

## **EAST AYRSHIRE COUNCIL**

### **PAY GAP AUDIT 2016/17**

#### **Report by Depute Chief Executive (Safer Communities)**

#### **PURPOSE**

1. The purpose of this report is to submit to Cabinet for approval and publication the key findings of the Equal Pay Gap Audit 2016/17

#### **BACKGROUND**

2. Cabinet at its meeting on 22 April 2015 noted the results of the Pay Gap Audit for 2013/14 and agreed the Equal Pay Statement which sets out how the Council will comply with the legal duties set out in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.
3. The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 place two specific duties on employers employing more than 150 employees. These specific duties are to:-
  - a. publish gender pay gap information; and
  - b. publish a statement on equal pay.
4. To meet the duty identified at 3 a. above, the Council must publish information on the percentage difference among its employees between men's average hourly rate (excluding overtime) and women's average hourly rate (excluding overtime). This latest information must be published no later than 30 April 2017 and each second year after that.
5. Further, under the same Regulations, the Council is required to publish by 30 April 2017 and each fourth year after that, a statement containing the following information:-

The Council's policy on equal pay among its employees between:-

- a. men and women
- b. persons who are disabled and persons who are not
- c. persons who fall into a minority racial group and persons who do not.

Further the statement must specify occupational segregation among its employees, being the concentration of:

- d. men and women
- e. persons who are disabled and persons who are not; and
- f. persons who fall into a minority racial group and persons who do not.

6. The Regulations set out that the information sought. Accordingly, the information relating to pay gap and occupational segregation set out in Appendix 1 includes available data relating to disabled persons or persons who fall into a minority racial group.
7. Information on disability and ethnicity has been provided for the first time in accordance with Regulations.

### **METHODOLGY**

8. As set out in the Regulations referred to at para 3 above, an examination has been carried out of the difference between men’s and women’s average hourly rates, excluding overtime for the financial year 2016/2017. This data has been compared with the equal pay data for the financial year 2013/14 which was reported to Cabinet in April 2015.
9. The methodology for this 2016/17 audit reflects that used in the 2013/14 audit and the census date for employee information was 31 March 2017.
10. The exercise assessed the difference across the Council’s total workforce and also by specific employee groups. The gender breakdown across the Council and by specific employee groups is as follows:-

### **FINANCIAL YEAR 2016/17**

<b>Employee Group</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>	<b>Total</b>	<b>% of total Workforce</b>
All employees	1674	27.6%	4391	72.4%	6065	---
LGE	1387	29.3%	3343	70.7%	4730	77.99%
Teachers	277	21.0%	1043	79.0%	1320	21.76%
Chief Officers	10	66.7%	5	33.3%	15	0.25%

### **FINANCIAL YEAR 2013/14**

<b>Employee Group</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>	<b>Total</b>	<b>% of total Workforce</b>
All employees	1621	27.8%	4200	72.2%	5821	---
LGE	1322	29.3%	3191	70.7%	4513	77.53%
Teachers	284	21.8%	1004	78.0%	1288	22.13%
Chief Officers	15	75%	5	25.0%	15	0.34%

### **SUMMARY COMMENTS ON TOTAL WORKFORCE**

11. The Council workforce in 2016/17 of 6065 is greater than that 2013/14 of 5821 employees being the last reported period. Compared to 2013/14, the % of male employees within the workforce has decreased slightly (0.2%) in 2016/17 and correspondingly the % of female employees has increased slightly (0.2%).
12. In 2016/17 compared to 2013/14, the % of Local Government employees increased to 77.99% from 77.52%, the % of teachers reduced to 21.76% from 22.13% and the % of Chief Officers decreased to 0.25% from 0.34%.
13. The only employee workgroup which increased its number in 2016/17 was Local Government employees increased to 4730 employees from 4513 in 2013/14.
14. The Council's Pay and Grading Scheme for Local Government Employees and Craft Operatives continues to be based on 16 grades with four incremental points in each grade. Prior to its implementation in 2007 it was subject to an Equality Impact Assessment carried out by an independent analyst and was assessed as being compliant with the Equality and Human Rights Commission's guidelines.
15. Posts which are paid on the Council's Pay and Grading Scheme continue to be subject to the Council's Job Evaluation process which follows the Scottish Council's Job Evaluation Scheme.
16. The Scottish Negotiating Committee for Teachers sets the pay scales and salaries applicable to all Teachers within Scotland. The Council cannot introduce any local amendments to these national pay scales.

