

To: Leadership Board

On: 25 April 2018

Report by: Chief Executive

Heading: Council Gender Pay Gap

1. Summary

- 1.1 The purpose of this report to Council is to provide members with information relating to the Council's current Gender Pay Gap, following the motion on 21 December 2017 by Councillors Begg and Strang. The Council's gender pay gap herein referred to as the 'pay gap' is simply a measure of the difference between a male and female's average earnings across the Council.
- 1.2 The motion read *'The Elected Members recognise the excellent work done by previous Councils and their officers in reducing this Council's gender pay gap and clearing any backlog of gender equality claims. At a recent board meeting it was stated that a modest five percent remains. This Council, with four and a half years still to run, commits to taking all reasonable steps to reduce the gender pay gap to zero before the end of that period.'*
- 1.3 The Council's pay approach supports the fair treatment, reward and recognition of all staff irrespective of gender. The Council believes in equality of opportunity in employment and is committed to ensuring that procedures and systems used to determine the pay and conditions of employment for employees do not discriminate unlawfully and are free from bias regardless of their sex or any other protected characteristic.
- 1.4 The Council uses pay scales and grades in line with the national pay scales and as recommended by COSLA. Pay scales vary according to the level of responsibility for a role. Job roles in the Council are divided into job families and assigned a grade on the pay scale as appropriate. Each grade has a set pay range with spine points in between grades. The majority of employees across the Council have a sliding scale for pay.

- 1.5 Gender pay is different to equal pay. Whilst both gender pay and equal pay deal with the disparity of pay females receive in the workplace, they are two different matters. Equal pay means that males and females in the same employment performing equal work must receive equal pay. Equal pay law, as defined in Equality Act 2010 sets out ways an employee's work can be determined to be equal to that of another employee such as:
- **Like work** – work which is the same or broadly similar.
 - **Work related as equivalent** – when a job evaluation had rated 2 jobs as being the same or similar.
 - **Work of equal value** – work found to be of equal value, for example in terms of effort, skill or decision-making.
- 1.6 The Council managed all its equal pay claims during the period of 2007-2012, with the vast majority of claims being settled by 2012. The Council has no live equal pay claims relating to the implementation of the Single Status Agreement.
- 1.7 Following detailed analysis of the pay gap which is highlighted in section 5 of this report, the Council's key objective is to take all reasonable steps, as part of its workforce planning approach, to reduce the pay gap which is currently in favour of male employees. More rigorous scrutiny of the pay gap movements and its reasons will help the Council better understand its gender make-up across the organisation, better understand what drives and influences the existing pay gap and consequently what measures and actions are likely to have the greatest impact to reduce the pay gap. This will demonstrate the Council is complying with its equality duties considering its 'due regard' to the need to advance equality of opportunity between males and females in relation to pay.
- 1.8 Renfrewshire Leisure (RL) recently published their pay gap, which as of April 2017, was 4.4% or £1.04 per hour in favour of female. This compares favourably across the Leisure Industry which has an average pay gap of 8.4% in favour of male. RL employ approximately 491 employees, of which 55% are female. Analysis of the pay gap shows the majority of senior employees are female which contributes to a positive pay gap in favour of female. More information can be found at [RL Gender Pay](#).
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2. Recommendations

2.1 The Board is asked to note:

- Note the contents of this report.

3. Key Points

- The pay gap was calculated most recently in January 2018 and is now **4.59%** in favour of male, which is slightly better than average for local government in Scotland and materially better than the general position across Scotland and the UK.
- The position is more pronounced in the Council's local government job population at 10.94% in favour of male compared to the teaching population where the pay gap is 5.55 %.
- The Council's workforce is predominantly female with broadly a 3:1 ratio of female to male in non-teaching staff and a 4:1 ratio in teaching.
- Across all grades within the Council's pay structures the female population predominates, with a general pattern of a materially greater dominance at the lower levels and a lower but nevertheless strong dominance continuing as grades progress upwards.
- This presents a positive position where the Council can demonstrate that its commitment to gender equality and existing arrangements and policies to support females within the workplace are having a positive impact.
- However, the division of male and female job populations across pay structures differ, with the male population having a proportionately greater weighting towards the higher grades than females. This differential is the major factor driving the pay gap in favour of male for the Council as opposed to the absolute number of females in the upper grades of the organisation.
- **Section 8** of this report proposes actions to be taken forward with the objective of closing the pay gap whilst promoting improved gender balance across the Council.
- Importantly, the objective of "closing the gap" will target actions which seek to bring into closer balance the division of male and female job populations across our pay structures.
- A number of actions will look to positively inform and strengthen the policies, processes and development opportunities across the Council in terms of supporting the promotion, retention and recruitment of females across the organisation.
- However, given the balance of the female job population and in particular the element at the lower grades within the Council, such actions however successful in increasing female numbers at higher grades, would have only a limited impact on the closing the pay gap.

