

Gender and Ethnicity Pay Gap Report

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Gender and Ethnicity Pay Gap Report

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Gender and Ethnicity Pay Gap Report

1. Introduction

University College of Estate Management (UCEM) is a long-standing and leading provider of supported online education. UCEM exists to provide accessible, relevant, and cost-effective education which enhances careers, increases professionalism and contributes to a sustainable built environment. Operating from the UK and Hong Kong, UCEM has a global reach, with over 3,500 students studying at any one time.

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, UCEM is required to carry out gender pay gap reporting. It is important to highlight that gender pay gap differs from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. Gender pay gap shows the differences in the average pay between men and women and is calculated as the difference between the average hourly earnings of men and women, as a proportion of average hourly earnings of men's earnings. This report focuses on gender pay gap only, however UCEM supports equal pay for men and women at work. Within this report we publish the six **gender pay gap** calculations required under the Regulations:

1. Gender pay gap as a *mean average*
2. Gender pay gap as a *median average*
3. Bonus gender pay gap as a *mean average*
4. Bonus gender pay gap as a *median average*
5. Proportion of men receiving a bonus payment and proportion of women receiving a bonus payment
6. Proportion of men and women when divided into four groups ordered from lowest to highest pay.

For the second year, despite it not being a mandatory requirement, we have undertaken an ethnicity pay gap analysis but this time extended it for the same six calculations (in the prior year we only reported the mean and median average). Ethnicity pay gap shows the differences in the average pay between white and ethnic minority staff and is calculated as the difference between the average hourly earnings of white and ethnic minority staff, as a proportion of average hourly earnings of white staff earnings. A positive percentage means the average hourly pay rate of white staff is higher than those from other ethnic minority groups combined. Please note, the ethnicity pay gap is different to equal pay. Within this report we voluntarily publish six **ethnicity pay gap** calculations:

1. Ethnicity pay gap as a *mean average*
2. Ethnicity pay gap as a *median average*
3. Bonus ethnicity pay gap as a *mean average*
4. Bonus ethnicity pay gap as a *median average*
5. Proportion of white staff receiving a bonus payment and proportion of ethnic minority staff receiving a bonus payment
6. Proportion of white staff and ethnic minority staff when divided into four groups ordered from lowest to highest pay.

In addition to presenting both sets of calculations, **observations** are made about business activities during the reporting year, which we consider are responsible for driving the outcomes of the calculations.

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1.1 Declaration



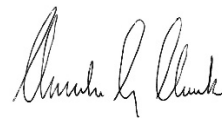
I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'Ashley Wheaton'.

Ashley Wheaton, Principal



I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'Amanda Clack'.

Amanda Clack, Chair, UCEM Board of Trustees

Gender and Ethnicity Pay Gap Report

2. Gender pay gap

2.1 Gender pay data

We collected our data on 5 April 2023, when our workforce consisted of 216 women and 145 men; this is a total workforce of 361 (59.8% women and 40.2% men). This was a slight change from the previous year when our total workforce was 352, consisting of 210 women (59.7%) and 142 men (40.3%).

The mean gender pay gap is the difference between the average hourly earnings of men and women. The figures show that UCEM has a **mean gender pay gap of 13.3%**. The average hourly pay rate for men is £24.99 and women £21.66, which is a difference of £3.33 per hour.

The median gender pay gap is the difference between the midpoints in the ranges of average hourly earnings of men and women. The figures show that UCEM has a **median gender pay gap of 8.2%**. The midpoint for men is £22.18 and women £20.36, which is a difference of £1.82 per hour.

Both the mean and median gender pay gap are improved figures on the prior reporting year.

In terms of the lower quartiles:

- In the **lower quartile** there were 69 women and 22 men (68 women and 20 men previously).
- In the **lower middle quartile** there were 66 women and 24 men (61 women and 27 men previously).
- In these lower quartiles 74.6% of our staff group were women, compared to 73.3% the previous year. This is an increase of women by 1.3%.

