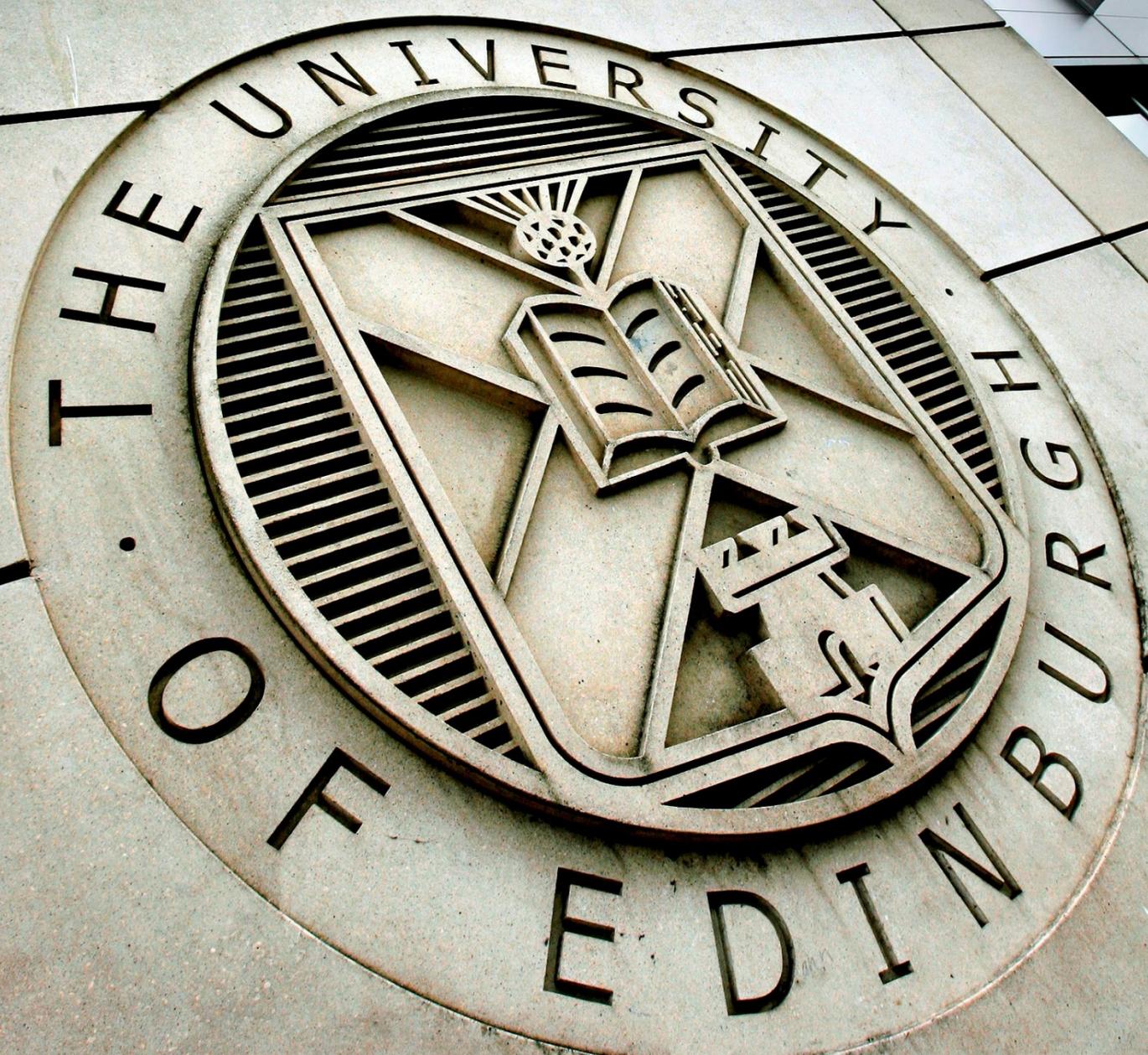


The University of Edinburgh  
Equal Pay Audit & Equal Pay  
Statement 2019



## Table of Contents

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1. Introduction .....	3
2. The University's Approach .....	3
3. Summary of Findings.....	4
4. Gender Pay Analysis.....	5
The Gender Pay Gap .....	6
Gender Pay Gap by University Grade UE01 – UE10.....	7
5. Disability Pay Analysis .....	10
The Disability Pay Gap .....	11
Disability Pay Gap by University Grade UE01 –UE10.....	12
6. Ethnicity Pay Analysis.....	13
The Ethnicity Pay Gap .....	13
Ethnicity Pay Gap by University Grade UE01-UE10 .....	15
7. Summary .....	16

## 1. Introduction

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The University supports the principle of equal pay for work of equal value and recognises that there should be a reward system which is free from bias and based on objective criteria. The University carried out an institution-wide pay and grading exercise which was implemented in 2007, with the majority of employees<sup>1</sup> moving to a new grade structure underpinned by job evaluation using the Hay methodology.