- A greater impact on closing the pay gap will be achieved by implementing actions which target and encourage the recruitment of male employees into lower graded posts. Such actions would seek to have a positive impact on the Council by reducing the major gender imbalance in favour of females across specific staff groups (this would mirror and compliment existing strategies aimed at recruiting females into male dominated trade professions). Given the lower balance of the male population, positive progress in this regard will have a proportionately greater impact on the calculated male pay levels, providing the opportunity to accelerate the closing of the pay gap.
- **Appendix 2** displays the pay gap in the format of an infographic supporting the key points above.

4. Background

- 4.1 In Scotland, the Public Sector Equality Duty (PSED) requires the Council to publish its pay gap information every two years on the percentage difference, among its employees, between male and female's average hourly pay (excluding overtime). This was last published by the Council in April 2017.
- 4.2 The Chief Executive, on 20 April 2017, submitted a report to Council entitled 'Equality Outcomes and Mainstreaming Progress Report'. The report detailed steps taken by the Council to achieve its equality outcomes and reported the Council's pay gap of 4.86% in favour of males. The next report to Council is due in **April 2019**. As a general rule, guidance from The Equality and Human Right Commission (EHRC) suggests that a difference of 5% or more on the gender pay gap, or any recurring differences of 3% or more merit further investigation.
- 4.3 The regulations associated with gender pay are concerned only with its publication and sets out what should be included, calculations and timings of publication. Scotland's PSED does not require the Council to provide any contextual information around the pay gap, however the EHRC do state information will be more accessible if the Council can highlight any key trends, or provide a short narrative to introduce the information that is being published. Additionally, the regulations do not require the Council to have a 0% gender pay gap. The focus is more on understanding the reasons for the pay gap, and the areas where pay gaps exists, taking all reasonable steps to improve it.
- 4.4 The pay gap has been an issue for many years and its causes are complex. Social and cultural pressures and norms influence gender roles and often shape the types of occupations and career paths which males and females follow, and therefore impact their level of pay. National data suggests that females are the most likely to work part-time in typically lower paid jobs. Females are also most likely to take time out from their careers for family reasons i.e., to look after children or care for elderly family, which may impact their career progression opportunities. To address these matters requires a social and cultural shift not only from the Council but also from its employees.

- 4.5 The EHRC suggest that the three main causes of the pay gap between male and females are occupational segregation (the division of men and women into different occupations), a lack of flexible working and development opportunities, and discrimination in pay and grading structures. These factors which underpin the pay gap can be addressed, to some degree, by the Council's own employment policies and practices.
- 4.6 The UK's gender pay gap for all workers is currently **19.1%** and **15.6%** in Scotland. At current rates of progress, it's been reported it will take 100 years to close the pay gap according to The Fawcett Society, who are one of the UK's leading charities campaigning for gender equality and women's rights.
- 4.7 **Appendix 1** from the Improvement Service shows by Council, the gender pay benchmarking data from 16/17. Figure 1 in this report shows how the Council compares to other Scottish Councils. Figure 2 shows how the Council compares to other Scottish Councils of similar population density. Some caution should be applied when comparing to other Councils due to size of other workforces and the occupation groups employed, in particular those councils where greater use of ALEO arrangements are prevalent do not provide a like for like comparison.