## **AUDIT RESULTS**

17. The detailed results of the Pay Gap Audit are contained in the full audit which is attached as Appendix 1. The audit shows that the Council's pay gap between men and women in 2016/17 is 5.65% across all employees; 10.36% for Local Government Employees; 3.92% for teachers and 0.44% for Chief Officers. This compares with the 2013/14 audit of 7.45% across all employees; 11.08% for Local Government Employees; 4.34% for teachers and 8.26% for Chief Officers.
18. The 2016/17 pay gap between men and women has reduced against the previous audit across all employee workgroups and across the Council's total workforce. This is a positive trend since the first pay gap audit undertaken in 2013/14.
19. With regard to the pay gap by grade within the Local Government Employee workgroup, the following information should be noted:

- Grade 1

In 2016/17, the pay gap between men and women was 0.36% in favour of women compared to 3.69% in favour of women in 2013/14.

- Grade 2

In 2016/17, the pay gap between men and women was 1.05% in favour of men compared to 2.89% in favour of men in 2013/14.

- Grade 3

In 2016/17, the pay gap between men and women was 4.58% in favour of women compared to 3.43% in favour of women in 2013/14.

- Grade 4

In 2016/17, the pay gap between men and women was 1.93% in favour of women compared to 2.87% in favour of women 2013/14.

- Grade 5

In 2016/17, the pay gap between men and women was 4.05% in favour of men compared to 3.75% in favour of men in 2013/14.

- Grade 6

In 2016/17, the pay gap between men and women was 2.41% in favour of women compared to 2.10% in favour of women in 2013/14.

- Grade 7

In 2016/17, the pay gap between men and women was 0.15% in favour of men compared to 2.05% in favour of men in 2013/14.

- Grade 8

In 2016/17, the pay gap between men and women was 1.61% in favour of men compared to 2.68% in favour of men in 2013/14.

- Grade 9

In 2016/17, the pay gap between men and women was 1.54% in favour of women compared to 0.80% in favour of women 2013/14.

- Grade 10

In 2016/17, the pay gap between men and women was 1.19% in favour of women compared to 0.66% in favour of women in 2013/14.

- Grade 11  
In 2016/17, the pay gap between men and women was 2.72% in favour of women compared to 0.05% in favour of women 2013/14.
- Grade 12  
In 2016/17, the pay gap between men and women was 1.09% in favour of women compared to 0.09% in favour of women in 2013/14.
- Grade 13  
In 2016/17, the pay gap between men and women was 1.75% in favour of men compared to 1.73% in favour of men in 2013/14.
- Grade 14  
In 2016/17, the pay gap between men and women was 0.68% in favour of men compared to 0.58% in favour of men in 2013/14.
- Grade 15  
In 2016/17, the pay gap between men and women was 0.28% in favour of women compared to there being no pay gap in 2013/14.
- Grade 16  
In 2016/17, the pay gap between men and women was 0.65% in favour of men compared to 1.15% in favour of men in 2013/14.

**20.** With regard to the pay gap in respect of teaching staff, the following information should be noted:

- Teachers (main Grade)  
In 2016/17, the pay gap between men and women was 0.44% in favour of women compared to 1.14% in in favour of men in 2013/14.
- Chartered Teachers (Grade)  
In 2016/17, the pay gap between men and women was 0.69% in favour of men compared to 1.40% in favour of women in 2013/14. It should be noted that Chartered Teachers are a legacy grade and the number will continue to decrease each year. There are currently 23 Chartered Teachers working for the Council.
- Principal Teachers (Grade)  
In 2016/17, the pay gap between men and women was 4.10% in favour of men compared to 3.91% in favour of men in 2013/14.

