Statement from the Vice-Chancellor

At Lancaster University, we are committed to advancing equality for our staff and our students and to increasing the diversity of our staff and student population, as set out in Our Strategy for 2020, in Our People Strategy 2020 and in our EDI Strategic Vision 2020. As part of this commitment, we are keen to address the causes of our gender pay gap and to continue to ensure our employees receive equal pay for equal work of equal value.

We are making progress in our work on gender equality, with successful Athena SWAN awards across a wide range of departments. We realise that we have a long way to go to address the underlying gender equality issues contributing to our gender pay gap and we are keen to take forward sustainable and meaningful solutions to reduce our gender pay gap.

To help us to understand this further, we established a Gender Pay Gap Task Group and their report is due in Spring 2019. This year, we have also been challenging our Senior Leadership to consider the role we all play in addressing these issues and advancing equality, as part of the University Leadership Group’s away day and during my departmental visits.

This report helps set out the factors contributing to our gender pay gap. We are starting to address these and we look forward to considering the findings and recommendations from the Gender Pay Gap Task Group and to developing an action plan to take these forward and further advance gender equality at Lancaster University.

I confirm that information within this report is accurate and will be used to continue to improve our work on gender equality.
Introduction

Lancaster University is committed to understanding the causes of our gender pay gap, to continuing to ensure our employees receive equal pay for equal work of equal value and to developing a strategic response to reduce our gender pay gap. This report sets out details of our gender pay gap, the challenges we face, our current approach to addressing these challenges and our plans to improve gender equality and to reduce our gender pay gap at Lancaster University through sustainable and meaningful change.

In this report, we provide the statutory gender pay gap data that we are required to publish under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The statutory data required to be published are:

1. **Mean Hourly Pay Gap (%) of all Full Pay Relevant Employees**
2. **Median Hourly Pay Gap (%) of all Full Pay Relevant Employees**
3. **Mean Bonus Pay Gap (%) of all Full Pay Relevant Employees**
4. **Median Bonus Pay Gap (%) of all Full Pay Relevant Employees**
5. **Proportion (%) of Women and Men who received Bonus Pay**
6. **Proportion (%) of Women and Men in four equal pay quartiles**

Background

In March 2018, we published our statutory gender pay gap data, covering the 12 month period up to March 2017 (snapshot date: 31 March 2017). Our mean gender pay gap was 27.7% (joint third highest out of all Higher Education Institutions) and, in response to this, we established a Gender Pay Gap Task Group to understand the nature and causes of the distribution of the gender pay gap in more detail and to develop recommendations to reduce the gender pay gap.

The data included in this report relate to the 12 month period up to March 2018 and therefore covers the period prior to the introduction of statutory gender pay gap reporting and to the establishment of the Gender Pay Gap Task Group. However, this report is informed by the initial findings of the Gender Pay Gap Task Group. As we are committed to making sustainable and meaningful change in relation to our gender pay gap, we will be reviewing any targets or mechanisms to measure success. We will be considering how best to monitor our progress, following consideration of the Gender Pay Gap Task Group’s final report and recommendations (due in Spring 2019), which we will be using to form our strategic response to advance gender equality at Lancaster University. Further details on the work of the Gender Pay Gap Task Group are in the section on ‘Our Approach to Addressing the Causes of our Gender Pay Gap: Current Action’ below.

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1 ‘Full Pay Relevant Employee’ refers to an employee on the snapshot date (31 March 2018) who receives their normal March salary. This is not the same as full time equivalent. Employees who are not being paid or are on reduced, statutory or nil pay during March 2018 are not considered ‘Full Pay Relevant Employees’ and are not included in the gender pay gap calculations. Further details about gender pay gap reporting and the required calculations are available on the Gov.UK website: www.gov.uk/guidance/gender-pay-gap-reporting-overview
Statutory Gender Pay Gap Reporting

Gender Pay Gap and Equal Pay

Gender Pay Gap and Equal Pay both deal with disparity of pay in the workplace, but they relate to two different issues:

- **Equal Pay** deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. This relates to an individual’s pay.
- **Gender Pay Gap** shows the difference between the hourly rate of pay for all men and all women. This relates to the overall distribution of men and women in the workforce.