5 Analysis of the Council's Gender Pay Gap

- 5.1 The Council's pay gap was calculated again in January 2018 and reduced slightly to **4.59%** or £0.70 per hour in favour of male. It was calculated using the percentage difference between male and female's average hourly pay (excluding overtime) for the Council's circa 8000 employees. The female average hourly rate was £14.63 and £15.33 for males.
- 5.2 The pay gap is inclusive of the living wage supplement and was calculated taking into account employees which are governed by four different national agreements (Local Government, Teachers, Chief Officers, and Craft).
- 5.3 The Council's 4.59% pay gap is made up from pay gaps across these staff groups as follows:
- Local Government employees show a 10.94% in favour of male;
 - Teachers show a 5.55% in favour of male;
 - Craft employees show a 100% in favour of male and;
 - Chief Officers show a 4.67% in favour of female.
- 5.4 The measured pay gap by itself, is an important indicator but one which requires deeper analysis to develop a full understanding of the Council's position in respect to gender equality. In this context, understanding the gender make-up of the Council across employee groups and grades is critical to developing a wider appreciation of the key drivers of the pay gap.

5.5 Overview of the Council's Gender Profile

5.6 The Council's gender profile is predominantly female at 73% - across the Council's circa 8000 employees therefore, for every male employee within the Council there is approximately three female employees.

5.7 In terms of the Local Government job population and Teachers, both of which represent the vast majority of employees, the predominance of females to males is consistently evident from the bottom of the pay scales through to top of the pay scales. This provides reassurance that the Council's existing commitment to gender equality and policies to support female employees progress through the organisation are having a positive impact, albeit it is recognised there is always more that can be done to support and improve on this.

5.8 Critically and what is the key driver in the calculation of the pay gap, the scale of predominance of females to males in broad terms is more significant at the bottom end than at the top end of the pay grades. Although female employees outnumber males across all pay grades, the greater proportion of the female job population at the lower end of the scale has the impact of lowering the average hourly rate for females, thus creating the pay gap.

5.9 Local Government Employees

5.10 The data for Local Government employees show that overall there is three times the number of females to males across all grades. In the lower section of the pay model this predominance increases where there is five times the numbers of females to males in grades A to C which represents 28% of the local government job population. In addition, half of all females work part time, mainly in lower paid jobs in Catering, Cleaning, Home Care and CBS and could indicate that the disparity is due to the employment of males and females in posts that in social and economic traditions attract specific genders.

5.11 As you move beyond grades A to C and into grades D to Q, the predominance of females continues to exist across but to a lesser extent with approximately twice the number of females to males. This data analysis demonstrates that females do progress through the grading structure of the Council's local government employee group, and the SPI reported to Audit Scotland reinforces this showing 56% of the top 5% of the Council's earners are female.

5.12 Teachers

5.13 The data for Teachers presents a broadly similar picture but with a greater overall predominance of females with four female employees to every male. Approximately 25% of all females work part time. The primary sector has a pay gap in favour of females whilst ASN and most significantly Secondary Schools have a pay gap in favour of males.

- 5.14 Again a broadly similar pattern to the local government job population exists, where each teaching grade is predominantly female, however the predominance of female to males reduces as progress is made through the grading structure.
- 5.15 Again, the greater proportion of the female job population at the lower end of the teaching posts lowers the average hourly rate, thus creating the pay gap. This is less pronounced than the local government job population due to the fact that the lower end of the teaching posts are at a much higher level than the lower end of the local government pay scales.

5.16 Chief Officers / Craft Groups

- 5.17 Chief Officers have a pay gap in favour of females, which provides a positive counterbalance to the overall pay gap. Craft trades employ no females resulting in 100% gap pay in favour of males. However, in terms of scale, neither of these staff groups is significant in number relative to the overall population and therefore has a limited impact on the pay gap.

6 Current measures to reduce the Council's Pay Gap

- 6.1 Since 2013, the Council has been publishing its pay gap in order to comply with the PSED. The trends have shown that the pay gap has fallen from 5.7% to the current 4.59%. The Council will next report its pay gap to Council in **April 2019**, along with reasons for the gap and steps taken to improve it. The Council also revised its Equal Pay Policy in March 2017 demonstrating its commitment to paying males and females equal pay in the same employment performing equal work.
- 6.2 The Council has in place several HR Policies which help to support females in employment. These include Flexible Working, Supporting Attendance, Maternity/Adoption/Paternity Leave, Parental and Shared Parental Leave, Buying Annual leave, Special Leave, Flexible Retirement, Carers Leave, Equality and Diversity and Respect at Work. Others in development due to be implemented later in 2018 include People, Performance and Talent and Recruitment policies. These policies will be supported by guidance and training for managers and employees, encouraging both males and females to share family responsibilities promoting a fairer work environment allowing both to reach their full potential.
- 6.3 To ensure fair and just pay systems are in place, the Council uses the Scottish Joint Council (SJC) Job Evaluation Scheme to evaluate posts allowing an objective and reliable measure of the size and relative worth of each job to be determined. Evaluations are based on factual and objective documentation and are carried out by fully trained Job Analysts. For Teachers and Educational Psychologists a job sizing exercise determines the placing on the salary scale for promoted posts.

