

New JNCHEs

Equal Pay Reviews and Gender Pay Gap Reporting Guidance for Higher Education Institutions

Revised edition, January 2018

NEW JNCHEs
New Joint Negotiating Committee
for Higher Education Staff



This revised guidance was published in January 2018 by the Universities and Colleges Employers Association (UCEA) with the support of GMB, UCU, UNISON and Unite on behalf of New JNCHEs.

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Foreword

We are very pleased to introduce this updated New JNCHES Equal Pay Reviews and Gender Pay Gap Reporting Guidance for Higher Education Institutions (HEIs). The Joint Negotiating Committee for Higher Education Staff (JNCHES) first issued guidance on equal pay reviews in March 2002. This was reviewed in 2007 and again in 2013 to reflect the introduction of the Equality Act 2010 and changes in advisory bodies. Arising from a commitment made by the parties to the New JNCHES Pay Settlement for 2016/17 this revised Guidance now updates and builds on the last version by encompassing the new gender pay gap reporting requirements. It also seeks to focus on action planning, as it is clear that reviewing data will be a purposeless exercise if it is not followed up with concrete steps that address any issues that the data highlight. To this end, this Guidance incorporates checklist material and links to other resources to assist HEIs in formulating their action plans, and gives examples of partnership working between unions and employers.

The terms 'equal pay' and 'gender pay gap' are sometimes conflated but they are distinct concepts and this Guidance seeks to explain the distinction and set out what HEIs need to do to meet their obligations in relation to each activity. The Guidance also seeks to make clear the different requirements in the four nations of the UK. At the same time, by bringing together both equal pay reviewing and gender pay gap analysis and reporting in one document, we hope to reflect how the two activities will contribute towards an organisation's commitment and delivery on equality and diversity. Transparent and fair pay systems are of course more than a legal obligation; they are fundamental to the values of staff and employers in the sector. Together with a concern to examine gender pay gaps and question where and why these are occurring, employers will be taking steps that positively help them in recruiting, retaining and motivating the very best employees, helping to maintain a motivated and productive workforce. This Guidance recognises too that employers should look holistically at equal pay in their workforces, examining their data for differences between all equality groups, not only in relation to gender.

UCEA has committed to producing an annual set of sector level benchmark figures based on official data from HESA and the ONS. These benchmark figures are publicly available via an interactive presentation that covers over a decade of gender pay gap data by staff category and job level alongside comparisons with other industries and professions. These benchmarks will be beneficial for universities and HE colleges in England as they prepare for their first mandatory gender pay gap reports in April 2018, as well as for those in the other nations of the UK as they continue or prepare to meet their respective legal requirements.

The New JNCHES Equal Pay Guidance Working Group would like to thank the HEIs that kindly allowed us to highlight their work in this area. We hope that the inclusion of real examples of HEI work in these important activities of equal pay reviewing and gender pay analysis will both bring the guidance to life and emphasise that these activities are about the actions and outcomes that flow from them.

This Guidance is commended jointly through New JNCHES to all institutions.

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Equal Pay Reviews and Gender Pay Gap Reporting:

Guidance for Higher Education Institutions

Background

The Joint Negotiating Committee for Higher Education Staff (JNCHES) first issued guidance on equal pay reviews in March 2002. This was subsequently reviewed in 2007 after the HE employers and trade unions concluded the Framework Agreement for the Modernisation of HE Pay Structures - a prime aim of which was to support the achievement of equal pay for work of equal value, with staff salaries being determined on a basis that is transparent, consistent and fair. A further version of the guidance on equal pay reviews was issued in 2013.

The New JNCHES settlement for the 2016/17 negotiating round included a commitment to update the New JNCHES Equal Pay Review Guidance with the following objectives:

- to explain the difference between equal pay analysis and the examination of where pay gaps exist within the workforce, and the need for both activities;
- to reflect new gender pay gap reporting requirements across the nations in the UK; and a focus on action planning;
- to incorporate checklist material and links to other resources to assist HE institutions (HEIs) in formulating action plans.

The Equality Act 2010¹ prohibits discrimination in respect of 'protected characteristics', i.e. age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. As a matter of good practice, HEIs' equal pay reviews should aim to cover these equality considerations as well as gender, race and disability – though there may be practical constraints on what is possible. This guidance also recommends that HEIs' reviews should address equal pay in respect of part-time employees and those on fixed-term contracts, reflecting the legislation on prevention of less favourable treatment for such staff.

Equal pay reviews should seek to establish the nature of any pay inequalities and, if so, the extent to which these can be objectively justified. HEIs' approaches to equal pay reviews should be considered in the context of their other equality policies, procedures and processes – reviews should be complementary and supportive as well as diagnostic, considering ongoing initiatives and actions.

Joint working between universities and trade unions

Both the employers' and union sides of New JNCHES recommend that HE institutions carry out reviews in partnership with their locally recognised trade unions. A partnership approach to the completion of the review is likely to enhance the quality of the review and promote commitment to its objectives.

It is also recommended that, in subsequently pursuing any initiatives to address equal pay issues identified in the reviews, institutions involve fully the relevant trade unions. Apart from being good practice it should be recognised that in the majority of cases pay and grading arrangements are the subject of joint agreements.

¹ www.legislation.gov.uk/ukpga/2010/15/contents

Section A: General information

Introduction

This document contains guidance on conducting equal pay reviews (sometimes termed equal pay audits) in HEIs. It also outlines the legal requirements for reporting data relating to gender pay gaps and aims to assist institutions in identifying proactive action plans as they seek to reduce any gender pay gap.

The guidance deals with the analysis and diagnosis of equal pay issues related to the gender, race, disability, sexual orientation, religion or belief, and age of individuals employed by each institution, and those related to contractual arrangements such as part-time and fixed-term employment.

The guidance also provides a list of further resources which may be useful for institutions, some of which present more detailed information about equal pay reviews and gender pay gap reporting and action planning.

The guidance paper is set out under the following headings:

- **Section A: General Information**
 - Introduction
 - Purpose of an equal pay review and gender pay gap analysis
 - The distinction between equal pay and gender pay gaps
 - The Equality and Human Rights Commission / The Equality Commission for Northern Ireland
 - Legal considerations
 - Processing of personal data and disclosure of information
- **Section B: Equal Pay Reviews**
 - Terminology
 - Focus of the equal pay review
 - Equal pay review methodology – The three stage review process
 - Stage one: Audit (equality check)
 - Stage two: Analysis (pay review)
 - Stage three: Action planning - joint employer / trade union
- **Section C: Gender Pay Gap Reporting**
 - Gender pay gap reporting: Requirements of the legislation in England
 - Gender pay gap reporting: Requirements of the legislation in Scotland
 - Gender pay gap reporting: Requirements of the legislation in Wales
 - Gender pay gap reporting in Northern Ireland
 - Gender pay gap action planning

The following appendices are attached to the paper:

- I Sources of further information
- II Glossary of terms
- III Equal pay checklist
- IV Contribution-related pay checklist
- V Job evaluation checklist
- VI Factors affecting pay gaps, data requirements and possible actions
- VII Example of an equal pay policy
- VIII Data requirements

This guidance is commended jointly through New JNCHES to all institutions, by the HE employers' national representatives, UCEA, and by the nationally recognised HE trade unions (GMB, UCU, Unison and Unite) involved in developing this revised version.

New JNCHES would like to acknowledge its appreciation for the involvement of the Equality Challenge Unit (ECU) in the working group and their helpful contribution to this guidance document.

Purpose of an Equal Pay Review and Gender Pay Gap Analysis

The primary purposes of an equal pay review are to:

- establish the nature of any pay inequalities for individuals doing 'equal work' arising because of age, disability, religion or belief, sex and sexual orientation; and/or from differing contractual arrangements;
- analyse in more detail the nature of any inequalities;
- analyse the factors creating inequalities and diagnose the cause or causes;
- determine what action is required to deal with any unjustified inequalities revealed by the analysis and diagnosis.

The primary purpose of a gender pay gap analysis is to establish the difference between men's and women's average earnings across an organisation, in order to bring greater transparency to any gender pay difference and gender balance. Undertaking an analysis of gender pay gap information will enable institutions to identify and take steps to reduce any such gap as well as comply with legal reporting requirements.

Many benefits may be seen as a result of carrying out, and taking forward actions relating to, an equal pay review and gender pay gap analysis. These include:

- highlighting areas for concern relating to equal pay which can then be addressed and monitored via a concrete improvement plan;
- enabling causes of inequality to be diagnosed;
- guiding higher education institutions on the actions required to fulfil both their ethical and legal obligations to pay those carrying out work of equal value equally;
- contributing to the development and maintenance of a transparent, fair and equitable reward system, and thereby enhancing the image of the institution as an employer, improving the climate of employee relations and furthering the ability of the institution to attract and retain the staff it requires;
- helping institutions to meet their statutory obligation to promote equal pay (under the Equality Act 2010);
- supporting the development of a more culturally diverse and balanced workforce where all staff feel valued;
- enabling an institution to consider how to 'mainstream' or build appropriate actions in to a range of policies and ways of working, in order to improve equality throughout the institution;
- demonstrating to students that the institution is committed to treating all staff fairly and providing transparent information about this;
- enabling institutions to demonstrate progress in relation to providing equal pay and equity across the workforce;
- supporting an institution's application for the Equality Challenge Unit's Athena SWAN and Race Equality Charters or applications for other similar awards.

The Distinction between Equal Pay and Gender Pay Gaps

Equal Pay is the principle that individuals should earn the same amount for equal work, regardless of their gender or any other protected characteristics. Under the terms of the Equality Act 2010 (and prior to that the Equal Pay Act 1970) it is unlawful to pay men and women differently for the same job, 'like work' or 'work of equal value'. Whilst the equal pay provisions of the Act relate specifically to sex discrimination in pay, pay systems may also be challenged under the Act if they discriminate because of other protected characteristics. Public sector bodies also have legal obligations created by the specific duties of the Public Sector Equality Duty (PSED) under the Equality Act around the publication of certain equal pay information – see the '[Public Sector Equality Duty](#)' section below for more detail. **Equal Pay Reviews** are driven by this legislation. They seek to establish whether there are significant pay differences for people doing 'equal work' and, if so, the extent to which these can be objectively justified as due to factors other than particular protected characteristics or differing contractual arrangements. Reviews will highlight where action is required to deal with any unjustified inequalities revealed by the analysis and diagnosis. Equal pay reviews therefore act as a useful tool to ensure that the HEI is meeting its obligations under the Equality Act 2010.

The **Gender Pay Gap** is the difference between the average earnings of men and women across an organisation, or for a given group within an organisation, often expressed as a percentage of men's earnings. The existence of a gender pay gap is not of itself unlawful; rather it can demonstrate, for example, that men and women undertake different types of roles (horizontal segregation) and/or work at different levels (vertical segregation) within an organisation. An employer delivering equal pay may still have a significant gender pay gap. The existence of a gender pay gap normally highlights an underpinning issue, which may or may not be attributed to the employer's practices, for example, where men and women undertake different types of roles at different levels of responsibility, and therefore pay, within an organisation. While this may reflect society's constructed gender norms rather than any breach in legislation, such issues need to be explored to determine the extent to which any gender bias is reinforced in the organisation's culture and values.

There are strict requirements set out within the specific duties of the public sector equality duty of the Equality Act for England, Wales and Scotland regarding the *reporting* of Gender Pay Gap data and there are plans currently to introduce such a requirement in Northern Ireland. In addition, HEIs are strongly encouraged to review and analyse their gender pay gap data with a view to taking steps to improve this; in Wales an action plan is mandatory. [Section C](#) of this document provides further guidance on how this might be progressed.

The requirements for gender pay gap reporting have renewed the focus on equal pay, but the legal requirements about paying the same for 'equal work' have not changed. The gender pay gap may become apparent as a result of the work done for an equal pay review, but the ways in which pay gaps can be addressed are different. There is a legal imperative that any equal pay issues be swiftly resolved, whereas addressing a gender pay gap may require a range of initiatives, some of which could take some time to come to fruition and may involve a shift in organisational culture, for example, work to identify and address the barriers women face applying for senior positions.

