

REPORT TO: Joint Consultative Committee

DATE: 7 December 2016

BY: Head of Council Resources

SUBJECT: Local Government Employee Equal Pay Audit 2015/16

1 PURPOSE

- 1.1 To advise the Joint Consultative Committee of the outcome of the Council's fifth Local Government Employees (LGE) Equal Pay Audit carried out by the Human Resources Service Review Team and the resulting actions required to ensure that the Council's LGE Pay and Grading Structure remains fit for purpose.
- 1.2 To advise the JCC of the requirement for listed authorities to publish information on equality protected characteristics as outlined in the Public Sector Equality Duty Scotland. The information contained within this report is in relation to pay and gender only as all other protected characteristics are reported on within the Council's Equality Monitoring Report, i.e. age, disability, race, religion or belief and sexual orientation.

2 RECOMMENDATIONS

- 2.1 JCC is asked to note that:
 - Overtime payments will continue to be monitored in future audits and the findings reported to JCC as part of the equal pay audit.
 - Any accelerated increments will continue to be monitored in future audits and the findings reported to JCC as part of the equal pay audit.
 - Any Department-specific areas of concern identified in the body of this report will be remitted to Depute Chief Executives to ensure that appropriate action is taken.

- Consultation will take place with the Equalities Policy Officer and Joint Trades Unions to identify specific actions to address, and minimise as far as reasonably practicable, gender segregation in the longer term.
- The findings of this audit will be shared with the relevant Trades Unions for information and thereafter will be published on the Council's website.

3 BACKGROUND

- 3.1 East Lothian Council's monitoring arrangements meet the current proposals of the Equalities Act 2010 which sets out a requirement that public bodies with more than 150 employees report on gender pay issues. Best practice outlined by the Equality and Human Rights Commission (EHRC) recommends that equal pay reviews are the most appropriate method of delivering a pay system free from gender bias.
- 3.2 An equal pay audit involves comparing the pay of protected groups who are doing equal work, investigating the causes of any pay gaps by gender and planning to close any gaps that cannot be justified. The Equality and Human Rights Commission set tolerance levels of 3% and 5%. As a general rule, any differences of 5% or more will require exploration and explanation.
- 3.3 Since the implementation of Single Status in 2008 we are able to report that the Council's equal pay gaps have decreased year on year from 67 in 2008 to 5 for the year 2015/16.

Methodology

- 3.4 An analysis of the LGE pay and grading structure by gender was carried out to determine the gender impact on the workforce by using the current pay data to allow us to compare and contrast data produced for the previous Equal Pay Audit.
- 3.5 The gender analysis within each of the 13 grade bands within the LGE pay and grading structure focused on full time and part time female and male employees. These comparisons are attached as Appendices 1 and 2.
- 3.6 Analysis included the following pay elements:
- The average basic and total salaries to identify pay gaps
 - Night Allowance
 - Overtime/part time additional hours
 - Call Out

- Premium Payments for Public Holiday Working
- Stand By Payments
- Acting Up Allowance
- Protection Payments
- Sleep In Allowance

General Findings

- 3.7 LGE Job Evaluation outcomes affect 3,206 contracts of employment (see Appendix 3) of which females hold 2,281 of the contracts and 925 contracts are held by male employees, i.e. 71.1% females and 28.9% males.
- 3.8 The number of LGE employees included in this audit that have more than one contract is 276 (255 females and 21 males) or 92.4% and 7.6% respectively.
- 3.9 In **2008** there were **67** instances of gender pay gaps of 5% or more, many of them unjustified as they related to the payment of bonus to males and not to females. Following the implementation of Single Status in June 2008 the figures showed a marked decrease as outlined below:-
- In **2010/11** pay gaps decreased to **25** instances of pay gaps.
 - The **2011/12** figures showed that we had **20** instances of pay gaps and where these existed the percentage pay gaps had in the main decreased.
 - The **2013/14** figures showed only **6** instances of pay gaps of 5% or more.
 - This has reduced to **5** in **2015/16**.