In terms of the upper quartiles:

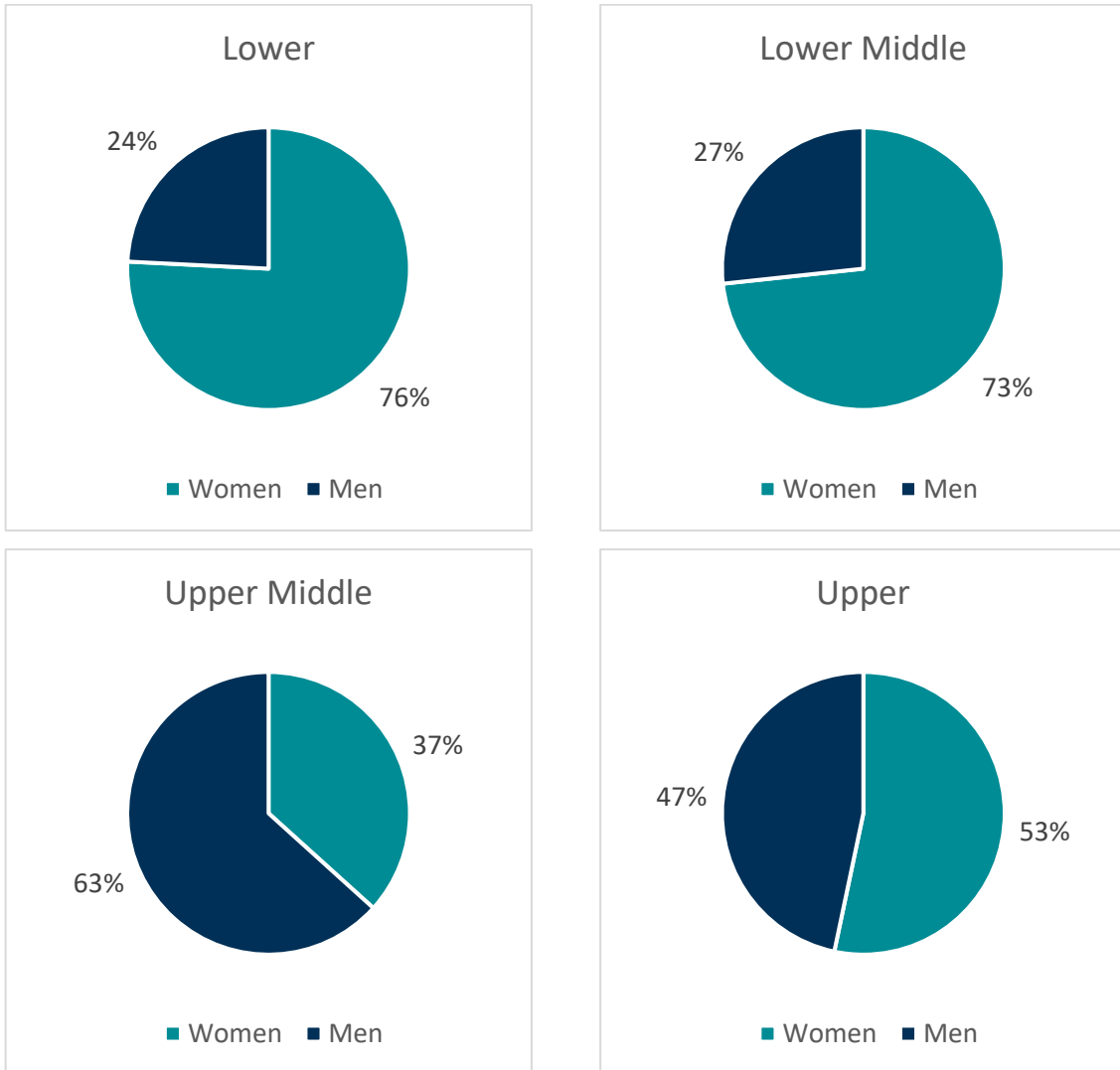
- In **upper middle quartile** there were 33 women and 57 men (41 women and 47 men previously).
- In the **upper quartile** there were 48 women and 42 men (40 women and 48 men previously).
- In these upper quartiles, 45% of our staff group were women, compared to 46% the previous year. This is a decrease of women by 1%.