This document includes information specifically on gender pay gap reporting with reference to the legislative requirements in this area. However, it is also important to consider pay gaps relating to other protected characteristics such as race, disability, sexual orientation, religion or belief, and age, where the data exists to do this, and not to assume that pay gaps are only related to gender, or indeed to one single protected characteristic.

[Section B](#) of this guidance provides specific information about equal pay reviews, and [Section C](#) outlines gender pay gap reporting requirements and proposals for action planning.

Whilst there was a lot of interest shown in [Queen Mary University of London's](#) (QMUL) work on the gender pay gap from the trade unions and other stakeholders, there appeared to be some initial confusion over the difference between gender pay gap reporting requirements and an equal pay review. QMUL has since worked with the trade unions and Equality Diversity and Strategy Group to reach a common understanding of the legal gender pay gap reporting requirements. QMUL is currently working on its gender pay gap statistics and reports and the results will be published in due course.

QMUL intends to perform an equal pay review after it has finished preparing the gender pay reports. It is liaising with other members of the Russell Group to benchmark figures and discuss communication strategies. QMUL continues to engage with the unions in working on its gender pay gap statistics.

The Equality and Human Rights Commission / The Equality Commission for Northern Ireland

The source of most of the current approaches to achieving equal pay in England, Scotland and Wales is the work of the [Equality and Human Rights Commission](#) (EHRC), the body responsible for monitoring the implementation of equality law in England, Scotland and Wales. [Appendix I](#) links to the EHRC guidance and Code of Practice on equal pay.

The [Equality Commission for Northern Ireland](#) undertakes a similar role to the EHRC within Northern Ireland and provides advice and support on equality matters. [Appendix I](#) links to the Commission's Code of Practice on Equal Pay.

Legal considerations

This section outlines the legal considerations that relate to equality in the context of equal pay reviews, and gender pay gap reporting, taking note of differences in legislation across the different nations of the UK. This guidance document does not cover the full detail of all of the legislation listed, and HEIs should consider carefully that they are meeting all the necessary requirements as part of their wider efforts to ensure an equitable and fair workplace.

a) Equal Pay Reviews

Whilst there is currently no legal requirement for employers to undertake equal pay reviews, they are highly recommended by the EHRC. An equal pay review:

- is the most effective way of establishing whether an organisation is providing equal pay and rewarding employees fairly;
- is an effective demonstration of action to promote equal pay under the terms of the public sector equality duty (PSED) - see below for further details; and
- may help in the preparation of information required for equal pay reporting requirements for employers in England, Wales and Scotland – see the 'Public Sector Equality Duty' section immediately below for more detail.

b) Public Sector Equality Duty

The Equality Act 2010 covers England, Scotland and Wales. The public sector equality duty (PSED) of the Act consists of a general duty and specific duties. The general duty requires public bodies (including HEIs), to have due regard for the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

The EHRC provides [further information](#)² on the PSED.

The specific duties aim to help organisations better meet the general PSED and, under these duties, institutions are also required to publish information to show their compliance with the PSED and set equality objectives. This may include information and/or objectives relating to pay or associated issues such as promotion, or occupational segregation. The specific duties for England, Scotland and Wales are different and are contained in different sets of regulations, as follows:

England: Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

The Regulations require public bodies in England to publish annual information to demonstrate compliance with the general PSED and to publish one or more specific and measurable equality objectives to achieve such compliance at four yearly intervals.

Regulation 3 and Schedule 1 impose very specific requirements for public bodies in relation to their Gender Pay Gap. Please see '[Section C: Gender Pay Gap Reporting](#)' for more detail.

The Equality Challenge Unit's briefing about the equality duty and the specific duties for England highlights issues for institutions to consider in developing their approaches to meeting the requirements. www.ecu.ac.uk/publications/public-sector-equality-duty-specific-duties-for-england/

Scotland: Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012

The Regulations require public bodies in Scotland with 20 or more employees to publish a statement on equal pay every four years³. An equal pay statement must contain the HEI's policy on equal pay and information on occupational segregation - the "concentration of men and women, persons who are disabled and persons who are not and persons who fall into a minority racial group and persons who do not, in particular grades and in particular occupations" (regulation 8). The first such report published by an individual body only may contain equal pay information relating to just men and women.

The Regulations also create duties for public bodies in relation to two-yearly Gender Pay Gap reporting. Please see '[Section C: Gender Pay Gap Reporting](#)' for more detail.

The Regulations for the Specific Duties in Scotland are set out clearly on the EHRC website. www.equalityhumanrights.com/en/public-sector-equality-duty-scotland/regulations-specific-duties-and-details-which-public

The Equality Challenge Unit has produced a briefing on the specific duties for institutions in Scotland. www.ecu.ac.uk/wp-content/uploads/2017/02/ECU_Public-sector-equality_Scotland-_2017.pdf

The Scottish government has also developed a framework under [The Fair Work Convention](#)⁴ which may be helpful to HEIs.

Wales: Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011

The regulations require public bodies in Wales to publish objectives to meet the general PSED. This includes an objective to address pay differences.

² www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty

³ The threshold for the number of employees changed in April 2016 from 150 to 20.

⁴ www.fairworkconvention.scot/

Annual information about an organisation's employees must be published, with data disaggregated by protected characteristic, and, for male and female pay, further disaggregated by job, grade, pay, working pattern and contract type.

A body must publish a statement setting out how it intends to meet its objectives and how long it expects to take to meet each one. It must also monitor progress and effectiveness in relation to these objectives.

HEIs must also publish an action plan on gender pay difference. Please see '[Section C: Gender Pay Gap Reporting](#)' for more detail.

The Equality Challenge Unit has produced a briefing on the specific duties for institutions in Wales. www.ecu.ac.uk/publications/the-public-sector-equality-duty-specific-duties-for-wales/

Northern Ireland

The Equality Act 2010 does not apply in Northern Ireland. However, public authorities (including HEIs) have obligations, under Section 75 of the Northern Ireland Act 1998, to ensure that equality of opportunity and good relations are central to policy making, policy implementation and review, as well as service delivery. Public authorities also have employer and/or service provider responsibilities not to discriminate, to promote equality and good practice, and have Section 75 and disability duties. The Disability Discrimination Act also applies.

To implement the Section 75 statutory duties, designated public authorities are required to prepare and submit an equality scheme which conforms to the commission guidance: [Section 75 of the Northern Ireland Act 1998: A Guide for Public Authorities An Outline Guide](#)⁵. An equality scheme is a statement of the public authority's commitment to fulfilling its Section 75 statutory duties, and it must be submitted to, and approved by, the Commission.

There is currently no legal requirement for gender pay gap reporting but there are plans to introduce it under the Employment Act (Northern Ireland) 2016. The implementation date of the legislation is yet to be determined. Please see '[Section C: Gender Pay Gap Reporting](#)' for more detail.

More information can be found on the website of the Equality Commission for Northern Ireland. www.equalityni.org/Home

c) Discrimination

Institutions should also take into account the requirement to avoid discrimination in relation to the pay and benefits of individuals under the following legislation:

- The [Equality Act 2010](#).
- The Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000.
- The Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002.
- The Agency Workers Regulations 2010.
- Section 75 of the Northern Ireland Act 1998 (*Northern Ireland only*).

d) Gender Pay Gap Reporting

Gender pay gap reporting requirements were introduced as part of the existing public sector equality duty, rather than as a standalone requirement. They are contained within the

⁵www.equalityni.org/ECNI/media/ECNI/Publications/Employers%20and%20Service%20Providers/S75OutlineGuideforPAs2012.pdf

regulations for each of the devolved nations as set out above under 'Public Sector Equality Duty'. Further information on gender pay gap reporting can be found in [Section C](#).

Processing of personal data and disclosure of information

Before undertaking an equal pay review or calculating their gender pay gap, institutions should ensure that they are aware of their legal obligations regarding the collection and processing of personal data. In addition, there may be contractual or local agreements which make commitments about the use of personal data at the institution. It is also important to consider the approach the institution intends to adopt in relation to the disclosure of the results of the review and this should be considered as part of the preparation for the audit.

The information used in equal pay reviews and the calculation of pay gaps for gender, or any other protected characteristics, is 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. Institutions should also be mindful of their obligations in relation to the General Data Protection Regulations (GDPR) and the new requirements concerning consent in relation to the collection, storage and processing of personal data.

HEIs may be concerned that requirements to meet Data Protection legislation could inhibit effective auditing of pay inequalities. However, the two should not be seen as incompatible. The legislation and regulations provide protection to individuals in relation to the processing of personal data about them, such as pay, which is held in both computerised and non-automated forms from which individuals can be identified. They also provide additional protection in relation to the processing of 'sensitive personal data'. Under the legislation, information about an individual's racial or ethnic origin, religious beliefs or other beliefs of a similar nature, physical or mental health or condition, and sexual life, such as sexual orientation, would be considered sensitive personal data. The results of an equal pay review or information about the gender pay gap 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 given the appropriate consent for the disclosure.

It is important to seek to create an environment in which staff are comfortable enough to disclose equality information, whilst clearly being sensitive to the fact that they may not wish to do so. Further information on this can be found in [Section B: Pay Audit – all staff](#). In addition, further guidance on conducting an equal pay review in accordance with Data Protection principles can be found on the EHRC website – see [Appendix I](#) under 'General guidance on Equal Pay and the Equality Act'.

Section B: Equal Pay Reviews

Terminology

The terminology of the [Equality Act 2010](#) is used throughout this guidance as being appropriate when dealing with discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation; and a similar approach is used in respect of discrimination on grounds of differing contractual arrangements (full or part-time working, indefinite or fixed-term contracts).

The following terms contained in the [Equality Act 2010](#) are used in respect of equal work:

- *'Like work'* is defined as work which is the same or broadly similar.
- *'Work rated as equivalent'* is defined as work which has achieved the same or a similar number of points under a job evaluation scheme.
- *'Work of equal value'* is defined as work which is of broadly equal value when compared under headings such as effort, skill and decisions.

This guidance uses the generic term 'equal work' to cover all the above.

The following terms are also used at various points throughout this guidance:

'Contribution-related pay' is used here as in the [Framework Agreement](#) – including all forms of additional pay related to the contribution of individuals or teams. It includes accelerated and additional increments, and various types of non-consolidated bonuses.

'Pay gap' is used to describe the percentage difference between the rates of pay of men and women (often referred to as the gender pay gap). It is also used more generally to describe the gaps between employees from different racial groups; disabled and non-disabled staff; employees of different sexual orientations; employees of different religions or beliefs; and employees in different age bands; and also in respect of pay differences between employees with differing contractual arrangements.

'Staff group(s)' is used to refer to the main groups of staff employed by the institution which are differentiated within the institution by, for example, grade, occupation or job family (e.g. 'Administrative and Professional' or 'Teaching and Research'). Such groupings will differ from institution to institution, depending on the pay structures in place following the [Framework Agreement](#).

'Equality group(s)' is used in this guide to refer collectively to those who share a protected characteristic: men and women; people of different racial groups; disabled and non-disabled staff; people of different ages; people with different sexual orientations; and people with different religions or beliefs.

A more comprehensive glossary of terms is provided in [Appendix II](#).

Focus of the Equal Pay Review

The review should be concerned with the identification of pay inequalities arising because of gender, race, disability, sexual orientation, religion or belief, and age. It should deal with part-time and hourly-paid staff and those on short-term contracts, as well as full-time staff on indefinite contracts. It should cover all staff, including those in senior posts.

It is advisable to consider the conduct and outcomes of an equal pay review in the context of all the other equality policies, procedures and processes within the organisation and to update these accordingly where appropriate. In this way, the data from the review can be viewed within the context of, and contribute to, the overall equality picture.

Although the initial focus will be on base pay, allowances and total earnings (including contribution-related pay and bonuses), the review should also assess the extent to which there are any inequalities in the provision of, and access to, benefits such as pensions, holiday entitlement and sick pay.

