



THE UNIVERSITY *of* EDINBURGH

Equal Pay Audit 2015

All Employees

Contents

1. Introduction
2. What is an Equal Pay Audit
3. The University's Approach
4. Data Collection
5. Methods for Calculating the Pay Gap
6. Summary of Findings
7. Initial Findings
8. Findings – Detailed Analysis of Gender Pay Gaps
9. Findings – Analysis of Other Protected Characteristics
10. Conclusions
11. Recommendations

1. Introduction

The University supports the principle of equal pay for work of equal value and recognises that there should be a reward system which is free from bias and based on objective criteria. The University carried out an institution-wide pay and grading exercise which was implemented in 2007, with the majority of employees¹ moving to a new grade structure underpinned by job evaluation using the Hay methodology.

This report is produced as part of the University's wider commitment to monitoring equality and to provide analysis and recommendations in relation to the reward management, policy and practice of staff across the University.

With the introduction of the Public Sector Equality Duty in April 2011, created by the Equality Act 2010, there is a legal requirement for employers covered by the duty to publish information demonstrating compliance with the duty, such as reporting on the gender pay gap.

2. What is an Equal Pay Audit

An Equal Pay Audit involves a comparison of pay of men and women doing equal work, and the identification of any equal pay gaps. It includes the explanation of gaps using objective criteria, and the addressing of any gaps that cannot be satisfactorily explained on the grounds of work content, as well as ongoing monitoring.

There are a number of benefits of conducting an Equal Pay Audit:

- Identifying, explaining and, where justifiable, eliminating pay inequalities
- Supporting rational, fair and transparent pay arrangements
- Demonstrating to employees a commitment to equality
- Demonstrating the University's values to external stakeholders
- Helping to meet the public sector equality duty

3. The University's Approach

This is the fourth Equal Pay Audit undertaken by the University. An annual Grade 10 and Equivalent Equal Pay Audit is completed separately, however Grade 10 employees are also included within this report. Reflection on previous audits, and consideration of good practice guidance from the Equality and Human Rights Commission (EHRC), the Joint Negotiating Committee for Higher Education Staff, and the Equality Challenge Unit has led

¹ Some employees retained terms and conditions that are protected under TUPE or are set by external national agreements e.g. Clinical Academics

to the conclusion that all employees should be included in the calculation of pay gaps unless exclusion is justifiable.

In order to simplify and clarify presentation there have been a number of changes to the structure and content of the 2015 equal pay audit report from previously published equal pay audit reports.

The Equal Pay Audit is published biennially and the next audit covering all staff will be published in 2017.

4. Data Collection

The data was extracted from the University HR System on 31st March 2015.

Data was analysed for all employees regardless of terms and conditions to calculate pay gaps. Subsequently, employee data has been grouped as considered to be appropriate. Detailed comparisons are not shown where this would enable individuals to be identified.

5. Methods for Calculating the Pay Gap

The gender pay gap is calculated using the mean and median salaries of female employees expressed as a percentage of the mean and median salaries of male employees doing work of equal value. 'Salary' is the full-time equivalent salary, plus any job related additional salary payments such as a market pay supplement.

A negative % demonstrates a pay gap in favour of women. The pay gap has been calculated using both the mean and median salaries. The EHRC guidance indicates that pay gaps of 5% or greater are considered to be significant.

There are 8 pay gap reports in the following sections of the audit, with commentary and analysis on each:

Table 6.1: All employees on UE01-UE09

Table 6.2: All employees on UE01-UE10

Table 6.3: Entire staff population pay gaps by gender

Table 7.1: Gender pay gap by individual University grade (UE01-UE10)

Table 7.2: Full-time and Part-time Pay Gaps

Table 7.3: All UE01-UE10 employees hired in previous 2 years by grade and gender, with pay gaps