Summary of the key reporting data:

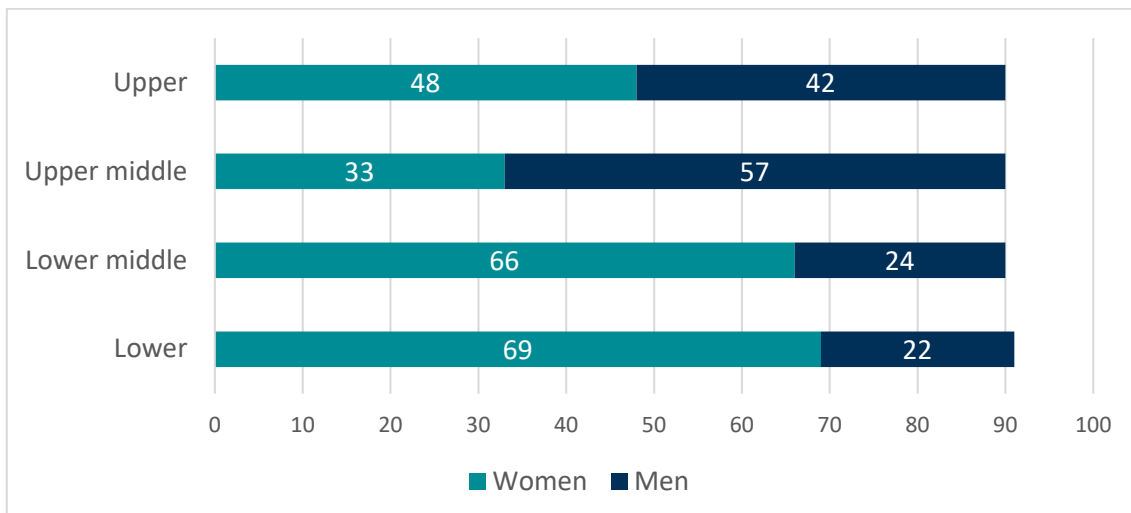
	Women's earnings are:	Previous year 2022
Mean gender pay gap in hourly pay	13.3% lower	13.5% lower
Median gender pay gap in hourly pay	8.2% lower	12.9% lower

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Proportion of women and men in each pay quartile:



Number of women and men in each pay quartile:



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Total workforce:

Year	Women	Men	Total	Total change
2023	216	145	361	2.6% increase
2022	210	142	352	2.5% decrease
2021	204	157	361	0.6% decrease
2020	201	162	363	4.6% increase
2019	192	155	347	3.4% decrease
2018	186	173	359	19.7% increase
2017	150	150	300	n/a – first reporting year

2.2 Observations about gender pay gap

This year is the first year where we feel there have not been any significant reasons to explain the movement in the results. It is however pleasing to see the median gender pay gap falling by 4.7% and we note there is a slight improvement in the mean gender pay gap. As in previous reporting years, there were more women and less men overall.

The increasing number of women in the lower quartile continues to concern us, however we operate a thorough and fair recruitment process for every job vacancy, and selection decisions are based solely on the most suitable candidate for the vacancy against the person specification. Whilst it is pleasing to see an increase in the overall count of women in the upper quartile, this gain has been lost due to the decrease in women in the upper middle quartile.

Other factors contributing to the widening gap which have been in existence in previous reporting years, include the following:

- Due to the higher population of women overall and the fact the main pension scheme operated by UCEM is on a default salary sacrifice basis, more women than men are sacrificing salary. This reduces the hourly pay rate of women overall, for the purposes of calculating the gender pay gap.
- The higher end of the lower middle quartile, almost the entirety of the upper middle quartile, and the lower end of the upper quartile, is dominated by Associate Lecturer staff. This section of the workforce whilst generally stable, sees starters and leavers in each year. During the reporting year UCEM undertook another recruitment campaign to increase the number of Associate Lecturer workers, hence the spread across quartiles. The hourly pay rate of these workers is uniform, so it is not responsible for the gender pay gap, however there are more men than women in this staff group which is a contributing factor (70 men compared to 37 women).
- While UCEM continues to see an increase in the number of men both applying for and being appointed to administrative and professional services roles (lower and lower middle quartiles), this area of work is still dominated by women.

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Overall, UCEM continues to have an effective annual pay benchmarking process in place. UCEM participates in two sector-specific salary surveys each year and uses the published results to help inform pay review. This makes sure that pay rates between men and women are monitored closely and pay is aligned to the job role only, which also helps to reduce any pay gaps which may exist.

