

COMHAIRLE NAN EILEAN SIAR



EQUAL PAY AUDIT

APRIL 2023

1 Introduction

- 1.1 Comhairle nan Eilean Siar is committed to fair and non-discriminatory pay for all its employees regardless of gender, race or disability.
- 1.2 Comhairle nan Eilean Siar supports the principle of equal pay for work of equal value and believes that pay systems should be based on objective criteria. The Comhairle aims to eliminate any bias in its pay systems and conditions of service and understands that equal pay between men and women is a legal right.
- 1.3 The Equality Act 2010 sets out specific requirements of named public authorities, including the Comhairle, to publish information on gender pay gaps through an equal pay audit.
- 1.4 The Comhairle has completed Equal Pay Audit's biennially since 2013.

2 Context

- 2.1 Research indicates that organisations that take a positive approach to diversity and have HR systems underpinned by equality measures deliver a better product and service. Any organisation that is known for putting equality and diversity measures into practice is more likely to project a positive public image within the wider community.
- 2.2 The law gives a woman the right to be paid the same as a man (and vice-versa) for:
 - Like work – Two employees doing the same or very similar roles.
 - Work rated as equivalent - Different jobs which have been given the same rating as the result of an analytical job evaluation scheme.
 - Work of equal value – Different jobs that the employee claims require a similar level of skill and ability. For example, a female domestic assistant comparing her work to that of painters in the same organisation.
- 2.3 As part of Single Status Agreement, the Comhairle implemented the results of the Scottish Joint Council (SJC) Job Evaluation Scheme in July 2008. The outcome of the job evaluation process led to a new pay and grading structure being developed by the Comhairle. Terms and conditions were also standardised to achieve more flexible working practices. All jobs have now been incorporated into this structure with the exception of Chief Officers and Teachers.
- 2.4 Prior to the implementation of Single Status, an Equality Impact Assessment was undertaken of the proposed pay and grading structure. The independent HR Consultant who undertook this review endorsed the pay and grading structure as both technically robust and non-discriminatory.
- 2.5 The pay structure continues to be monitored in terms of equalities. The 3rd Edition of the SJC Job Evaluation Scheme was implemented in 2017 and any changes to pay and conditions of service are subject to equalities impact assessments.

3 What is an equal pay audit?

- 3.1 An equal pay audit is the most effective way of establishing whether your organisation is providing equal pay and rewarding employees fairly in practice, and is an effective demonstration of action to promote equal pay under the terms of the equality duties. It provides a risk assessment tool for pay structures.
- 3.2 An equal pay audit is regarded as the most effective means of establishing whether an organisation is in fact providing equal pay. An equal pay audit involves comparing the pay of protected groups who are doing equal work, investigating the causes of any pay gaps and planning to close any gaps that cannot be justified on grounds other than one of those characteristics.
- 3.3 An equal pay audit is concerned with an important, but narrow, aspect of potential discrimination in employment - unequal pay for equal work. It does not directly address other aspects of inequality, such as the glass ceiling, but such aspects - which may well contribute to overall pay gaps between, for example, men and women - may be highlighted by the pay audit.
- 3.4 The equal pay audit model recommended by the Equality and Human Rights Commission includes the following five steps:
 1. Deciding the scope of the audit and identifying the data required.
 2. Identifying where employees in protected groups are doing equal work.
 3. Collecting and comparing pay data to identify any significant equal pay gaps.
 4. Establishing the causes of any significant pay gaps and deciding whether these are free from discrimination.
 5. Developing an equal pay action plan and continuing to audit and monitor pay.

This audit has been undertaken based on these five key principles.

