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Staff Equality, Diversity & Inclusion Annual Report 2017-18

Appendix – Equal Pay Audit 2018.

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EXECUTIVE SUMMARY

An equal pay review is an analysis of an organisation's pay structure in order to identify and eliminate any gaps that cannot satisfactorily be explained on objective grounds other than gender. 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 <u>will be determined largely by the gender distribution across grades</u>. 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 at that time and reduced headcount, did not adversely impact on any of the staff groupings looked at in the last audit in 2016. The University is currently implementing a Transformation Project, which will result in a new organisational structure from 1 August 2018. A precursor to this was a voluntary severance programme which was effected on 1 August 2017. Impact Assessments undertaken to date do not indicate any adverse impacts on protected characteristic groups, but this will be monitored further in the 2019 report.

Data was extracted from HR SAP system and reports produced indicated the percentage value of any pay gaps, shown as a **-%** if <u>females</u> are paid <u>less</u> than males, and a **+%** if females are paid <u>more</u> than males.

Ethnicity: **-%** means gap in favour of white group, **+%** means gap in favour of BME group.
Disability: **+%** means gap in favour of Non-Disabled group, **-%** means gap in favour of Disabled group.

NB: this review does not look at bonus payments. This is covered by Gender Pay Report as published.

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 has routinely advertised 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.

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's average pay for BME staff is more favourable than the

sector average based on benchmark data available, but the under representation in more senior positions and across Professional Services, has been noted.

3. Disability - The number of colleagues who have declared a disability is low. 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. Where incremental scales apply they have been limited to a maximum number of five, with one exception that is limited to 6 points.

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 although improving remain low (below 60%) and therefore any analysis would not be statistically significant. We will continue to capture this data with the aim to reduce the number of 'unknowns'. The University is not aware of any reason why staff choose not to disclose this data. There is arguably scope to further encourage its disclosure should the University decide to prioritise resources to do this.

7. Agency staff and "off payroll working" - For the 2018 audit we have again reviewed data concerning agency staff and "off payroll working", otherwise referred to as "personal services companies" in order to track progress against 2016/17. "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). We have identified two instances of PSCs being engaged in the last twelve months; one female and one male. The use of agency staff and PSCs has declined since 2016.

There are risks associated with having significant numbers of individuals paid off payroll; 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 amongst members of staff. 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.

There are a number of recommendations from the 2016 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 4**.

RECOMMENDATIONS FROM 2018 AUDIT

Areas that we will monitor and work to strengthen include:

1. Encourage staff to disclose and update data regarding protected characteristics by communicating the benefits and reminding them of the opportunity to do so via the University's Self-Service portal.
2. Continue to review and monitor use of agency staff, and those paid off payroll, in line with University policies on equal pay and recruitment and selection, on a cyclical 6 monthly basis.
3. Monitor impact of current Transformation Project and associated restructure programme as implemented in 2019/20 in 2019 report.

ANALYSIS
All data was taken on the snapshot date of **30 June 2018.**

1. **Gender (headcount):**

	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
Gender 2018	983	853	1836

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. The 2018 audit reflects some of the outcomes of the 2017 voluntary severance scheme and restructure ('Transformation Project') which was mid-way through implementation as at the snapshot date of 30 June 2018. Inevitably, this major restructure also impacted turnover levels as a whole.

Another key point to highlight is that where there are senior grades with more male staff, these higher salaries will dominate and impact overall statistics across the staff grading structure.