All data presented in this section have been calculated using the statutory reporting requirements. In this report, in line with statutory reporting requirements, a pay gap (both gender pay gap and bonus pay gap) is presented as a positive number if it is in favour of men (men higher than women) and as a negative number if it is in favour of women (women higher than men). Further details of the statutory reporting requirements are provided on the Gov.UK Gender Pay Gap Reporting: Overview webpage (www.gov.uk/guidance/gender-pay-gap-reporting-overview).

We have provided our statutory gender pay gap data published in March 2018 (for the period from 1 April 2016 – 31 March 2017) for comparison and marked these with an asterisk (*). We are unable to provide consistent comparator data from previous years, as the statutory reporting requirements were only introduced in March 2018. We will undertake to publish further trend analysis in future gender pay gap reports.

Gender Pay Gap and Equal Pay

- **Mean Hourly Pay Gap (%)** of all Full Pay Relevant Employees
- **Median Hourly Pay Gap (%)** of all Full Pay Relevant Employees

A gender pay gap is the difference between the hourly rate of pay for all men and all women. Two types of gender pay gap are reported on:

- **Mean hourly pay gap**: the difference between the average hourly earnings of men and the average hourly earnings of women
- **Median hourly pay gap**: the difference between the midpoint in the range of hourly earnings of men and the midpoint in the range of hourly earnings of women

\[
\text{Mean or Median hourly rate for men} - \text{Mean or Median hourly rate for women} \times 100
\]
### Gender Pay Gap and Equal Pay

**Lancaster University’s mean hourly pay gap**

<table>
<thead>
<tr>
<th>Gender Pay Gap</th>
<th>Men’s Mean Hourly Rate</th>
<th>Women’s Mean Hourly Rate</th>
<th>Last Year’s Mean Hourly Pay Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>26.80%</strong></td>
<td>£24.48</td>
<td>£17.92</td>
<td><strong>27.7%</strong>* (15.5% Higher Education Sector average²)</td>
</tr>
</tbody>
</table>

**Lancaster University’s median hourly pay gap**

<table>
<thead>
<tr>
<th>Gender Pay Gap</th>
<th>Men’s Median Hourly Rate</th>
<th>Women’s Median Hourly Rate</th>
<th>Last Year’s Median Hourly Pay Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>25.54%</strong></td>
<td>£21.64</td>
<td>£16.11</td>
<td><strong>26.5%</strong>* (14.3% Higher Education Sector³)</td>
</tr>
</tbody>
</table>

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² New JNCHES Higher Education gender pay gap data report – updated 2018 (Source: ONS AHSE) public. [Link](https://public.tableau.com/views/NewJNCHESHEgenderpaygapdataupdate/Introduction?%3Aembed=y&%3Adisplay_count=yes&%3AshowVizHome=no)

³ As above
Proportion of Staff in pay quartiles

- **Proportion (%) of women and men on four equal pay quartiles**

In line with the statutory gender pay gap reporting requirements, we have reported on our staff population as a whole, shown in the charts and table below. The overall gender balance for our total staff population is nearly equal (52% women, 48% men), but the distribution is unequal across the staff quartiles, resulting in a higher gender pay gap.

As explained in the section ‘Our Understanding of the Nature and Causes of our Gender Pay Gap: The Key Challenges for Lancaster University’ below, different factors affect our gender pay gap for Professional Services staff and for Academic staff. When we consider Professional Services staff and Academic staff as two separate groups, the gender balances are very different, with women making up 62% of Professional Services staff and only 36% of Academic staff.