2.3 Gender bonus data

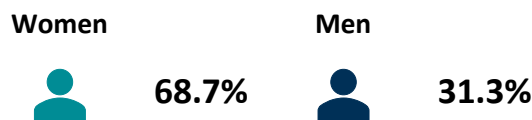
In the reporting year 2022-23, 192 employees (53.2%) received a bonus; 132 were women and 60 were men. All bonuses paid were based on performance, with the majority being discretionary and others based on the contract of employment.

For those bonuses paid, the **mean bonus gender pay gap was 32%** and the **median bonus gender pay gap was 11.7%**. This is a different bonus gender pay gap position to the previous year when more employees were included in a one-off discretionary bonus scheme.

Summary of the key reporting data:

	Women's bonuses are:	Previous year 2022
Difference in mean bonus payments	32% lower	25.6% lower
Difference in median bonus payments	11.7% lower	6.2% higher

Proportion of women and men receiving a bonus payment:



2.4 Observations about gender bonus gap

The reporting year reflected a more typical year, where bonuses were awarded on individual performance against criteria defined in the formal Performance and Development Review process. It should be noted that at the upper end of bonuses awarded, there was an almost even split between women and men being awarded bonuses. As is typical in each reporting year, the bonuses awarded to senior employees in the upper pay quartile is what contributes to the larger mean gender bonus gap. It should also be no surprise, given women make up a higher proportion of the workforce at UCEM, that more women across all levels received a bonus in the reporting year.

2.5 Benchmarking

Despite the fact we have a gender pay gap, we are pleased that the median at 8.2% falls below the median national average for all employees of 14.3%, as published by the ONS* (2023).

*Office for National Statistics (ONS), released 1 November 2023, ONS website, statistical bulletin, [Gender pay gap in the UK: 2023](#)

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When looking to higher education pay gap benchmarks for comparison, the Universities and Colleges Employers Association (UCEA) (2024, January) published an Intersectional Pay Gap in Higher Education report, which showed a median pay gap of 12.3% and mean of 14.8% for the year 2021-22. It also showed a bonus gap of 7.6% median and 21.4% mean. Whilst it is tempting to consider this as a benchmark, we remain mindful that the methodology adopted by UCEA for the calculations differs. Their data is also based on 110 Higher Education Institutions (HEIs) and the report itself acknowledges that bonuses are especially rare in HEI's, showing in only 12% of their reported populations, which does not make for an appropriate comparison.

3. Ethnicity pay gap

3.1 Ethnicity pay data

We collected our data on 5 April 2023, when our workforce consisted of 59 ethnic minority staff, 280 white staff, and 22 staff who responded to our EDI data collection questionnaire by choosing the *prefer not to say* option; this is a total workforce of 361 (16.3% ethnic minority, 77.6% white, 6.1% prefer not to say). This was a slight change from the previous year when our total workforce was 352, consisting of 56 ethnic minority staff (15.9%), 271 white staff (77%), and 25 prefer not to say (7.1%).

The mean ethnicity pay gap is the difference between the average hourly earnings of white and ethnic minority staff. The figures show that UCEM has a **mean ethnicity pay gap of 8.4%**. The average hourly pay rate for white staff is £23.50 and for ethnic minority staff is £21.52, which is a difference of £1.97 per hour.

The median ethnicity pay gap is the difference between the midpoints in the ranges of average hourly earnings of white and ethnic minority staff. The figures show that UCEM has a **median ethnicity pay gap of 0%**. The midpoint for both white and ethnic minority staff is £22.18 and there is no difference. This midpoint is driven by the fact a number of staff within the workforce (within the pay quartiles) hold the job role of Associate Lecturer, for which there is a fixed pay rate.

The mean shows a worsening position on the prior reporting year, whereas the median remains the same.

In terms of the lower quartiles:

- In the **lower quartile** there were 15 ethnic minority staff, 68 white staff, and 8 prefer not to say staff (11 ethnic minority, 69 white, and 8 prefer not to say staff previously).
- In the **lower middle quartile** there were 15 ethnic minority staff, 68 white staff, and 7 prefer not to say staff (15 ethnic minority, 69 white, and 6 prefer not to say staff previously).
- In these lower quartiles, 16.6% of our staff group were ethnic minority staff, compared to 16% the previous year. This is an increase of ethnic minority staff by 0.6%.

