

Royal College of Music Equal Pay Review 2018

As part of the College Pay Policy we are committed to undertake an Equal Pay Review covering the themes of gender, ethnicity, disability, age and patterns of working and contractual status. This reflects the College's clear commitment to equal opportunities and effective reward management. 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. This review was based on data of staff in post on 31 March 2018.

1. PURPOSE

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.

Whilst there is currently no legal requirement for employers to undertake equal pay reviews, they are highly recommended by the EHRC (Equality & Human Rights Commission). 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); and
- may help in the preparation of information required for equal pay reporting requirements for employers in England, Wales and Scotland.

2. DATA PROTECTION

Equal Pay Reviews are covered by the Data Protection Act (2018) and General Data Protection Regulations 2018 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.

3. SCOPE

The review has primarily involved checking to ensure that there are no inequalities within the pay structure ie that male and female staff doing equal work are paid on an equal basis (on the same grade). Similar checks have been made against other characteristics such as ethnicity, age, disability and contractual status (permanent, fixed-term, part-time, full-time). Since the last Equal Pay Review was undertaken in 2012 the scope of equal opportunities information the college requests of new starters has widened as has our diligence in obtaining such data. The introduction of ESS (Employee Self-Service) provides an excellent opportunity for us to continue to improve the quality and quantity of data however some consideration needs to be given as to how best to engage certain staff groups to make any comparison meaningful. Teaching staff employed within the Junior Department do not come under the scope of the

National Agreement for the Modernisation of HE Pay Structures. Data relating to the Junior Department teaching staff is therefore not included within the scope of this review.

An equal pay review will usually consider three areas: work rated as equivalent, work of equal value and like work. This third area is of more relevance where an organisation does not have a single job evaluation scheme and where value judgements are made based on jobs being the same or broadly similar. In some cases this might refer to a comparison of jobs with the same job title but this assumes a common basis for the use of these. Because the College uses a single job evaluation tool, HERA (Higher Education Role Analysis), all roles (other than those held by members of the College's Directorate) have been evaluated and assigned to a specific grade. On this basis like work is encompassed by work of equal value and work rated as equivalent. This review therefore concentrates on comparisons of work rated as equivalent and work of equal value as defined below:

- Work Rated as Equivalent comparing all jobs with the same job evaluation score;
- Work of Equal Value where all jobs within the same points range (grade) are compared.

4. ANALYSIS CLASSIFICATIONS

Gender analysis has been undertaken on a male/female basis. Ethnicity is recorded by the College under several categories but for the purpose of analysis has been grouped into two: white and other ethnic origin. Age analysis has been compiled on the basis of a comparison between staff in ten year age bands from age 20 to age 99. Pay of staff on permanent (open ended) contracts has been compared to those on fixed term contracts (where the member of staff is employed for a set period of time). Pay of staff on part-time contracts (less than 35 hours per week) has been compared to pay of staff on full-time contracts (35 hours per week).

5. DATA

The College has a harmonised working week and so the data used in this report is based on full time equivalent salaries for all staff (excluding Junior Department teaching staff) in post on 31 March 2018 in grades 3–11 (the current range of grades used within the pay scale).

There is no legal definition of what constitutes a significant gap. As a reference guide the Equality & Human Rights Commission advocates that where a pay differential related to sex is less than 3% no action is necessary. Where the difference is greater than 3% but less than 5%, the position should be regularly monitored and for pay gaps of more than 5% the reason for the difference should be investigated and action is needed to address the issue and close the gap. We have therefore carried out further investigations in all categories where there is a pay gap of more than 5%. The 2012 percentage differences are indicated in brackets for comparison.

The use of averages can itself be a problem as often these mask an underlying reality. In an extreme example (not at the RCM) two individuals both do the same job, one is paid, say, £20K the other £40K. They are the only individuals in this job and so the figures reflect an average of £30K masking a real difference of £20K. This is an impossible scenario given the application of job evaluation and the single pay spine but it emphasises the effect that distribution can have and particularly the danger of very small sample sizes or indeed of extreme values – both high and low which may skew overall values. It is particularly important to keep this in mind as the College is classified as a small specialist higher education institution with a correspondingly small sample size.

6. METHODOLOGY

We adopted the three step approach to the equal pay review recommended by JNCHES:

1. **Analysis** The first step was to conduct an analysis of the workforce composition in terms of staff groupings and contractual arrangements.
2. **Diagnosis** After the initial analysis has been compiled the second stage will be to establish the nature of any inequities and their causes (in some cases this involved the gathering of further data to support (or not) the initial findings).
3. **Action** Where a pay gap of more than 5% in any area is unjustified then remedial action is specified, planned and implemented.

7. FINDINGS

The 2012 percentage differences are indicated in brackets for comparison. Comparisons are not available for all data as detailed additional information was only provided where pay gaps of more than 5% are identified (for 2012 data). N/A has been indicated where figures are not available.