Table 8.1: Ethnicity Pay Gap

Table 8.2: Disability Pay Gap

6. Summary of Findings

- The **mean pay gap** for all employees on grade **UE01-UE10** is **16.66%**. This has increased by 1.22% since the 2013 report
- The **median pay gap** for the same population is **13.67%**. This has increased by 5.23% since the 2013 report.
- The **mean and median pay gaps** are much lower when calculated for employees on **UE01-UE09** only, at **9.17%** and **11.1%** respectively.
- There are no substantial gender pay gaps within grades in the UE01-UE09 population. The largest, and only significant, mean pay gap is in the Grade 3 population at 5.37%. The **mean and median pay gaps** are significantly higher in the **Grade 10** population at **11.3%** and **9.26%** respectively.
- Male employees substantially outnumber female employees in the higher grades of the University payscale. **54%** of all **male employees** are employed in grades **UE07-UE10** compared to **40%** of all **female employees** in the same grades. The clustering of female employees amongst the lower grades and male employees amongst the higher grades continues to influence the pay gap.
- The **mean pay gap** for employees **hired in the previous two years** is **12.09%** (this is 4.57% lower than the University pay gap). This is lower than the overall University pay gap and is encouraging because it indicates that attention is being paid to the gender pay of new recruits to the University.

7. Initial Findings – Overall Gender Pay Gaps

6.1 The following pay gap has been calculated for all employees on grades UE01 to UE09. The pay gap from the previous audit has been included for comparative purposes.

Table 6.1: All employees on UE01-UE09

Year	Grades UE01-UE09				Mean Pay Gap	Median Pay Gap
	Female Headcount	%	Male Headcount	%		
2013	6276	54	5312	46	8.37	5.71
2015	6441	55	5361	45	9.17	11.1

The overall population of employees in grades UE01 to UE09 has increased in the last two years, and there has been a slight increase in the percentage of female employees (UE01-UE09) who now account for 55% of the population. The headline figures show that the mean pay gap has increased to 9.17% and the median pay gap has also increased to 11.1%, since the 2013 equal pay audit.

Table 6.2: All employees - Grades UE01-UE10

	All	Male	Female
Mean Pay	£33,289	£36,519	£30,433
Median Pay	£30,434	£32,277	£27,864
Total Population Pay gap by Mean	16.66%		
Total Population Pay gap by Median	13.67%		
Total population total salary range ('Pay') on grades UE01 to UE10 only	£6006 - £235915		
Total All Males (headcount) and % of population	5836 (46.94%)		
Total All Females and % of population	6597 (53.06%)		

The mean pay gap for all employees is 16.66%, representing an increase of 1.22% since the 2013 audit. The median pay gap is now 13.67%, a notable increase of 5.23%. The female median salary has increased by £817 and the mean salary by £1,470 between 2013 and 2015. The male median salary has increased by £2,736 and the mean salary by £2,266 in the same period. It is evident that the Grade 10 population has a substantial impact on the mean and median pay gap of the overall University population.

6.3 The following table includes employees on legacy grades and clinical (NHS) grades. It should be noted that employees on legacy terms and conditions are protected under TUPE² and the University has no ability to vary these terms, which include pay arrangements.

Table 6.3: Entire staff population pay gaps by gender

	All	Male	Female
Mean Pay	£34,390	£38,000	£31,113
Median Pay	£30,434	£32,277	£28,695
Total Population Pay gap by Mean	18.12%		
Total Population Pay gap by Median	11.10%		
Total population total salary range ('Pay') on grades UE01 to UE10 only	£6006-£244750		
Total All Males (headcount) and % of population	6278 (47.59%)		
Total All Females and % of population	6914 (52.41%)		

The inclusion of staff on legacy and non-University payscales increases the mean pay which at 18.12% is higher than the mean pay gap for employees on grades UE01-UE10. Conversely it has a positive impact on the median pay gap, which at 11.10% is lower than the pay gap for grades UE01-UE10. The gender pay gaps' calculated using only staff on University terms and conditions are considered to be the most representative, for the University has the ability to control these pay arrangements.

² Transfer of Undertakings (Protection of Employment) Regulations, commonly referred to as 'TUPE' affords that certain employee rights are protected indefinitely where their employer is subject to a take-over or merger by/with another employer.