To be comprehensive, a review should additionally establish the extent to which there are any inequalities in the operation of any contribution-related pay arrangements. It should also audit the content, operation, and outcome of any job evaluation scheme to ensure that it is not discriminatory in either design or application, including its application when creating new posts or considering amended posts following restructures. Overall, pay systems should be transparent, systematic, inclusive, well-managed, sensitive to job-demands and regularly monitored and an equal pay review should contribute to achieving this.

Review outcomes should be discussed and considered at a senior level within the institution, where there is authority to act on the results.

In recent years **Glasgow Caledonian University** (GCU) set three specific goals in relation to gender equality: i) to address under-representation of female academic staff in senior roles, ii) to address the gender pay gap and iii) to encourage the cultural change required to achieve gender equality.

Our data showed that although female academic staff were consistently in the majority (55%), women and men tended to hold contrasting positions and female academics tended to be more junior.

GCU worked (and continues to work) in partnership with its campus trade unions in the Equal Pay Working Group, undertaking an equal pay audit to inform its resourcing and reward processes. Importantly, there are clear channels to senior executive leads, and key committees.

The mainstreaming of our gender equality work and principles across all aspects of People Services means that there is a collective approach to embracing and living this work in our day-to-day lives, and it becomes part of our core business.

Equal Pay Review Methodology - The Three Stage Review Process

An equal pay review should be systematic and comprehensive. It requires detailed analysis and a rigorous approach to the examination of the data because positive actions will flow from the audit and analysis to address any issues that have been identified. The analytical process described in this paper is best supported by a data-based tool which will facilitate the collection and analysis of the data.

This paper suggests a three stage approach – audit, analysis, and action (joint employer / trade union) - as described below, backed up by the use of checklists set out in [Appendices III, IV and V](#). [Appendix VI](#) also provides a table of factors affecting pay gaps, data requirements and positive actions.

Each review should be benchmarked against previous results in order to track progress over time.

Stage One: Audit (Equality Check)

In this stage a basic analysis is made of the relative rates of pay for men and women, those from different racial groups, disabled and non-disabled staff, and those of different sexual orientations, religions or beliefs, and ages carrying out 'equal work'; together with analysis of relative pay rates for full- and part-time staff, and for those on indefinite and fixed term contracts. Involving unions at this early stage may be helpful. The aim is to establish the degree to which inequality exists in the form of a significant pay gap. Such a gap (as a general rule, differences of 5% or more, or any recurring differences of 3% or more⁶), will merit further investigation. Any pattern of differences in favour of one particular equality group, or those with particular contractual arrangements, at all or most levels of the organisation is also worthy of exploration, even if the gap is less than 5%. The existence or absence of a formal, up-to-date, equal pay policy is also checked in stage one, which should be conducted in the following steps:

1 Equal pay policy

If the institution has an equal pay policy:

- consider whether this is consistent with the Equality Act 2010 (for example in terms of coverage);
- examine the extent to which the institution's policy has been communicated to employees and recognised trade unions; and
- identify who is responsible for implementing the policy and what steps have been taken to ensure that it has been implemented and is being monitored.

An example equal pay policy is included in [Appendix VII](#).

2 Determine workforce composition

- *Staff groups* – identify the main staff groups employed (e.g. academic and professional services staff, or sub-divisions thereof) and within each of these the number of men and women, members of different racial groups, those with disabilities in each group, those of different sexual orientations, religions or beliefs, and ages.
- *Contractual arrangements* – analyse staff according to contractual arrangements available at the institution, for example, whether they work full-time or part-time,

⁶ www.equalityhumanrights.com/en/multipage-guide/step-4-causes-gender-pay-differences

whether they are salaried or hourly paid, and whether they are on fixed-term contracts, contracts of indefinite duration or term-time only contracts.

[Appendix VIII](#) sets out data requirements for an equal pay review.

3 Establish who is doing equal work (like work, work rated as equivalent or work of equal value)

Institutions will generally have a local Job Evaluation scheme to support this process (often introduced as a result of their implementation of the [Framework Agreement](#)). It is important that these schemes are maintained in a robust manner, with refresher training provided as appropriate, and that the schemes are applied when evaluating new roles. Schemes should be operated with consistency and transparency, and care should be taken to ensure that any local variations in job evaluation procedures do not give rise to inequalities. Institutions are also encouraged to consider the benefits of having an appeals process for job evaluation. It is recommended that institutions have a joint approach with their local trade unions in the operation of their job evaluation scheme.

An institution's local job evaluation scheme will be used to determine those who are undertaking 'equal work'. Roles which have been evaluated in the same range of scores or at the same level would be classed as 'work rated as equivalent'.

Where grading is determined by matching to generic role profiles, it is particularly important to check that such profiles are properly derived from, and underpinned by, adequate job evaluation analysis, and that such analysis confirms that the profiles used for different staff groups in each grade level are of equivalent job weight.

4 Pay audit - all staff

For each of the main groups of staff by grade and contractual arrangement or for each individual job where there is 'equal work' (as above), calculate by gender, race, disability, sexual orientation, religion or belief, and age, the average hourly, weekly, monthly or annual (as appropriate) rates of:

- base pay;
- allowances in addition to base pay;
- contribution-related pay; and
- total earnings (base pay, plus allowances, plus contribution-related pay).

The pay of part-time staff should be expressed on the same basis as full-time staff (full-time equivalent), e.g. in terms of the standard working hours of full-time staff. Where there are variations in normal full-time hours (e.g. 35, 37), re-calculate total earnings to a standard norm (e.g. 35).

HEIs should ensure that the quality of their data is accurate and up-to-date before the audit is completed. Analyses in respect of some protected characteristics (e.g. sexual orientation; religion or belief) may raise practical difficulties and may not be readily possible for some institutions because of the lack of systematic data in respect of many staff. It is recommended that [HEIs encourage staff to provide their protected characteristic/s information](#)⁷ and communicate appropriate assurances about how this will be treated. However, this must be done in a way which complies with the legal regulations concerning consent (see 'Processing of personal data and disclosure of information' in [Section A](#) of this guidance). Should the institution be aware of any particular equal pay issues relating to the sexual orientation or religion or belief of individuals or groups of staff, methods of

⁷ www.ecu.ac.uk/guidance-resources/using-data-and-evidence/encouraging-disclosure-equality-info/

improving the available data will need to be explored. [Appendix I](#) provides sources of information (notably the ECU guidance on monitoring) which institutions may find helpful in developing strategies to monitor sexual orientation and religion or belief.

Data on age will, in contrast, be relatively easy to gather. However, institutions may need to modify their approach to analysing any significant pay gaps identified in respect of age, taking into account the provisions of the age discrimination legislation in relation to awarding pay and benefits with reference to length of service.

The **University of Plymouth** has succeeded in reducing the percentage of employees with an unknown disability status from 22% in 2006, to 5% in 2014, with a continuing reduction down to 2% in 2016 (see Staff Baseline Data 2013-15: Disability Status). This compares favourably against its HEI national benchmarks of 4%, and equals the south-west HEIs, also at 2% (HESA 2014–15). This success was achieved through reviewing data collection during induction, and raising the positive profile of occupational health and other channels to further support employees with a disability. Communications were also reviewed to raise awareness of why such information is required.

In 2015, the representation of disabled applicants rose from 2% at application to 5% at shortlisting. In this year, the representation of disabled applicants rose from 5% at interview to 8% at appointment. There was no change in the percentage of disabled applicants between interview and appointment in the two previous years studied. The overall pattern of results over three years shows that shortlisting and appointment stages did not disadvantage disabled applicants.

5 Benefits comparison

Establish the extent to which men and women, those from different racial groups, disabled and non-disabled staff, those of different sexual orientations, religions and beliefs, and ages have access to, and on average receive, equal benefits, e.g. pensions, sick pay, medical insurance, company cars and holidays. Do likewise for full-time, part-time and hourly paid staff, and for those on indefinite and fixed term contracts. Any differences that are found for staff within particular grade levels should only be considered in exceptional circumstances and will need to be objectively justified.

6 Pay gap calculations

In respect both of staff in each of the equality groups, and of those with different contractual arrangements:

- Calculate the pay gaps in terms of base pay and total earnings for all employees.
- Calculate the pay gaps for staff within each staff group, as a whole and at each grade level.
- Calculate the pay gaps across staff groups at each grade level.

It will then be possible to identify any instances (by grade or by job) where the pay gap is significant. The [Equality and Human Rights Commission](#)⁸ advises the following: “As a general rule differences of 5% or more, or any recurring differences of 3% or more merit further investigation. This is not definitive and does not mean that other differences are not significant or that you are protected from equal pay cases being taken against you. However, such patterns are a good starting place for you to consider”.

⁸ www.equalityhumanrights.com/en/multipage-guide/step-4-causes-gender-pay-differences

7 Identify patterns of differences

Establish any patterns of differences (e.g. repeated gaps of 3% or more) which favour individuals of a particular gender, racial group, sexual orientation, religion or belief, age or disabled or non-disabled staff; and individuals employed on particular contractual arrangements. Institutions should also consider the **intersectionality**⁹ of these characteristics and any patterns which may be apparent when reviewing the distribution of staff from particular groups across the organisation.

The University of Bristol explored gender pay gaps by grade and, whilst not part of an equal pay audit, looked at their organisational gender pay gap compared to other relevant organisations. They compared the organisational mean and median to both the ONS, and the HE sector **mean and median**¹⁰, discovering that their figures compared favourably, being slightly lower.

The University used a data analyst (a new role which faces into HR to provide analysis in relation to various strategic initiatives such as equal pay and Athena Swan) to explore what the data was showing. The analyst explored gender pay gaps of 5% or more (in accordance with EHRC guidelines that these merit further investigation) in grades using a Chi Squared Test. This explored whether there were any significant deviations in the proportion of men and women along the various spine points in the grade and showed that this was the case for two of the gender pay gaps identified. This finding was important because a skewed distribution of one gender at the top of a grade can lead to a large gender pay gap and the test showed that the distribution of (in this case) men was the cause of the gender pay gap, which related to long service.

Bristol considers the deployment of a data analyst within the HR team has been crucial in helping them understand, and have confidence in, the data. Another impact of this is that it has helped in managing the message when releasing the findings around the University.

Stage Two: Analysis (Pay Review)

The aim of the Stage Two review is to establish the nature of any inequalities and their causes. Where there is a significant gap or marked patterns of differences, data should be assembled and analysed to examine the likely factors which have led to the gap or the differences. The review should first seek explanations of why the gap exists and then establish whether the gap can be objectively justified. If the gap cannot be adequately justified, there should be an indication of what action is required to resolve the issue. Inequalities in pay can arise from the following:

- The employee's protected characteristics (e.g. their gender, race, age, etc.).
- The employee's contractual arrangements (e.g. part-time or fixed-term contract).
- Grading structures (e.g. length of grades and numbers of service-related increments within a grade).
- Appointment and promotion processes (e.g. initial starting salary on the scale; qualification requirements which attract higher pay).
- Restructuring exercises.
- Career development processes / opportunities, secondments or progression schemes

⁹ www.ecu.ac.uk/equality-charters/athena-swan/athena-swan-faqs/intersectionality/

¹⁰ 2016 figures available in the UCEA document 'Examining the gender pay gap in HE January 2017' www.ucea.ac.uk/en/empres/epl/eandd/pay/index.cfm

- Access to Continuing Professional Development (CPD) and training.
- Contribution-related pay and annual review schemes.
- Pay protection arrangements (red-circling and safeguarded progression).
- Market supplements.
- Payment of allowances.
- Inequitable application of job evaluation schemes.
- Inequitable application of pay-related benefits (e.g. pensions, sick pay and annual leave).