Table 1 Gender

	Number	Average Salary	% Difference
Female	181	£42,045	4.77% (6.88%)
Male	258	£44,151	

These figures reflect the imbalance in the gender distribution within the overall staff profile, that is, proportionately more women are employed on lower grades and more men on higher grades. This data is not a measure of equal pay but provides the wider context within which the analysis is conducted.

In order to establish a basis for measuring any inequalities in pay at the College it is necessary to compare the pay of staff carrying out work that is regarded as equal. The table below (Grades) compares the pay of men and women carrying out work of equal value as determined by job evaluation (HERA).

Table 2 Grades

	Average for grade	Overall gender split					Average salary		
		Female	Male	% Female	% Male	Total	Female	Male	Pay gap %
Grade 4	£23,514	4	5	44%	56%	9	£22,787	£24,096	5% (1.14%)
Grade 5	£26,295	19	9	68%	32%	28	£26,447	£25,975	-2% (1.68%)
Grade 6	£30,000	14	11	56%	44%	25	£29,581	£30,532	3% (4.30%)
Grade 7	£35,706	12	20	38%	63%	32	£35,845	£35,623	-1% (2.80%)
Grade 8	£44,995	108	189	36%	64%	297	£44,730	£45,146	1% (1.24%)
Grade 9	£51,793	14	11	56%	44%	25	£51,530	£52,126	1% (0.83%)
Grade 10	£70,607	6	5	55%	45%	11	£65,422	£62,706	-4% (0.29%)
Grade 11	£70,531	3	8	27%	73%	11	£68,993	£71,108	3% (n/a)

The difference between male and female average pay within all of the individual grades is within 5% (either lower or higher) of the average salary therefore no further investigation needs to be carried out.

There is only one member of staff within Grade 3, therefore no comparisons between genders can be made and this information has been removed from the above table.

Table 3 Ethnicity

	Number	Average Salary	% Difference compared with average pay for all staff
White	395	£43,715	1% (0.43%)
Other Ethnic Group	24	£37,275	-16% (-11.73%)

A large number of the College's higher paid staff are its teaching ('professorial') staff, who are primarily hourly paid part-time professional musicians working in senior roles in the classical music industry (see part-time working data below). The difference between the average pay for other ethnic groups and average pay for all staff has increased, from -11.73% to -16%, since the last equal pay review in 2012. Therefore, the College may seek to consider ways in which it might be able to improve the ethnic mix of all staff with a particular emphasis on teaching staff.

Table 4 Ethnicity

	Average salary for grade	Average salary for other ethnic group	% Difference compared to average salary for grade
Grade 3	£20,360	n/a	n/a
Grade 4	£23,514	£23,636	1% (2.2%)
Grade 5	£26,295	£26,733	2% (4%)
Grade 6	£30,000	£28,335	-6% (n/a)
Grade 7	£35,706	£36,060	1% (-4%)
Grade 8	£44,995	£43,748	-3% (-2%)
Grade 9	£51,793	£52,965	2% (n/a)
Grade 10	£64,188	£63,967	0% (-1%)

In order to establish a basis for measuring the inequalities in pay within white and other ethnic groups, it is necessary to compare the pay of staff carrying out work that is regarded as equal. Further analysis took place that looked at the average salary of staff within the other ethnic group per grade compared to the average pay for each individual grade. The table above shows the percentage difference between the average salary for the grade and the average salary for staff in the other ethnic group. In all grades the average salary of the other ethnic group is within 5% (either lower or higher) of the average salary of the grade except for grade 6. Having looked at the individuals and being familiar with the nature of their contractual arrangements there is nothing that causes sufficient concern as to warrant further action at this time, however we will continue to monitor this.

Data excludes information not given.

Table 5 Disability

	Number	Average Salary	% Difference
Disabled	5	£32,550	-32.97%
Non disabled	421	£43,410	0.29%

Table 6 Disability

	Average salary for grade	Average salary for disabled	% Difference compared to average salary for grade
Grade 3	£20,360	-	-
Grade 4	£23,514	£23,648	1% (1.49%)
Grade 5	£26,295	£25,396	-3% (-4.08%)
Grade 6	£30,000	-	-
Grade 7	£35,706	-	-
Grade 8	£44,995	£45,030	0% (-0.45%)
Grade 9	£51,793	-	-
Grade 10	£70,607	-	-
Grade 11	£70,531	-	-

In order to establish a basis for measuring the inequalities in pay within disabled and non-disabled groups, it is necessary to compare the pay of staff carrying out work that is regarded as equal. Further analysis took place that looked at the average salary of staff within the disabled group per grade compared to the average pay for each individual grade. There are staff with declared disabilities represented in Grades 4, 5, and 8. The table below shows the percentage difference between the average salary for the grade and the average salary for staff declaring a disability within the grade. In all grades the average salary of the disabled group is within 5% (either lower or higher) of the average salary of the grade and therefore no further investigation is needed. The College is aware that there are more than 5 staff with disabilities employed but we are reliant on self-declaration.

