



University of
Nottingham

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Ethnicity Pay Gap Report March 2021

Foreword



Introduction by the Vice-Chancellor, Professor Shearer West

I am pleased to publish the first analysis of the ethnicity pay gap at the University of Nottingham. This is an important step in our continuing work to support equality, diversity and inclusion. By recognising the differences in pay for white and BAME (Black, Asian, minority ethnic) staff, we hold ourselves to account and drive change.

Whilst ethnicity pay gap reporting is not yet a legislative requirement in the same way as our gender pay gap reporting, we have used the same methodology and calculations to produce this report - as well as summarising the actions we need to take to address its findings.

Of the core pay gap measures, this first report identifies a mean pay gap between white and BAME staff of 11.7%, a median pay gap of 8.2%. The disparity between white and BAME staff awarded a bonus is 8.4%.

The transparent spirit in which this data is published should encourage critical reflection across our community about how our BAME colleagues are represented in our recruitment, supported in their roles, and rewarded for their contribution.

As this report notes, some factors will take time and require a cultural change across our university. Others can be changed more rapidly, for example through continued review of our recruitment, progression and reward practices and by improving the representation of BAME staff at all levels.

The Gender and Ethnicity Pay Gap Task Group will help to identify where we may be able to mobilise more targeted initiatives to lead to a faster reduction in the ethnicity pay gap, informed by best practice at other leading universities and employers.

However, perhaps the most meaningful and sustained reduction in the university's ethnicity pay gap will be achieved through our work on the Race Equality Charter. Its action plan is a result of a significant and critical examination of what is needed to change our culture and improve our support for BAME staff, students and communities in the city of Nottingham.

I encourage everyone in our university community to read this report and support the vital work that is required to effect real and lasting change for the better.



Professor Shearer West
President and Vice-Chancellor

2020 ethnicity pay gap results summary

We are publishing the university's ethnicity pay gap (EPG) data for the first time, recognising that by publicly sharing the difference in white and BAME staff pay and bonuses we both hold ourselves and the institution to account to drive change. This is a key step in understanding the scope of the pay gap, and in developing actions to reduce it.

Within the report you will find:

- reflections on the ethnicity pay gap at the university
- action the university is taking to tackle racial inequalities
- the calculations and methodology used to calculate the pay gap

2020 results

Calculation		2020
1	Mean pay gap	11.7%
2	Median pay gap	8.2%
3	Mean bonus gap	-111.8%
4	Median bonus gap	-23.5%
5	% of BAME staff awarded a bonus	7.7%
	% of white staff awarded a bonus	16.2%
	% difference	8.4%

This report covers the period to 31 March 2020, including annual payments and bonuses which were paid between 1 April 2019 and 31 March 2020.

Note on bonus award calculations: the data showing the % of staff awarded a bonus is significantly impacted by Clinical Excellence Awards (CEA) given to Clinical Academic staff. These are determined by the NHS at a local and national level - not the university. A more detailed analysis – and data excluding CEA payments - is given on page eight.

Ethnicity pay gap our responsibilities

Unlike with our gender pay gap, there is currently no legislative requirement to report our ethnicity pay gap. We expect this will change in coming years and are proactively choosing to take the opportunity to analyse our ethnicity pay data, to understand our institutional context and provide an overview of our actions as part of the university's annual reporting cycle.

Why publish our ethnicity pay gap?

Publishing our ethnicity pay gap data helps to focus the discussions around ethnicity pay gap reduction as it already has for gender following the annual publication of our [Gender Pay Gap Report](#). We must do better, and this transparency will drive change.

People are our greatest asset. We are committed to fairness, equality and inclusion. As such, this information is a key element of our work to build greater equality across a more diverse and inclusive workforce.

How have we calculated our ethnicity pay gap?

As ethnicity pay gap reporting is not yet a legislative requirement, there are no guidelines or best practice for how to calculate the data. However, we have been reporting our gender pay gap since 2018. For consistency, comparison and ease of understanding we have followed the same methodology and are publishing the results of the same calculations we are required to use for gender pay gap reporting. Future ethnicity pay gap reporting legislation could mean that these calculations may not align, but we will reassess and potentially republish the data if and when requirements are set.

What have we reported on?

We have based the gap on a snapshot of pay at the census date of 31 March for the relevant reporting year. This report covers the period to 31 March 2020, including annual payments and bonuses which were paid between 1 April 2019 and 31 March 2020.

