

REPORT TO: Members Library

BY: Executive Director for Council Resources

SUBJECT: **EMPLOYEE EQUAL PAY AUDIT (2022-23)**

1 BACKGROUND

- 1.1 East Lothian Council is currently bound by duties arising from the Equality Act 2010 (Specific Duties and Public Authorities) Regulation 2017 which sets out that public bodies with more than 250 employees (20 employees in Scotland) must report on gender issues. The Council must comply with regulations for any year where it has a headcount of 20 or more employees on the snapshot date (31 March annually). 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 biases.
- 1.2 The duty requires public authorities to publish gender pay gap information on the percentage difference between the average hourly pay (excluding overtime) for males and females.
- 1.3 The Council has 4 separate grading structures:
- Local Government employees – Grades 1 to 13 underpinned using the Scottish Joint Councils Job Evaluation Scheme.
 - Teachers and associated professionals – Jobs sized in accordance with Scottish Negotiating Committee for Teacher (SNCT) rules.
 - Chief Officials – Local Collective Agreement (pay based on nationally agreed scales).
 - CRAFT Workers – Local Collective Agreement.
- 1.4 The Council is committed to monitoring equality and in providing analysis and recommendations regarding reward management, policy and the best practice of managers and employees across the entire council.

Methodology

- 1.5 An analysis of all pay and grading structures by gender at the snapshot date of 31st March 2023 was carried out to determine the gender impact on the workforce.

1.6 Analysis included the following pay elements:

Pay Element	Description
Basic pay	Including contractual overtime
Allowances	e.g., first aid allowances, on call payments, recruitment and retention payments, car allowance, homeworking allowance etc.
Pay for leave	e.g., annual leave, maternity, paternity, parental or shared parental leave, sick leave, special leave etc.
Shift premium pay	i.e., the difference between basic pay and any higher rate paid for work during different times of the day or night

1.7 Non-contractual overtime payments, redundancy or termination of employment payments, pay in lieu of annual leave or pay which is not money must not be included in the above. As well as non-contractual overtime pay, payments such as allowances earned during paid overtime hours should also be excluded from ordinary pay. Additional exclusions include benefits in kind & interest free loans. Where an employee has a salary sacrifice arrangement, their gross pay after the salary sacrifice reduction is used in the calculations.

1.8 Analysis was conducted within the following scope:

Data Scope	Staffing Demographic
Employees Group in Scope	LGE, Chief Official, Teaching, CRAFT Workers
Employee Groups Excluded	Agency workers
Contracts in Scope	Permanent, Fixed Term, Temporary
Contracts Excluded	Casual Workers

1.9 ELC is required to calculate the required information as set out in the regulations.

- Its mean gender pay gap.
- Its median gender pay gap.
- The proportion of each gender in each quartile pay band.

1.10 There are specific rules set out in the regulations which employers must follow in relation to how they calculate the pay gap figures:

- A month must be treated as 30.44 days.
- A year must be treated as 365.25 days.
- When calculating quartile data; the workforce must be divided into four equal sized groups of full-pay relevant employees based on their hourly pay.
- Should employees on the same hourly pay overlap between hourly pay quarters, employees should be split as evenly as possible across the quartiles either side of the overlap – with respect to the gender distribution of that hourly pay.

- 1.11 It is a legal requirement for all relevant employers to publish their gender pay gap report. Failing to do so within one year of the snapshot date is unlawful.
- 1.12 The Equality and Human Rights Commission has the power to enforce any failure to comply with the regulations.

Gender Pay Gap

Gender Pay Gap - What is it?

- 1.13 Gender pay gap is expressed as a percentage and is calculated by working out the difference between the average pay of all male employees and the average pay of all female employees.

A negative pay gap figure for example means that the average pay of men is lower than the average pay of women. Within East Lothian Council all employees are paid equally for doing equivalent jobs.

General Findings

- 1.14 The headcount of full pay relevant employees in East Lothian Council was 4787 as at the snapshot date (31st March 2023). The percentage of East Lothian Council employees in each gender analysis group was:

Female: 72.55 %

Male: 27.45 %

- 1.15 The gender split is reflective of other local authorities. The Scottish Government statistics report that at mid-2017, 72 % of staff working for Local Authorities were Women. The 2011 census showed almost five times more women were part-time employees compared with men (Scottish Government Survey Data www.gov.scot).

Mean Gender Pay Gap

- 1.16 The mean of a group of values is the sum of all values added together and then divided by the number of values in the dataset. The mean hourly rate is the average hourly rate across the entire organisation. The mean gender pay gap represents the pay gap across the entire organisation between men's mean hourly wage and women's hourly wage.
- 1.17 The mean average pay for East Lothian Council was £19.18.

Mean Average Hourly Rate		Mean Average Pay Gap between Female and Male Employees
Female Employees	Male Employees	
£19.08	£19.43	1.78 %

The mean average gender pay gap was 1.78 %. For every £1 a male employee earns, on average a female employee earns 2p less (rounded to the nearest penny).

Median Gender Pay Gap

1.18 The median hourly rate is calculated by ranking all employees by gender from the highest paid to the lowest paid and taking the hourly wage of the person in the middle; the median gender pay gap is the difference between the median hourly wage of female employees and the median hourly wage of male employees.

1.19 The median average pay for East Lothian Council was £16.90.

The median average gender pay gap was 4.30 %. For every £1 a male employee earns; a female employee earns 4p less (rounded to the nearest penny).