8. Findings – Detailed Analysis of Gender Pay Gaps

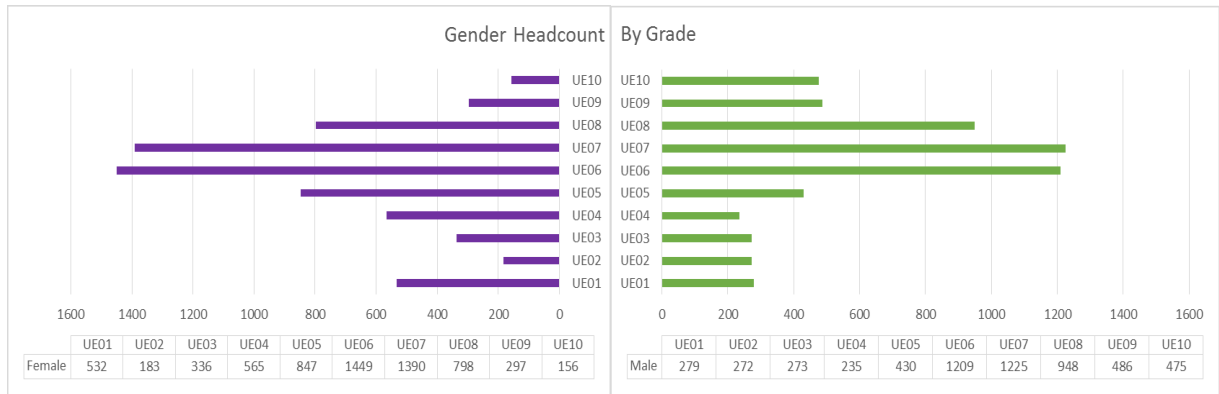
In order to assess in more detail the gender pay gaps presented in section 6.1 and 6.2, it is necessary to analyse the pay gaps by grade. The table below provides information by gender and headcount and shows the mean and median salaries and resulting pay gaps for each University grade.

Table 7.1 Gender pay gap by individual University grade (UE01-UE10)

Headcount, mean and median salary by UE grade and gender and respective mean and median gender pay gap							
Grade	Gender	Headcount	% of Total	Mean Salary	Median Salary	Mean Pay Gap	Median Pay Gap
UE01	Male	279	34%	£14,409	£14,326	0.61%	0.00%
	Female	532	66%	£14,320	£14,326		
UE02	Male	272	60%	£15,481	£15,356	1.68%	0.00%
	Female	183	40%	£15,221	£15,356		
UE03	Male	273	45%	£18,428	£18,031	5.37%	2.79%
	Female	336	55%	£17,438	£17,528		
UE04	Male	235	29%	£20,447	£20,037	1.76%	-0.80%
	Female	565	71%	£20,088	£20,198		
UE05	Male	430	34%	£23,235	£22,685	-0.59%	-3.09%
	Female	847	66%	£23,372	£23,386		
UE06	Male	1209	45%	£27,982	£27,864	-0.60%	0.00%
	Female	1449	55%	£28,150	£27,864		
UE07	Male	1225	47%	£35,147	£35,256	0.25%	0.00%
	Female	1390	53%	£35,060	£35,256		
UE08	Male	948	54%	£44,017	£44,620	1.41%	2.90%
	Female	798	46%	£43,396	£43,325		
UE09	Male	486	62%	£54,635	£54,841	0.60%	0.00%
	Female	297	38%	£54,308	£54,841		
UE10	Male	475	75%	£83,714	£74,852	11.30%	9.26%
	Female	156	25%	£74,251	£67,918		

A number of observations can be made about the data presented in the table. Firstly, the headcount for grades UE01 to UE07 is predominantly female, with a higher number of female employees than male employees in all grades except UE02. For grades UE08 to UE10, the headcount is predominantly male. Secondly, in grades UE05 and UE06 the mean salary for Female employees is higher and in grade UE04 and UE05 the median salary for Female employees is higher. Thirdly, the most significant pay gaps exist for the UE10 population, with a mean and median pay gap of 11.30% and 9.26% respectively. The gender imbalance in UE10 and the significant pay gap for UE10 can be seen to have a major influence on the University's overall pay gap.

The following table illustrates the total headcount by gender by grade. Female employees largely outnumber male employees in the lower and middle grades, however from grades UE08 to UE10 there is a much higher population of male employees. The clustering of male employees on higher grades and female employees on lower and middle grades is contributing to the gender pay gap.



7.2 Full-time and Part-time Pay Gaps

The pay gaps for full-time and part-time have been calculated for Grades UE01-UE10. A negative pay gap denotes that the mean or median pay is higher for part-time employees.