The University aims to eliminate any bias in our reward processes and recognises that to achieve equal pay for employees doing equal work it must operate processes which are transparent and based on objective criteria. The University is committed to providing the resources necessary to achieve equal pay.

This report is produced as part of the University's wider commitment to monitoring equality and to provide analysis and help inform the University's reward policies and practices.

## 2. The University's Approach

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

The University believes that there are a number of benefits of conducting an Equal Pay Audit:

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

This is the sixth Equal Pay Audit undertaken by the University. An annual Grade 10 and Equivalent Equal Pay Audit is completed separately, although Grade 10 employees are also included in this report.

The 2019 analysis has been carried out on the following protected characteristics covered by the Equality Act:

- Gender Pay Analysis
- Disability Pay Analysis
- Ethnicity Pay Analysis

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

Data for this analysis was obtained from the University's HR System on **31 March 2019**.

This report will be shared with the University's People Committee and with its recognised trade unions

### 3. Summary of Findings

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- The average and median **gender pay** gaps for all employees, including those on NHS and legacy grades are **16.7%** and **13.7%** respectively. The average pay gap has reduced by 1% since the 2017 Equal Pay Audit and the median has increased by 2.6%
- Male employees outnumber female employees in the higher grades of the University pay scale. The clustering of male employees on higher grades and female employees on lower and middle grades has a significant impact on the overall gender pay gap;
- The average gender pay gap for all employees on grades **UE01-UE10<sup>2</sup>** is **15.1%**. This has decreased by 1.54% since the 2017 report;
- The median gender pay gap for the same population is **11.1%**. This has also seen a decrease (by 2.6%) since the last report;
- The average pay gap between **disabled employees** and those employees not declaring a disability is **(-2.36%)** in favour of disabled employees. The median pay gap is also in favour of disabled employees **(-1.94%)**;
- The average and median pay gaps between White and Black and Minority Ethnic (BME) staff are 7.9% and 8.4% respectively.

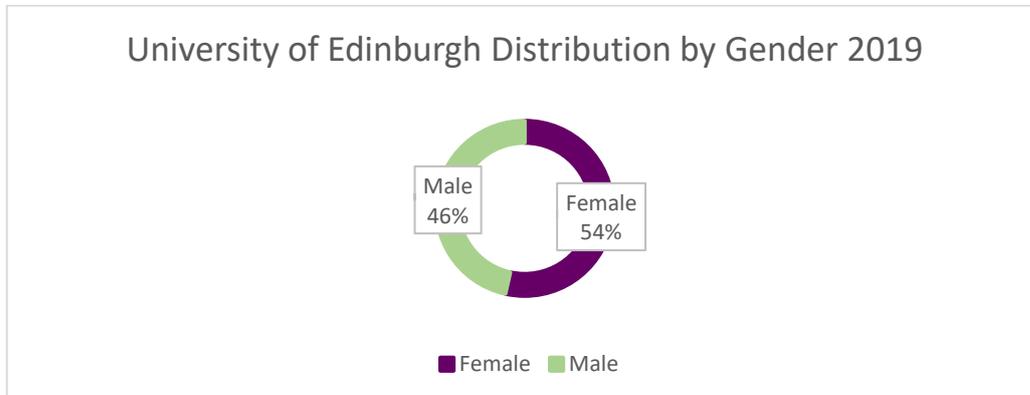
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<sup>2</sup> Does not include Clinical NHS Grades and legacy grades.

## 4. Gender Pay Analysis

The University employs an overall staff population of 15,880 employees as at March 2019. Of these employees, 8,541 are female (53.78%) and 7,339 are male (46.22%)