4 Methodology

- 4.1 **Scope**

Every local authority is required to publish information on the percentage difference among its employees, between men's average hourly pay and women's average hourly pay. It is recommended that every public body also needs to analyse the difference between the pay of ethnic minorities and employees who are disabled.
- 4.2 **Pay data**

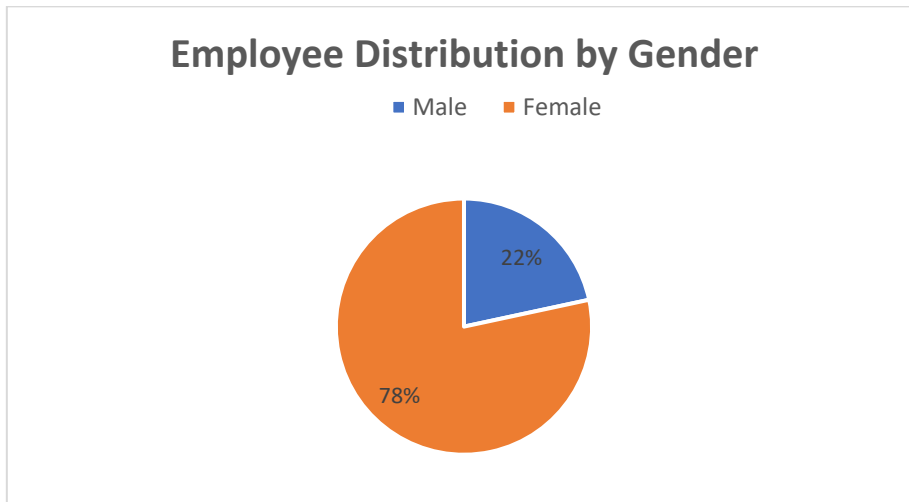
The pay data analysed is based on an extract from the Comhairle's Payroll System as of 1 April 2022. It includes Local Government Employees, Teachers and Chief Officers. Casual/relief employees have not been included.
- 4.3 **Analysis**

The data was analysed using the methodology set out by the Equality & Human Rights Commission. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 also sets out the method for calculating pay gaps.

5 Organisational Gender Distribution

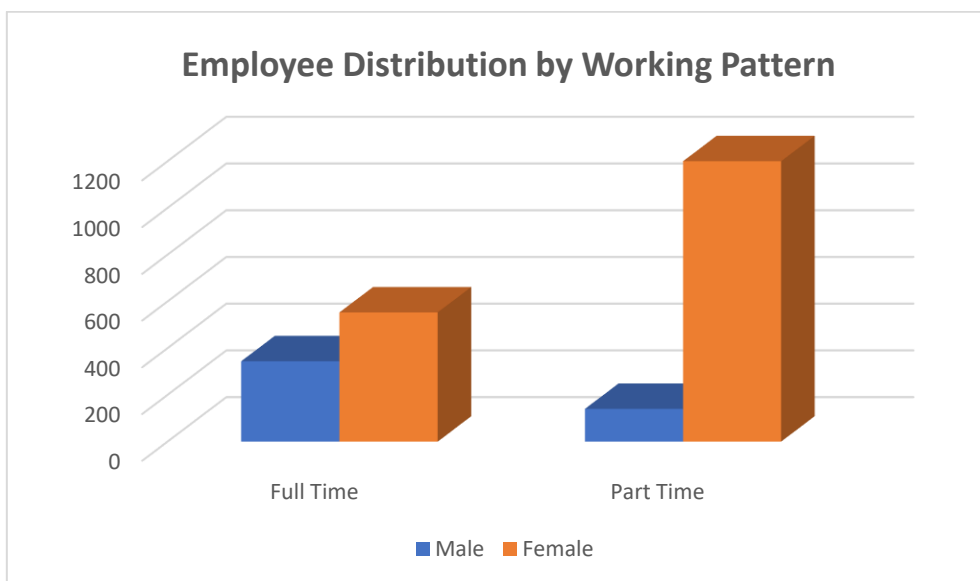
- 5.1 To provide some additional context to the gender pay gaps calculated, some statistics are provided on the general distribution of gender in the organisation.
- 5.2 The pie chart below (Graph 1) illustrates the current gender breakdown in the organisation. 78% of employees are female and 22% are male. The gender composition has remained constant over the last 2 years, the last equal pay audit also reported 78% female and 22% male.