To show the difference between the average earnings of white and BAME staff at our university, we have used the same six organisation-wide calculations that are used in our gender pay gap reporting.

A note on ethnicity categorisation:

Not all staff tell us their ethnicity. Currently, three per cent of staff have not disclosed. If colleagues have not disclosed their ethnicity, we have not included them within the data. Staff who wish to disclose their ethnicity and help us to improve the accuracy of future reports can do so via [MyView](#), our employee self-service system.

We have used the [government's guidance](#) to determine our definition of 'white' staff.

The six calculations

We will publish the following information on an annual basis:

1. The difference between the mean hourly rate of pay of white full-pay employees and that of BAME full-pay employees
2. The difference between the median hourly rate of pay of white full-pay employees and that of BAME full-pay employees
3. The difference between the mean bonus pay paid to white employees and that paid to BAME employees
4. The difference between the median bonus pay paid to white employees and that paid to BAME employees
5. The proportions of white and BAME employees who were paid bonus pay
6. The proportions of white and BAME full-pay employees in the lower, lower middle, upper middle and upper quartile pay bands

These calculations make use of two types of averages:

A **mean** is the difference between the average hourly earnings of white and BAME staff.

A **median** is the difference between the midpoints in the ranges of hourly earnings of white and BAME staff. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle salary. This measure is not affected by outliers, in other words, a few individuals at the top or bottom of the range.

Taking action on the ethnicity pay gap

The university's ethnicity pay gap is driven by a range of factors and we are examining these – and the actions required to address them – through the work of the Ethnicity and Gender Pay Gap Task Group. Some of these factors will take time and university-wide culture change to address. Others we believe can be changed more rapidly via a proactive and ongoing review of our strategies affecting recruitment, progression and reward and other areas.

Improving representation of BAME staff at all levels is a priority for the university and will support a meaningful reduction in the university's ethnicity pay gap. This challenge is one of the priority issues being addressed through the delivery of our [Equality, Diversity and Inclusion Strategic Delivery Plan](#) and Race Equality Charter action plan.

Making meaningful progress in the three key areas highlighted below will help the university support equality, diversity and inclusion across all activity.

1. Targeted initiatives

The Ethnicity and Gender Pay Gap Task Group was formed in 2020 to examine and develop strategic ways of reducing the gender and ethnicity pay gaps. They have conducted a review of current action plans which impact on pay gaps. The group's recommendations on specific actions to reduce the ethnicity pay gap are due to be presented in Spring 2021.

2. Continued commitment to the Race Equality Charter Framework

The Race Equality Charter provides a framework through which to identify, explore and address issues affecting the representation, progression and success of BAME students and staff at the university. The Race Equality Charter considers both quantitative data about staff representation in different roles and at different levels, and qualitative data that provides insight into the experience of BAME staff at the University of Nottingham. It also takes an anti-essentialist approach, ensuring that we review a breakdown of the data for different ethnic groups as well as looking at trends for BAME staff overall.

Our submission for a bronze award in 2021 recognises the work the institution is doing to create “a solid foundation for eliminating racial inequalities and developing an inclusive culture that values all staff and students. A bronze award acknowledges commitment and preparation to act.” Actions to be delivered through our bronze action plan will support a reduction in the ethnicity pay gap.

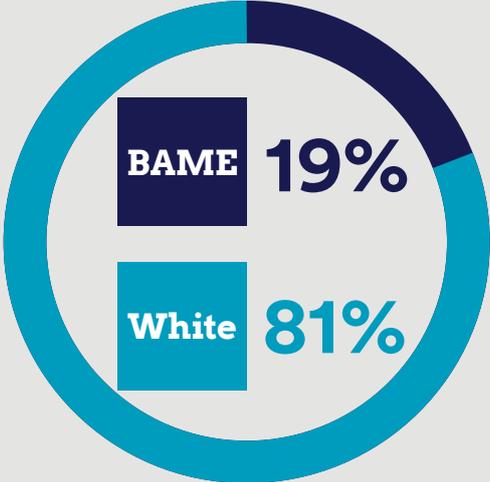
3. Focus on data

Publishing our ethnicity pay gap results is the first step to understanding the gap. EPG reporting is not mandatory so there is no guidance on how and what to report. There are many intersectionalities at play in pay disparities. Understanding what these connections are and how they impact on BAME staff will give us more targeted tools and actions to reduce the gap.