- 6.4 The Council is also investing in the development of its management tiers through the popular Corporate Leaders of the Future and ASPIRE development programmes. These programmes are offered out across the Council with approximately 233 managers participating, of which most are female (71%). This figure broadly mirrors that of females who have attended Corporate Training Courses during 2017 and undertook self-development e-learning courses on I 'learn. Services are also delivering leadership and management development activity/programmes at a local level and female participation is high. This demonstrates the Council's commitment to supporting females through all development.
- 6.5 As part of the Corporate People Development Review, the 'Your Development, Our Future' People survey will seek to ascertain from females the perceived barriers and challenges to development and progression. This will allow the Council to take steps to better understand the reasons why these challenges exist and to put remedial measures in place to address them, promoting a fair, inclusive, healthy and thriving working environment for all.
- 6.6 The Council's Modern Apprenticeship Programme has worked hard over a number of years to encourage young females to apply for the craft / construction apprenticeships, with limited success. There has for some time been a significant gender gap in terms of young females accessing the craft / construction apprenticeships with the vast majority of places taken up by young males. This situation is similar across Scotland. Therefore, the Council and its partners have agreed to take a positive action approach to deliver events aimed at young females only, with the support of colleagues in Schools. The Council in partnership with DYW West, Invest in Renfrewshire, West College Scotland and a number of local businesses are launching Phase 2 of our Young Women into STEM initiative. The initiative was launched early March 2018 and was aligned with the Scottish Apprenticeship Week and International Women's Day 2018.

7 Summary

- 7.1 There is no one-size-fits-all solution to reduce or minimise the pay gap. The analysis shows that the pay gap is complex and structural, and therefore requires a strategic, cohesive response to address its complex, inter-related causes. Council strategies to reduce the pay gap may not work on their own as some research suggests. Research also suggests pay gaps are an indicator of female's inequality not just in employment but also areas of education, skills, and unpaid care. There is the potential for strategies to reduce the pay gap not being limited to just employment but extending more widely to also consider areas such as childcare, early years, primary and secondary education, further and higher education, skills, the public sector equality duty and economic development.

8 Key actions to address the pay gap

- 8.1 Although the pay gap is a modest figure in comparison to other local and national data, the Council has the scope and ability to take steps to improve the pay gap by implementing a balanced range of internal actions as detailed below. This can be done with input and support from key stakeholders.
- 8.2 Implementing the actions will ensure the Council monitors the pay gap movement more rigorously, whilst developing a better understanding of the reasons for the pay gap and outlining a range of internal interventions to be put in place. Progressing such actions will demonstrate the Council continues to take reasonable steps to 'advance equality of opportunity' to reduce the pay gap as required by the PSED.
- 8.3 Actions include:
 1. More rigorous monitoring and benchmarking of the pay gap by officers and reporting of progress to members;
 2. Implementing revised HR & OD policies to encourage male and females to share caring responsibilities;
 3. Promoting flexible working provisions, making jobs at all levels across the Council available on a flexible basis where appropriate;
 4. Re-launching of the Council's Mentoring scheme with a focus on encouraging females to become mentors or mentees;
 5. Developing campaigns to positively encourage greater levels of applications from males for traditionally female dominated jobs; and develop managers to use positive action when recruiting;
 6. Implementing targeted development programmes supporting females in lower grades to apply for more senior roles.

Implications of the Report

1. **Financial** – The Council's key objective is to all reasonable steps, as part of its workforce planning approach, to reduce the pay gap which is currently in favour of male employees. Section 8 of this report highlights actions to be taken forward by the Council to reduce to pay gap. These actions will be progressed with existing resources.
2. **HR & Organisational Development** – The actions to be implemented in section 8 of this report will be supported by HR&OD.
3. **Community Planning** –
 - Children and Young People** –
 - Community Care, Health & Well-being** – N/A.
 - Empowering our Communities** – N/A..
 - Greener** – N/A.