Graph 1: *Employee Distribution by Gender*



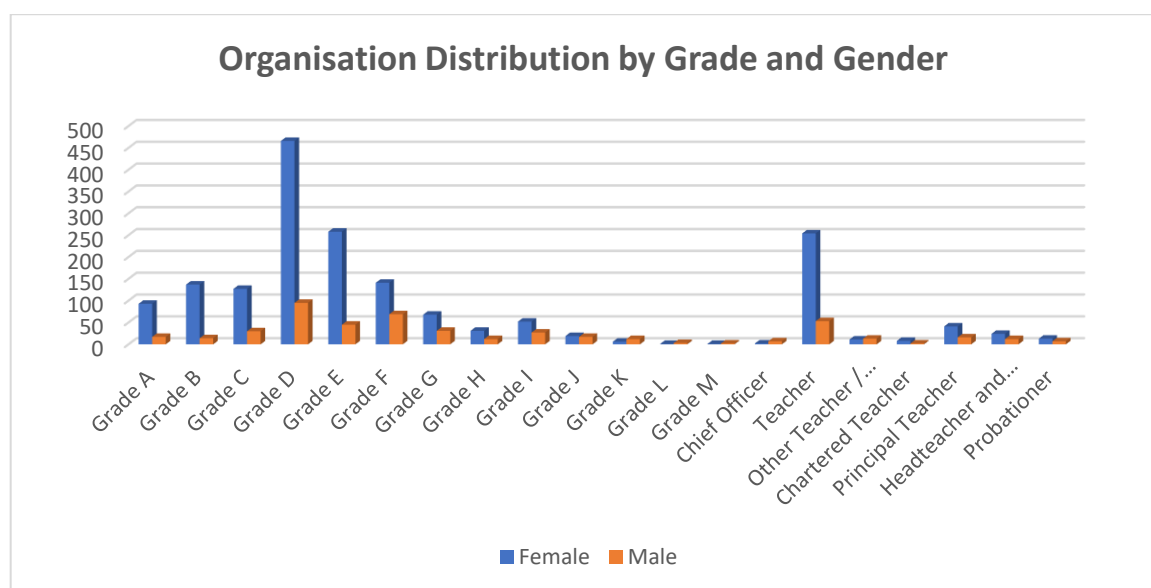
- 5.3 The bar graph below (Graph 2) illustrates the number of full time and part time employees. 60% of employees work part time and 40% work full time. The vast majority of part time workers are female at 90%.

Graph 2: *Employee Distribution by Working Pattern*



- 5.4 Close the Gap Working Paper 22, Gender Pay Gap Statistics, highlights that nationally “More women work in lower paid, part-time work, which in statistical reporting is referred to as the ‘part-time effect’”. The paper details that the “full-time figure of 7.5 per cent illustrates the size of the gender pay gap when the part-time effect has been controlled for, although it is important to note that the ‘part-time effect’ is itself gendered. The majority of part-time workers are women (75 per cent) and just under half of employed women (41 per cent) are working part-time, compared to 13 per cent of men”. The paper goes on to state that men are also less likely to be in part-time positions over a long period of time and that part-time work is usually in low-paid work, and wages are more likely to be lower in female-dominated workplaces than male-dominated workplaces or workplaces which are more diverse.
- 5.5 Graph 3 illustrates the gender distribution of employees by grade. Grades A to J have more female employees than male employees, as do teaching grades. Grades K, L, M and Chief Officers have more male employees than female employees.

Graph 3: Organisational Distribution by Grade and Gender



- 5.6 These distributions confirm that there is gender inequality across grades as there are a higher proportion of male employees in higher graded posts and a higher proportion of females in lower graded posts. This is known as vertical segregation.