- Deputes/Heads (Grade)  
In 2016/17, the pay gap between men and women was 5.25% in favour of men compared to 10.25% in favour of men in 2013/14.
- Others – (Grade)  
In 2016/17, the pay gap between men and women was 15.96% in favour of women compared to 6.39% in favour of women in 2013/14.

Note: The Others category includes Music Instructors and former Senior Teachers.

21. With regard to the pay gap by selected occupationally segregated jobs within the Local Government workgroup, the following information should be noted:

- Catering (mainly Grade 1)  
In 2016/17, the pay gap between men and women was 6.89% in favour of men compared to 5.90% in favour of men in 2013/14.
- Cleaning (mainly Grade 1)  
In 2016/17, the pay gap between men and women was 0.60% in favour of men compared to 0.30% in favour of women in 2013/14.
- Clerical Assistant (Grade 3)  
In 2016/17, the pay gap between men and women was 1.44% in favour of men compared to 1.40% in favour of women in 2013/14.
- Classroom Assistant (Grade 3)  
In 2016/17, the pay gap between men and women was 2.42% in favour of women compared to 4.10% in favour of women in 2013/14.
- Personal Carers (Grade 3)  
In 2016/17, the pay gap between men and women was 1.29% in favour of men compared to 2.45% in favour of men in 2013/14.
- Craft Operatives (various Grades)  
In 2016/17, the pay gap between men and women was 8.52% in favour of women compared to 3.01% in favour of men in 2013/14.
- Roadworkers (Grade 3)

There is no pay gap with these jobs as there were no women employed in 2016/17.

- Roadworkers (Grade 4)

There is no pay gap with these jobs as there were no women employed in 2016/17.

- Social Workers (Grade 10)

In 2016/17, the pay gap between men and women was 0.62% in favour of men compared to 1.13% in favour of men in 2013/14.

**22.** With regard to the pay gap between full-time males and full-time females, the following information should be noted:

- All employees

In 2016/17, the pay gap between men and women was 10.84% in favour of women compared to 9.32% in favour of women in 2013/14.

- All Local Government Employees

In 2016/17, the pay gap between men and women was 6.06% in favour of women compared to 5.75% in favour of women 2013/14.

- All Teachers

In 2016/17, the pay gap between men and women was 4.39% in favour of men compared to 4.25% in favour of men in 2013/14.

- All Chief Officers

In 2016/17, the pay gap between men and women was 0.44% in favour of women compared to 8.26% in favour of women in 2013/14.

**23.** With regard to the pay gap between full-time males and part-time females, the following information should be noted:

- All employees

In 2016/17, the pay gap between men and women was 26.24% in favour of men compared to 28.50% in favour of men in 2013/14.

- All Local Government Employees

In 2016/17, the pay gap between men and women was 25.13% in favour of men compared to 26.67% in favour of men in 2013/14.

- All Teachers  
In 2016/17, the pay gap between men and women was 6.35% in favour of men compared to 8.89% in favour of men in 2013/14.
- All Chief Officers  
There is no pay gap as there were no part-time females employed in 2016/17.

**24.** With regard to the pay gap between part-time males and full-time females, the following information should be noted:

- All employees  
In 2016/17, the pay gap between men and women was 48.93% in favour of women compared to 46.40% in favour of women in 2013/14.
- All Local Government Employees  
In 2016/17, the pay gap between men and women was 40.41% in favour of women compared to 42.70% in favour of women in 2013/14.
- All Teachers  
In 2016/17, the pay gap between men and women was 8.36% in favour of women compared to 8.00% in favour of women in 2013/14.
- All Chief Officers  
There is no pay gap as there were no part-time males employed in 2016/17.

**25.** With regard to the pay gap between part-time males and part-time females, the following information should be noted:

- All employees  
In 2016/17, the pay gap between men and women was 0.89% in favour of men compared to 4.28% in favour of men in 2013/14.
- All Local Government Employees  
In 2016/17, the pay gap between men and women was 0.88% in favour of men compared to 1.03% in favour of women in 2013/14.
- All Teachers  
In 2016/17, the pay gap between men and women was 6.14% in favour of women compared to 2.81% in favour of women in 2013/14.
- All Chief Officers



There were no part-time Chief Officers employees employed in 2016/17.