Gender pay gaps (base mean salary %)

	2006	2008	2010	2012	2014	2016	2018
1. Level 5	-1.3%	0.0%	-0.6%	0.0%	0.0%	0.0%	-
2. Level 4	-7.1%	-10.6%	-	-	-	1.8%	9.22%
3. Level 3	0.0%	-5.1%	2.3%	**8.7%**	-1.3%	-0.3%	-9.48%
4. Level 2	0.4%	1.8%	1.3%	1.8%	-0.5%	0.2%	1.15%
5. Level 1	1.0%	-0.7%	-0.8%	-0.8%	0.0%	0.0%	0.00%
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%	0.35%
9. Professor*	-1.4%	-2.2%	-2.1%	-2.2%			-0.05%
PROF A					0.8%	0.3%	2.3%
PROF B					-4.3%	-0.6%	0.3%
PROF C					1.4%	-0.5%	-0.2%
10.Senior Academic**	-0.6%	1.6%	1.5%	0.0%	1.2%	2.5%	1.71%
11. Principal Lecturer /Principal Research Fellow/Reader	-0.4%	0.5%	0.0%	-0.6%	-0.5%	-1.0%	-0.22%
12. Senior Lecturer/Senior Research Fellow/NG7/NG8	-0.1%	-0.7%	-1.6%	-1.4%	-0.8%	-0.3%	0.22%
13. Lecturer/Research Fellow/NG6	-0.9%	-1.9%	-0.9%	-0.2%	-0.7%	-0.2%	0.07%
14. Research Associate/NG5	-2.0%	-2.4%	-0.9%	-1.0%	-0.2%	-1.0%	0.01%
15. NG4	0.2%	1.0%	0.4%	-0.7%	0.4%	-0.6%	0.57%
16. NG3	0.1%	0.0%	-0.4%	0.1%	0.0%	0.6%	-0.83%
17. NG2	-4.1%	-1.8%	-2.8%	-0.2%	-0.8%	-0.9%	-0.24%
18. NG1	4.0%	0.9%	2.4%	**-6.4%**	2.1%	-	-
19. NG0	-	-	-	-	-	3.4%	0.31%

Notes:-

*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.

**The Senior Academic pay category was discontinued with effect from 1 August 2017 and the salaries of the remaining five affected staff red-circled.

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 <u>9.82%.</u> This can be attributed to there being fewer female staff in some more senior roles.

Within the Higher Education sector UCEA gender pay gap data published in 2018 shows a mean gender pay gap of 19.8% for pre/post 92 universities and the national picture is that *"….the gender pay gap (for median earnings) for full-time employees decreased to 9.1%, from 9.4% in 2016…"* (Office of National Statistics: Annual Survey of Hours and Earnings: 2017provisional&2016revisedresults): *https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/ann ualsurveyofhoursandearnings/2017provisionaland2016revisedresults*

There are significantly fewer female staff in grade groups 8 to 11 (Head of Department, Professors, Principal Lecturers and Principal Research Fellows). Overall, 39.6% of staff in groups 8 to 11 are female; the biggest gap is within the Professors (32.8% female).

2.   Ethnicity (headcount):

	BME	White	Unknown/ Info Refused	Unknown	Info Refused	Total
Ethnicity 2006	340	1339	263	-	-	1942
Ethnicity 2008	424	1418	181	-	-	2023
Ethnicity 2010	441	1459	117	-	-	2017
Ethnicity 2012	411	1341	80	-	-	1832
Ethnicity 2014	434	1366	114	-	-	1914
Ethnicity 2016	513	1478	95	-	-	2086
Ethnicity 2018	461	1291	-	66	18	1836

The proportion of BME staff across the university has increased slowly but continually since 2006. The number of staff recorded as unknown or who declined to disclose their ethnicity has decreased since 2014. Overall, the University has a BME staff population of 25.1%, which compares very favourably with the HE sector average of 13.9% for the year 2016/17.[1]

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 only one pay gap 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 22 members of staff in these groups.