Checklists for an equal pay review, for reviewing arrangements for any contribution-related pay arrangements, and for reviewing a job evaluation scheme and its outcomes, are contained in [Appendices III, IV and V](#) respectively. Further details on possible issues and positive actions are set out in [Appendix VI](#). The various checklists can be used not only to assess the current situation prior to undertaking any action, but also as a means of reviewing how successful the institution has been at addressing the issues identified by the initial checklist. **The checklists should be completed on the basis of the evidence drawn together in [Stage One](#).**

University of the West of England (UWE) is committed to conducting equal pay reviews and these have been done jointly with the trades unions in 2003, 2009 and 2011 and the most recent report was completed last year, reviewing data up until the end of 2015. Since commencing these reviews in 2003 its gender pay gap has reduced from 18.2% to 10.9%.

The equal pay review panel is always made up of a representative from each of our Unions (UCU, Unison and Unite) and an HR representative. A member of our Equality and Diversity team is also present to support the panel with the review and help with any recommendations based upon the findings. Working collaboratively with our Union partners allows us to ensure the data analysed is looked at from all perspectives and that the review is objective, thorough and produces recommendations that lead to positive actions within the University.

The review is comprehensive and looks at: gender, ethnicity, disability, age, sexual orientation, religion and belief, part time/full time and fixed term/permanent. All of these are broken down into the different employment contract types i.e. academic, professional and manual. The panel review the pay gap of each grade for each equality strand to establish whether the data shows any significant issues (a pay gap of more than 5% being significant under the Equality Challenge Unit guidance). They also review the distribution of staff across the pay points of each grade by the different equality strands.

An equally important issue considered by the review panel is the extent to which job segregation is the cause of pay differences in different equality strands and how under-representation in particular areas of the University, in types of work and levels of work, needed to be addressed in order to reduce significant (more than 5%) across-grade pay gaps.

As well as basic pay, the Working Group also reviews how other elements of pay have been applied and any differences within each equality strand explored. Market pay, professorial merit pay and claim payments e.g. for overtime, were analysed for each equality strand within

the scope of the review.

Data is compared to previous reviews to look at changes and to look at the impact the recommendations and actions from previous reviews have had, to see what has worked well and to learn from this. The panel thoroughly review all the data that is produced for the review and any anomalies or changes are looked at in more detail to see if there are justifiable reasons for these and to see if they are in line with industry trends.

Recommendations are then made based on the findings and these could include recommending further investigation into particular issues, focus on recruitment in certain areas where there is under representation, working with areas of the organisation to address issues highlighted, etc.

Stage Three: Action Planning - Joint Employer / Trade Union

In this stage, positive actions to remove unjustified pay gaps are specified, planned and implemented. The action plan should ensure any specific equal pay anomalies are swiftly rectified. It should also incorporate proposals on:

- the introduction or amendment of an Equal Pay policy if necessary;
- the steps required to remove causes of unjustified pay gaps identified in Stage Two;
- how bias on grounds of sex, race, disability, sexual orientation, religion or belief, and age – or in relation to differing contractual arrangements - can be eliminated by changing the processes, rules or practices that give rise to unequal pay;
- the review and revision of any relevant or linked policies within the institution, e.g. recruitment or promotion policy;
- a plan with a timeline for implementing agreed action;
- who should be accountable for drawing up and implementing the action plan;
- how employee representatives and recognised trade unions may be jointly involved with management in preparing and implementing the action plan;
- processes for communicating and reporting on the action plan;
- the arrangements for monitoring the implementation of the action plan and for evaluating outcomes;
- processes for demonstrating progress in eliminating unjustified pay inequalities.

Institutions may find it beneficial to involve a range of staff with knowledge of equality and diversity in the action planning stage. Such expertise may be found, for example, in student-facing roles as well as in the HR or Organisational Development departments.

Examples of possible positive actions are given in [Appendix VI](#). Actions should be considered and implemented within the framework of any relevant national and local agreements.

Institutions may also wish to revisit the [New JNCHES - Gender Pay Working Group Report](#)¹¹ which includes a range of relevant case studies.

¹¹ www.ucea.ac.uk/en/publications/index.cfm/njgender

An Equal Pay Review working group was established at **Bournemouth University** in 2014 including representatives from HR, OD, IT, the academic community, Unison and UCU. The group spent time in the first year discussing how to approach the review, which characteristics to consider regarding pay gaps, and the most appropriate benchmarking data to use. This discussion and time investment was beneficial when they completed their next Equal Pay Review in 2016 and the parameters were already agreed. The group designed what they believe to be a thorough, robust and open process. They also have responsibility for writing the report, outlining the findings, suggesting next steps and incorporating them into an action plan. The report then feeds into two groups who are responsible for implementing the actions, and the findings of the equal pay report are published for all staff on their intranet.

The Women Academic Returners' Programme (WARP) at **The University of Sheffield** provides additional support, over and above maternity cover, to academic and research women who are returning to work following a maternity leave period of at least six months.

WARP was developed as positive action to provide participants with a clearly defined opportunity to concentrate on their research activities, thereby helping minimise the often negative impact on the research, career development and progression of female academics following a period of maternity leave by facilitating access to flexible and individualised support. It thus benefits the performance of the individual, and the department, and helps the University to retain talented female academic staff. It was developed and piloted between 2006 and 2007 and has been reviewed and developed since. Individuals and departments who have participated in the scheme have reported tangible, practical benefits for themselves and the University as a whole.

Women can currently request up to £10,000 funding to support an additional post, or up to £5000 to support other research related activity (to a maximum total of £10,000). An application to the programme, including the intended use of the funds and a detailed business case explicitly stating how the funding will benefit the applicant and their department, is made online, and accompanied by a supporting statement from the Head of Department. The applicant also has to complete a Maternity Planning Template, which provides a focussed plan for the maternity absence.

WARP has provided over £2.1 million through awards to 163 women. These women have consequently brought in over £20 million in apportioned research grant income to the University, representing a return on investment of over 847%.

Section C: Gender Pay Gap Reporting

At the time of writing, gender pay gap reporting legislation is in place for England, Scotland and Wales. There are plans to introduce it in Northern Ireland. This section of the guidance provides information about the requirements in each of these nations. Further details about legal requirements can also be found in [Section A](#) under 'Legal Considerations'. This section also includes information regarding action planning to reduce gender pay gaps. Links to additional sources of information can be found in [Appendix I](#).

Abertay University has undertaken pay gap analysis for several years as part of its joint employer/union commitment to advancing equality and diversity. This has covered both the gender pay gap and the pay gap between white and BME staff going back to 2012. The University sees this as an important part of understanding its staff profile and where the equality and diversity challenges lie.

The University has found that there is no evidence of equal pay issues, as there are no significant unexplained in-grade pay gaps. It recognises a degree of horizontal gender segregation, with a higher proportion of men in academic roles, while around two thirds of support staff are women (2013 to 2016 figures). However, there is a substantial variation within these broad occupational groups. In relation to academic staff, there is close to a gender balance among Teaching Fellows and lecturing staff, with a wider gap at Senior Lecturer and Professorial level. Among support staff, women are more prevalent in administrative, cleaning and hospitality roles, while there is more of a gender balance in technical and professional roles. Many of the cleaning staff are particularly long serving, so the prevalence of female staff reflects historical norms.

Abertay recognises also the existence of vertical gender segregation, monitoring the proportion of men and women at each pay grade. Around 90% of staff on Grade 1 are female, reflecting the gender balance in cleaning and hospitality roles. There has been a notable increase in the proportion of women in grades 8, 9 and 10/10+ across the period, but there is still a grade by grade drop in the proportion of women, mostly reflecting the academic staff population. (Grade 10/10+ comprises staff at professorial and senior management level).

Abertay and its trade unions recognise gender imbalances, and in particular the drop off in the proportion of women in senior academic roles, as a significant challenge for the University and for higher education in general. Our strategic plan includes a specific objective in relation to advancing gender equality and we are members of the Athena SWAN Charter, which promotes advancement of gender equality, representation, progression and success for all. We achieved a University Bronze Athena SWAN award in 2014 and our schools are working towards departmental awards. We have implemented a number of initiatives to support women's career progression, for example supporting a number of female staff to participate, as delegates and Role Models, in the Aurora leadership programme for women in higher education; offering internal promotion workshops; and running two Women in Engineering conferences; and implementing unconscious bias training in addition to the ongoing diversity and work and recruitment and selection training. Extensive, in-depth analysis of gender – predominantly in relation to academic staff – is carried out as part of the University's commitment to the Athena SWAN Charter. That analysis includes the staff profile, contracts and turnover, recruitment, career progression and development and identifies challenges and areas for action. Similar in-depth analysis is carried out as part of our Race Equality Charter commitment, in addition to analysis across all protected characteristics as part of our Equality Action Plan and Outcomes.

Gender Pay Gap Reporting - Requirements of the Legislation in England

Under the [Equality Act 2010 \(Specific Duties and Public Authorities\) Regulations 2017](#)¹², all public sector employers in England with 250 or more employees, including HEIs, are required to report their gender pay gap data annually. The private and voluntary sectors are covered by similar, but different, regulations. The requirements of the regulations are outlined briefly

¹² www.legislation.gov.uk/ukxi/2017/353/contents/made

below, however a useful further explanation can be found in the [Acas guide to gender pay gap reporting](#)¹³.

The “snapshot date”

There is a defined “snapshot date” which must be used for data collection purposes. For public sector employers including HEIs in England (as defined in Schedule 2 of the regulations), the snapshot date is the **31 March**.

Reporting requirements

Employers can publish their gender pay gap information at any time in the twelve months following the snapshot date, but must do so by **30 March** at the latest. The data must be published on the employer’s own website and uploaded to the [government gender pay gap reporting website](#)¹⁴. Unlike the private sector, public sector employers are not required to supply a corresponding narrative to the data, nor will the data need to be accompanied by a statement from a senior member of the organisation confirming its accuracy. However, HEIs may find it beneficial, for both internal and external audiences, to have an accompanying narrative explanation of their data and are encouraged to do this.

Data will need to be reported for the following metrics:

1. Mean gross hourly pay gap for “full-pay relevant employees”, expressed as a percentage, before deductions and including any bonuses received during the relevant pay period. The relevant pay period is the month covering the snapshot date of 31 March for monthly-paid employees and the week covering 31 March for weekly-paid employees.
2. Median gross hourly pay gap for “full-pay relevant employees”, expressed as a percentage, before deductions and including any bonuses received during the relevant pay period. The relevant pay period is the month covering the snapshot date of 31 March for monthly-paid employees and the week covering 31 March for weekly-paid employees.
3. Mean bonus pay gap for “relevant employees”, based on bonuses received in the 12 months ending with 31 March.
4. Median bonus pay gap for “relevant employees”, based on bonuses received in the 12 months ending with 31 March.
5. Percentage of female and percentage of male “relevant employees” who received bonus pay.
6. Percentage of female and percentage of male “relevant full-pay employees” in each pay quartile.

The process of identifying the gender pay gap according to the metrics outlined in the section mentioned above can usefully be completed alongside an equal pay review. Although the two processes are different and have different aims, they can complement each other in ensuring that employers, including HEIs, are acting to identify and reduce inequality in both their pay systems and their workforce composition and in communicating the differences between the issues and the two exercises.

Relevant employees

The regulations define a “relevant employee” as anyone employed by the public body on the snapshot date of 31 March including apprentices and those contracted personally to do work (such as directly-engaged contractors and consultants). Data for those under a contract personally to do work need not be reported if it is not reasonably practicable for the employer to obtain the relevant data from them, although HEIs will recognise the importance of complete and accurate reporting.

¹³ www.acas.org.uk/index.aspx?articleid=5768

¹⁴ <https://genderpaygap.campaign.gov.uk/>

A “full pay relevant employee” includes only those who are employed on the snapshot date of 31 March. It excludes those who are on a reduced rate of pay because they are on leave (e.g. because of parental leave) on that date.

Definition of “pay”

The regulations use three definitions of pay:

Ordinary pay includes basic pay, allowances, pay for piecework, paid leave and shift premium pay. It excludes overtime pay, redundancy pay, termination pay, pay in lieu of leave and non-cash remuneration.