In terms of the upper quartiles:

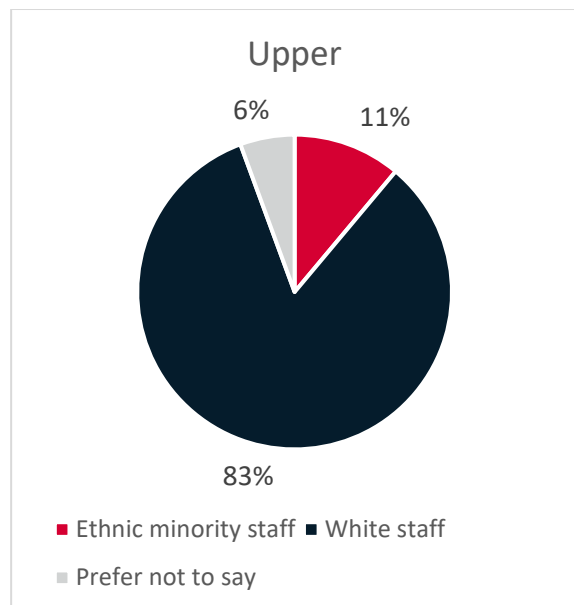
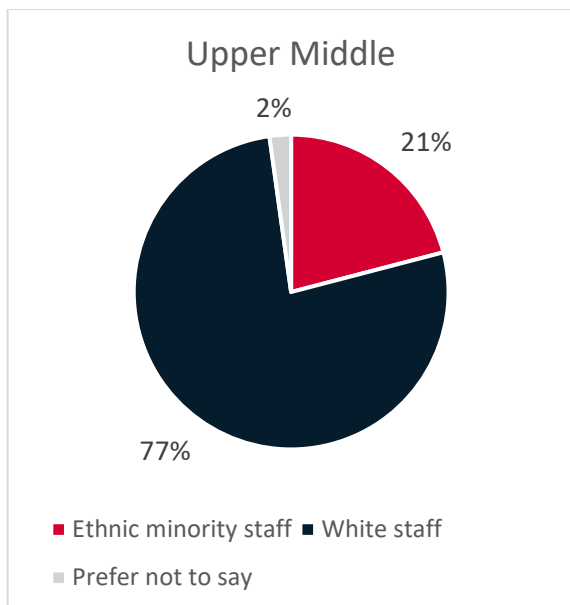
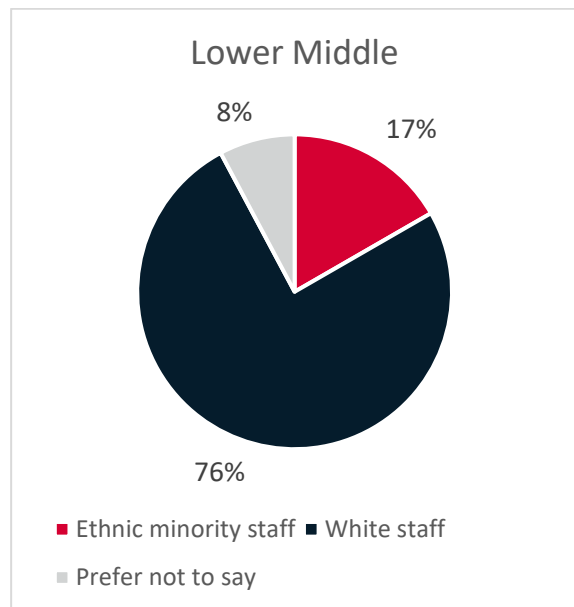
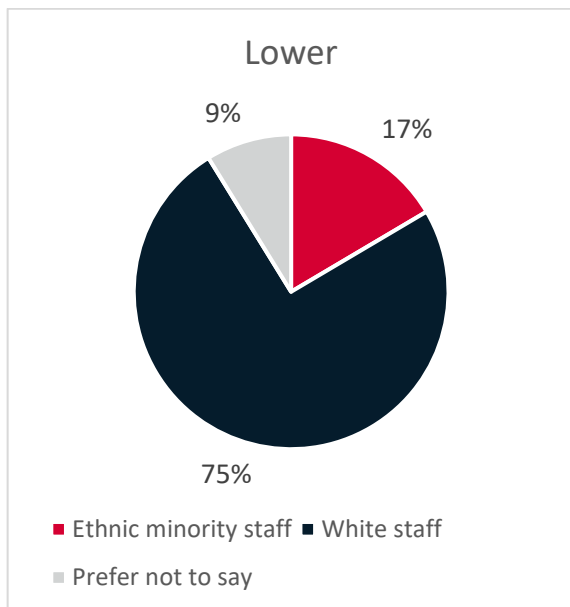
- In **upper middle quartile**, there were 19 ethnic minority staff, 69 white staff, and 2 prefer not to say staff (20 ethnic minority, 65 white, and 3 prefer not to say staff previously).
- In the **upper quartile**, there were 10 ethnic minority staff, 75 white staff, and 5 prefer not to say staff (10 ethnic minority, 70 white, and 8 prefer not to say staff previously).
- In these upper quartiles, 16.1% of our employee group were ethnic minority staff, compared to 18.3% the previous year. This is a decrease of ethnic minority staff by 2.2%.