Table 7 Age

Age Group	Number	Average Salary	% Difference compared with average pay for all staff
20-29	43	£29,886	-31% (-36.77%)
30-39	74	£39,663	-8% (-6.04%)
40-49	111	£45,326	5% (3.33%)
50-59	100	£47,214	9% (7.44%)
60-69	72	£45,640	5% (9.88%)
70-79	33	£44,608	3% (3.28%)
80-89	5	£45,030	4% (n/a)

Further investigation demonstrated that when age groups are looked at across the grades there are no significant differences in pay. There is only one member of staff within the 90-99 age group and therefore this information has been removed from the above table.

Table 8 Part-time working

	Number	Average Salary	% Difference
Staff with full-time contracts	128	£38,906	14% (7.88%)
Staff with part-time contracts	311	£45,084	

Having investigated this percentage it has shown that the number of salaried staff who are employed on a part-time basis is heavily weighted to the higher end of the salary scale, both in terms of hourly paid teaching staff (who are paid at the top of the grade 8 pay range) and part-time salaried staff (where flexible working tends to be undertaken by women who have returned from maternity leave and are employed on grade 8 and above). The RCM may decide to investigate this further and look in more depth in respect at our engagement with flexible working practices across the grades, but moving forward we would also be seeking to separate out in more detail the differences between part time salaried and hourly paid teaching staff.

Table 9 Fixed-term/Permanent staff

	Number	Average Salary	% Difference
Staff with permanent contracts	404	£43,778	14% (7.17%)
Staff with fixed-term contracts	35	£37,559	

Having investigated this percentage the contractual arrangements of fixed term staff and the wider institutional context indicate that there is nothing that causes sufficient concern as to warrant further action at this time. However for clarity and further explanation, in line with the legislative framework for the management of fixed term contracts the staff group that this covers include those funded by research grants, those on "business justified" fixed term contracts due to reviews of staffing structures, maternity leave cover and long term absence. However, this will be kept under review in line with good practice

Directorate Pay

Members of Directorate are paid outside the national pay spine and are paid spot salaries that are reviewed annually by the Remuneration Committee. For data protection reasons an analysis in this area has not been undertaken.

Table 10 Market supplements

	Number	Average Market Supplement	% Difference
Female	4	£7,492	0.01% (17.67%)
Male	5	£7,589	

Market supplements are awarded based on the criteria detailed in the College's pay policy. The value of the supplement awarded is based on market value and forces external to the College. Staff receiving market supplements are in professions (with relevant professional qualifications) that can be clearly linked to average market values and there is therefore no evidence of a gender bias involved in the calculation of these supplements.

Number of staff entitled to claim overtime

Overtime is paid (with prior agreement of line managers) to staff on grade 7 and below who work in excess of 35 hours in any one week, provided the contract of employment does not make provisions for other methods of flexible working. There are currently 94 (81 in 2012) members of staff at Grade 7 or below who are therefore entitled to claim overtime, 49 are female and 45 are male.

8. CONCLUSION

- Differences identified are within the typical range of expectations for an organisation that has successfully implemented a fair pay and grading structure free of gender, ethnicity, disability, age or patterns of work bias.
- A number of pay differentials were identified at the more detailed level, for work rated as equivalent, and the reasons behind the differentials were established on an individual basis. In most cases these are the result of justifiable causes where comparator salaries are affected by service related progression or of a known factor combined with small sample size.
- Care should be taken when interpreting data with small sample sizes

9. RECOMMENDATIONS & ACTIONS

- Pay of staff from different ethnic backgrounds will be monitored – the small sample size and overall picture is that the number of staff from non white backgrounds is small compared to national population averages. This is potentially an indication of equality of opportunity rather than equality of pay and does not therefore form part of this equal pay review.

It is suggested that there should be a review of ethnicity pay data on a regular basis to investigate the 5% plus differences to ensure that any differences can be justified. However, the College will give further consideration to ways in which it might be able to improve the ethnic mix of college staff and advice.

- Pay of staff who are employed on a part-time basis requires further investigation into how the college engages flexible working practices and this element will require ongoing monitoring.
- Through the planned work in respect of refreshing the College's approach to pay, reward and recognition, it is recommended that a review of the use and management of market allowances/supplements and retention payments to ensure that there are no issues of equality of pay.
- It is also recommended that due to the data cleansing and improvement that is currently being undertaken that the next Equal Pay Review is conducted during the 2019-2020 academic year, and then on a two-yearly cycle, which will then be more in line with the annual gender pay gap monitoring that we are required to carry out.

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