- 26.** There are a significant number of employees who have not declared their disability status or for whom this status is not known, and this makes it difficult to undertake a robust analysis of pay by disability status. In 2016/17, 78 employees are recorded as having a disability. An analysis of the audit finds are set out in sections 9a and 9b of Appendix 1.

All employees are encouraged to utilise the employee self-service on the HR system to disclose information in relation to protected characteristics. It is recommended that further ways be explored to encourage employees to disclose information to ensure records are as complete as possible in order to allow the Council to meet its obligations in promoting equality for disabled employees under the Equality Act 2010.

- 27.** There are a significant numbers of employees who have not disclosed their ethnicity or chosen not to disclose their ethnicity or who have not provided any information on their ethnic origin, and this make it difficult t undertake a robust analysis of pay by ethnicity. An analysis of the audit finds are set out in sections 10a and 10b of Appendix 1. In 2016/17, the ethnicity of 112 employees was recorded.
- 28.** The Pay Gap Audit provides pay gap information across all Local Government Employee and Teacher grades and also occupational segregation in respect of the same categories. In terms of occupational segregation the audit shows that occupational segregation continues to remain in those areas where it has traditionally been present. Any significant change in this profile is likely to be achieved only in the long-term.
- 29.** In October 2016, the Office of National Statistics reported that at April 2016, the UK gender mean pay gap decreased from 9.6% to 9.4%.The gap for all employees (full time and part time) was the lowest on record at 18.1% down from 19.3% in 2015. The gap has also decreased in the long-term from 27.5% in 1997.
- 30.** For part-time employees, the Office of National Statistics reported that the higher rate of pay for women than men results in a 'negative' gender pay gap. Although the part-time gender pay gap has decreased from minus 6.8% in April 2015 to minus 6.0% in April 2016, there is evidence that the part-time gender pay gap has widened in the long-term.
- 31.** In April 2016, the gender pay gap for the private sector decreased from 17.5% to 16.6% and the gap in the private sector has consistently been greater than the public sector. The gender pay gap in the public sector has also decreased from 11.8% to 11.3% continuing its long-term trend of fluctuating around 10 to 12% since 2003.

## **EQUALITIES MAINSTREAMING REPORT AND EQUALITIES OUTCOMES**

32. The Council is required to publish separately employment information other than that relating to the pay gap. This information is contained in the Council's Equalities Mainstreaming Report and Equalities Outcomes which will be considered separately by Cabinet.

## **FINANCIAL IMPLICATIONS**

33. There are no financial implications arising from this report.

## **POLICY/LEGAL IMPLICATIONS**

34. The production of the Pay Gap Audit ensures that the Council continues to meet its legislative requirements as a public authority under the Equality Act 2010 and related legislation.

## **RISK MANAGEMENT IMPLICATIONS**

35. Having in place equality assessed pay arrangements ensures that challenges on the grounds of equal pay can be minimised. Further, the publication of the information set out in the Pay Gap Audit allows the Council to meet its statutory reporting obligations.

## **COMMUNITY PLANNING IMPLICATIONS**

36. The Pay Gap Audit meets the pursuit of continuous improvement and Best Value and the guiding principles of the Community Plan.

## **TRADE UNIONS**

37. A copy of the Pay Gap Audit will be forwarded to the Trade Unions for their information.

## **RECOMMENDATIONS**

38. Cabinet is recommended to:
- i. note the results of the Pay Gap Audit set out in Appendix 1;
  - ii. agree that the results of the Pay Gap Audit be published in accordance with the set arrangements; and
  - iii. otherwise note the content of the report.

**Chris McAleavey**  
**Depute Chief Executive (Safer Communities)**  
**18 April 2017**

**LIST OF BACKGROUND PAPERS**

Nil

Any person wishing further information should contact Paul McGowan, Head of Human Resources (Telephone 01563 576092)

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