Bonus pay includes any remuneration in the form of money, vouchers, securities, securities options or interests in securities, and relates to profit sharing, performance, incentive or commission. It excludes ordinary pay, overtime pay, redundancy pay and termination pay.

The **hourly rate of pay** should include all ordinary pay and bonus pay given to an employee during the relevant pay period. It should exclude any amounts that are normally paid in a different pay period. Bonus pay for a shorter or longer length than the relevant pay period should be calculated on a pro rata basis by dividing it with the number of days in the bonus pay period multiplied by number of days in the relevant pay period. For the purposes of calculating pro rata bonus pay in the regulations, a month is 30.44 days and a year is 365.25 days. The total pay (ordinary and bonus pay) for the relevant pay period, excluding pay normally for another pay period, should be converted to seven days’ pay and then divided by the employee’s working hours in a week to get the hourly rate of pay.

Working hours in a week is the normal weekly working hours as specified in an employee’s contract of employment. Where an employee’s normal weekly hours vary, the average weekly hours is the total hours worked for the 12 weeks ending with the last completed week of the relevant pay period. The hours worked from an earlier week should be brought forward to make up the 12 weeks where an employee did not work in a particular week. If this is not possible, the weekly working hours should be estimated based on those for similar employees or the normal hours expected under the employee’s contract of employment.

[Appendix I](#) provides links to further guidance on gender pay gap reporting.

Gender Pay Gap Reporting - Requirements of the Legislation in Scotland

Under the [Equality Act 2010 \(Specific Duties\) \(Scotland\) Regulations 2012](#), public bodies in Scotland with 20 or more employees¹⁵, including HEIs, are required to publish gender pay gap data every two years, based on the difference between the female and male mean hourly pay rate, excluding overtime.

Scottish public bodies are also required to publish statements on equal pay. See ‘Legal Considerations’ in [Section A: General Information](#), above.

Further information can be found in the EHRC’s [Essential guide to the Public Sector Equality Duty: A guide for public authorities in Scotland](#).

¹⁵ The threshold for this duty changed from 150 to 20 in April 2016.

Gender Pay Gap Reporting - Requirements of the Legislation in Wales

Under the [Equality Act 2010 \(Statutory Duties\) \(Wales\) Regulations 2011](#), public bodies in Wales, including HEIs must publish an action plan to address any gender pay difference which is identified.

The action plan should set out:

- any policy that it has that relates to the need to address the causes of any gender pay difference;
- any gender pay equality objective it has published (including any revisions); and
- a statement about the steps it has taken or intends to take to fulfil its gender pay objective and how long it expects to take.

Where the public body has identified a gender pay difference but has not published an equality objective to address the causes of the difference, the action plan must set out the reasons for not doing so.

Further information can be found in the EHRC's [Essential Guide to the Public Sector Equality Duty: An overview for listed public authorities in Wales](#)

Gender Pay Gap Reporting in Northern Ireland

There are currently no gender pay gap reporting requirements in Northern Ireland. However, draft legislation has been tabled under the [Employment Act \(Northern Ireland\) 2016](#), which includes proposals for employers to calculate and publish information on their gender pay gap, along with a plan to eliminate any gap. The draft legislation indicates that this information would need to be published annually and sent to all employees and recognised trade unions. The NI legislation as planned would go further than gender pay gap reporting, to cover workers within each pay band based on ethnicity and disability.

Glasgow Caledonian University (GCU) succeeded in increasing the proportion of female professors from 25% in 2012 to 36% in 2016 (against a sector average of 23%). This was helped by their commitment to sending staff on the Leadership Foundation for Higher Education's Aurora programme, a women-only leadership development programme for higher education.

During the same period, they achieved a reduction in the academic gender pay gap – from 7.5% in 2011/12 to 6.6% in 2014/15 (and an elimination of the gap when adjusted for age and length of service).

The Principal has been personally involved in additional analysis of the gender pay gap for academics; including investigation about whether the gap was different if adjusted for age. The Principal then reported this to Senate and to the wider staff community in her Review of the Year.

Gender Pay Gap Action Planning

If a gender pay gap is identified, it is recommended that the possible underlying causes and contributory factors be reviewed and an action plan be constructed to address those matters which are in the influence of the organisation. As important partners in this it is recommended that an action plan is discussed and developed with the local trade unions. Some of the

actions to be taken may make an impression in the short term, whereas others may take longer to come to fruition. Occupational (horizontal) segregation is often a significant factor in organisational pay gaps and so the opportunities at recruitment and for training and development and progression should in particular be considered, to focus on what the institution can do to encourage individuals to think broadly about their careers and to support them to reach their potential.

Measures to consider could include the following:

- Review and update the organisation's people policies and practices with a view to tackling any areas where gender bias could exist. It is important to consider any practices which allow discretionary decision making where this could introduce further bias. Such policies might include:
 - Pay, reward and recognition.
 - Recruitment and induction.
 - Promotion.
 - Equality, discrimination and inclusion.
 - Bullying and harassment or dignity at work.
 - Flexible working.
 - Talent management and professional development; is the pipeline to senior roles working as it should for women?
- Consider awards, schemes or programmes (including those from outside the sector if appropriate) which could provide a framework for, or contribute to reducing the gender pay gap, for example, Athena SWAN or the Aurora leadership development programme.
- Introduce targeted training or mentoring schemes which are spread across the organisation to avoid reinforcing any existing bias in a particular function or department.
- Consider ways of increasing the opportunities for all academic staff to develop their research portfolios, where relevant.
- Review arrangements for maternity leave, cover and supporting staff in their return to work.
- Consider communication strategies and how to ensure the right messages are being circulated.
- Consider the opportunities available for staff to retrain, or change their career path or job family. Review how accessible such opportunities may be to those with caring responsibilities.

Institutions will also want to address how they are reporting on progress in closing the pay gap they identify and monitoring trends over time. They may wish to review their organisation's gender pay gap information against the data benchmarks for the sector. UCEA publishes sector benchmarking information on an annual basis¹⁶.

Further information about action planning can be found in Sources of Information ([Appendix I](#)) under the section "Gender Pay Gap action planning suggestions".

¹⁶ www.ucea.ac.uk/en/empres/epl/eandd/pay/index.cfm

Gender pay gaps of more than 5% within grades at **The University of Bristol** were considered by HR and the trades unions. Follow up meetings were held in areas of the organisation where gender pay gaps of 5% or more could be attributed to particular roles in order to explore current practice around job design, recruitment, advertising and selection of staff. Actions being undertaken currently relate to reviewing the job title, job description and advertisement for one role in order to ensure that the role is accurately conveyed including the customer-facing aspects of the role. Another role was revised in recent years to bring out the customer-facing aspects and was given a more accurate job title (moving away from a title which may be associated traditionally with 'men's work') and subsequently there are a higher proportion of women applying for the role. In another area of the organisation Bristol is at an early stage of exploring opportunities to recruit more female apprentices into traditionally male-dominated roles.

The University of Sheffield has a long-standing and deep commitment to equality, diversity and inclusion (ED&I). It has had a key performance indicator related to female professorial staff for many years, of 23% by 2015/16, which it met a year early, providing a target and framework for the suite of gender actions undertaken across the University to progress gender equality – Athena Swan, mentoring, active encouragement into committee positions, support for maternity returners, etc. As part of this, it has undertaken Equal Pay Reviews every three years since 2003, including analysis of data on ethnicity and disability, as well as gender. The reviews consistently show that it does not have an issue with equal pay, and that it is the distribution of its workforce that contributes to the Gender Pay Gap.

With the new Gender Pay Gap legislation coming into force, Sheffield decided to review and reshape its approach to Equal Pay reporting. It is taking the opportunity to publish a comprehensive narrative about the reasons for its Gender Pay Gap, and to highlight work across the University to address the gender distribution that contributes to the overall gap.

It was clear that in order to get the best outcome and instil shared ownership across the University, we would need an organisational approach to the issues around gender pay, and that working in partnership with the trade unions and the Equality, Diversity and Inclusion Committee would be positive and constructive. We set up a Task and Finish group so we could bring people together with the right skills, who are able to translate the data into intelligence and action, and enable us to draw on the experiences of colleagues who have been involved in leading gender equality work at an institutional level.

The task and finish group met three times and included stakeholders from HR, the trade unions, the ED&I Committee and the Gender Equality Committee, who had the right mix of skills and experience that was needed. The group considered the data, scoped out the narrative, and identified and agreed specific actions that would continue to build on existing activity, would specifically address workforce composition, and would focus on culture change.

The task and finish group will be reconvened annually to consider gender pay gap data and the accompanying narrative. However, due to the role of its members within the organisational ED&I work, they are perfectly positioned to continue to monitor progress against these actions, and to input into the more in-depth Equal Pay Audit that will be carried out in 2018. Importantly, this approach has enabled us to build up relationships with key stakeholders, and encourage the shared ownership we set out to achieve.

Sources of further information

Equal Pay

General information on Equal Pay:

www.equalityhumanrights.com/en/our-work/equal-pay

Equal Pay Statutory Code of Practice (EHRC):

www.equalityhumanrights.com/en/publication-download/equal-pay-statutory-code-practice

General guidance on equal pay and the Equality Act

Equality Act Guidance (EHRC):

www.equalityhumanrights.com/en/equality-act/equality-act-2010

Guidance on the public sector equality duty (EHRC):

www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty

Equality Commission for Northern Ireland Code of Practice on Equal Pay (2013):

www.equalityni.org/ECNI/media/ECNI/Publications/Employers%20and%20Service%20Providers/EqualPayCodeofPracticeJune2013.pdf

Promoting Equality in Pay: A practical resource for conducting equal pay reviews in higher education by the Equality Challenge Unit:

www.ecu.ac.uk/publications/promoting-equality-in-pay/

Equality Challenge Unit guide to the Equality Act and implications for Colleges and HEIs:

www.ecu.ac.uk/publications/equality-act-2010-revised/

Equality Act 2010 Technical Guidance on Further and Higher Education:

www.equalityhumanrights.com/en/publication-download/equality-act-2010-technical-guidance-further-and-higher-education

Equal Pay Audit for Larger Organisations:

www.equalityhumanrights.com/en/multipage-guide/equal-pay-audit-larger-organisations

JNCHES guidance

JNCHES Role Analysis and Job Evaluation Guidance for Higher Education Institutions (Revised 2004):

www.ucea.ac.uk/en/empres/paynegs/jnches-agree/index.cfm

JNCHES Guidance on Pay Progression and Contribution-related Pay (Revised 2005):

www.ucea.ac.uk/en/empres/paynegs/jnches-agree/index.cfm

Gender Pay Gap reporting

ACAS guide on Gender Pay Gap reporting:

www.acas.org.uk/genderpay

EHRC Guidance on Gender Pay Gap reporting requirements:

www.equalityhumanrights.com/en/advice-and-guidance/gender-pay-gap-reporting-requirements

CIPD guide on Gender Pay Gap reporting:

www.cipd.co.uk/knowledge/fundamentals/relations/gender-pay-gap-reporting/guide

Gender Pay Gap action planning suggestions

New JNCHES Gender Pay Working Group report, July 2015. A useful summary of initiatives from its case studies can be found on pages 14-15:

www.ucea.ac.uk/en/publications/index.cfm/njgender

ECU report to HEFCE “Findings: Sector-leading and innovative practice in advancing equality and diversity”. Includes case studies and examples of relevant initiatives:

www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/Independentresearch/2017/Sector-leading,and,innovative,practice,in,advancing,equality,and,diversity/2017_edpractice.PDF

ECU’s Athena SWAN Charter:

www.ecu.ac.uk/equality-charters/athena-swan/

The GARCIA Project (Gendering the Academy and Research: combating Career Instability and Asymmetries) toolkit on implementing Gender Action Plans:

http://garciaproject.eu/wp-content/uploads/2016/09/GARCIA_working_papers_9.pdf

‘Mending the Gap’. A publication on tackling the gender pay gap:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/498743/Trailblazing_Transparency_-_Mending_the_Gap_report_Feb_2016.pdf

Guidance on monitoring

Extending diversity monitoring (ECU):

www.ecu.ac.uk/inclusive-practice/extending-diversity-monitoring

A guide for employers and employees - Sexual orientation discrimination: Key points for the workplace (ACAS):

www.acas.org.uk/media/pdf/r/b/Sexual_Orientation_Discrimination_Nov.pdf

A guide for employers and employees - Religion or belief and the workplace (ACAS):

www.acas.org.uk/media/pdf/f/l/religion_1.pdf

Glossary of Terms

The following is a description of terms used in HR policies and procedures. Their inclusion in this guidance does not indicate that parties to this agreement necessarily support all such policies and practices.