**Staff by pay quartiles – Total Staff Population**

<table>
<thead>
<tr>
<th>Year</th>
<th>Lower Quartile</th>
<th>Lower Middle</th>
<th>Upper Middle</th>
<th>Upper Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>70.2%</td>
<td>58.6%</td>
<td>48.1%</td>
<td>32.8%</td>
</tr>
<tr>
<td></td>
<td>576 employees</td>
<td>481 employees</td>
<td>395 employees</td>
<td>269 employees</td>
</tr>
<tr>
<td></td>
<td>33.5% of all women</td>
<td>27.9% of all women</td>
<td>23.0% of all women</td>
<td>15.6% of all women</td>
</tr>
<tr>
<td>2017</td>
<td>69.7%*</td>
<td>60.5%*</td>
<td>45.6%*</td>
<td>30.5%*</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>29.8%</td>
<td>41.4%</td>
<td>51.9%</td>
<td>67.2%</td>
</tr>
<tr>
<td></td>
<td>245 employees</td>
<td>340 employees</td>
<td>426 employees</td>
<td>552 employees</td>
</tr>
<tr>
<td></td>
<td>15.7% of all men</td>
<td>21.8% of all men</td>
<td>27.3% of all men</td>
<td>35.3% of all men</td>
</tr>
<tr>
<td>2017</td>
<td>30.3%*</td>
<td>39.5%*</td>
<td>54.4%*</td>
<td>69.5%*</td>
</tr>
</tbody>
</table>
Gender Distribution by Grade – Professional Services only

Female 62% Male 38%

Other staff category includes: Clinical staff, GP Educators, Off Scale and Senior Staff Categories.
Gender Distribution by Grade – Academic Staff only

- Female: 64%
- Male: 36%

Other staff category includes: Clinical staff, GP Educators, Off Scale and Senior Staff Categories.
Mean and Median Bonus Pay Gap

- **Mean Bonus Pay Gap (%)** of all Full Pay Relevant Employees
- **Median Bonus Pay Gap (%)** of all Full Pay Relevant Employees
- **Proportion of Men** receiving bonuses (as a percentage of all men employed)
- **Proportion of Women** receiving bonuses (as a percentage of all women employed)

Bonus Pay is defined as any form of money, vouchers, securities, securities options, or interests received by an employee which is awarded as a result of profit sharing arrangements, productivity, performance, incentives or commission. Where a part-time employee receives a pro-rated bonus, the actual bonus paid is used, not the full-time equivalent.

Two types of bonus pay gap are reported on:

- **Mean Bonus Pay Gap** is the difference between the average bonus pay of men and the average bonus pay of women.

\[
\text{Mean or Median bonus pay for men} - \text{Mean or Median bonus pay for women} \times 100
\]

- **Median Bonus Pay Gap** is the difference between the midpoint in the range of bonus pay of men and the midpoint in the range of bonus pay of women.

At Lancaster University, we have two types of bonuses which staff may receive (in line with the definition used for statutory reporting above):

- **Ex gratia payments to staff for exceptional performance**: These are manager-nominated and must be approved by committee at Faculty or Divisional Level.

- **Payments to staff receiving an Annual Staff Excellence Recognition Award**: These are peer-nominated by staff under set categories and successful nominees are determined by a diverse panel drawn from across the University to represent all staff groups.

As bonuses are linked to performance, the bonus pay gap is subject to change from year to year. This year, the process for considering ex-gratia payments to Professional Services staff was reviewed to ensure that our distribution of bonuses is applied fairly. Further details of our plans to ensure fairness in pay, through our next Equal Pay Audit, are included in the section ‘Our Approach to Improving Gender Equality and Reducing our Gender Pay Gap: Future Plans’ below.
### Mean Bonus Pay Gap

<table>
<thead>
<tr>
<th>Mean Bonus Pay Gap</th>
<th>Men’s Mean Bonus rate</th>
<th>Women’s Mean Bonus rate</th>
<th>Last Year’s Mean Bonus Pay Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.92%</td>
<td>£880.10</td>
<td>£722.40</td>
<td>-21.5%*</td>
</tr>
</tbody>
</table>