Once again, these pay gaps can, in the main, be attributed to overtime payments rather than to differences in pay between males and females. Other factors include placing on scale where more males or more females may be on higher or lower points on a particular pay grade. See comparison table below:-

Grade	2013/14	2015/16
Grade 3	14.7% in favour of Males full-time	2.41% in favour of Females (no pay gap)
Grade 4	8.2% in favour of Males full-time	11.07% in favour of Males
Grade 5	4.5% in favour of Males full-time (no pay gap)	8.65% in favour of Males

Grade 6	11.4% in favour of Males full-time	5.91% in favour of Males
Grade 4	8.2% in favour of Males part-time	11.07% in favour of Males
Grade 5	7.4% in favour of Males part-time	8.65% in favour of Males
Grade 8	5.6% in favour of Males part-time	0.60% in favour of Females (no pay gap)

Analysis of the LGE Pay Gap

- 3.10 Overall, the findings of the pay audit are positive and have resulted in similar equal pay gaps between men and women. More importantly, there is no evidence of unjustifiable gender discrimination within the LGE Pay and Grading Structure. Differences can be explained for reasons other than gender namely:-
- 3.11 **Access to Overtime** continues to have the most significant impact on the gender pay gap.
- 3.12 A higher proportion of males - 51.6% (compared to 59% in 2013/14) have access to overtime than females - 43.1% (compared to 50% in 2013/14) across the LGE pay and grading structure overall. However, more females actually work overtime, 984 (1,063 in 2013/14) compared to 478 males (472 in 2013/14) (see Appendix 4). In addition, females are, in the main, paid overtime at plain time as they are part-time workers.
- 3.13 At post level, anomalies arise where posts are predominantly populated by males or females, e.g. Roadworkers or Cooks, or where posts may have historically attracted overtime. As identified in Appendix 4, males continue to earn more than females in the majority of grades across the pay structure.
- 3.14 Analysis on overtime indicates an increase in favour of males over females in 2015/16 (see also Appendix 4):-
- Overtime decreased from £1,999,718 for the year 2010/11 to £1,900,174 in 2011/12 and again in 2012/13 to £1,820,102. The overtime in 2013/14 again decreased to £1,669,083. However, overtime for the year 2015/16 has increased to £1,724,653.

- The average overtime earned by females increased from £1,014 in 2010/11 to £1,227 in 2011/12. This dipped slightly to £1,009 in 2012/13 and dipped again for 2013/14 to £896. A further dip to £847 is shown for the year 2015/16.
- The average overtime earnings for males have decreased from £2,048 in 2010/11 to £1,967 in 2011/12 and again in 2012/13 to £1,832. This decreased further to £1,518 in 2013/14. This has increased to £1,863 for the year 2015/16.
- The average difference in overtime earnings between males and females dropped from £1,034 in 2010/11 to £740 in 2011/12. However this increased slightly to an average of £823 per employee in 2012/13 in favour of males and showed a further decrease to £622 in 2013/14. Disappointingly, this has increased to £1,016 in favour of males for the year 2015/16.

3.15 Recommended Action – Overtime - Overtime should continue to be monitored to ensure gender equality. Overtime can be unavoidable for various reasons during periods of, for example, increased labour turnover, short term immediate business need, or simply the lack of suitable applicants to fill vacant posts. However, greater cognisance of the Management of Overtime Policy implemented in June 2008 needs to take place to ensure we are managing down the use of overtime which will have an impact on reducing the gender pay gap. Initiatives within the Council such as the Efficient Workforce Management Plan should also help to reduce the amount of overtime worked and subsequently reduce the possibility of gender inequality. This may require specific services, in consultation with representative trades unions, to review the configuration of their workforce to recruit more workers and / or make use of atypical workers at plain time rates of pay instead of perpetuating the pattern of full-time male workers having access to and gaining greatest pay advantage through overtime working.

The Living Wage

3.16 The introduction of the Living Wage in November 2012 is recognised as having a positive impact on the equal pay gaps between men and women in Grades 1, 2 and 3 although there were no significant gaps in Grades 1 and 2 of 5% or above in previous years. Encouragingly, the equal pay gap in Grade 3 of 14.7% in favour of males in 2013/14 now shows a figure of 2.41% in favour of females.