**Figure 1a. Distribution by Gender**



**Figure 1b. Distribution by Grade and Gender of University Grades UE01 – UE10**

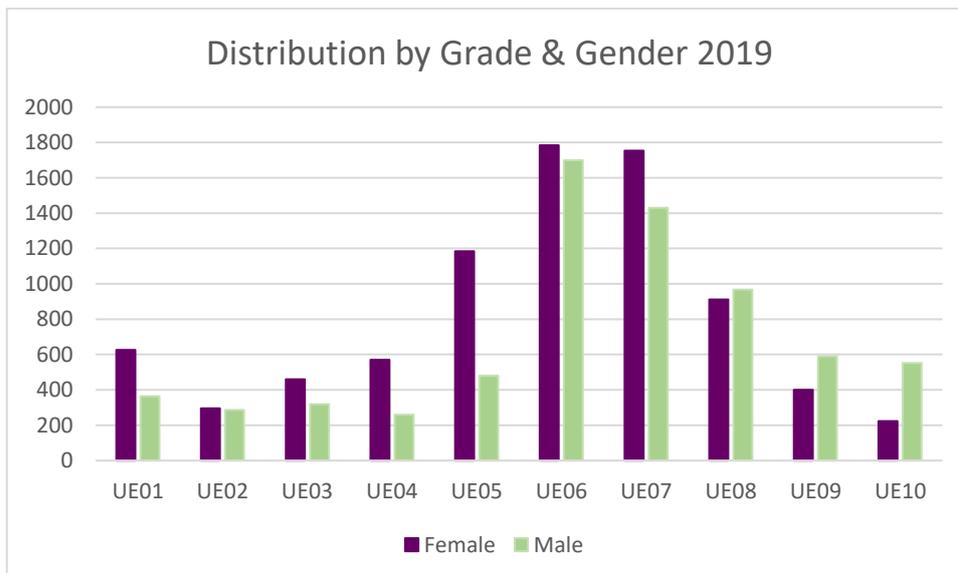


Figure 1b illustrates the distribution of University Grades UE01- UE10. There is a greater number of female employees than male employees at University grades 1 through to 7 and this accounts for 81% of the total female population (and 70% of the total male population). With regards to University grades 8 through to 10, 19% of the female population and 30% of the male population are employed in these grades.

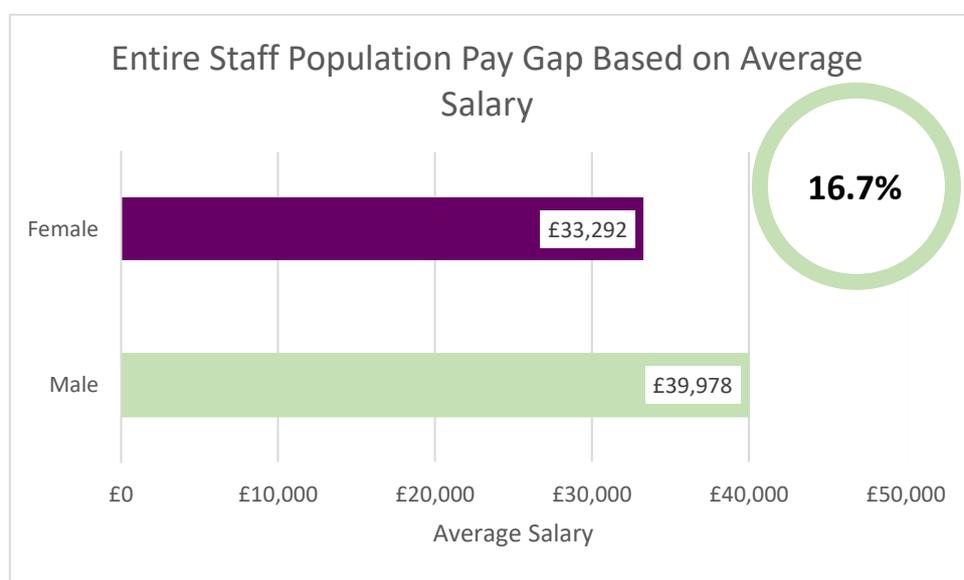
There are 775 employees within Grade 10, 223 females (29%) and 552 males (71%) and this distribution, combined with more females in the lower grades, contributes to an overall organisational gender pay gap in favour of males.

## The Gender Pay Gap

The pay gap calculation uses the average and median salaries of female employees expressed as a percentage of the average and median salaries of male employees. The salary used for all calculations is the full-time equivalent salary, plus any contractual salary payments such as market pay supplements, as the University considers that it is more appropriate to examine total contractual remuneration. A negative percentage demonstrates a pay gap in favour of women (i.e. women are paid more than men).

The pay gaps for the University's entire staff population (i.e. inclusive of employees on legacy grades and clinical grades determined externally by the NHS), are illustrated in figures 2a and 2b. It should be noted that employees on legacy terms and conditions are protected under TUPE<sup>3</sup>.

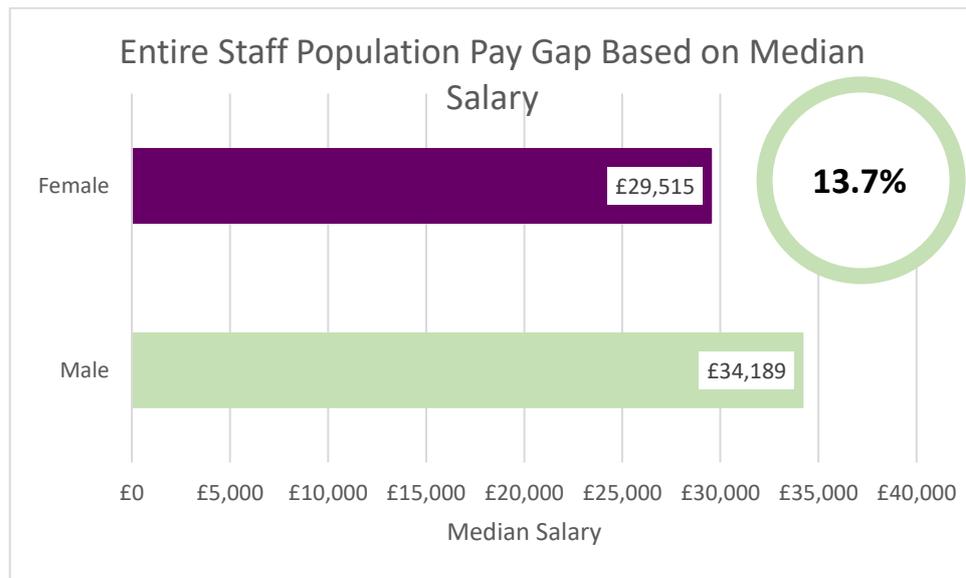
**Figure 2a. Entire Staff Pay Gap (Average Salary)**