Accelerated increments A system for providing staff with accelerated or additional increments on the basis of individual merit or performance.

Analytical job evaluation Schemes in which decisions about the relative value or size of job are based on an analysis of the degree to which various defined elements or factors are present in a job. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 refers to the demands on a worker 'by reference to factors such as effort, skill, decision-making'. The usual analytical approach is a point-factor scheme in which scores for each factor are awarded and then totalled. On completion of an evaluation programme, the total scores for jobs indicate their rank order. This type of scheme meets the requirements of equal value law as long as it is not in itself discriminatory.

Benchmarking *Internal benchmarking* is the process of identifying a representative sample of typical jobs (benchmark jobs) which are used as reference points for a comparative process of job evaluation within the organisation in order to establish the relativities between them. Benchmarking can provide the information required to develop equitable grade structures and can be used when establishing whether jobs are rated as equivalent or are of equal value. *External benchmarking* is the process of comparing the pay of a representative sample of jobs within the organisation with the pay of similar jobs outside the organisation in order to establish external (market rate) relativities.

Bonus pay (in relation to Gender Pay Gap reporting) includes any remuneration in the form of money, vouchers, securities, securities options or interests in securities, and relates to profit sharing, performance, incentive or commission. It excludes ordinary pay, overtime pay, redundancy pay and termination pay

Broad-banded pay structure a pay structure in which a hierarchy of narrow pay or salary ranges is compressed into a small number (typically five or six) of wide bands. Each of the bands therefore spans the pay progression opportunities previously covered by a number of separate pay ranges.

Competence-related pay A contingent pay scheme that rewards people wholly or partly by reference to the level of competence they demonstrate in carrying out their roles. It is a method of paying people for the ability to perform.

Contingent pay Pay which is related to or dependent on merit or performance, competence, contribution, skill, or service in the job. The term 'performance pay' is often used loosely to cover all forms of contingent pay other than service-related pay.

Contribution-related pay is used here as in the [Framework Agreement](#) – including all forms of additional pay related to the contribution of individuals or teams. It includes accelerated and additional increments, and various types of non-consolidated bonuses. More widely the term is used to refer to pay which is related to both competence (i.e. inputs) and performance (i.e. results/outputs).

Employee benefits, also known as indirect pay. Schemes or arrangements for providing personal security, financial assistance, or company cars and for satisfying personal needs. such as pensions, sick pay and insurance cover. They comprise elements of remuneration additional to the various forms of cash pay and also include provisions for employees that are not strictly remuneration, such as annual holidays.

Equality groups This phrase is used to refer collectively to individuals or groups of staff who share a protected characteristic as specified in the Equality Act 2010, i.e. age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

Equal pay Legislation covering equal pay requires men and women to receive the same level of pay as employees of the opposite sex who are performing equal work. Any differences must be objectively justified by reasons unrelated to gender. The provisions of equal pay legislation and case law can be regarded in principle as being relevant to the achievement of equal pay for work of equal value between members of different racial groups, disabled and non-disabled staff, staff of different ages, those with different sexual orientations, and staff with different religions or beliefs.

Equal value Work which is different but assessed as being of equal value under such headings as effort, skill and decision. The assessment process must be analytical and free of bias.

Factor In job evaluation a criterion for judging the size of a job in one particular aspect or characteristic of the work involved or the demands made on job holders, for example, skill, responsibility, complexity. It is assumed that this characteristic is present in all the jobs to be evaluated but to different degrees. Factors therefore provide a basis for measuring differences in job size.

Factor plan The group of factors which are used in a point-factor job evaluation scheme. The individual factors will be divided into levels and the total points that can be allocated to a factor are assigned and distributed between each level. The allocation of points may be weighted in accordance with judgements about the relative importance of each factor.

Framework Shorthand for the Framework Agreement for the Modernisation of HE Pay Structures, which was negotiated in July 2003 and ratified by all HE unions by April 2004.

A “**Full pay relevant employee**” (in relation to **Gender Pay Gap reporting**) includes only those who are employed on the snapshot date of 31 March. It excludes those who are on a reduced rate of pay because they are on leave (e.g. because of parental or sabbatical leave) on that date.

Gender pay gap The gender pay gap is determined by calculating the average pay of women as a percentage of the average pay of men, and by comparing any differences in contractual terms. See also **pay gap**.

Gender pay gap reporting Refers to the reporting and publishing of an organisation’s gender pay gap information. There is a legal requirement to do this in England, Scotland and Wales. See section of this guidance titled “Legal Considerations” for more information.

Generic role definitions / profiles Descriptions of typical roles performed by a number of job holders which are essentially similar, with only minor differences. They specify overall role requirements in terms of the common characteristics of individual roles without spelling out the details of any particular job. A generic role definition therefore fits the role of, say, all team leaders but the accountabilities of individual job holders may be defined as outputs – the objectives and standards of performance to be achieved.

Grade An area in a hierarchical graded pay structure in which jobs of similar size or value are placed, usually by some form of analytical or non-analytical job evaluation. Grades may be defined in job evaluation points terms or by a description of the level of responsibility or competence typical of any roles or jobs placed in the grade. Pay ranges are attached to grades which may be determined by reference to views on internal relativities and differentials and to information on external relativities (market rates).

Green circling The process of paying people who are under-graded as a result of job evaluation less than the level of pay appropriate to their grade. This usually takes place following the introduction of a new pay structure when, to cut costs, the pay increases required to bring staff to the minimum for their new grade are phased (see, for example, Appendix F of [Framework Agreement](#)). Green circling can be discriminatory if the preponderance of those green-circled are women while there is a preponderance of men who are paid within the grade or, through 'red circling', are paid above it. This also applies if this situation exists for members of other equality groups or staff with differing contractual arrangements.

The **hourly rate of pay (in relation to Gender Pay Gap reporting)** should include all ordinary pay and bonus pay given to an employee during the relevant pay period. It should exclude any amounts that are normally paid in a different pay period. Bonus pay for a shorter or longer length than the relevant pay period should be prorated by dividing it with the number of days in the bonus pay period multiplied by number of days in the relevant pay period. For the purposes of prorating bonus pay in the regulations, a month is 30.44 days and a year is 365.25 days. The total pay (ordinary and bonus pay) for the relevant pay period, excluding pay normally for another pay period, should be converted to seven days' pay and then divided by the employee's working hours in a week to get the hourly rate of pay.

Job description A definition of the overall objectives of a job, where it fits in the organisational structure and the key result areas or principal accountabilities of job holders, or the main tasks they have to carry out. It may include a description of the context within which the job is carried out and an analysis of the job in terms of the criteria used in a job evaluation factor plan.

Job A group of finite tasks to be performed (pieces of work) and duties to be fulfilled in order to achieve an end result. It is often assumed that these duties remain the same whoever carries out the job.

Job evaluation A systematic process for defining the relative worth or size of jobs within an organisation in order to establish internal relativities and provide the basis for designing an equitable grade structure, grading jobs in the structure and managing relativities.

Job family A group or cluster of jobs with common characteristics. The essential nature and purpose of the work will be similar but the work is carried out at different levels.

Job family pay structure A pay structure which contains separate pay structures for job families which may be graded in terms of levels of skill or competence. Each level may have its own finite pay range as in a conventional graded pay structure.

Job matching The process of matching a job against a grade or band definition or against the description of a benchmark job to place it in a grade or band.

Job size The scale of the job as indicated by job evaluation, often expressed as a points score.

Like work Work which is the same or broadly similar.

Market premium or supplement Extra payments made to an individual or group of people which enhance the normal rate for the job to enable pay to be competitive in the market place. In accordance with equal value law, such payments should be objectively justified by reference to evidence on the relevant levels of market rates and to the business need to pay above the normal rate in order to attract and retain particular categories of staff. They should also be made equally available to members of different equality groups and staff with different contractual arrangements.

Merit pay A method of linking increases in pay or of making decisions on accelerated or additional increments to an assessment of merit which may be defined in terms of competence or achievement.

Non-analytical job evaluation Schemes in which whole jobs are examined and compared in order to place them in rank order or in a grade without analysing them into their constituent parts or elements. The most common non-analytical approach is to 'match' roles as defined in role profiles to definitions of grades or bands (this is often referred to as job classification). When designing grade structures, however, the initial step may be to rank the jobs in order of perceived value (job ranking). Non-analytical schemes do not meet the requirements of equal value law.

Objective justification Under equal pay law, if a pay practice such as a market premium or supplement results in a difference between the pay of men and women doing equal work, the employer must be able to justify the pay practice objectively. This means that the employer must be able to demonstrate that the practice meets a legitimate business need, is appropriate as a means of satisfying that need and is a necessary and proportionate means to that end. The same principle can be applied to members of different equality groups and staff with different contractual arrangements.

Ordinary pay (in relation to Gender Pay Gap reporting) includes basic pay, allowances, pay for piecework, paid leave and shift premium pay. It excludes overtime pay, redundancy pay, termination pay, pay in lieu of leave and non-cash remuneration

Pay Pay is defined in Article 141 of the Treaty of Rome as; 'The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his employment, from his employer'. Thus it includes benefits, 'perks' and allowances as well as base pay and performance pay or bonuses.

Pay advantage The advantage, in pay terms, in a pay gap analysis of being in one equality group or combination of groups compared to someone in a different equality group or combination of groups e.g. a woman working part-time has a 6.0% pay advantage in median wage per hour over a man working part-time in the United Kingdom¹⁷.

Pay gap A pay gap describes the difference between the pay of men compared with women, or between the pay of those in other equality groups. It is determined by calculating the average pay of one group as a percentage of the average pay of another. Thus, the pay gap between men and women would be 18% when women's pay is 82% of men's. The individual pay gap is the percentage difference between the pay of an individual and the pay received by a person of the opposite sex, or likewise between the pay of members of other equality groups.

Pay scale A graduated schedule of the pay increases that can be earned which usually takes the form of pay points on a pay spine.

¹⁷ www.equalityhumanrights.com/en/pay-gaps

Pay range The range of pay assigned to a grade as determined by reference to internal relativities and differentials and to market rates.

Pay spine A pay spine consists of a series of incremental points extending from the lowest to the highest-paid jobs covered by the structure. A pay spine increment may be standardised at, say, 3% from the top to the bottom of the spine, or the increments may vary at different levels. Ranges for different job grades may then be superimposed on the pay spine. If performance-related pay is introduced, individuals can be given accelerated increments.

Pay structure A method of defining and describing the different levels of pay for jobs or groups of jobs by reference to their relative internal value or size as established by job evaluation and to external relativities as established by external market rate surveys. Pay structures consist of grades or bands into which jobs or roles are allocated and which provide scope for pay progression. The [Framework Agreement](#) sets out principles and parameters for HE pay structures.

Performance appraisal The formal assessment and rating of individuals at periodic intervals by their managers. The ratings can be used to inform merit or contribution-related pay decisions.

Performance management A systematic and continuous approach to improving and developing the performance and competence of individuals and teams in order to increase overall organisational effectiveness. The emphasis is on the development of individuals and teams, and on dialogue and agreement. There may be no ratings and no direct link to performance-related pay.

Performance pay Pay related to performance in the form of an addition to base pay, additional increments or a bonus; also known as performance-related pay but sometimes extended to include other forms of contingent pay.