Analysis of Craft Workers

- 3.17 Currently all of our Craft Workers are male and work full-time and therefore there are no equal pay gaps within this group of employees. See Appendix 5.

Analysis of Teachers

- 3.18 Teacher salary scales are agreed nationally by the Scottish Negotiating Committee for Teachers. The Council, therefore, has no control over the payment of salaries to teachers. In respect of promoted posts, i.e. Depute/Head Teachers and Principal Teachers, placing on the appropriate salary point is determined by the job sizing process. This process is endorsed by COSLA who provides training to local authority employees involved in the job sizing process. See Appendix 6.
- 3.19 The percentage split between male and female teaching employees and that of the LGE Group is outlined below:-
- LGE Group 28.85% of total LGE workforce are males
(previously 27.45%)
71.15% of total LGE workforce are females
(previously 72.55%)
 - Teachers 20.54% of total Teachers workforce are males
(previously 20.43%)
79.46% of total Teachers workforce are females
(previously 79.57%)

4 POLICY IMPLICATIONS

- 4.1 There continues to be an issue with occupational segregation, i.e. the clustering of women and men in different occupational groups, which sees women more likely to work in lower paid jobs (e.g. caring, catering, cleaning, clerical). This stems from the fact that women continue to do the majority of unpaid care in the UK and there is evidence to suggest that women opt for part-time work that gives them more flexibility to combine unpaid care with paid work. As most part-time work is in low paid, stereotypically female jobs, or jobs that are found at the bottom end of pay and grading structures, opting for part-time employment to ensure flexibility asserts a downward pressure on women's earnings relative to men's earnings.

- 4.2 Future reviews of policies should include the need to promote and raise awareness of encouraging females into traditionally held male jobs.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 Annual equal pay audits will be carried out on the LGE Pay and Grading Structure and future analysis will be developed to include other equality strands where applicable.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – Depute Chief Executives and Business Group Managers in conjunction with Human Resources may be required to allocate resources within existing budgets if specific issues are identified to ensure the recommendations within the report are achieved. Actions in relation to Equal Pay should be included within the Equalities in Employment action plan.
- 6.2 Personnel – Resources will require to be allocated on an ongoing and annual basis to ensure the effective monitoring, review and analysis of the LGE pay and grading structure and relevant policies together with the recommended actions contained within this report.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 Summary of attached appendices:

Appendix 1 – Summary of LGE Group Equal Pay Gaps identified in 2015/16 – reporting on Basic Pay

Appendix 2 - Summary of LGE Group Equal Pay Gaps identified in 2015/16 – reporting on Total Pay

Appendix 3 – LGE Group Workforce Distribution by Grade and Gender

Appendix 4 - Analysis of LGE Group Overtime between Males and Females

Appendix 5 – Craft Workers Workforce Distribution by Grade and Gender

Appendix 6 – Teachers Workforce Distribution by Grade and Gender

AUTHOR'S NAME	Audrey Cullen
DESIGNATION	Senior Service Review Officer
CONTACT INFO	01620 827796
DATE	3 November 2016