Going forward we expect more universities to publish their ethnicity pay gap data. This gives us the opportunity to benchmark against our peers, share best practice, and to challenge ourselves in reducing our ethnicity pay gap.

University of Nottingham ethnicity pay gap results

University demographic split



The six calculations

Difference between white and BAME Staff (calculations one to four)

	Mean	Median
Hourly fixed pay	11.7%	8.2%
Bonus paid	-111.8%	-23.5%

The table above shows the University of Nottingham's overall mean and median ethnicity pay gap based on hourly rates of pay as at the snapshot date, 31 March 2020. On average BAME staff are paid 8.2% less (as a median) than white staff across the university.

The table also captures the mean and median differences between the value of bonuses paid to BAME and white staff in the year up to 31 March 2020. The negative figures indicate a pay gap in favour of BAME staff, meaning that BAME staff received higher bonus amounts when compared to white staff.

The impact of including Clinical Academic pay arrangements

The median (-23.5%) and mean (-111.8%) bonus pay gap results are significantly influenced by the Clinical Excellence Awards (CEA). CEAs are a National Health Service (NHS) award. Local award schemes are managed by individual NHS employers, with national awards managed by the Advisory Committee on Clinical Excellence Awards Trust. The university does not control the CEA award schemes.

The majority of BAME staff who received a bonus were Clinical Academic staff and CEAs are predominately of a higher value than the university scheme. This causes a disproportionate impact on the overall bonus gap. The table below shows bonus pay gaps with Clinical Academic staff removed, this shows the gap in relation to bonus awards the university is able to directly control.

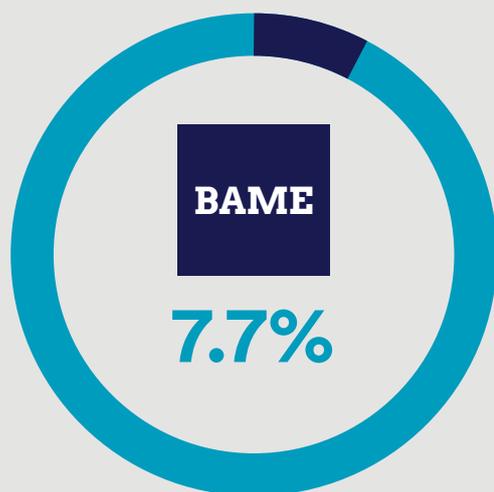
Calculation	Type	2020 (Including) Clinical Academic staff	2020 (Excluding) Clinical Academic staff
Bonus gap	Median	-23.5%	0.0%
	Mean	-111.8%	7.0%

Impact of high vs low level roles

Our analysis of our ethnicity pay gap shows that there are more white staff in senior roles at the university, and more BAME staff in lower level roles when compared to our overall demographics. This disparity in representation across the university results in the ethnicity pay gap.

Proportion of staff awarded a bonus

Calculation five



BAME staff = 7.7%



White staff = 16.2%

When looking at the bonus gap (proportion) our analysis shows that a higher proportion of white staff (16.2%) received bonus payments compared to BAME staff (7.7%). The data show that 8.4% fewer BAME staff received a bonus than white colleagues – less than half.

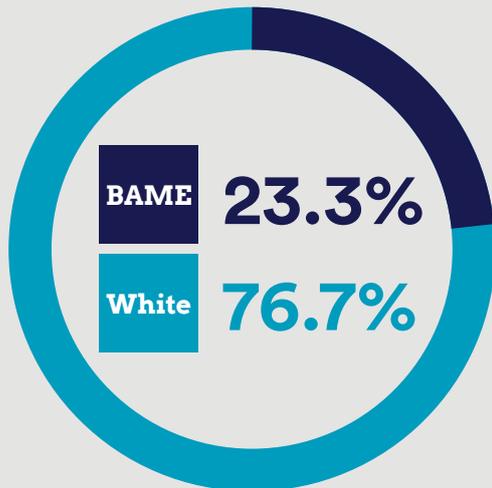
The university moved to a new reward scheme in August 2019 where for the majority of rewards the value of bonuses is not dependent on the level of staff members. The new scheme is monitored for EDI purposes. This reporting period included the payment for bonuses paid under the old PDPR scheme as well as the new scheme. This meant that both scheme results are included within the calculations and caused a higher proportional difference. In future years only values paid under the new scheme will be included, which should contribute to a positive reduction in the difference between the proportion of BAME and white staff receiving a bonus.