The average full time equivalent salary of female employees is 16.7% lower than the average salary of male employees.

<sup>3</sup> Transfer of Undertakings (Protection of Employment) Regulations, commonly referred to as 'TUPE' affords that certain employee rights are protected where their employer is subject to a take-over or merger by/with another employer.

**Figure 2b. Entire Staff Pay Gap (Median Salary)**



The median full-time equivalent salary of female employees is 13.7% lower than the median for male employees.

When compared to the 2017 **entire staff population** pay gap the gap based on average pay has reduced from 17.7% to 16.7%, however the pay gap based on median salary has increased from 11.1% to 13.7%. The clustering of male employees on higher grades and female employees on lower and middle grades has the largest impact on the overall gender pay gap.

It is useful to compare these gaps in the context of gender pay gaps outside of the University. The Office for National Statistics (ONS)<sup>4</sup> provisional 2018 all sector average pay gap is 17.1% and the median pay gap is 17.9%. The ONS average pay gap for the Higher Education sector is 16.1% and the median pay gap is 15%.

### Gender Pay Gap by University Grade UE01 – UE10

In order to assess the gender pay gap in more detail, it is necessary to analyse work rated as equivalent and the clearest method to do so is to examine pay gaps by grade. 95% of the University's employees sit within University Grades UE01 – UE10. Table 1 provides information by gender and headcount and shows the average and median salaries and resulting pay gaps for each University grade.

<sup>4</sup> ONS Gender Pay Gap in the UK: 2018

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018>

**Table 1. Gender Pay Gap by University Grade (UE01 – UE10)**

Headcount, average and median salary by UE grade and gender and respective average and median gender pay gap						
Grade	Gender	Headcount	Average Salary	Median Salary	Average Pay Gap	Median Pay Gap
UE01	Male	365	£16,526	£16,460	-0.05%	0.00%
	Female	627	£16,535	£16,460		
UE02	Male	286	£17,725	£16,766	4.18%	0.00%
	Female	295	£16,984	£16,766		
UE03	Male	319	£19,639	£19,202	5.73%	5.28%
	Female	460	£18,514	£18,189		
UE04	Male	259	£22,081	£21,593	3.97%	0.83%
	Female	570	£21,205	£21,414		
UE05	Male	480	£24,533	£24,029	-0.08%	0.00%
	Female	1185	£24,552	£24,029		
UE06	Male	1700	£29,527	£28,660	-0.72%	-1.49%
	Female	1784	£29,739	£29,088		
UE07	Male	1430	£37,242	£37,345	0.38%	0.00%
	Female	1754	£37,099	£37,345		
UE08	Male	967	£47,117	£48,677	1.30%	2.90%
	Female	912	£46,503	£47,263		
UE09	Male	590	£57,408	£58,089	0.50%	0.00%
	Female	401	£57,119	£58,089		
UE10	Male	552	£87,968	£79,286	4.93%	3.65%
	Female	223	£83,628	£76,392		
Total UE01-UE10	Male	6,948	£38,327	£33,199	15.06%	11.10%
	Female	8,211	£32,554	£29,515		

The Equality and Human Rights Commission defines a significant gap as a gender pay gap of 5% (highlighted in red) while recurring differences of 3% of more merit further investigation.

The overall pay gap for staff on University Grades has reduced since the last pay audit. In 2017 the pay gap based on average salary was 16.6% and this has reduced to 15.06%. The median pay gap has also reduced from 13.7% to 11.1%.

In the 2017 audit the most significant pay gap existed for the Grade 10 population, with an average and median pay gap of 7.1% and 6.3% respectively. This gap has reduced to 4.93% (average) and 3.65% (median). This reduction is in part attributable to the actions taken to address the pay gaps reported in the 2015 Equal Pay Audit which led to the establishment of a Gender Pay Gap Task Group. The remit of this Group was to review the causes of the Grade UE10 pay gap and make recommendation for action. The following actions were included in these recommendations:

- reference to internal and external pay comparators in determining salary for staff appointed or promoted to UE10;
- increased use of Performance data in UE10 contribution review process;
- formal review of all salary proposals for UE10 external appointments.