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Summary of the key reporting data:

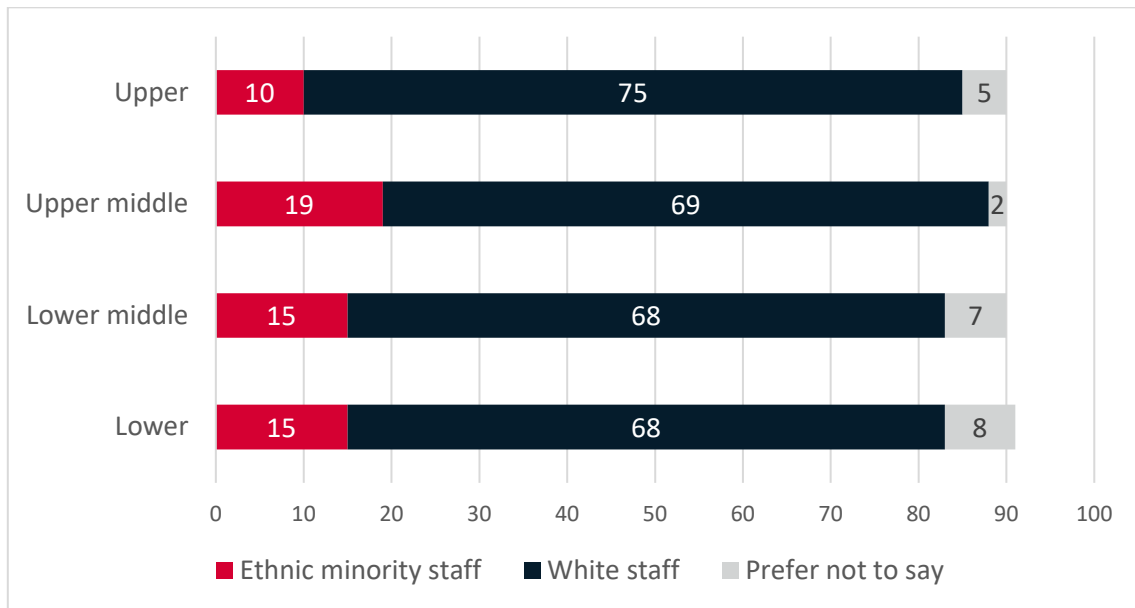
	Ethnicity minority staff earnings are:	<i>Previous year 2022</i>
Mean ethnicity pay gap in hourly pay	8.4% lower	6% lower
Median ethnicity pay gap in hourly pay	0% lower	0% lower

Proportion of ethnic minority, white, and prefer not to say staff in each pay quartile:



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Number of ethnic minority, white, and prefer not to say staff in each pay quartile:



Total workforce:

Year	Ethnic minority staff	White staff	Prefer not to say	Total	Total change
2023	59	280	22	361	2.6% increase
2022	56	271	25	352	n/a – first reporting year

3.2 Observations about ethnicity pay gap

Whilst we can observe that the ethnicity pay gap has increased since last year, we also acknowledge that no steps have been taken to improve this between years and this is the first time we are formally reporting with all six calculations.