Jobs and the Economy – To address the gender imbalance, the Council, as part of its future recruitment exercises will look to increase the number of applicants from underrepresented groups applying for historically gender specific jobs.

Safer and Stronger – Taking steps to reduce the pay gap will have a positive impact on the large percentage of female employees living with Renfrewshire.

Legal – Taking steps to reduce the pay gap will demonstrate the Council is complying with its equality duties considering its ‘due regard’ to the need to advance equality of opportunity between males and females in relation to pay.

Property/Assets - N/A.

4. **Information Technology** – N/A.

5. **Equality & Human Rights** -

(a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. Appendix 2 highlight a series of impacts across the workforce. Section 8 of the report details actions to be taken forward by the Council to reduce to pay gap.

6 **Health & Safety** – Reducing the pay gap will support the Council to achieve a fair, inclusive, healthy and thriving working environment for all.

7 **Procurement** – N/A.

8 **Risk** – If the Council can’t make progress by taking key all reasonable steps to reduce the pay gap, the Council risks losing key skilled employees to other organisations.

9 **Privacy Impact** – N/A.

10 **Cosla Policy Position** – N/A.

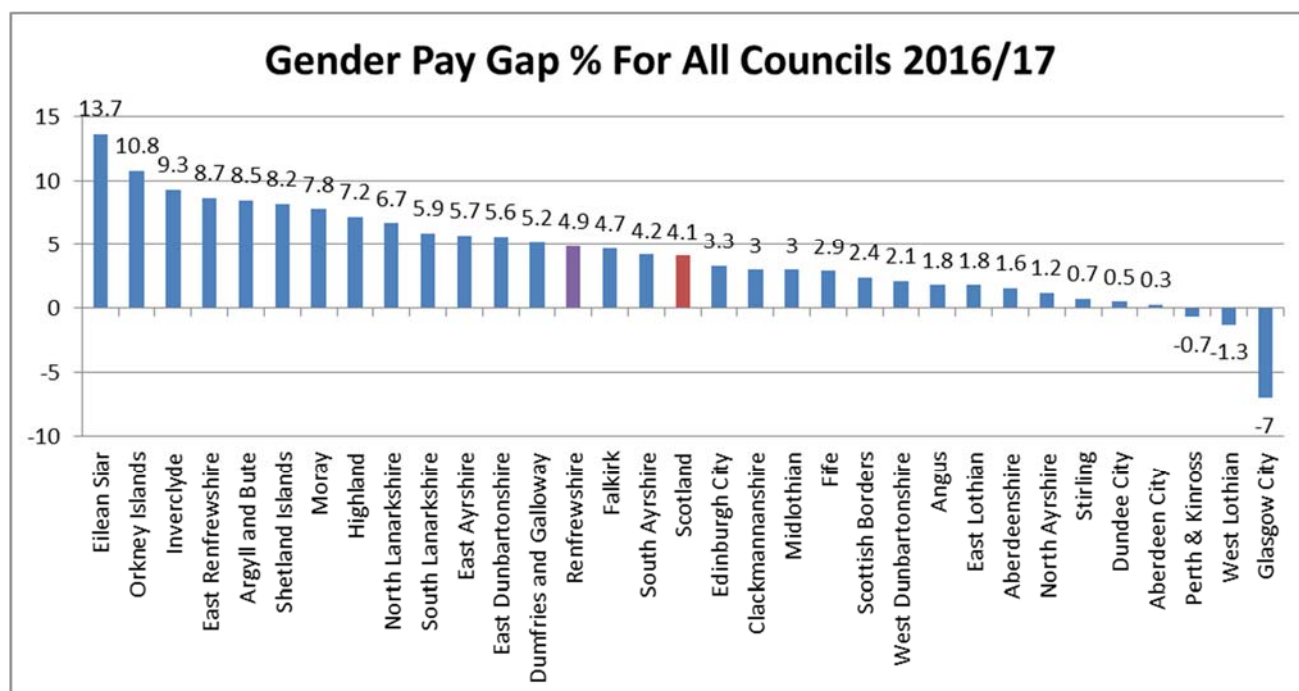
List of Background Papers

Nil

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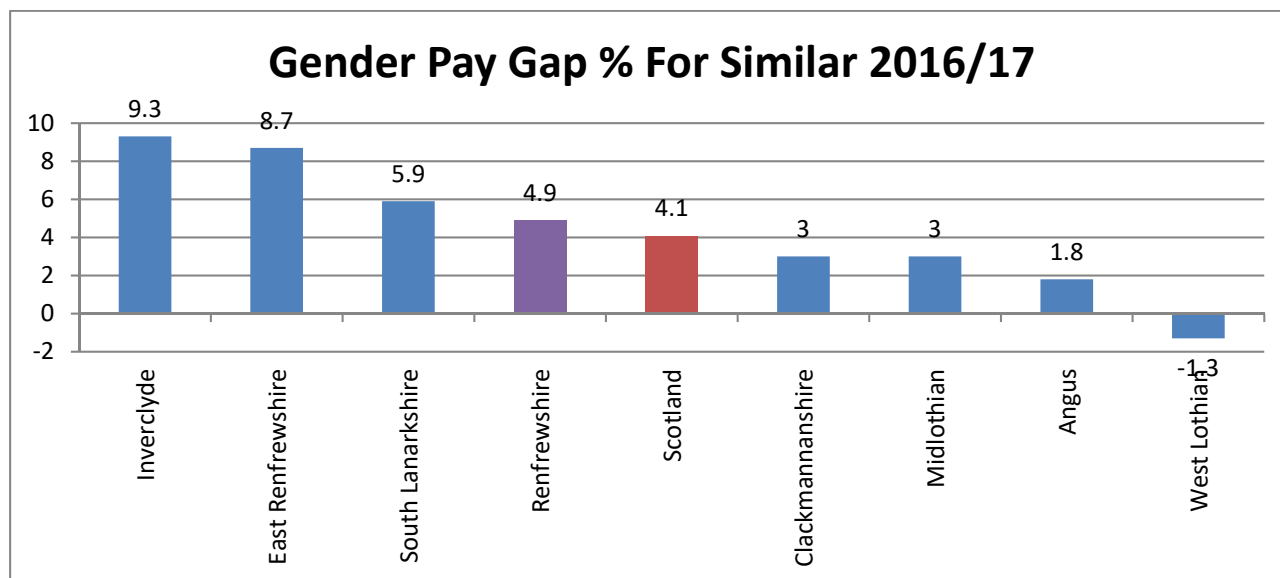
Appendix 1

Figure 1



Source:- <http://www.improvementservice.org.uk/benchmarking/explore-the-data.html>

Figure 2

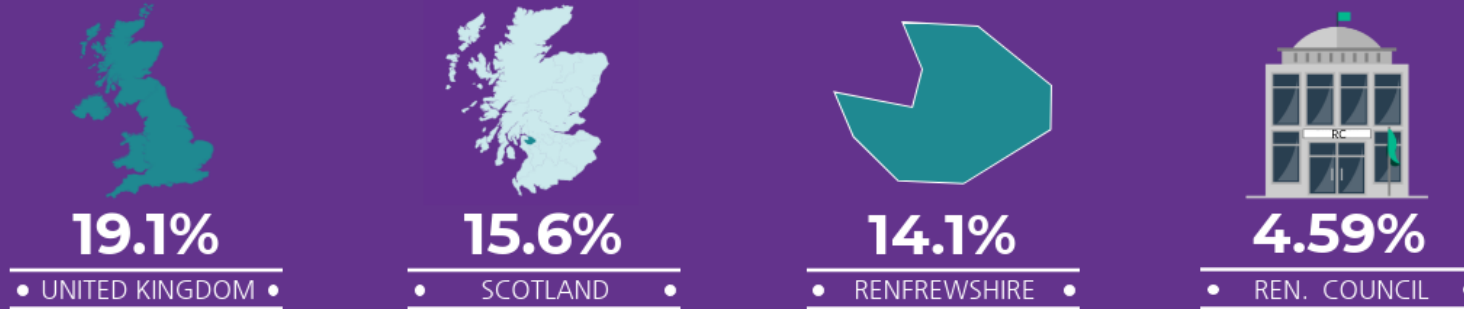


Source:- <http://www.improvementservice.org.uk/benchmarking/explore-the-data.html>

Note:- For Corporate Services, Economic Development, Environmental Services and Culture Leisure Services similar types of councils are grouped by their population density.

