

Royal College of Music

Equal Pay Review 2012

As part of the National Agreement for the Modernisation of HE Pay Structures the College implemented a new eleven grade pay structure, based on a new non discriminatory job evaluation scheme (HERA) in March 2007 for posts across the organisation. At the same time terms and conditions were harmonised and in January 2009 a pay policy was finalised with the College's recognised unions, UCU and UNISON.

As part of the Pay Policy the College has committed to undertake an Equal Pay Review every three years to cover 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 initial review was undertaken in November 2009 following the guidelines of good practice advocated by the Commission for Equality and Human Rights and the Joint Negotiating Committee for Higher Education Staff (JNCHES). This audit was based on data of staff in post on 1 April 2009. A second audit was carried out in September 2012 based on data of staff in post on 1 April 2012.

Purpose

The primary purposes of an equal pay review are to:

- Establish whether there are pay inequities arising because of gender, race, disability, sexual orientation, religion or belief, and age; and/or from differing contractual arrangements;
- Analyse in more detail the nature of any inequities;
- Analyse the factors creating inequities and diagnose the cause or causes;
- Determine what action is required to deal with any unjustified inequalities revealed by the analysis and diagnosis.

Data Protection

Equal Pay Reviews are covered by the Data Protection Act (1988) 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.

Scope

The review has primarily involved checking to ensure that there are no gender pay gaps 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). The College currently does not request information from staff regarding sexual orientation and religion or belief and these areas are therefore not investigated in this report. 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 in 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.

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 89. 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).

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 1 April 2012 in grades 4–11 (the current range of grades used within the pay scale) plus a small number of staff (ie Directorate) who are paid on “spot” salaries.

There is no legal definition of what constitutes a significant gap. As a reference guide the Commission for Equality and Human Rights 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 2009 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.

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.

Findings

The 2009 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 both 2009 and 2012 data). N/A has been indicated where 2009 figures are not available.

Average pay for all staff (on an FTE basis): £40,036

Average pay for all staff (incl. weekend working allowances): £40,180

Gender

	Number	Average Salary	% Difference
Female	152	£38,293	6.88% (6.35%)
Male	244	£41,121	

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).

Grades

	Overall gender split					Average salary			
	Female	Male	% Female	% Male	Total	Female	Male	% Diff	Avg for Grade
Grade 4	11	14	44.00%	56.00%	25	£21,360	£21,605	1.14% (-0.15)	£21,497
Grade 5	11	4	73.33%	26.67%	15	£24,338	£24,754	1.68% (-0.48)	£24,449
Grade 6	7	9	43.75%	56.25%	16	£27,177	£28,397	4.30% (4.75%)	£27,863
Grade 7	15	10	60.00%	40.00%	25	£32,135	£33,062	2.80% (N/A)	£32,506
Grade 8	94	182	34.06%	65.94%	276	£41,149	£41,665	1.24% (-0.04)	£41,489
Grade 9	6	9	40.00%	60.00%	15	£47,064	£47,459	0.83% (N/A)	£47,301
Grade 10	5	12	29.41%	70.59%	17	£55,321	£55,482	0.29% (-6.61)	£55,434

The difference between male and female average pay within all of the individual grades is less than 5% therefore no further investigation needs to be carried out.

There is only one member of staff within Grade 11 therefore no comparisons between genders can be made and this information has been removed from the above table.

Ethnicity

	Number	Average Salary	% Difference compared with average pay for all staff
White	368	£40,526	0.43% (0.84%)
Other Ethnic Group	17	£35,617	-11.73% (-21.15%)
Information refused/not known	12	£41,674	3.28% (3.87%)

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). It is the reality of the situation that this profession, internationally, is overwhelmingly white, although this is slowly changing. This goes some way to explain the difference between the average salaries of the white and other ethnic group. The difference between the average pay for other ethnic groups and average pay for all staff has dropped from -21.15% to -11.73% since the last equal pay review in 2009. However, the College needs to continue to consider ways in which it might be able to improve the ethnic mix of teaching staff.

	Average salary for grade	Average salary for other ethnic group	% Difference compared to average salary for
--	--------------------------	---------------------------------------	---------------------------------------------

			grade
Grade 4	£21,497	£21,971	2.2% (-0.15%)
Grade 5	£24,499	£25,369	4% (-0.48)
Grade 7	£32,506	£31,110	-4% (N/A April 09)
Grade 8	£41,489	£40,799	-2% (-0.04%)
Grade 10	£55,434	£54,709	-1% (-6.61%)

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. There are staff from the other ethnic group category represented in Grades 4, 5, 7, 8, 10 and on the Directorate. 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 and therefore no further investigation is needed. As the sample size of average salary for other ethnic group within the Directorate is only 1, for data protection reasons the College is not able to publish this specific data.

Disability

	Number	Average Salary	% Difference
Disabled	3	£28,997	-28.29% (3.74%)
Non disabled	394	£40,437	

*April 2009 sample size of only 1 member of staff declaring disability (whose salary was 3.74% higher than the average salary).