The largest pay gap for 2019 is found within UE03. On investigation the biggest contributing factor is length of service; the median length of service for female employees is 1 year and 8 months and for male employees it is 3 years and 5 months. This results in more females on lower pay points. Further investigation regarding the differing length of service will be taken forward in 2019,

With regards to UE02 the average pay gap is 4.18%. This pay gap reduces to 0.06% if the calculation uses base salary and excludes contractual allowances. A number of employees within this grade receive a premium band payment for being contractually required to work unsociable hours and a larger proportion of male employees, compared with female employees, are in receipt of this allowance.

Similarly for UE04 the average pay gap of 3.97% is reduced to -0.14% (in favour of females) if allowances are removed from the calculation. Again there is currently a higher proportion of male employees, compared to females, in roles that attract contractual allowances.

The clustering of male employees on higher grades and female employees on lower and middle grades has a significant impact on the overall gender pay gap.

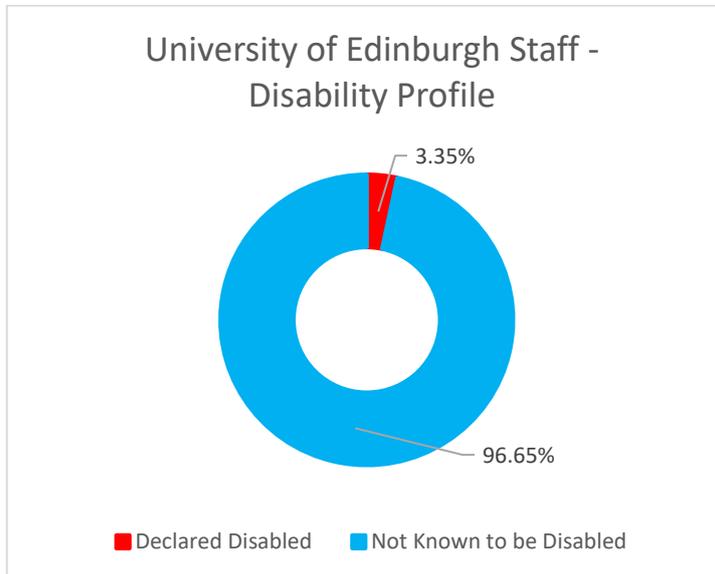
The University has a significant commitment to the elimination of gender stereotyping. Our recruitment and reward systems have been designed to be free from bias and based on objective criteria and the University has invested in ensuring employees understand the causes and impact of unconscious bias.

The University is a member of the Athena SWAN charter which recognises and celebrates good practice in recruiting, retaining and promoting women. The University holds the only Silver institution award in Scotland and has 22 awards in total, 12 Bronze, 9 Silver and 1 Gold.

## 5. Disability Pay Analysis

The chart below detail details the disability breakdown of the University's Grade 1- 10 population.

**Figure 3a. Disability Profile**



It is important to highlight that clear conclusions relating to disability pay are limited due to the small number of employees who have declared a disability (3.35%). The small population does not lend the opportunity to identify clear patterns but can provide a top level overview.

**Figure 3b. Disability distribution by University Grade**

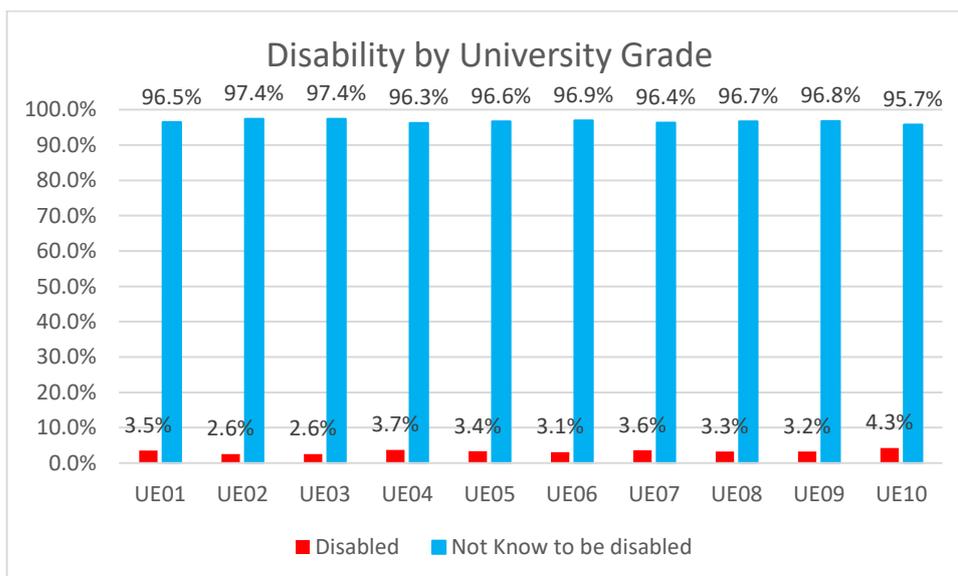


Figure 3b details the distribution of employees who have declared a disability by University Grade. The proportion of disabled staff in each grade is relatively consistent,

the highest percentage of employees declaring a disability is in Grade 10 (4.3%) and the lowest is in Grade 2 and 3 (2.6%).