### Median Bonus Pay Gap

<table>
<thead>
<tr>
<th>Median Bonus Pay Gap</th>
<th>Men’s Median Bonus rate</th>
<th>Women’s Median Bonus rate</th>
<th>Last Year’s Median Bonus Pay Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.98%</td>
<td>£500.00</td>
<td>£495.10</td>
<td>-48.1%*</td>
</tr>
</tbody>
</table>
### Proportion of Bonuses received

<table>
<thead>
<tr>
<th>% of women receiving bonus pay</th>
<th>Number of women employed</th>
<th>Number of women receiving bonus pay</th>
<th>Last Year’s % of women receiving bonus pay</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.9%</strong></td>
<td>1721</td>
<td>50</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of men receiving bonus pay</th>
<th>Number of men employed</th>
<th>Number of men receiving bonus pay</th>
<th>Last Year’s % of men receiving bonus pay</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.7%</strong></td>
<td>1563</td>
<td>42</td>
<td>2.7%</td>
</tr>
</tbody>
</table>
Our Understanding of the Nature and Causes of our Gender Pay Gap: The Key Challenges for Lancaster University

In 2018, analysis of our data and a better understanding of the nature and causes of our gender pay gap has highlighted the following key challenges facing Lancaster University in reducing our gender pay gap:

- **There is an over-representation of women in lower paid professional services roles, which has a disproportionate effect on the overall gender pay gap (‘occupational segregation’ and ‘vertical segregation’)**

  Our latest statutory gender pay gap data show an over-representation of women in lower paid roles, which are predominantly professional service roles: 70.2% of all staff in the lower pay quartile are women. This is similar to the 2017 gender pay gap data (69.7%). The large proportion of women in lower paid professional services roles contributes to a lower average hourly rate of pay for women [women's mean hourly rate of pay (£17.80) compared to men's (£24.43); women's median hourly rate of pay (£15.65) compared to men's (£21.00)].

  We also employ our own cleaning and catering staff, rather than contract out these services. These jobs contribute to our overall gender pay gap, as there is a higher proportion of women in these roles. However, we are proud to provide these services and offer some of the best paid cleaning and facilities jobs in the region, with excellent employment conditions and benefits.

- **The proportion of women reduces as the grade (and pay) increases, particularly in academic roles (often referred to as a ‘leaky pipeline’ and ‘vertical segregation’)**

  The proportion of women/men in each pay quartile shows a lower proportion of women in the higher pay quartiles: 32.8% of all staff in the upper pay quartile are women. This is a slight increase from the 2017 gender pay gap data (30.5%). The statutory gender pay gap data consider all categories of staff together (Professional Services and Academic Staff). When these two groups are considered separately, the under-representation of women in senior academic roles is more apparent.

- **Part-time working status appears to be a contributing factor**

  Although the statutory gender pay gap data regulations do not require reporting on gender pay gaps for part-time and full-time staff separately, part time working status appears to be a contributing factor to our gender pay gap. Preliminary analysis by the Gender Pay Gap Task Group shows a higher proportion of women working part-time than men at Lancaster University and, where men are employed on a part-time basis, this tends to be on a higher hourly rate in a higher role (e.g. Professor), whereas women employed on a part time basis tend to be in lower paid roles.

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6 As highlighted in the Interim Report from the Gender Pay Gap Task Group (October 2018).
Our Approach to Addressing the Causes of our Gender Pay Gap: Current Action

We recognise that addressing the key causes of our gender pay gap will require actions relating to our culture, policies and practices. Work is already taking place in the following areas:

- **Gender Pay Gap Task Group**

  A Gender Pay Gap Task Group was established in May 2018. This Task Group has identified the following work packages to focus on the specific challenges Lancaster University is facing in relation to our gender pay gap:
  - Recruitment and Appointment
  - Professional Services
  - Academic Promotions and Pipeline
  - Professorial and Senior Staff Bands

  The work of the Task Group is considering the key drivers of our gender pay gap and issues such as: occupational segregation (over/under-representation of men/women within particular roles/occupations), seniority or vertical segregation (women tending to be in less senior roles than men) and wider socio-cultural issues. This work also includes analysis of our recruitment and progression processes and aspects of our rewards processes.