Table 7.2 UE01-UE10 Pay Gap, Full-time and Part-time

Grade	Pay Gap Full-Time to Part-Time All Employees		Total number of Full-Time and Part-Time Employees	
	Mean Pay Gap	Median Pay Gap	Full-Time	Part-Time
UE01	0.20%	0.00%	59	721
UE02	5.34%	6.18%	183	247
UE03	5.44%	2.79%	232	345
UE04	-0.39%	-5.85%	507	278
UE05	4.03%	5.70%	638	522
UE06	3.78%	5.71%	842	1629
UE07	-2.89%	-6.06%	1848	680
UE08	2.86%	5.72%	1331	379
UE09	0.43%	0.00%	687	93
UE10	-11.67%	-13.80%	552	74
UE01 - UE10	28.65%	25.48%	6879	4968

A comparison between the earnings of full-time employees and part-time employees has been calculated. The table above shows the pay gap between part time and full time staff per grade for all UE grades. It shows an overall part time-full time mean pay gap of 28.65% and an overall part time-full time median pay gap of 25.48%. The mean and median pay gaps for grades UE04, UE07 and UE10 indicate that pay is higher for part-time employees in these grades. The largest pay gap can be seen in the Grade 10 population.

7.3 Starting Salaries

Table 7.3 All UE01-UE10 employees hired in previous 2 years by grade and gender, with pay gaps

Grade	Gender	Head Count	% of Total	Mean Salary ³	Mean Pay Gap
UE01	Male	114	34.86%	£14,368	1.16%
	Female	213	65.14%	£14,201	
	Total	327		£14,260	
UE02	Male	95	53.37%	£14,850	0.20%
	Female	83	46.63%	£14,820	
	Total	178		£14,836	
UE03	Male	99	42.67%	£17,003	1.80%
	Female	133	57.33%	£16,696	
	Total	232		£16,827	
UE04	Male	89	29.57%	£19,059	-0.81%
	Female	212	70.43%	£19,214	
	Total	301		£19,168	
UE05	Male	194	40.17%	£22,030	-0.63%
	Female	289	59.83%	£22,169	
	Total	483		£22,113	
UE06	Male	581	48.74%	£26,865	-0.27%
	Female	611	51.26%	£26,937	
	Total	1192		£26,902	
UE07	Male	446	49.45%	£33,486	0.42%
	Female	456	50.55%	£33,346	
	Total	902		£33,415	
UE08	Male	256	53.22%	£42,218	1.05%
	Female	225	46.78%	£41,774	
	Total	481		£42,011	
UE09	Male	39	54.17%	£53,803	0.28%
	Female	33	45.83%	£53,653	
	Total	72		£53,734	
UE10	Male	56	82.35%	£108,098	11.35%
	Female	12	17.65%	£95,830	
	Total	68		£105,933	
UE01 - UE10	Total Male	1969	46.48%	£30,578	12.09%
	Total Female	2267	53.52%	£26,881	
	Total	4236		£28,599	

There are no significant pay gaps between grades UE01 and UE09 for individuals hired in the previous two years.

³ Mean salary figures include allowances, and are based on current salaries at 31st March 2015.

Pay Gaps by Protected Characteristics

a. Ethnicity Pay Gap

Table 8.1 Ethnicity Pay Gap

Year	Ethnicity Monitoring Information			Mean Pay Gap
	White (%)	BME (%)	Not Known (%)	
2013	79	8	13	9.35%
2015	75	8	17	6.82%

The proportion of the total population of staff who have declared their ethnicity as White is 75%. Ethnicity recorded as Not Known is 17%, and 8% of the population have declared their ethnicity as Black or Minority Ethnic (BME).

The ethnicity profile of the employee population has shifted slightly from 2013, with a 4% decrease in employees declaring themselves as white. Table 8.1 shows that the mean salary of those categorising themselves as BME is 6.82% lower than those categorised as White. This is lower than the figure in 2013. This data is not considered to be robust due to the high number of employees who have not declared information on their ethnicity.

b. Disability

Table 8.2 Disability Pay Gap

Year	Disability Monitoring Information		Mean Pay Gap
	Declared Disabled %	Not Known to be Disabled %	
2013	2	98	4.40%
2015	2	98	6.93%