### The Disability Pay Gap

The disability pay gap is calculated using the average and median salaries of employees reporting a disability as a percentage of the average and median salaries of employees who have not reported a disability. Salary is the full time equivalent salary, plus any job related contractual salary payments such as market pay supplements. A negative % demonstrates a pay gap in favour of employees who have declared a disability.

The overall pay gap between those employees with a declared disability and those not known to be disabled is detailed in figures 4a and figure 4b.

**Figure 4a. Disability Pay Gap (Average Salary)**



**Figure 4b. Disability Pay Gap (Median Salary)**



Both pay gaps are in favour of employees who have declared a disability (employees with a declared disability are paid more than those with no known disability). The small numbers of staff disclosing a disability does not make it possible to analysis this favourable gap further.

### Disability Pay Gap by University Grade UE01 –UE10

Disability pay gaps based on average and median pay by University Grade are depicted in Table 3.

**Table 3. Disabled/Not Known to be disabled pay gap – all employees by individual University Grade (UE01 – UE10)**

Grade	Disabled/Not Known to be disabled	Headcount	Average Salary	Median Salary	Average Pay Gap	Median Pay Gap
UE01	Disabled	35	£16,705	£16,460	-1.1%	0.0%
	Not Known to be disabled	957	£16,526	£16,460		
UE02	Disabled	15	£17,502	£16,766	-0.9%	0.0%
	Not Known to be disabled	566	£17,345	£16,766		
UE03	Disabled	20	£19,719	£19,202	-4.0%	-5.1%
	Not Known to be disabled	759	£18,955	£18,278		
UE04	Disabled	31	£21,327	£21,414	0.7%	0.0%
	Not Known to be disabled	798	£21,485	£21,414		
UE05	Disabled	56	£25,232	£24,771	-2.9%	-3.1%
	Not Known to be disabled	1,609	£24,523	£24,029		
UE06	Disabled	108	£30,264	£30,395	-2.2%	-6.1%
	Not Known to be disabled	3,376	£29,615	£28,660		
UE07	Disabled	116	£37,490	£38,460	-0.9%	-3.0%
	Not Known to be disabled	3,068	£37,151	£37,345		
UE08	Disabled	62	£47,042	£48,677	-0.5%	-3.0%
	Not Known to be disabled	1,817	£46,811	£47,263		
UE09	Disabled	32	£56,494	£58,089	1.4%	0.0%
	Not Known to be disabled	959	£57,318	£58,089		
UE10	Disabled	33	£79,613	£74,276	8.5%	5.1%
	Not Known to be disabled	742	£87,035	£78,252		
Total	Disabled	508	£35,993	£32,236	-2.4%	-1.9%
	Not Known to be disabled	14,651	£35,164	£31,623		

The majority of disability pay gaps by University Grade are in favour of those employees that have declared a disability (gaps with a negative percentage). It is only in Grade 10 that a gap above 5% in favour of no known disability employees occurs. This pay gap is a result of the current placement of employees against the pay structure, a larger proportion of declared disabled employees are situated in the lower pay points of Grade 10 although there are 5 declared disabled employees paid above the University pay scale as illustrated in Table 4.

**Table 4. Disabled/Not know to be disabled by Grade 10 pay point**

University of Edinburgh Grade 10			
Pay Point	Declared Disabled	No Known Disability	% Disabled on Pay Point
Pay Spine Point 1		24	
Pay Spine Point 2	3	31	8.82%
Pay Spine Point 3	1	30	3.23%
Pay Spine Point 4	4	42	8.70%
Pay Spine Point 5	1	53	1.85%
Pay Spine Point 6	3	72	4.00%
Pay Spine Point 7	4	44	8.33%
Pay Spine Point 8	3	45	6.25%
Pay Spine Point 9	1	34	2.86%
Pay Spine Point 10	2	27	6.90%
Pay Spine Point 11	1	30	3.23%
Pay Spine Point 12	2	34	5.56%
Pay Spine Point 13	1	35	2.78%
Pay Spine Point 14	1	29	3.33%
Pay Spine Point 15	1	22	4.35%
Pay Spine Point 16		26	0.00%
Pay Spine Point 17		14	0.00%
Off Scale	5	150	3.23%
Grand Total	33	742	4.26%