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[1] Source: https://www.hesa.ac.uk/data-and-analysis/staff

Ethnicity pay gaps (base mean salary)	2006	2008	2010	2012	2014	2016	2018
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%	0.00%
6. Dean of Faculty	-	-8.7%	-	-	-	-	-
7. Director - Academic/ Associate Dean/ Deputy Dean	-	-	-	-	-	-	2.89%
8. Head of Departments	4.1%	2.6%	-0.7%	1.9%	-1.6%	0.0%	-0.37%
9. Professor*	-2.9%	-4.5%	-3.4%	-1.5%			
PROF A					-	-	-
PROF B					-	1.6%	2.17%
PROF C					1.8%	1.5%	3.48%
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%	-1.74%
12. Senior Lecturer/Senior Research Fellow/NG7/NG8	-2.2%	-2.0%	-1.0%	-1.4%	-0.7%	-0.3%	-0.39%
13. Lecturer/Research Fellow/NG6	1.3%	0.3%	0.7%	1.0%	-0.3%	0.1%	0.13%
14. Research Associate/NG5	-2.4%	-2.2%	0.9%	0.7%	0.7%	-1.3%	1.05%
15. NG4	-0.1%	-0.5%	0.8%	0.7%	0.9%	0.6%	-1.08%
16. NG3	0.2%	0.0%	0.5%	0.6%	1.0%	0.7%	-0.08%
17. NG2	2.6%	3.0%	3.9%	2.3%	1.0%	-0.2%	1.68%
18. NG1	2.4%	1.7%	0.5%	-0.7%	-1.9%	-3.5%	-0.01%
19. NG0	-	-	0.0%	0.0%	0.0%	-3.5%	-1.99%

*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 2018 data
Little change can be reported. The average Ethnicity pay gap is 18.36% and this is attributable to lack of representation in senior grades.

3. Disability (headcount)

	Yes	No	Total
Disability 2006	44	1898	1942
Disability 2008	46	1977	2023
Disability 2010	84	1933	2017
Disability 2012	88	1744	1832
Disability 2014	96	1818	1914
Disability 2016	95	1991	2086
Disability 2018	96	1740	1836

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 (base mean salary)

	2006	2008	2010	2012	2014	2016	2018
1. Level 5	-	-	-	-	-	-	-
2. Level 4	-	-	-	-	-	-	-
3. Level 3	-	-	-	-	1.0%	0.2%	-
4. Level 2	-	-	0.2%	0.0%	2.1%	0.7%	3.46%
5. Level 1	0.3%	0.5%	0.7%	2.1%	0.0%	0.0%	0.00%
6. Dean of Faculty	-	-	-	-	-	-	-
7. Director - Academic/ Associate Dean/ Deputy Dean	-	-	-	**5.6%**	**7.3%**	-	**-10.91%**
8. Head of Departments	-1.8%	3.0%	0.3%	-1.3%	-3.0%	-3.6%	-2.99%
9. Professor*	-0.7%	-0.5%	0.5%	-1.3%			
PROF A					0.5%	-	-0.89%
PROF B					-	1.6%	-
PROF C					8.1%	1.5%	**7.92%**
10.Senior Academic	-	-	1.6%	-0.2%	-	4.0%	-5.21%
11. Principal Lecturer /Principal Research Fellow/Reader	-1.2%	5.1%	2.7%	1.4%	-0.2%	2.0%	-0.73%
12. Senior Lecturer/Senior Research Fellow/NG7/NG8	-2.7%	0.2%	0.9%	0.7%	0.4%	0.0%	-1.65%
13. Lecturer/Research Fellow/NG6	-0.9%	-0.9%	1.1%	1.5%	-1.1%	-1.5%	0.60%
14. Research Associate/NG5	-5.4%	4.1%	**3.7%**	3.7%	2.2%	2.7%	-1.97%
15. NG4	2.4%	1.4%	-1.3%	2.2%	**5.9%**	2.2%	1.31%
16. NG3	-1.1%	3.9%	**3.0%**	-0.5%	-0.1%	1.8%	0.13%
17. NG2	2.6%	-4.2%	-	-	**-6.0%**	**-5.6%**	**5.90%**
18. NG1	-	-	1.3%	2.6%	2.1%	2.0%	-1.83%
19. NG0	-	-	-	-	-	-	-

Comparison with 2006 to 2018 data

Overall, disabled staff are paid more on average than non-disabled staff by 1.7%. This is attributed to a higher disclosure rate in more senior roles. The national disability pay gap is 13.6% as identified in the 2017 the Equality and Human Rights Commission (EHRC) report; this figure is not limited to the HE sector.[2]

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
Age 2018	320	756	693	67	1836

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. 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.