1. GENDER PAY GAP

1.1

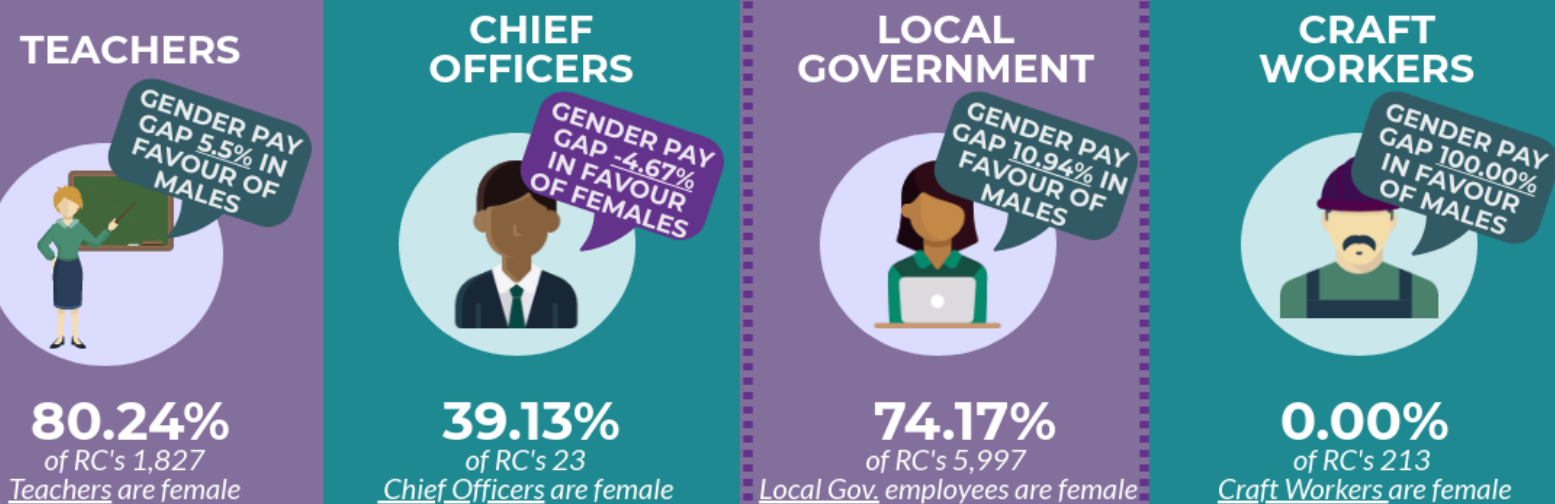


1.2

DIFFERENCE IN FEMALE AND MALE HOURLY RATE



1.3



2. LOCAL GOVERNMENT

2.1 CHIEF EXECUTIVE'S	DHS	RHSCP	ENVIRONMENT & COMMUNITIES	CHILDREN'S SERVICES	FINANCE & RESOURCES
-13.22%	2.78%	9.53%	16.74%	17.78%	27.23%
(-£2.58%) difference between male and female hourly rate	(£0.44) difference between male and female hourly rate	(£1.22) difference between male and female hourly rate	(£1.94) difference between male and female hourly rate	(£3.79) difference between male and female hourly rate	(£4.60) difference between male and female hourly rate