Performance-related pay (PRP) A contingent pay scheme which provides individuals with financial rewards in the form of increases to basic pay or cash bonuses which are linked to an assessment of performance, usually in relation to the results achieved against agreed objectives or targets (outputs). It is sometimes described as merit pay.

Point-factor job evaluation An analytical form of job evaluation in which jobs are scored by reference to a factor plan as a basis for determining their relative size.

Racial/Ethnic Group As defined by the ethnic categories recommended by the Equality and Human Rights Commission (EHRC).

Red-circling The process of protecting the pay of a person so that it is at a higher level than the size of the job and internal relativities justify. Red circling typically takes place following a job evaluation exercise when it is established that a job holder or job holders are over-graded and therefore over-paid but it is believed that they should not suffer a loss of pay. In these circumstances their pay may be 'protected' at its present rate and they may be required to 'mark time', i.e. remain at the same rate until other people catch up. A preponderance of men, or of members of other particular equality groups, who have been red-circled could be regarded as discriminatory, and discrimination may also take place or be intensified if protection is perpetuated or extended over long periods. Similar considerations apply in respect of disproportionate treatment of staff with different contractual arrangements.

Relevant employees (in relation to Gender Pay Gap reporting) all those employed by the institution on the snapshot date of 31 March including apprentices and those contracted

personally to do work (such as directly-engaged contractors and consultants). Also see “**full pay relevant employee**”.

Role The part played by people in meeting their objectives by working competently and flexibly within the context of the organisation’s objectives, structure and processes. A distinction may be made between the terms role and job.

Role analysis The process of collecting, analysing and setting out information about the content of roles in order to provide the basis for a role profile for job or role evaluation purposes but additionally, to produce data for recruitment, training and performance management. Role analysis concentrates on the results role holders are expected to achieve and what they need to know and be able to do to achieve those results. It therefore covers both outputs (key result areas) and inputs (competences).

Role profile A description of the part to be played by individuals in fulfilling their role requirements. It defines the purpose of the role in the form of the expected outputs (accountabilities), and expands the information contained in a traditional job description by setting out the competences required to perform the role satisfactorily. JNCHES has published indicative profiles for academic roles in guidance agreed under the terms of the Framework Agreement.

Safeguarded progression The practice of continuing previously contracted entitlement to pay progression, despite such entitlement being removed or reduced following introduction of new or amended pay structures. Such safeguarding may be for a limited period.

Total earnings The sum of base pay and any additional payments.

Total remuneration The value of all cash payments (total earnings) and benefits received by employees.

Work rated as equivalent Work which has achieved the same or a similar number of points under a job evaluation scheme.

Work of equal value Work which is of broadly equal value when compared under headings such as effort, skill and decisions.

Working hours in a week (in relation to Gender Pay Gap reporting) is the normal weekly working hours as specified in an employee’s contract of employment. Where an employee’s normal weekly hours vary, the average weekly hours is the total hours worked for the 12 weeks ending with the last completed week of the relevant pay period. The hours worked from an earlier week should be brought forward to make up the 12 weeks where an employee did not work in a particular week. If this is not possible, the weekly working hours should be estimated based on those for similar employees or the normal hours expected under the employee’s contract of employment. For employees who are paid on the basis of **piecework**, the working hours includes the hours when the employee is required to be awake and available at or near a place of work for the purposes of working unless the employee is at home.

The following checklists are included as an additional tool to aid the equal pay review process.

Appendix III

Equal Pay Checklist

As a matter of good practice HEIs' equal pay reviews should aim to cover sexual orientation, religion or belief, and age, as well as gender, race and disability – though there will be practical constraints on what is possible. The phrase “equality groups” is used throughout this checklist to refer to the protected characteristics. Equal pay reviews should also cover staff employed under all contractual arrangements used in the institution. **Where the checklist refers to “contractual arrangements”, institutions will need to compare those on full-time, part-time, fixed-term, term-time and indefinite contracts, and part-time hourly paid staff.**

Equal pay policy	Yes	No
Is there an equal pay policy?	<input type="checkbox"/>	<input type="checkbox"/>
Is the policy consistent with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017? (note: an example of an equal pay policy is provided in Appendix VII).	<input type="checkbox"/>	<input type="checkbox"/>
Has the policy been communicated to staff and the recognised trade unions?	<input type="checkbox"/>	<input type="checkbox"/>
Has someone with sufficient authority been designated as being responsible for policy implementation?	<input type="checkbox"/>	<input type="checkbox"/>
Have appropriate systems been clearly defined to ensure effective implementation and monitoring of the policy?	<input type="checkbox"/>	<input type="checkbox"/>
Pay		
Is the average basic pay of people in different equality groups and for people working different contractual arrangements equal in each grade and for like work?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any examples of significant differences in pay (more than 5% or recurring differences of 3%) between people in different equality groups and between people working different contractual arrangements doing the same job?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any examples of significant differences in pay between jobs of equal value predominantly occupied by people in different equality groups or people working different contractual arrangements?	<input type="checkbox"/>	<input type="checkbox"/>
Do people from different equality groups or people working different contractual arrangements receive equal allowances or additional payments?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
Do people from different equality groups or people working different contractual arrangements achieve comparable performance assessments and contribution-related pay?	<input type="checkbox"/>	<input type="checkbox"/>
Are there differences in pay between people in different equality groups or between people working different contractual arrangements? Is there an objective justification?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Are market supplements objectively justified and equally available to people in different equality groups or people working different contractual arrangements	<input type="checkbox"/>	<input type="checkbox"/>

Protection arrangements

Are people from different equality groups or people working different contractual arrangements equally affected by red or green circling?	<input type="checkbox"/>	<input type="checkbox"/>
Is the period of time for red / green circling or pay protection reasonable?	<input type="checkbox"/>	<input type="checkbox"/>

Position on and progression through pay scales

Is there a significantly higher proportion of people in a particular equality group or of people working particular contractual arrangements in the upper or lower areas of pay scales?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in a particular equality group or people working particular contractual arrangements progress through an incremental pay structure at a different rate to others not in that group?	<input type="checkbox"/>	<input type="checkbox"/>
Are the number of service-related incremental points on any pay scale more than can be justified by the learning curve for jobs in the grade?	<input type="checkbox"/>	<input type="checkbox"/>
If the number of service-related incremental points on any pay scale exceeds five, is there justification for this within the terms of the age discrimination legislation?	<input type="checkbox"/>	<input type="checkbox"/>
If there are merit or qualification bars, do people in different equality groups or people working particular contractual arrangements progress through them in equal proportions?	<input type="checkbox"/>	<input type="checkbox"/>

Recruitment and promotion

Are people in different equality groups or people working particular contractual arrangements appointed for like jobs?	<input type="checkbox"/>	<input type="checkbox"/>
If so, is the normal starting salary level or point the same as that for people in other equality groups or working particular contractual arrangements?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
Are people in different equality groups and people working particular contractual arrangements given equitable access to promotion and career progression opportunities?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people with different contractual arrangements progress to higher grades in proportion to their employment in lower grades?	<input type="checkbox"/>	<input type="checkbox"/>
Are qualification requirements which may attract higher salaries justified?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other recruitment practices which may influence salary levels in an inequitable way – including variations in practice across different staff groups at the same grade level?	<input type="checkbox"/>	<input type="checkbox"/>
Is there occupational segregation which is likely to give rise to differences in the proportions of staff from particular equality groups, or with particular contractual arrangements, progressing to higher grades?	<input type="checkbox"/>	<input type="checkbox"/>

Additional payments, allowances and benefits¹⁸

Do people in different equality groups and people working particular contractual arrangements have equal access to and receive equal payments for working time premia (overtime, shift pay, standby or call-out pay)?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to and receive equal bonus payments?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to and receive equal allowances for skills, responsibility etc.?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to and receive equal benefits, e.g. pension, medical insurance, sick pay?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to maternity leave, paternity leave and shared parental leave and adoption leave benefits?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to training and CPD?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to flexible working arrangements?	<input type="checkbox"/>	<input type="checkbox"/>

¹⁸ The EHRC website recommends investigating “any significant differences in the *average* amounts received”.

Awareness and bias

Have all those involved in making pay decisions been trained in best employment practice related to equality and diversity legislation, with refresher training provided as appropriate?

Have all those involved in job evaluation received suitable training, with refresher training provided as appropriate?

Monitoring

Are arrangements in place for monitoring pay differences across equality groups and contractual arrangements?

Is there clarity about to whom the outcomes of such monitoring should be reported, and when?

Are the outcomes reported to an individual or group with sufficient authority to take any required action?

Is there an equal pay action plan with an appropriate timetable to deal with any identified issues?

Contribution-related pay checklist

	Yes	No
Are all equality groups entitled to participate in contribution-related pay systems?	<input type="checkbox"/>	<input type="checkbox"/>
If so, are the outcomes proportionate?	<input type="checkbox"/>	<input type="checkbox"/>
Are part-time workers and those on fixed, short-term, term-time or indefinite contracts equally entitled to participate in contribution-related pay systems?	<input type="checkbox"/>	<input type="checkbox"/>
If so, are the outcomes proportionate?	<input type="checkbox"/>	<input type="checkbox"/>
Are objective and evidence based criteria used to assess eligibility for contribution-related pay?	<input type="checkbox"/>	<input type="checkbox"/>
If so, are they transparent and free of bias?	<input type="checkbox"/>	<input type="checkbox"/>
Are performance ratings and awards of contribution-related pay checked regularly to identify any examples of bias?	<input type="checkbox"/>	<input type="checkbox"/>
Is there any evidence of bias in the distribution of performance ratings?	<input type="checkbox"/>	<input type="checkbox"/>
Is there any evidence of bias in the award of contribution-related pay?	<input type="checkbox"/>	<input type="checkbox"/>
If there are any differences in the award of contribution-related pay can they be objectively justified?	<input type="checkbox"/>	<input type="checkbox"/>
Have those responsible for making decisions on contribution-related pay been appropriately trained in best employment practice related to equality legislation?	<input type="checkbox"/>	<input type="checkbox"/>

Job Evaluation Checklist

	Yes	No
Have the trade unions been invited to play an active role in job evaluation at your institution?	<input type="checkbox"/>	<input type="checkbox"/>
Scheme design features		
Is the scheme appropriate for all the jobs it is expected to cover without favouring any?	<input type="checkbox"/>	<input type="checkbox"/>
Does the scheme have a non-discriminatory analytical framework covering all important job demands?	<input type="checkbox"/>	<input type="checkbox"/>
Are factor definitions unambiguous and without undue overlap?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a rationale for factor weightings which ensures that they reflect the importance of the job demands for the organisation as a whole and are not biased with regard to any equality group?	<input type="checkbox"/>	<input type="checkbox"/>
Is the gradation of factor levels well-defined and unambiguous, reflecting real steps in demands?	<input type="checkbox"/>	<input type="checkbox"/>
Scheme operation/application		
Have role or job analyses been prepared by fully trained people given guidance on how to avoid bias on equality or contract grounds?	<input type="checkbox"/>	<input type="checkbox"/>
If job holders were required to complete questionnaires, had they been given adequate training and guidance?	<input type="checkbox"/>	<input type="checkbox"/>
Was the quality of job analyses, job descriptions and questionnaire responses assessed to ensure that they were adequate for the purpose and met a consistently high standard?	<input type="checkbox"/>	<input type="checkbox"/>
If there is a panel to undertake matching or any other key part of the job evaluation process, is that panel representative of a range of equality groups and contractual arrangements among employees, and/or did members receive guidance and training on avoiding bias on equalities and contract grounds?	<input type="checkbox"/>	<input type="checkbox"/>
Is refresher training provided, as appropriate, for all those involved in the job evaluation process?	<input type="checkbox"/>	<input type="checkbox"/>
Was the determination of grade boundaries, in the context of job evaluation analysis, mindful of the need to avoid discrimination on the basis of equality characteristics or contract grounds?	<input type="checkbox"/>	<input type="checkbox"/>
Is the scheme easy to understand and operate, and transparent in the sense that staff understand how it operates and how decisions arising from its application are made?	<input type="checkbox"/>	<input type="checkbox"/>
Does the scheme provide for appeals?	<input type="checkbox"/>	<input type="checkbox"/>
Are trade union representatives involved in the appeals process?	<input type="checkbox"/>	<input type="checkbox"/>

Are arrangements in place for systematic use of job evaluation in relation to new or revised posts, and posts where the role has evolved?
Are such arrangements appropriate, sufficient and robust and are those involved trained, including refresher training where appropriate?