APPENDIX 1

Females against Males All (Full-time and Part-time) - Basic Pay

MALES				FEMALES				Average Basic Pay Difference (£)	Average Basic Pay Gap (%)	Average Hourly Rate Difference	Average Hourly Rate Pay Gap (%)
		Average of FTE Basic Salary	Average of Hourly Rate		Average of FTE Basic Salary	Average of Hourly Rate					
Grade	Males	Males	Males	Females	Females	Females					
NMW	21	NMW	NMW	10	NMW	NMW		0	0	0	0
Grade 1	14	£15,375.57	£7.97	105	£15,375.57	£7.97		£0.00	0.00%	£0.00	0.00%
Grade 2	7	£15,375.57	£7.97	24	£15,375.57	£7.97		£0.00	0.00%	£0.00	0.00%
Grade 3	38	£15,945.18	£8.27	117	£15,888.19	£8.23		£56.99	0.36%	£0.04	0.48%
Grade 4	226	£17,847.82	£9.21	480	£17,861.60	£9.22		-£13.78	-0.08%	-£0.01	-0.11%
Grade 5	62	£20,060.36	£10.40	301	£20,022.71	£10.38		£37.65	0.19%	£0.02	0.19%
Grade 6	151	£22,672.85	£11.67	467	£22,748.46	£11.77		-£75.61	-0.33%	-£0.10	-0.86%
Grade 7	78	£26,014.99	£13.30	302	£25,849.35	£13.40		£165.64	0.64%	-£0.10	-0.75%
Grade 8	107	£29,552.52	£15.32	151	£29,548.40	£15.21		£4.12	0.01%	£0.11	0.72%
Grade 9	97	£33,411.41	£17.32	177	£33,471.38	£17.34		-£59.97	-0.18%	-£0.02	-0.12%
Grade 10	67	£39,056.68	£19.94	94	£39,083.34	£20.26		-£26.66	-0.07%	-£0.32	-1.60%
Grade 11	35	£45,215.57	£23.44	35	£45,218.88	£23.44		-£3.31	-0.01%	£0.00	0.00%
Grade 12	10	£53,824.12	£27.90	4	£51,899.77	£26.90		£1,924.35	3.58%	£1.00	3.58%
Grade 13	12	£58,516.85	£30.33	14	£60,701.65	£31.47		-£2,184.80	-3.73%	-£1.14	-3.76%
Grand Total	925			2281							

NMW = National Minimum Wage

APPENDIX 2

Females against Males All (Full-time and Part-time) - Total Pay

		MALES		FEMALES				Average Total Pay Difference (£)	Average Total Pay Gap (%)	Average Hourly Rate Difference	Average Hourly Rate Pay Gap (%)
		Average of FTE Total Salary	Average of Hourly Rate		Average of FTE Total Salary	Average of Hourly Rate					
Grade	Males	Males	Males	Females	Females	Females					
NMW	21	NMW	NMW	10	NMW	NMW		£0.00	0.00%	£0.00	0.00%
Grade 1	14	£18,323.18	£9.50	105	£18,837.75	£9.76		-£514.57	-2.81%	-£0.27	-2.81%
Grade 2	7	£17,119.77	£8.87	24	£17,746.37	£9.20		-£626.60	-3.66%	-£0.32	-3.66%
Grade 3	38	£16,753.70	£8.68	117	£17,158.02	£8.89		-£404.32	-2.41%	-£0.21	-2.41%
Grade 4	226	£21,950.94	£11.38	480	£19,521.56	£10.12		£2,429.38	11.07%	£1.26	11.07%
Grade 5	62	£23,332.23	£12.09	301	£21,314.68	£11.05		£2,017.55	8.65%	£1.05	8.65%
Grade 6	155	£27,482.31	£14.25	467	£25,857.80	£13.40		£1,624.51	5.91%	£0.84	5.91%
Grade 7	78	£28,511.87	£14.78	302	£27,598.06	£14.31		£913.81	3.21%	£0.47	3.21%
Grade 8	107	£31,825.01	£16.50	151	£32,016.83	£16.60		-£191.82	-0.60%	-£0.10	-0.60%
Grade 9	97	£35,766.12	£18.54	177	£35,057.52	£18.17		£708.60	1.98%	£0.37	1.98%
Grade 10	67	£41,486.52	£21.50	94	£40,818.38	£21.16		£668.14	1.61%	£0.35	1.61%
Grade 11	35	£46,963.34	£24.34	35	£46,991.37	£24.36		-£28.03	-0.06%	-£0.01	-0.06%
Grade 12	10	£54,413.36	£28.21	4	£53,165.78	£27.56		£1,247.58	2.29%	£0.65	2.29%
Grade 13	12	£59,561.02	£30.87	14	£61,590.35	£31.93		-£2,029.33	-3.41%	-£1.05	-3.41%
Grand Total	925			2281							