While there has been an increase in the overall number of employees declaring a disability, the percentage of the total population of staff with a declared disability in 2015 is 2% which mirrors the 2013 figure. Analysis shows that there is a 6.93% mean pay gap between employees with a declared disability and those not known to be disabled which is a 2.53% increase on the figure of 4.40% in 2013. This data is not considered to be robust due to the high number of employees who have not declared information on disability.

c. Sexual Orientation

The proportion of the total population of staff who have declared their sexual orientation as heterosexual is 25%; 1% have declared themselves as bisexual/gay/lesbian; 3% have preferred not to say and for 71% of staff sexual orientation is unknown. The data which the University holds on sexual orientation is not sufficiently robust to report on pay gaps.

d. Religion or Belief

The proportion of the total population of staff who have declared their religion or belief as Christian is 8%, and 2% have declared another religion or belief (Buddhist, Hindu, Jewish, Muslim or another religion or spiritual belief). 17% have reported that they have No Religion and for 73% religion or belief is Unknown. The data which the University holds on religion or belief is not sufficiently robust to report on pay gaps.

e. Marital Status

The mean and median salaries according to marital status have been calculated, however as a result of the data being collected when employees first join the University the accuracy of the data is not sufficiently reliable to draw any firm conclusions, as it does not account for changes in marital status.

Whilst this data cannot be relied upon, using the analysis as an indicator of trends, it would suggest that similar to the figure in the 2013 audit, those who are married or in a civil partnership have higher salary levels than those in other categories of marital status.

9. Conclusions

It is disappointing to see that the gender pay gap between male employees and female employees in grades UE01-UE09 has increased since the 2013 Equal Pay Audit. When the pay gap is calculated to include the Grade 10 population, there is a notable increase of 5.23% on the median pay gap since the previous audit.

While the increase in the overall pay gaps are disappointing and need to be addressed, it is important also to look at gender pay gaps outside of the University. The Equality Challenge Unit highlights that the median gender pay gap in the UK is 16.2% and the mean gender pay gap is 19%⁴. The median and mean pay gaps seen in the University of Edinburgh are lower, at 13.67% and 16.66% respectively. According to the Office for National Statistics the private sector median gender pay gap has decreased slightly in 2014 to 17.5%, however the public sector median gender pay gap, traditionally more stable, has increased slightly to 11%⁵.

The University is committed to delivering equal treatment of its employees regardless of their gender or other protected characteristics. The University has invested significant resource in trying to promote equality and gender equality. The [Equality and Diversity](#) webpages provide further information about the equality initiatives that the University is engaged in.

The University commitment to equality and diversity can also be evidenced by the specific targets that have been identified in the [Strategic Plan 2012-2016](#).

This fourth comprehensive audit emphasises the University's commitment to monitoring pay practice in order to equally reward work of equal value and to contribute to develop equality and diversity strategies to promote good practice.

⁴ Equality in higher education: statistical report 2014; Equality Challenge Unity and Data provided by the Higher Education Statistics Agency (HESA)

⁵ Annual Survey of Hours and Earnings, 2014 Provisional Results: Office for National Statistics, 19th November 2014

10. Recommendations

The Grade 10 and Equivalent Equal Pay Audit and current levels of analysis should continue to be carried out on an annual basis given that the UE10 grade has a significant impact on the overall pay gaps of the University. The University has a Gender Pay Task Group which is considering the causes and potential solutions to the gender pay gap.

The University now has Key Performance Indicators (KPIs) in place relating to equal pay. It is recommended that focus remains on these KPIs, for it is expected that these will positively influence the gender pay gap in the University.

An in-depth analysis has been carried out on the gender pay gap on a number of characteristics for the purpose of this audit. Further analysis will be carried out to consider the influence of occupational segregation on the gender pay gap. The gender split and gender pay gap will be analysed by job type to determine whether there are specific populations within the University where occupational segregation are contributing adversely to the gender pay gap.

The data which the University holds for many of the Protected Characteristics is not sufficiently robust to report on pay gaps. To enable the gathering of more robust data and therefore more detailed analysis of protected characteristics and equal pay, it is recommended that an annual survey on Protected Characteristics should be carried out across the University.

The University's People Committee and other relevant committees should consider this audit and make recommendations for an action plan where they consider that such actions are not already underway or sufficiently covered within the existing Equality and Diversity strategy, in order to positively influence the pay gaps highlighted in this report.