6 Gender Pay Gap

- 6.1 The single most significant cause underpinning the pay gap in organisations is embedded within pay systems. Employers rarely discriminate directly and intentionally on the grounds of pay but there are many pay practices that can lead to inequalities including:

- Individuals being appointed to different points on the pay scale;
- Different job and grade titles for virtually the same job;
- Stereotypically male jobs having disproportionate access to enhanced earnings;
- Performance related pay being unfairly awarded;
- Women not receiving the same access to training; and
- Sex bias in analytical job evaluation schemes grading women’s jobs lower.

6.2 To establish whether or not pay structures affect male and female employees' organisations must critically examine their pay structures to identify any pay gaps. This should include overall headline pay gaps but also pay gaps in different occupations and within grades. A full breakdown of headline gender pay gaps by employee group is provided in Table 1 below:

Table 1: Hourly pay, excluding overtime for male and female employees by Employee Group

Employee Group	All Male - Mean	All Female - Mean	% Pay Gap
All Employees	£18.21	£15.96	12.34%
Local Government Employees	£15.98	£13.61	14.82%
Teachers	£26.45	£25.35	4.08%
Chief Officers	£45.81	£42.72	6.75%

- The Comhairle's pay gap for all employees has decreased from 13.5% to 12.34% since 2021. The Scottish Government statistics for 2021 Reports a gender pay gap of 11.6%
- The Comhairle's pay gap for Local Government Employees is 14.82%.
- The Comhairle's pay gap for Teachers is 4.08%
- The Comhairle's pay gap for Chief Officers is 6.75%

As previously reported there is a higher proportion of women in Grades A-C who continue to benefit from the implementation of the Scottish Local Government Living Wage and this has a positive impact on the gender pay gap.

7. Gender Pay Gap by Grade

The data in Table 2 shows that there are insignificant pay gaps within each grade. The pay gap between men and women is due to there being a larger proportion of female workers within the lower grades rather than differences in pay between men and women within each grade.

Table 2: Gender Pay Gap by Grade, Local Government Employees

GRADE	GENDER PAY GAP
Grade A	0%
Grade B	0%
Grade C	0%
Grade D	0%
Grade E	0%
Grade F	0%
Grade G	1%
Grade H	2%
Grade I	0%
Grade J	-1%
Grade K	2%
Grade L	0%
Grade M	4%

- 7.1 In terms of the Single Status Grades (A – M), progression is achieved annually through two incremental points until the top of the scale is reached. New appointees are appointed to the first point of the salary scale for the respective position and annual increments are awarded. This policy is consistently applied across all Local Government positions.
- 7.2 The Comhairle’s grading structure is therefore robust in terms of equal pay as there are no significant equal pay disparities within the grades.

8 Occupational segregation

The Public sector equality duty guidance for reporting on gender and employment, equal pay and occupational segregation, Close the Gap, August 2016 defines Occupational segregation as follows:

“Women and men are clustered into different occupations and sectors. There are many factors which underlie this segregation including gender norms and stereotypes; assumptions about men’s and women’s work capabilities, preferences and skills; the culture associated with male dominated occupations and sectors; and access to training and development opportunities and apprenticeships in different sectors. Occupational segregation restricts choices for men and women, and the jobs most likely to be done by women are those that are associated with low pay, and fewer opportunities to progress. This includes cleaning, care, admin, retail and catering. This type of job segregation is called horizontal segregation.”

Table 3 details the data analyses for the gender pay gap across occupational groups.