## 6. Ethnicity Pay Analysis

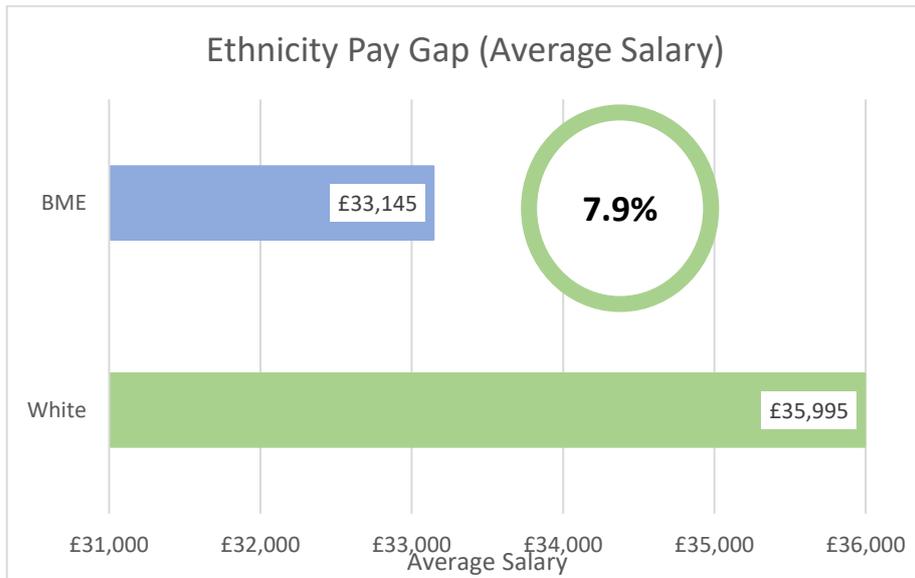
The University's employment profile is weighted towards those who have declared their ethnicity as White (72.18%). A smaller percentage (11.10%) of the population have declared their ethnicity as Black or Minority Ethnic (BME). This leaves 16.72% of the population whose ethnicity is 'Not Known' or 'Information Refused'. Therefore, similar to disability, any pay patterns are unlikely to be identified. However, for this report the 'White' group will be compared against Black or Minority Ethnic (excluding not declared/unknown).

### The Ethnicity Pay Gap

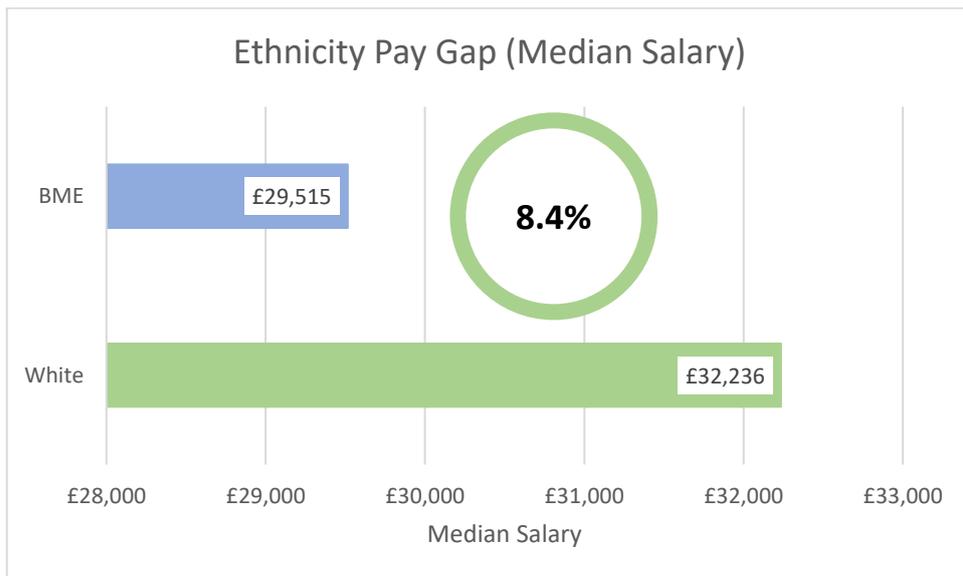
The ethnicity pay gap is calculated using both the average and median salaries of employees from black and minority ethnic (BME) groups as a percentage of the average and median salaries of white employees. "Salary" is the full-time equivalent salary, plus any job related additional salary payments such as a market pay supplement. A negative percentage demonstrates a pay gap in favour of employees from BME groups.

Figures 5a and 5b detail the overall pay gaps for Ethnicity.

**Figure 5a. Ethnicity Pay Gap all employees on UE01-UE10 (Average Pay)**



**Figure 5b. Ethnicity Pay Gap all employees on UE01-UE10 (Median Pay)**



Both pay gaps are in favour of employees who have declared ethnicity as 'White', the average salary for this group is 7.9% higher than the 'BME' group and the median salary is 8.4% higher.

## Ethnicity Pay Gap by University Grade UE01-UE10

The Ethnicity pay gap by University Grade is detailed in Table 5.