It is worth noting that the current bonus scheme is paused due to our budgetary response to the Covid-19 pandemic. We are therefore likely to see a reduction in the number of staff receiving a bonus payment in the next reporting year.

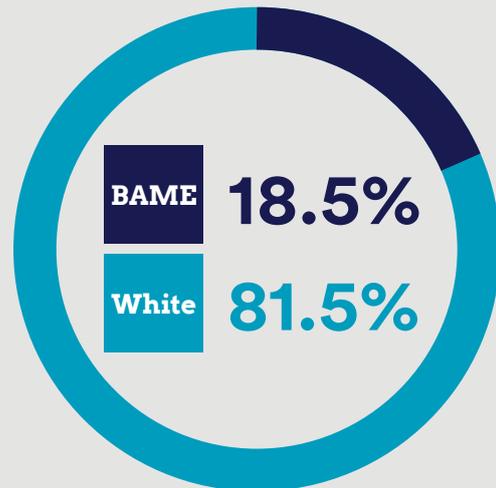
Pay quartiles

Calculation six

Lower



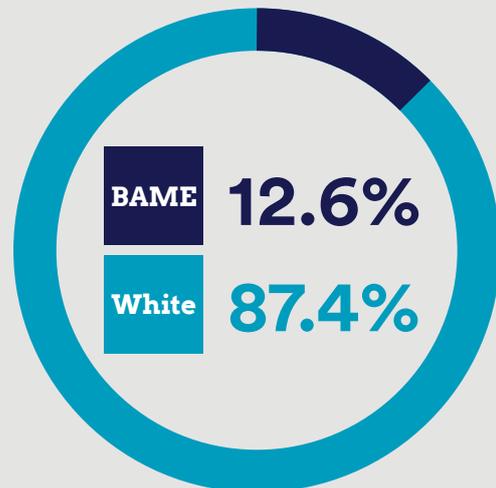
Lower middle



Upper middle



Upper



The above data illustrates the ethnicity distribution at the University of Nottingham across four equally-sized quartiles.

The quartiles illustrate the root cause of the ethnicity pay gap within the university. There is a higher proportion of BAME staff within the lower quartile, and a higher proportion of white staff within the upper quartile, when compared to the university's demographic split. This is the primary influence on the ethnicity pay gap at the University of Nottingham. If we could replicate our demographic of 19% across all four quartiles we would eradicate the pay gap.

Future priorities

The University of Nottingham is committed to supporting all staff in achieving their full potential, and to embed equality in our approach to recruitment, reward and progression.

We know there is significant work to do to reduce our ethnicity pay gap. We have set a university wide target to increase representation of BAME staff in all roles and teams to 20% by 2025. We have also set a target to increase representation in the most senior levels (6 and 7) to 15% by 2025. In 2020 a Gender and Ethnicity Pay Gap Task Group was formed to identify gaps in our approach. We hope that identifying gaps and taking corrective action will lead to a faster reduction in pay gaps.

The Group has explored actions taken by other universities, countries and industries to understand best practice, and worked with the Race Equality Charter self-assessment team to understand actions they will be driving which may have an impact on the pay gap. The Group's recommendations on specific actions to reduce the ethnicity pay gap are due to be presented in Spring 2021 and will be used to inform future action plans.

Covid-19 response

Although the reporting period for this report ends in March 2020, we must address the impact Covid-19 has had on the university, how we have supported our staff and how this may impact our ethnicity pay gap and the 2020/21 data. We know that Covid-19 has had a disproportionate effect on many under-represented groups and those with caring responsibilities, and are committed to redressing this imbalance as far as possible.

A year in to the pandemic, we are still living and working in a changing environment. We continually review and update our Covid-19 guidelines to ensure staff and students are as well supported as possible. This covers general colleagues and line manager advice, guidelines, support available and enhanced wellbeing guides and services. We have also introduced increased flexibility, additional support for all staff and access to technology that allows colleagues to work from home wherever possible. This has meant that for the majority of roles where homeworking is possible, staff have been able to work remotely.

The pandemic has had a significant financial impact on the university. This has led to a number of initiatives to manage budgets, including a voluntary redundancy/severance scheme, pausing the Nottingham Reward Scheme, recruitment freezes and use of the government furlough/job retention scheme where roles were unable to be carried out during national lockdown restrictions.

The university considered the impact on all groups with protected characteristics when making these decisions. It considered how any new pay initiatives might impact on the progress made against the reduction of pay gaps.



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