Table 3: Gender Pay Gap by occupation

Occupation	Male %	Female %	Gender Pay Gap
Admin/Clerical	14.3	85.7	0.67%
Health and Social Care - Frontline Service Delivery - Adult Care	4.4	95.6	-1.37%
Catering	2.3	97.7	-9.33%
Cleaning	11.4	88.6	0.20%
Leisure	44.2	55.8	10%
Cleansing	97.5	2.5	5.45
Chargehands / In-Charge	56.3	43.8	17.68
Seniors	17.5	82.5	14%
Supervisors	12.5	87.5	2%
Team Leaders	50.0	50.0	0%
Managerial (excluding Chief Officers)	41.8	58.2	13%

- 8.1 The data shows that ‘female’ jobs such as care, cleaning, catering and admin/clerical are largely occupied by women and that ‘male’ jobs such as cleansing are predominately occupied by male employees. It is clear that there is occupational segregation within the Comhairle.
- 8.2 The Comhairle has applied an analytical job evaluation scheme, which is agreed nationally, to assess the relative ‘worth’ of all local government jobs. The job evaluation scheme has recently been updated in line with legislative developments and continues to be monitored and applied using best practice.

8.3 Tackling occupational segregation is a significant challenge given the complexity of the issue with external factors such as gender stereotyping from birth; career choices through school/vocational education; availability of child care etc. which all have an impact, as well as employment factors such as opportunities for flexible working.

9 Disability Pay Gap

Under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, public bodies with more than 20 staff need to publish pay gaps comparing people who are disabled and those who are not.

The pay gap information for disabled employees is detailed below in table 4.

Table 4: Gender Pay Gap by disability

	Disabled hourly rate	Non-disabled hourly rate	Pay Gap
Mean	£15.05	£16.47	8.61%

The Comhairle employs 50 people who have declared a disability. This equates to 2.23% of employees.

10 Minority Racial Groups

There is a requirement for public bodies to publish pay gaps comparing people who fall into a minority racial group and those who do not.

For the purpose of this comparison, all white groups (white Scottish, white British, white Irish and Other White) have been included in the non-minority racial group. The minority racial group includes black groups, Asian groups and mixed races.

The pay gap information for minority racial groups is detailed below in table 5.

Table 5: Gender Pay Gap by minority racial group

	Non-minority racial group (White) hourly rate	Minority racial group hourly rate	Pay Gap
Mean	£16.45	£16.28	1.05%

11 Findings

The main findings of Comhairle nan Eilean Siar's Equal Pay Audit are:

11.1 Gender

- The workforce is predominately female at 78%.
- Women are more likely to work in part time, lower graded jobs.
- Men are more likely to work in full time, higher graded jobs.

- The overall pay gap has decreased from 13.5% to 12.34% but is still above Scottish average which was reported as 11.6%.
- There is occupational segregation with females more likely to work in traditional 'female' jobs like care, catering and cleaning.
- The Comhairle's grading structure is robust in terms of equal pay as there are no significant gender pay gaps within the grades.

11.2 Disability

- There is a disability pay gap at 8.6% which has reduced significantly from 19.94% in 2017. This is most likely due to an increase in employs reporting that they have a disability.

11.3 Minority Racial Groups

- Those from a minority racial group are currently paid 1.05% less than those who are white.

12 Actions required

12.1 There are a number of actions that the Comhairle has already taken which contribute to equality in pay. It is important to note these and ensure that they continue to be strengthened. These are:

- The application of an analytical job evaluation scheme which is recognised as ensuring equal pay for work of equal value.
- A grading structure which is robust in terms of equal pay.
- The application of flexible working in a number of forms including flexi time, part time working, job sharing, compressed working hours and home working.
- A robust analytical recruitment procedure which ensures gender balance on recruitment panels.
- The implementation of the Scottish Living Wage.

12.2 Areas that need to be improved are:

- Positively promote flexible working policies across the organisation.
- Positively promote equality and diversity training.
- On-going investment in skills and training with a focus on leadership training for women currently in middle management posts.
- Continue to develop genuine workforce engagement with employees and recognised trade union representatives.
- Review of the Comhairle's recruitment procedure in line with the Scottish Government toolkit on equality.

These actions will be taken forward through the Comhairle's Corporate Management Team.

Human Resources
March 2023