NMW = National Minimum Wage

APPENDIX 3

Workforce Distribution by Grade and Gender
Local Government Employees

MALES						FEMALES				
Grade	Grand Total	Males	% of Grade	% of Total Males		Grade	Grand Total	Females	% of Grade	% of Total Females
NMW	31	21	67.74%	2.27%		NMW	31	10	32.26%	0.44%
Grade 1	119	14	11.76%	1.51%		Grade 1	119	105	88.24%	4.60%
Grade 2	31	7	22.58%	0.76%		Grade 2	31	24	77.42%	1.05%
Grade 3	155	38	24.52%	4.11%		Grade 3	155	117	75.48%	5.13%
Grade 4	706	226	32.01%	24.43%		Grade 4	706	480	67.99%	21.04%
Grade 5	363	62	17.08%	6.70%		Grade 5	363	301	82.92%	13.20%
Grade 6	618	151	24.43%	16.32%		Grade 6	618	467	75.57%	20.47%
Grade 7	380	78	20.53%	8.43%		Grade 7	380	302	79.47%	13.24%
Grade 8	258	107	41.47%	11.57%		Grade 8	258	151	58.53%	6.62%
Grade 9	274	97	35.40%	10.49%		Grade 9	274	177	64.60%	7.76%
Grade 10	161	67	41.61%	7.24%		Grade 10	161	94	58.39%	4.12%
Grade 11	70	35	50.00%	3.78%		Grade 11	70	35	50.00%	1.53%
Grade 12	14	10	71.43%	1.08%		Grade 12	14	4	28.57%	0.18%
Grade 13	26	12	46.15%	1.30%		Grade 13	26	14	53.85%	0.61%
Grand Total	3206	925		100.00%		Grand Total	3206	2281		100.00%

NMW = National Minimum Wage

APPENDIX 4

Overtime by Grade and Gender - Local Government Employees

Grade	Gender	No. of Employees by Grade and Gender	Contractual Overtime	P/Hol P/T O/T	Overtime at 1.0X	Overtime at 1.5X	Overtime at 2.0X	PT Overtime at 1.0X	PT Overtime at 1.5X	PT Overtime at 2.0X	Total Overtime Earned by Grade and Gender	Average Overtime Earned per Employee
1	Female	65		£38.25	£15.30			£59,439.05	£447.02	£78.01	£60,017.63	£923.35
	Male	5						£5,823.93	£8.61		£5,832.54	£1,166.51
2	Female	16		£371.69	£11.48			£1,715.25	£27.77		£2,126.19	£132.89
	Male	6		£460.93	£244.80			£5,180.01	£288.95	£99.45	£6,274.14	£1,045.69
3	Female	66						£30,525.14	£363.78	£231.14	£31,120.06	£471.52
	Male	28						£1,285.19	£3,753.30		£5,038.49	£179.95
4	Female	237	£2,429.48	£666.29		£165.30		£129,733.86	£17,942.20	£590.35	£151,527.48	£639.36
	Male	176	£43,375.92	£17,301.94			£185.60	£59,781.67	£256,827.53	£4,409.99	£381,882.65	£2,169.79
5	Female	142						£42,638.45	£871.04	£271.60	£43,781.09	£308.32
	Male	44		£3,489.57		£17,516.41		£15,245.50	£43,895.76	£1,343.97	£81,491.21	£1,852.07
6	Female	319		£36.00		£219.66		£342,844.56	£50,120.04	£12,216.09	£405,436.35	£1,270.96
	Male	113		£10,411.55		£106,355.55	£499.38	£22,924.53	£77,436.83	£2,864.20	£220,492.04	£1,951.26
7	Female	78		£188.58				£60,045.04	£8,387.46	£995.16	£69,616.24	£892.52
	Male	25		£1,758.05		£13,759.77	£67.30	£1,923.74	£32,499.01	£49.96	£50,057.83	£2,002.31
8	Female	33						£23,553.09	£15,208.45	£420.98	£39,182.52	£1,187.35
	Male	31		£853.19				£7,081.11	£42,018.71	£260.30	£50,213.31	£1,619.78
9	Female	14		£365.20				£2,524.88	£6,275.73	£659.96	£9,825.77	£701.84
	Male	24		£1,983.14				£6,303.16	£47,112.35	£1,218.82	£56,617.47	£2,359.06
10	Female	14						£6,478.66	£14,334.51	£286.02	£21,099.19	£1,507.09
	Male	17		£822.16				£1,946.08	£18,651.00	£238.51	£21,657.75	£1,273.99
11	Female	0									£0.00	£0.00
	Male	8		£94.80				£1,741.22	£7,154.44	£82.95	£9,073.41	£1,134.18
12	Female	0									£0.00	£0.00
	Male	0									£0.00	£0.00
13	Female	0									£0.00	£0.00
	Male	1		£575.82				£585.25	£821.86	£307.43	£2,290.36	£2,290.36
Female Total		984	£2,429.48	£1,666.01	£26.78	£384.96		£699,497.98	£113,978.00	£15,749.31	£833,732.52	£847.29
Male Total		478	£43,375.92	£37,751.15	£244.80	£137,631.73	£752.28	£129,821.39	£530,468.35	£10,875.58	£890,921.20	£1,863.85
Grand Total		1462	£45,805.40	£39,417.16	£271.58	£138,016.69	£752.28	£829,319.37	£644,446.35	£26,624.89	£1,724,653.72	