  The final report from the Gender Pay Gap Task Group will be reported to the University’s Management Advisory Group and Equality, Diversity and Inclusion Committee in Spring 2019 for consideration of how to take the Task Group’s recommendations forward. The University Council will be holding an away day in May 2019 with equality, diversity, inclusion and as a result the Gender Pay Gap, being areas of focus.

- **Improvements to Recruitment**

  In 2018, we produced a Recruitment Toolkit designed to assist recruiting managers through the full lifecycle of recruitment. This Toolkit includes advice on reviewing job adverts, job descriptions and person specifications for bias, shortlists, structuring interview questions and on make-up of selection panels. We also provide Recruiting the Best training, including activities on unconscious bias, for recruiting managers. Our University Leadership Group has received the Recruiting the Best training, unconscious bias training and detailed guidance from Human Resources about recruitment practices.

- **Improvements to Progression Routes**

  As part of our commitment to Athena SWAN, we support, encourage and enable academics with an interest in academic promotion in the short or long term to plan and consider their promotional pathway. In 2018, we ran a dedicated workshop on Gender and Promotion, as part of this work.

  Previous improvements to our promotions process have included:
  - a review of the membership of our Academic Promotions Committee to expand the Committee and to increase representation of women taking part in the decision-making
  - a revised framework to acknowledge that different academics follow different pathways at different stages in their academic careers and to allow for excellence in teaching, research and academic leadership and engagement to all be recognised

- **Improvements to Data**

  Work has begun to create manager dashboards, as improved data will help us to understand the key drivers of our gender pay gap and help us to target our actions and deliver more effective results.
Our Approach to Improving Gender Equality and Reducing our Gender Pay Gap: Future Plans

The following outline our next steps for improving gender equality and reducing our gender pay gap:

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**Institutional Athena SWAN Action Plan**

Work to develop our next four year Athena SWAN action plan for Lancaster University is in progress and will build on good practice which is already taking place across the University and within our Bronze and Silver Athena SWAN award-holding departments. In Spring 2019, the Gender Pay Gap Task Group will report on its findings and recommendations and these will inform our Athena SWAN action plan, recognising that the key drivers for our gender pay gap, and therefore the work needed to reduce it at Lancaster University, relate to wider gender inequality issues.

**Equal Pay Audit 2019**

Ensuring equal pay is a key foundation to addressing the gender pay gap and Lancaster University is committed to ensuring equal pay through regular equal pay audits, as set out in our EDI Strategic Vision. The last Equal Pay Audit was carried out in January 2017. The next Equal Pay Audit will be carried out in preparation for the statutory gender pay gap reporting in March 2019. It will consider pay in its widest sense, including bonuses.

Consideration of wider equality categories will also be included as part of the preparation for next year’s statutory pay gap reporting, including the intersection of gender and disability and gender and ethnicity.

**Improved Equality information**

As part of our commitment to reduce our gender pay gap, and advance equality more generally, we will be improving our use of equality information, through the manager dashboards being developed and as part of our strategic decision making. We will also be reviewing the equality information we publish to improve our accountability on equality issues.

**Equality, Diversity and Inclusion training**

As part of our continued commitment to equality, diversity and inclusion, we are rolling out a new online training module on ‘Diversity and Inclusion in Higher Education’ and all staff will be required to complete and pass this module.

Lancaster University is committed to reducing our gender pay gap, recognising that sustainable and meaningful change will take time and needs to be embedded within our culture, policies and practices. We also recognise that some areas will be more difficult to address, particularly where they relate to wider social and cultural factors. However, we are committed to advancing equality, increasing the diversity of our staff and student population and, as part of this, we will develop a comprehensive action plan to further advance gender equality at Lancaster University.