Factors affecting pay gaps, data requirements and possible actions

The following table may be of use where particular areas are highlighted in the checklists found in the other appendices.

Possible issues	Data required	Possible remedial actions
Individuals in particular equality groups or with particular contractual arrangements doing work of equal value or like work paid differently to those not in that equality group or with other contractual arrangements.	An analysis of the average and individual rates of pay of all those doing work of equal value or like work. The jobs should also be compared by means of an analytical job evaluation scheme to determine whether the jobs are of equal value. An assessment of possible reasons for differences, e.g. higher entry pay levels for certain staff groups, market supplements, red or green circling, TUPE, length of service, and any of the other reasons set out below.	Investigate each case to establish whether or not there is a material factor such as differences in the performance of those concerned, market forces, or red-circling which might justify the inequality. However, a claim by an employer that a difference arose from different levels of performance or market forces would have to be objectively justified, and pay protection arrangements which favour particular staff groups could be regarded as discriminatory.
Other measures of equal value, e.g. qualification levels, show pay inequalities between jobs in different staff groups .	The use of a job evaluation scheme to establish whether the inequalities are caused by the systematic under-evaluation of one staff group as against another.	As set out above; and review the adequacy of the job evaluation scheme in use, and the manner of its application.
Disproportionate distribution of individuals with particular equality characteristics or with particular contractual arrangements at the upper or lower range of points in an incremental scale . For example, the effect of taking periods of maternity leave or part time working due to caring responsibilities on women's career progression.	Numbers of individuals in each equality group and numbers working different contractual arrangements at each pay point in the pay scale for the grade. Data on length of service and age (in respect of each grade, equality group and type of contractual arrangement) may also be relevant.	Review: (1) the policy on fixing salaries at the time of recruitment – if more men or staff with typical contractual arrangements (i.e. full-time and indefinite) are recruited at higher points in the scale, this may discriminate against women, as would similar actions affecting the recruitment of those from other equality or contractual groups. (2) the number of increments in the scale – if there are more than is necessary to reflect the additional value that experience can bring to the role or other objective factors, this may discriminate against women and others who have less opportunity to obtain continuous experience. Any consequent proposal for change in established pay structures should be agreed with relevant trade unions.
The numbers of incremental points on scales reward long uninterrupted service rather than representing a real learning curve.	The number of incremental points in each grade, where progression relates to length of service.	Review the length of service-related parts of incremental scales so that they properly reflect the time taken to reach the level of knowledge, skill and experience required to carry out the work effectively. Any consequent proposal for change in established pay structures should be agreed with relevant trade unions.
Individuals in a particular equality group or with particular contractual arrangements placed at higher points in the scale on appointment or promotion . Discrimination in the operation of promotion and career development processes.	The most common point on the pay scale for the grade at which individuals in a particular equality group or with particular contractual arrangements are placed on appointment or promotion. Comparative data, for equality groups and contractual arrangements, for the outcomes of promotions processes. Review of the operation of promotion and career development processes.	Ensure that policies and procedures are implemented which will prevent such discrimination. For example, produce guidelines which specify when staff can be recruited or promoted to higher points in the scale and emphasise the importance of adopting a non-discriminatory approach to promotion and career progression planning. Monitor such decisions to ensure that they are objectively justified and do not discriminate.

Possible issues	Data required	Possible remedial actions
Individuals in a particular equality group or with particular contractual arrangements receive higher contribution-related pay awards (i.e. benefit more from accelerated/additional increments or non-consolidated bonuses).	The comparative level of contribution-related pay awards. The comparative distribution of performance ratings. The extent to which differences can be objectively justified (review against checklist criteria in Appendix IV).	Ensure that: <ul style="list-style-type: none"> All individuals are equally entitled to participate in contribution-related pay schemes. The criteria and processes used to determine contribution-related pay increases are not biased and are applied fairly and transparently. Managers are aware of the possibility of bias and are trained in how to avoid it. Contribution-related pay outcomes are monitored to ensure that they are objectively justified and to detect and correct any bias.
Discriminatory use of a merit or qualification bar resulting in individuals in a particular equality group or with particular contractual arrangements being more likely to achieve a pay point above the merit or qualification bar.	The proportion of those in a particular equality group or with particular equality arrangements whose pay is above the merit or qualification bar.	<ul style="list-style-type: none"> Review criteria for crossing the merit or qualification bar to ensure that they are not discriminatory Monitor merit or qualification bar decisions to ensure that they have been objectively justified and are free of bias
Market supplements not objectively justified. Market supplements applied differentially to individuals in particular equality groups or with particular contractual arrangements.	Evidence of objective justification in terms of the data available on market rates and proof that there is a business need to apply a market supplement. The comparative number of individuals in different equality groups or working particular contractual arrangements receiving market supplements and their relative value.	Ensure that no supplements are awarded unless they have been objectively justified, and that the levels of pay supplements are justified. Such justification should include evidence that the recruitment and retention of the staff concerned would be seriously prejudiced unless market rates were paid. Equalise market supplements where appropriate. Review procedures to ensure that such supplements are not awarded unless they are justified and are not discriminatory.
Pay protection arrangements (including red or green circling, and safeguarded progression) applied in a way that results in pay discrimination between individuals in particular equality groups or working particular contractual arrangements and who are doing work of equal value or like work.	The incidence, duration and impact in terms of pay differentials of protection arrangements for the different categories being compared.	Ensure that pay protection arrangements do not unjustifiably favour individuals in a particular equality group or working particular contractual arrangements, and that the lengths of any protection periods do not unjustifiably prolong inequalities.
Individuals in particular equality groups, or working particular contractual arrangements, in work of equal value or like work, receive higher allowances .	The distribution and amount of allowances for the different categories being compared.	Seek to equalise the distribution and value of allowances, where the present pattern is not justified.
A job evaluation scheme which is discriminatory in terms of the designed process or weightings	Details of the job evaluation scheme used, followed by an assessment against the checklist criteria in Appendix V .	Revise the scheme to take account of any bias revealed by its assessment against the checklist criteria in Appendix V . This may include a review of any local variations in the scheme or the right to request a review.
A job evaluation scheme which is applied in a discriminatory way .	An analysis of how the scheme is applied, followed by an assessment against the checklist criteria in Appendix V .	Revise the scheme to take account of any issues revealed by its assessment against the checklist criteria in Appendix V . This may include refresher training for those involved in the process.
Occupational segregation leading to lower proportions of staff from certain equality groups in higher grade posts.	Compare the distribution of equality groups at each grade level.	Review promotion procedures. Check lack of bias in appointing to posts where occupational segregation is apparent. Review arrangements for succession planning and leadership development. Enhance staff development provision.

Example of an Equal Pay Policy

The Equality and Human Rights Commission (EHRC) provides [information about what should be included in an equal pay policy](#)¹⁹. The example below is loosely based on the model equal pay policy set out in the former Equality Opportunities Commission (EOC) Code of Practice on Equal Pay from 2003. This model was included in the earlier versions of this guidance and, whilst not out of date as such, the EOC model no longer exists as a resource in its own right as the EOC has been replaced by the EHRC. The following version has been amended to include an up to date list of protected characteristics. Please see [Appendix I](#) for links to other sources of guidance.

Equal Pay Statement

This institution supports the principle of equality of opportunity involving concern with the principles of equality and the management of diversity in employment and believes as part of those principles that staff should receive equal pay for the same or broadly similar work, for work rated as equivalent and for work of equal value regardless of their status in relation to the nine protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

We understand that equal pay between men and women is a legal right and that there is legislation in place which provides protection from discrimination, which would extend to pay, on the basis of the protected characteristics mentioned above. Legislation is also in force concerning part-time and fixed-term employees which mentions pay as part of its remit.

We believe it is in our institution's interest and in accordance with good practice that pay is awarded fairly and equitably.

We recognise that in order to achieve equal pay for employees doing equal work we should operate a pay system which is transparent, based on objective criteria and free from bias on the grounds of sex, age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation; and which does not discriminate between those on different contractual arrangements.

Action to implement policy

In order to put our commitment to equal pay into practice we will:

- examine our existing and future pay practices for all our employees including part-time workers, those on fixed-term contracts or contracts of unspecified duration, those on term-time only or hourly-paid contracts, and those who are absent on pregnancy and maternity leave
- carry out regular monitoring of the impact of our practices
- inform employees of how these practices work and how their own pay is arrived at
- provide training and guidance for managers, supervisory staff and trade unions involved in pay and benefits
- discuss and agree the equal pay policy with employees, trade unions or staff representatives where appropriate
- make any necessary changes in a timely manner.

We intend through the above action to avoid discrimination or bias, to reward fairly the skills, experience and potential of all our staff and thereby to increase efficiency, productivity and competitiveness and enhance the organisation's reputation and image.

¹⁹ www.equalityhumanrights.com/en/advice-and-guidance/equal-pay-policy

Data Requirements

The data required will be both primary data contained in a computerised HR or payroll database and derived data obtained by analysing the primary data.

Primary data

For each member of staff to be covered in the review it will be desirable to seek details of:

- Name (or a unique identifier)
- Gender
- Ethnicity
- Whether or not disabled
- Age
- Any information on sexual orientation²⁰
- Any information on religion or belief
- Full/part-time contract
- Fixed-term/indefinite duration contract
- Term-time-only/hourly-paid contract
- Casual, variable or zero hours contract
- Staff group/job family
- Grade/band
- Basic salary (part-time staff at actual rate and full-time equivalent)
- Job evaluation score (actual, or range matched to)
- Position on pay scale (pay point)
- Length of time in grade
- Any market supplement
- Eligibility for contribution-related pay
- Performance appraisal rating (where this exists or is relevant)
- Value of contribution-related pay increases or bonuses
- Working time premia – overtime, shift payments, unsocial hours
- Pension scheme
- Access to any differentiated work related benefits – e.g. sick pay, medical insurance, leave, loans
- Payments in kind – accommodation, company car
- Any other allowances, including ‘acting’ or additional responsibility payments
- Pay protection arrangements, where applicable

Derived data – by gender, racial group, disability, sexual orientation, religion or belief, age, and contractual arrangement

- Staff numbers in each grade, staff group, and across all employees
- Average pay for each grade
- Average pay for each job category (where differentiated within or across grades)
- Average pay for all staff
- Average pay for full-time, part-time, term time and fixed term contract staff by grade and job category
- Pay gap percentages for each staff group and all staff
- Position on incremental scale by grade and job category (where differentiated)
- Market supplements – number eligible, value and review dates

²⁰ The ECU guidance on Equality and Diversity Monitoring includes advice on gathering such information: www.ecu.ac.uk/casestudies/extending-diversity-monitoring-staff/

- Eligibility for contribution-related pay
- Distribution of performance appraisal ratings (where is relevant)
- Allocation of contribution-related pay
- Average value of contribution-related pay
- Eligibility for working time premia, pension, work-related benefits, payment in kind and other allowances
- Number red-circled and average duration
- Number green-circled and average duration
- Number with safeguarded progression

Additional information

- Details of existing grade and pay structures including the number of service-related incremental points.
- Details of any performance appraisal and contribution-related pay scheme and its overall outcomes
- Detailed outcomes of promotions processes

For information about data requirements for Gender Pay Gap Reporting in England, see 'Gender Pay Gap Reporting: Requirements of the legislation in England within [Section C](#) of this guidance.

www.gmb.org.uk
www.ucea.ac.uk
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