NOTES:

Out of a workforce of 2281 females, 984 (43.1%) worked Overtime.

Out of a workforce of 925 males, 478 (51.6%) worked Overtime. These figures will vary from Efficient Workforce Management Plan Overtime figures as this appendix includes overtime payments only, whereas the EWMP overtime figures include other categories of additional pay, e.g. Night Time Premium at 1.33%, etc.

APPENDIX 5

Workforce Distribution by Grade and Gender
Craft Workers

	MALES				FEMALES
Grade	Total Males	% of Grade	% of Total Males		Total Females
Craft Apprentice 1st Year	2	100.00%	1.19%		0
Craft Apprentice 2nd Year	2	100.00%	1.19%		0
Craft Apprentice 3rd Year	0	0.00%	0.00%		0
Craft Apprentice 4th Year	6	100.00%	3.57%		0
Craft Worker Grade 1 SCP 1	1	100.00%	0.60%		0
Craft Worker Grade 1 SCP 2	0	0.00%	0.00%		0
Craft Worker Grade 1 SCP 3	0	0.00%	0.00%		0
Craft Worker Grade 1 SCP 4	8	100.00%	4.76%		0
Craft Worker Grade 2 SCP 1	2	100.00%	1.19%		0
Craft Worker Grade 2 SCP 2	0	0.00%	0.00%		0
Craft Worker Grade 2 SCP 3	7	100.00%	4.17%		0
Craft Worker Grade 2 SCP 4	76	100.00%	45.24%		0
Craft Worker Grade 3 SCP 1	2	100.00%	1.19%		0
Craft Worker Grade 3 SCP 2	1	100.00%	0.60%		0
Craft Worker Grade 3 SCP 3	2	100.00%	1.19%		0
Craft Worker Grade 3 SCP 4	59	100.00%	35.12%		0
Grand Total	168	100.00%	100.00%		0

APPENDIX 6

Workforce Distribution by Grade and Gender Teaching

MALES						FEMALES				
Grade	Grand Total	Male Total	% of Grade	% of Total Males		Grade	Grand Total	Female Total	% of Grade	% of Total Females
Education Support Officer	4	1	25.00%	0.37%		Education Support Officer	4	3	75.00%	0.29%
Quality Improvement Officer	3	1	33.33%	0.37%		Quality Improvement Officer	3	2	66.67%	0.19%
Psychologist Management	1		0.00%	0.00%		Psychologist Management	1	1	100.00%	0.10%
Senior Psychologist	1		0.00%	0.00%		Senior Psychologist	1	1	100.00%	0.10%
Psychologist	8		0.00%	0.00%		Psychologist	8	8	100.00%	0.77%
Instructor	23	10	43.48%	3.73%		Instructor	23	13	56.52%	1.25%
Depute & Head Teacher	95	19	20.00%	7.09%		Depute & Head Teacher	95	76	80.00%	7.33%
Principal Teacher	164	48	29.27%	17.91%		Principal Teacher	164	116	70.73%	11.19%
Chartered Teacher	52	7	13.46%	2.61%		Chartered Teacher	52	45	86.54%	4.34%
Main Grade Teacher	954	182	19.08%	67.91%		Main Grade Teacher	954	772	80.92%	74.45%
Grand Total	1305	268		100.00%		Grand Total	1305	1037		100.00%