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.
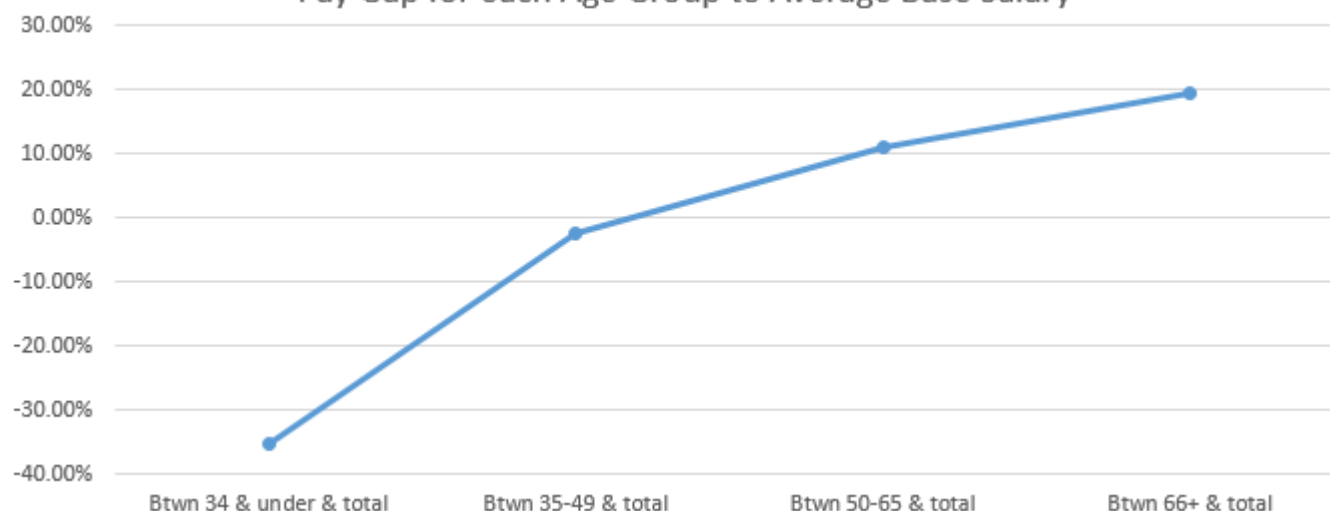
Where the results have identified some pay gaps of more than 5% for senior staff, further investigation and analysis has revealed that the pay gaps were attributed to salaries increasing with length of service, age in respect of experience and seniority, complexity of roles and market forces in the wider 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.

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[2] Source: https://www.theguardian.com/commentisfree/2018/apr/11/gender-pay-gap-disability-disabled-people-job

Age pay gaps (base mean salary)

	2018			
	34 & under	**35-49**	**50-65**	**66+**
1. Level 5	-	-	0.00%	-
2. Level 4	-	-3.39%	1.61%	-
3. Level 3	7.94%	-5.17%	-1.25%	-
4. Level 2	0.86%	0.86%	-2.69%	-
5. Level 1	0.00%	0.00%	0.00%	-
6. Dean of Faculty	-	-	0.00%	-
7. Director - Academic/ Associate Dean/ Deputy Dean	-	-	2.89%	-6.32%
8. Head of Departments	-	-6.92%	0.26%	4.23%
9. Professor*				
PROF A	-	3.63%	-0.05%	-7.79%
PROF B	-	4.62%	0.58%	-3.17%
PROF C	-	-0.77%	0.21%	0.24%
10.Senior Academic	-	-	-0.57%	0.84%
11. Principal Lecturer /Principal Research Fellow/Reader	-	-0.93%	0.33%	0.45%
12. Senior Lecturer/Senior Research Fellow/NG7/NG8	-5.80%	-0.72%	1.19%	0.82%
13. Lecturer/Research Fellow/NG6	-3.08%	0.10%	2.01%	3.15%
14. Research Associate/NG5	-3.81%	0.87%	3.61%	5.49%
15. NG4	-3.35%	1.62%	2.46%	5.67%
16. NG3	-3.11%	1.80%	2.08%	3.42%
17. NG2	**-5.11%**	**0.23%**	**2.38%**	**-**
18. NG1	-3.63%	0.75%	1.24%	-1.94%
19. NG0	0.00%	-	-	-

