gap for staff in each occupational group as a whole.
- The pay gap between members of different racial groups, male and female staff and those with or without disabilities and those of different sexual orientations, religions or belief and those in different age groups.

**All staff are "grouped" in terms of:**

- Working arrangements – e.g. full/part time.
- Work rated as equivalent e.g. identifying the jobs that have been evaluated in the same grade at the University, as follows:-

All roles at the University have been evaluated and are placed in an applicable grade. The report does not comment on academic groups and professional support staff groups separately, but across the two groups as “work rated as equivalent” for staff on the national pay spine. The pay of part-time staff is expressed on the same basis as full-time staff (fte).

**STAGE 2: DIAGNOSIS** To establish the nature of any inequities in pay gaps, their causes and diagnosis of any likely factors. The review has sought:

- Why the gap exists.
- Extent to which the gap can be objectively justified.
- Identify any remedial action.

**STAGE 3: ACTION** Remedial action to remove pay gaps, specified, planned and implemented. For example:

- Ensuring that HR reward structures, policies and practices are effectively in place to deliver equal treatment and opportunity. It is also essential that we have consistency in pay practices as well as justifiable and transparent criteria.
- Identifying the steps required to remove causes of pay gaps as identified.
- A programme for implementing agreed actions with timescales, if required.
- Agreeing the arrangements for monitoring the plan and evaluating the outcomes.

### Data collection

Data was extracted from SAP and reports produced indicated the percentage value of any pay gaps, shown as a -% if females are paid less than males, and a +% if females are paid more than males. Pay gap reports were produced based on the groupings and individual grades for the following:

- All staff, Gender
- All staff, Disability
- All staff, Ethnicity
- All staff, Age
- All staff, Religion and Belief and Sexual Orientation
- Full time staff compared to Part time staff, Gender
- Full time staff compared to Part time staff, Disability
- Full time staff compared to Part time staff, Ethnicity
- Full time staff compared to Part time staff, Age

### Key results

Processing and disclosure of personal information is protected by the Data Protection Act 1998 and any data from which individuals can be identified are considered personal data. Where pay gaps were identified, as highlighted in previous audits, we are often dealing with a small number of people. In addition to making it difficult to get statistically significant comparisons, we also run the risk of identifying individuals. In order to protect the credibility and confidentiality of this exercise, we needed to ensure complete anonymity and compliance with Data Protection principles in the way that information is presented in this report. In accordance with the recommendation made by the Equality Challenge Unit in its April 2010 publication (“Promoting Equality in Pay”), in circumstances where small numbers of individuals may be identifiable, having determined whether they are undertaking equal work, their pay will be described in relative as opposed to absolute terms. (i.e. more / less / equal to counterparts, without providing actual figures), to provide suitable ‘anonymity’.

## Appendix 2- University policies supporting the Equal Pay Audit

The JNCHES literature review 2010 highlighted a range of policies that are recognised as having a demonstrable impact, supporting the work of Equal Pay audits and disclosure of relevant data. These policies include the following and Westminster's approach to each is tabled below.

POLICY	WESTMINSTER APPROACH
Flexible working / Family-friendly practices and 'good' part-time working opportunities.	Website address for relevant policies; <a href="https://myintranet.westminster.ac.uk/about-us/corporate-services/human-resources-organisation-development/our-services-and-information/hr-policies-guides-and-forms">https://myintranet.westminster.ac.uk/about-us/corporate-services/human-resources-organisation-development/our-services-and-information/hr-policies-guides-and-forms</a>
Transparency e.g. Equal Pay Reviews	Undertaken every two years, presented to HR Committee and the University's Court of Governors and published on the University's website. Policy available on; <a href="https://www.westminster.ac.uk/about-us/our-university/corporate-information/policies-and-documents-a-z/annual-reporting">https://www.westminster.ac.uk/about-us/our-university/corporate-information/policies-and-documents-a-z/annual-reporting</a>
Development / Training and tackling discrimination and stereotyping.	<p><u>Website</u> address for all development / training available; <a href="https://myintranet.westminster.ac.uk/about-us/corporate-services/human-resources-organisation-development/learning-and-development">https://myintranet.westminster.ac.uk/about-us/corporate-services/human-resources-organisation-development/learning-and-development</a></p> <p><u>Specific development programmes</u> aimed at supporting an enabling work environment are listed on; <a href="https://myintranet.westminster.ac.uk/about-us/corporate-services/human-resources-organisation-development/leadership-and-organisational-development">https://myintranet.westminster.ac.uk/about-us/corporate-services/human-resources-organisation-development/leadership-and-organisational-development</a> and include; Corporate Services Management Programme &amp; Future Leaders (CSMP), Fresh Steps, Management Development Programme, MOSAIC, Navigator, Performance Management, Springboard and Springforward.</p> <p><u>Specific Initiatives</u> include; Developing a Single Equality Policy, developing recruitment routes for young people and early career academics, Stonewall Diversity Champion and tailored Disability Awareness sessions.</p>
Representation	Female representation in the group that make up the most senior leadership teams is encouraging. The University Executive Board Extended Directors Group is 10 male and 7 female staff members. While the constituency of the group will be revised from time to time



	this is a good role model for leadership teams across the University.
Pay systems	All incremental pay grades comply with recommended number of annual incremental steps (i.e. a maximum of 6)
Unions and collective bargaining	The University is committed to UCEA and JNCHES to manage collective bargaining for the University within the HE sector arrangements, in the UK.

### Appendix 3- Completed and consolidated recommendations

The below recommendations from the 2014 Equal Pay Audit have now been completed and embedded in “business as usual” across the University. Although they are now consolidated we will continue to monitor to ensure on-going compliance.

1. Continue to review arrangements for succession planning and leadership development and enhance staff development provision accordingly. Development programmes for managers and liP, including the achievement of Investors in People for the University's Corporate Services departments and the Corporate Services Management Programme, have had a positive impact on skills and behaviours across managers in all departments. Invaluable outcomes include; generating a consistent understanding of management, consistency and coherence to University policies. This will enable the University to retain and develop high calibre members of staff.
2. Continue to promote pay transparency and consistent application of pay practices by embedding equal pay principles in all relevant HR policies and procedures and ensuring that measures are in place to minimise the risk of unequal pay practices. For example, having published salary scales, a pay structure based upon job evaluation, a grade review process and ensuring the effective implementation of the University's Equal Pay Policy.
3. Mandatory recruitment and selection briefing for all those involved in appointment processes supported by clear guidance on good recruitment and selection practices. HR Managers have continued their increased participation in interview panels, including academic appointment panels at Dean of Faculty and Professoriate level with the aim of embedding good practice and will continue to do so, within resource and practical constraints.
4. Continuing to ensure our commitment to embracing diversity and promoting equality and working to ensure that there are no perceived barriers to progression for all staff. Three examples of this have been; the *Springboard* developmental programme for women, *Springforward* development programme for both men and women aspiring to be a manager and *Fresh Steps* for older male and female workers, designed to address their development needs and aims to enable participants to reassess their lives in order to identify and take steps that will help them to become the best they can be.
5. Continue to promote flexible working and family friendly policies and practices for all staff, in line with legislative entitlements to request flexible working for all staff.
6. Review reward and remuneration policies and procedures in line with legislation and best practice.
7. The lengths of any pay protection periods will continue to be monitored to ensure that these do not unjustifiably prolong inequalities.