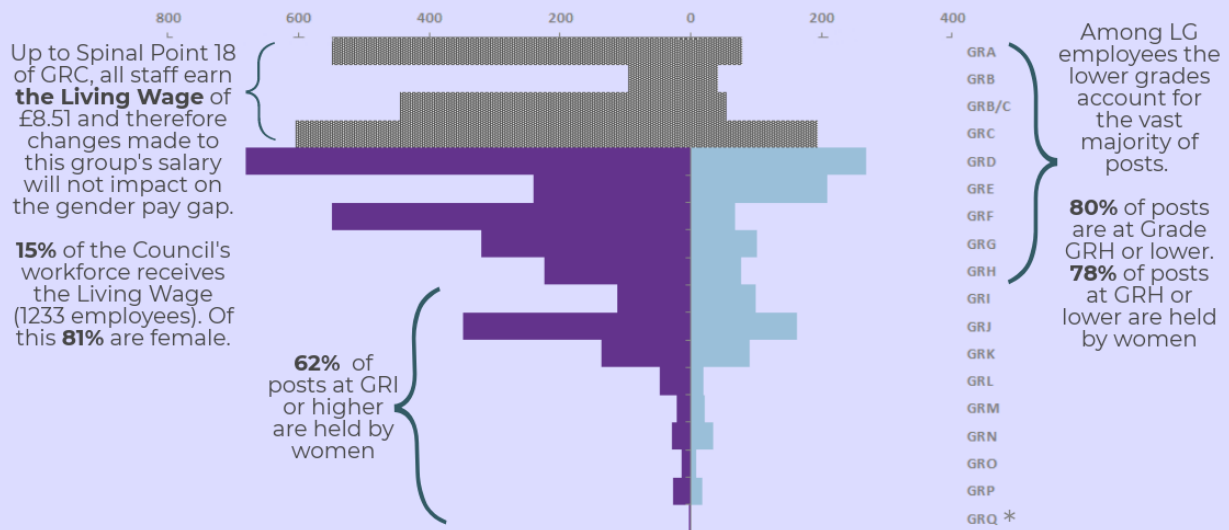
2.2 PROPORTION OF EACH GENDER IN EACH GRADE BAND

Higher concentration of female staff in lower grades.



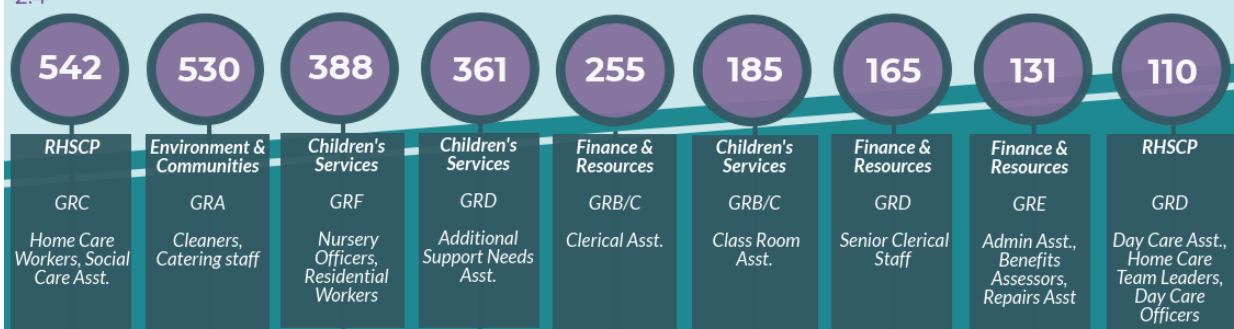
A small number of employees who are paid by grades out with the local government scale are not shown in the graphic above.

2.3 EMPLOYEES BY GRADE



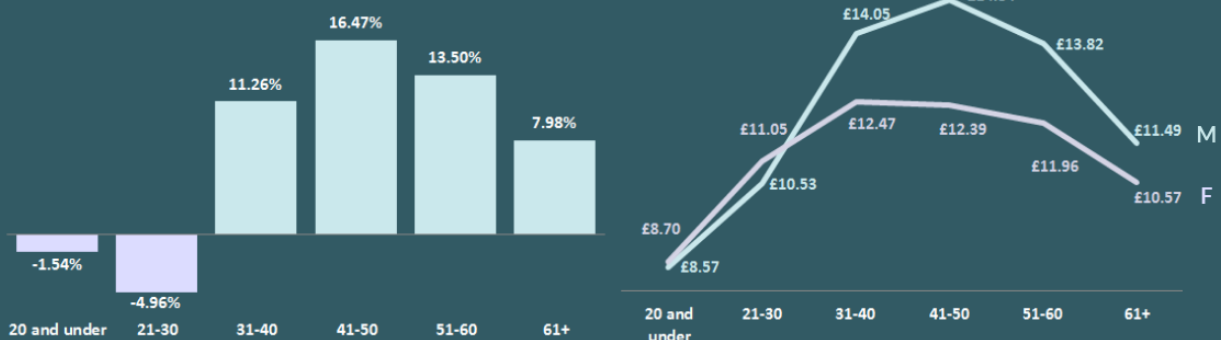
*Grades with small numbers of staff have been excluded from graph but are included in overall figures

2.4 LARGE GROUPS OF FEMALE STAFF



2,667 female employees currently in these traditionally female lower paid roles i.e. caring, clerical, cleaning etc.

2.5 PAY GAP BY AGE BAND



3. TEACHERS

3.1



* Attainment Challenge, Pupil Equity Fund etc.

3.2

PAY GAP BY AGE BAND



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