Pay Gap for each Age Group to Average Base Salary

Comparison with 2006 to 2018 data
As shown in the table below, the University's age profile broadly mirrors the HE sector, when compared with the most recent benchmarking data from HESA 2018 (based on 2016/17 numbers)

Age (years)	Total HE	Total Percentage of HE	Total UoW Staff (number)	Total UoW Staff (percentage)
25 and under	24220	5.77%	58	3.16%
26-35	106260	25.32%	307	16.72%
36-45	111065	26.46%	475	25.87%
46-55	105525	25.14%	570	31.05%
56-65	62800	14.96%	359	19.55%
66 and over	9845	2.35%	67	3.65%
Total	**419715**	**100%**	**1836**	**100%**

5. Part Time – All Staff

The University applies the same pay and grading structures and policies to part-time staff. Analysis of the difference in average salary of part-time staff compared to full time staff at each grade level showed no significant differences of 5% or above.

Gender, Ethnicity, Disability and Part-time staff
Analysis of the differences in average salary of part-time female staff compared to male staff showed no significant differences.

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.

- Group 50-65 have a pay gap of over 5%, attributable to a small number of senior roles that are held by members of this age group that are all full-time.

6. Visiting Lecturers (Hourly paid / part time)

The results showed no significant differences between Visiting Lecturer staff with respect to gender, ethnicity, disability 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 60% 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 continue to work with the staff LGBT network to also encourage greater disclosure.

8. Agency staff and "Off Payroll Working"

For the 2017/8 audit we have again 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). As a consequence of recent financial challenges, the University has sought to reduce the number of off-payroll workers.

Off Payroll Working
Following UCEA guidance we have identified approximately **2** instances of PSCs being engaged in the twelve months up until and including July 2018; one female and one male. This is an improvement on 2016 when there were 6 PSCs, all of whom were male individuals operating in management roles. The University is currently improving its processes for identifying PSCs so the real figure may potentially be higher. There are significant risks associated with engaging PSCs, and with failing to correctly identify them, 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
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 in 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. Use of agency staff has reduced since the 2016 audit.

APPENDICES

(1) Context

(2) Audit Process

(3) University policies supporting the Equal Pay Audit

(4) Progress on recommendations made in 2016 Audit

Appendix 1   **Context**

The University and UCU concluded in July 2017 a number of agreements relating to the terms of and conditions of employment for academic staff. The relevant terms in relation to remuneration are as follows:

- The London Weighting for academic staff who opted out of the University's new offer of terms and conditions in 2009 was harmonised with the weighting for all other academic staff, retrospectively to the 1 August 2016.
- Similarly, incremental progression dates were also harmonised with effect form 1 August 2017.
- The historical Senior Academic scale for a small number of remaining academics has now been removed and pay red circled for those affected.
- All new Part Time Visiting Lecturers appointed from 1 October 2017 onwards are paid at a fixed hourly rate (VL pt 2 'opted-in' scale (spine point 34 equivalent) and are not eligible for incremental progression. It was agreed that the University would also review pay progression for all other existing VLs.
- The Grading Review process for academic staff has ceased with effect from 2017/8 and is being replaced by an annual internal promotion round whereby staff may apply for approved academic vacancies.

It is intended that the above will achieve better alignment and transparency in staff remuneration, as well as encourage managers to ensure that staff assume duties appropriate to their pay grade.