We continue to be concerned by the number of *Prefer not to say* responders, which is equivalent to almost a third of the ethnic minority population. However, we note this figure has reduced from the previous year which is a positive sign. Although we can see the population of ethnic minority staff has increased since the previous year, we are concerned by the level of representation generally, particularly within the upper quartile which will be contributing to this gap.

The hourly pay ethnicity pay gap is lower than our gender pay gap, however we need to be mindful of the small population size within this group which will have a more significant impact on the calculated difference. If we can take steps to increase fuller responses as well as increase representation, we can gain a better understanding of the gap and make efforts to reduce this.

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3.3 Ethnicity bonus data

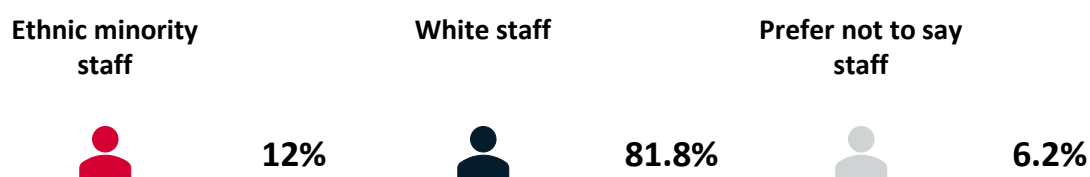
In the reporting year 2022-23, 192 employees received a bonus; 23 were ethnic minority staff, 157 were white staff, and 12 were prefer not to say staff. All bonuses paid were based on performance, with the majority being discretionary and others based on the contract of employment.

For those bonuses paid, the **mean bonus ethnicity pay gap was 91%** and the **median bonus ethnicity pay gap was 8.5%**.

Summary of the key reporting data:

	Ethnic minority staff bonuses are:	Previous year 2022
Difference in mean bonus payments	91% lower	N/A
Difference in median bonus payments	8.5% lower	N/A

Proportion of ethnic minority, white, and prefer not to say staff receiving a bonus payment:



3.4 Observations about ethnicity bonus gap

Whilst we are concerned by the ethnicity bonus data, this is the first year we have completed this calculation, and it does provide us with a clear focus for improvement in the years to come. To help understand why the gap is so large, we have made the following observations:

- Associate Lecturer staff are not eligible for a bonus, as the nature of their employment does not fall within the Performance and Development Review process where bonuses are considered. This is a large proportion of staff missing from the bonus calculation (107 staff).
- Other staff not eligible for a bonus includes but is not limited to new starters and those within their probationary period (68 staff).
- We have already observed a reduced ethnic diversity in the upper quartile range, which is also where higher bonus payments tend to be awarded (e.g. based on a percentage of basic salary).
- The ethnic minority population size is much smaller which causes a more significant impact to calculated differences.
- The number of *Prefer not to say* responses amount to more than half the ethnic minority population included in this calculation and therefore makes the data less conclusive.

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3.5 Benchmarking

Ethnicity pay gap reporting is neither compulsory nor consistent, therefore our ability to appropriately benchmark is already compromised by a lack of available data. Whilst UCEA's Intersectional Pay Gap in Higher Education report includes ethnicity pay gap information, as previously stated not only does their methodology differ, but participation is voluntary and bonus payments in HEI's are very much not the norm.

We must take caution in our considerations to utilise ethnicity benchmarking data. We already have clear areas of improvement which may be better to focus on at present.

4. Closing remarks

As part of the institutional Equality, Diversity, and Inclusion (EDI) work underway, we intend to formally integrate actions arising from this report into our future improvement plans – both relating to gender and ethnicity. It should be noted that work is already ongoing as part of these plans, to support the encouragement of fuller responses from *Prefer not to say* respondents, when completing our annual EDI questionnaire.

The snapshot date of 5 April in one year and the reporting deadline of 4 April in the subsequent year always means we report 'old' data. It is likely that actions taken to reduce gender and ethnicity pay gaps will take time to show in the published data (two to three years), but nonetheless we will continue to strive for progress in each year, from this point forward.