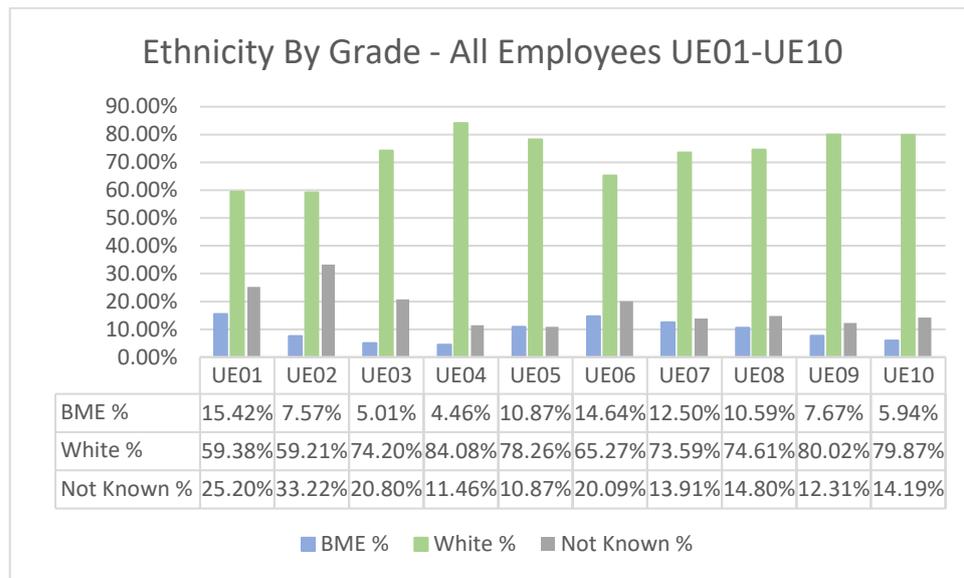
**Table 5. Ethnicity Pay Gap all employees by individual University Grade (UE01-10)**

Grade	BME/White	Headcount	Average Salary	Median Salary	Average Pay Gap	Median Pay Gap
UE01	BME	153	£16,481	£16,460	0.4%	0.0%
	White	589	£16,548	£16,460		
UE02	BME	44	£16,995	£16,766	2.9%	0.0%
	White	344	£17,500	£16,766		
UE03	BME	39	£19,036	£17,751	0.6%	5.0%
	White	578	£19,146	£18,688		
UE04	BME	37	£20,771	£20,275	3.3%	5.3%
	White	697	£21,485	£21,414		
UE05	BME	181	£23,907	£23,334	3.1%	2.9%
	White	1,303	£24,665	£24,029		
UE06	BME	510	£28,922	£28,660	3.6%	2.9%
	White	2,274	£30,015	£29,515		
UE07	BME	398	£36,369	£36,261	2.5%	2.9%
	White	2,343	£37,300	£37,345		
UE08	BME	199	£46,530	£47,263	0.8%	2.9%
	White	1,402	£46,920	£48,677		
UE09	BME	76	£56,316	£58,089	1.7%	0.0%
	White	793	£57,261	£58,089		
UE10	BME	46	£85,057	£79,898	0.9%	-4.3%
	White	619	£85,821	£76,609		
Total	BME	1,683	£33,145	£29,515	7.9%	8.4%
UE01-UE10	White	10,942	£35,995	£32,236		

The ethnicity pay gaps by University Grade are all less than 5%, with the exception of UE03 and UE04. These two University grades have the lowest percentage of employees who categorise themselves as BME which is a contributing factor to these pay gaps. UE03 BME population is 5.01% and UE04 4.46%. UE04 also has a high percentage (20.80%) of employees for whom the University does not hold ethnicity information and the University is seeking to improve disclosure of protected characteristics with a communication campaign in 2019.

Figure 6 details the ethnicity profile by grade and also the percentage not known or not declared.

**Figure 6. Ethnicity Headcount by Grade – All employees UE01 – UE10**



## 7. Summary

The entire staff population pay gap based on average pay has reduced by one percentage point from 17.7% in 2017 to 16.7%, however the pay gap based on median pay for the same population has increased from 11.1% to 13.7%.

For the population of University staff on Grades UE01-UE10 (this does not include NHS and Clinical Grades) the average and median gender pay gaps have reduced from the gaps reported in 2017. The average pay gap for this population has reduced from 16.6% to 15.06% and the median pay reduce from 13.7% to 11.1%.

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

Since the 2015 Equal Pay Audit the University has placed particular focus on the Grade 10 and equivalent pay gap. It is heartening to see a material improvement to the pay gap for this grade and the University will continue to commit to the further reduction of this gap, including the completion of the annual Grade 10 and Equivalent Equal Pay Audit.

It should be noted that a pay differential does not in itself imply inequality. The law requires employers to address pay disparities where the difference is purely down to gender but not where it is attributable to other material factors such as experience or academic track record.

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