In 2017 and 2018 the University effected two voluntary severance schemes (effective 1/8/17 and 1/8/18, with the former applying to Professional Services staff and the latter available to all staff, subject to agreement by the relevant Directors and Deans. These schemes formed part of a streamlining and downsizing of the staffing structure in order to reduce costs. Going forward the University will be able to identify any adverse impacts on its equality profile across the groups of protected characteristics, although impact assessments undertaken to date, do not indicate that this should be the case.

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.

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.

Appendix 2 **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 2018. 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 <u>less than 3%</u>, 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 <u>more than 5%</u>, 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)**.** The report looks at mean basic pay. The University does not have a bonus culture. Further detail on any exceptional bonuses paid is available in the University's 2018 published Gender Pay Report.

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, Disability, Ethnicity, Age

Appendix 3   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; https://universityofwestminster.sharepoint.com/sites/00088/Shared%20Documents/Forms/AllItems.aspx?csf=1&e=4b17bf34c79a40719708fd5defb2e77a&RootFolder=%2Fsites%2F00088%2FShared%20Documents%2FHuman%20Resources%2FStrategies%2C%20policies%20and%20codes&FolderCTID=0x012000C8E3BB155FA82441BCB99750F13119F3
Transparency e.g. Equal Pay Reviews	Undertaken every two years up to 2018, annual reporting hereafter. Presented to HR Committee and the University's Court of Governors and published on the University's website. Policy available on; **https://www.westminster.ac.uk/about-us/our-university/corporate-information/policies-and-documents-a-z/annual-reporting**
Development / Training and tackling discrimination and stereotyping. .	Staff training and development has been reduced as result of cost-cutting imperatives in 2017/18. However, the University remains committed to provision of core training on and support for equality and diversity. Mandatory e-learning module for all staff on equality and diversity: https://universityofwestminster.sharepoint.com/sites/Resources/SitePages/Mandatory%20E-learning%20modules.aspx Specific staff networks programmes aimed at supporting an enabling work environment are listed at: https://www.westminster.ac.uk/about-us/our-university/corporate-social-responsibility/leadership/equality-and-diversity
Representation	The University's senior leadership team, the University Executive Board Extended Directors Group, currently has one female representative and six male. The proportion of female representatives has decreased since the 2016 audit, as has the size and composition of the Board. The University Executive Board Extended Directors Group in 2016 comprised 10 male and 7 female staff members.
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 4   Progress on recommendations made in 2016 audit

Completed and consolidated

1. *Assess the extent to which there are any inequities in the provision of benefits such as pensions.*

Any payments made in lieu of pension contributions will cease in August 2018.

2. *Include apprentices in the audit where there is enough data to be meaningful.*

This was actioned for the 2018 report. Trends may be monitored going forward where the numbers of apprentices are sufficient to allow this.

Recommendations in progress

1. *Review and monitor use of agency staff, and those paid off payroll, in line with University policies on equal pay and recruitment and selection.*

This was reviewed as follows:
- May 2017 – this was done as part of an organisational cost-cutting exercise
  and those paid off payroll, and the focus was not on gender or other protected characteristics. Procurement produced a follow-up report in November 2017.
- April 2018 – a list of agency workers was produced as part of statutory redundancy consultation. The focus was not on equality considerations.

By reducing the number of agency and off-payroll workers, risks of pay inequalities will be reduced. Procurement have requested a more robust sign-off procedure to be built into Agresso, which would authorisation from Hermit is recommended that HR and Procurement continue to liaise to question use of such workers where not aligned to the University's recruitment and selection procedures, and cost control imperative.

2. *Work with staff networks such as the LGBT network to encourage engagement and disclosure rates.*

The LGBT group continues to offer support and the Group was promoted at the 2018 staff wellbeing day.

Outstanding
1. *Further investigation should be 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.*

It was envisaged in 2016 that a new recruitment system would be in place to facilitate such data capture. The project was however suspended due to a University-wide project-rationalisation exercise.