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 3 staff with disabilities employed by the College but that they choose not to declare their disability (for reasons of not wanting to be labelled or not declaring their disability as it does not have an impact on their role at the College).

	Average salary for grade	Average salary for disabled	% Difference compared to average salary for grade
Grade 4	£21,497	£21,817	1.49% (N/A)
Grade 5	£24,499	£23,499	-4.08% (N/A)
Grade 8	£41,489	£41,674	-0.45% (N/A)

Age

Age Group	Number	Average Salary	% Difference compared with average pay for all staff
16-19	1	£20,776	-48.51% (N/A)
20-29	35	£25,513	-36.77% (-29.08%)

30-39	77	£37,915	-6.04% (-6.32%)
40-49	109	£41,696	3.33% (5.17)
50-59	102	£43,354	7.44% (8.05)
60-69	59	£44,338	9.88% (8.16)
70-79	13	£41,674	3.28% (3.87)

These figures reflect the fact that staff in the lower age groups are at the start of their careers and therefore in more posts with a lower job evaluation score. Further investigations 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 80-89 age group and therefore this information has been removed from the above table.

Part-time working

	Number	Average Salary	% Difference
Staff with full-time contracts	104	£37,953	7.88% (8.05%)
Staff with part-time contracts	293	£41,202	

257 of the 293 part-time staff are hourly paid professors who have an FTE annual salary of £41,674, ie above the £40,036 average pay of all staff. This therefore skews the figures and shows that part-time staff earn 7.88% more than those on full-time contracts. If the data for hourly paid teaching staff is removed from this calculation then there are 104 staff with full-time contracts (average salary £37,953) and 36 staff with part-time contracts (average salary £37,843) and the percentage difference between the 2 groups of staff is reduced to -0.29%.

Fixed-term/Permanent staff

	Number	Average Salary	% Difference
Staff with permanent contracts	352	£40,681	7.17% (7.25%)
Staff with fixed-term contracts	45	£37,764	

These figures reflect the imbalance caused by basing figures on FTE salaries which means that the average salary of a high proportion of staff (the hourly paid professorial staff - 257 in total) is £41,674pa. 216 of these hourly paid professorial staff are on permanent contracts and therefore this increases the average salary of staff with permanent contracts. When the average salary of permanent and fixed-term staff carrying out work that is regarded as equal (and therefore being paid at the same grade) is analysed there are no significant differences.

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 published.

Market supplements

	Number	Average Market Supplement	% Difference
Female	3	£3,694	17.67% (8.91%)
Male	6	£4,487	

Market supplements are awarded based on the criteria detailed in the College's pay policy. On average the market supplement received by the 6 males receiving supplements is 17.67% higher than the females. 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. It should be noted that the sample size is very small and if the highest market supplement for the males is removed from the calculation then the percentage difference swings the other way and the average market supplement received by the 3 females (£3,694) is 18.02% higher than the average supplement received by the 5 males (which becomes £3,130 when the 6th male is removed).

2 members of the hourly paid professorial staff receive an hourly supplement. These figures have not been included in the above data as they work for a small number of hours per year and to include their FTE salaries would therefore skew the figures in the above table. The awarding of the hourly market supplement for these staff took place only after justification was provided and the market supplements procedure (as detailed in the College's pay policy) was completed.

Number of staff on contribution points

Since August 2006, the RCM has operated an 11 grade scale with 53 spinal points. The RCM Council takes into account any agreement reached at national level for higher education cost of living pay increases and considers its application to the RCM scale. Posts are allocated to the RCM scale through the use of the HERA job evaluation process.

The Gross salary of each member of staff, including London Weighting as at 31 July 2006, was increased by their increment for 2006/07 where applicable and then assimilated to the nearest higher point in the grade. For a number of staff this meant that their new salary fell within the contribution points band. As of 1 April 2009 there were 3 members of staff (1 male and 2 female) who were being paid within the contribution point bands, due to where they transferred across to the new pay scale. In April 2012 there were 10 staff (3 female and 7 male) being paid within the contributions band. This increase can be attributed to the expiry of the pay protection period (in July 2011) for staff whose salary was higher than the salary band of their new grade. At the end of the pay protection period they were transferred onto the highest point (including contribution points) of the grade at which their role was evaluated.

The College's pay policy identifies how contribution points will be used in the future.

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 shift or other methods of flexible working. There are currently 81 (73 in 2009) members of staff at Grade 7 or below who are therefore entitled to claim overtime, 44 are female and 37 are male.

Conclusion / Action / Recommendations

- Differences 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 gaps were identified at the more detailed level for work rated as equivalent and the reasons behind the gaps 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
- The College's Pay policy was introduced in January 2009 – no contribution points have been awarded since that time (due to financial constraints). The next equal pay review will report on the use of contribution points (if they have been used by that time)
- 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 – an issue for RCM due to the specialist nature of the institution. 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 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 teaching staff and advice from the Equality Challenge Unit will be taken.

Sophie Rees
Head of HR
September 2012