Median Average Hourly Rate		Median Average Pay Gap between Female and Male Employees
Female Employees	Male Employees	
£16.69	£17.44	4.30 %

Bonus Pay Analysis

1.20 East Lothian Council does not pay bonus payments to any group of employees. Therefore, our bonus gender pay gap is 0 % for male employees and 0 % for female employees. This is following the implementation of Single Status in 2008.

Proportion of Female Employees and Male Employees by Quartile

1.21 The expectation would be that the gender breakdown in each quartile would reflect the overall gender breakdown of 72.55 % female and 27.45 % male.

Quartile	Female Employees	Male Employees
Lower Quartile	75.36 %	24.64 %
Lower Middle Quartile	77.53 %	22.47 %
Upper Middle Quartile	62.91 %	37.09 %
Upper Quartile	74.41 %	25.59 %

1.22 The quartile analysis fairly represents the gender spread in the Upper Quartile.

- 1.23 In both the Lower Quartile and the Lower Middle Quartile the ratio of males-to-females is reduced. This is explained by the high proportion of care and support workers in this quartile – roles which are predominantly undertaken by female employees.
- 1.24 In the Upper Middle Quartile, the ratio of males-to-females is increased. This is explained by the high proportion of craft workers in this quartile – roles which are predominantly undertaken by male employees.

Justification

- 1.25 The discrepancies above are justifiable and can be explained as several jobs within the Council include payment over and above the basic rate for the job. For example, these can include:
- Payment for higher graded duties/acting up allowance
 - Shift Allowance/Night Shift Premium
 - Contractual call out/Contractual standby payments
 - First aid allowance
 - Sleeping-in allowance
- 1.26 Placing within the grade can also result in a higher rate of pay when, for example, a new start is normally paid at the first point of the salary scale for the job and those who have been in the job for longer are further up the incremental scale or at the top point for the job.

Working to Close the Gap

- 1.27 East Lothian Council is committed to reducing the gender pay gap. It continues to implement measures to reduce the gender pay gap and any inequalities in specific areas; including, but not limited to the following:

Equalities Monitoring - ELC will continue to report annually on gender equalities and monitoring within both its employee and recruitment profiles.

Ensure related policies and practices are up to date - ELC will continue to review its Equal Employment Opportunities policy which aims to create a “Fair and Diverse East Lothian”. The Council has already developed a range of policies - e.g. [Recruitment and Selection Policy](#) - which support these strategic aims. The Council seeks to emphasise its commitment to equal opportunities and diversity within all its employment practices and procedures as outlined in our [Equal Opportunities Statement](#). In order to prevent discrimination on the grounds of gender within the council, decisions on all aspects of employment will be based solely on job-related criteria.

Manage family-friendly leave successfully - ELC will continue to review, monitor and update its Family Leave policy and practices to ensure it is equally accessible to all employees.

Make the most of flexible working – ELC will continue to review and monitor its [Home Working](#) and [Worksmart \(Flexible Working\)](#) policies and practices to

reduce the negative impact that flexible working can have on career development. These policies were last updated in 2022 to include modifications to the Homeworking Policy and the introduction of Hybrid working under the [Worksmart Policy](#).

Encourage and review career and talent development – ELC aims to make talent development opportunities as accessible as possible to all employees within the workplace. Furthermore, it aims to remove any obstacles which prevent female employees from making use of such development/upskilling opportunities. ELC has implemented a Professional Development Scheme and is actively promoting this to Service Areas. To date ELC has developed 5 Trainee Schemes within the Professional Development Scheme and envisions that this will continue to expand. The scheme will be monitored and developed as and when required in consultation with Service Managers/Heads of Service.

Minimise any negative impact from pay systems – ELC will continue to review its use of the Job Evaluation Scheme to ensure consistency and equality in its application. It will continue to review pay and grading structures, as well as their associated terms and conditions.

Train and support line managers – ELC will continue to work closely with the Organisation Development Team and Human Resources to develop and deliver training/briefings to Managers on HR policies and procedures. They will endeavour to ensure that all managers are aware of any policy changes and have received appropriate training to ensure they understand what behaviours and actions are expected within the workplace. Similarly, any employee involved in the recruitment of other employees will be trained to ensure, fair, non-discriminatory and consistent processes are followed. In 2022 ELC updated and reissued its mandatory Equality & Diversity Awareness training module to ensure all employees, including managers and employees responsible for recruitment, were fully conversant with the equalities expectations of East Lothian Council. Employees must complete this training annually.

Equally Safe at Work Accreditation – ELC aspires to become an Equally Safe at Work Accredited Employer. Equally Safe at Work was developed to support the implementation of Equally Safe - Scotland's national strategy to prevent and eradicate violence against women and girls. The strategy recognises that violence against women is a cause and consequence of wider gender inequality. Addressing gender inequality in the workplace is therefore a fundamental step in preventing violence against women.

Ending Period Poverty - ELC will continue to ensure free tampons and sanitary towels are available in designated council buildings. This policy aims to reduce stigma and allow access to period products that respects people's dignity regardless of their circumstances. Access to free period products ties in with the Council's [Menopause and Hormonal Conditions Policy](#).

Consider taking positive action – In line with the Equalities Act 2010 ELC will consider taking 'positive action' to help employees or job applicants it believes:

- are at a disadvantage because of their sex, and/or

- are under-represented in the organisation, or whose participation in the organisation is disproportionately low, because of their sex and/or
- have specific needs connected to their sex.

2 POLICY IMPLICATIONS

- 4.1 East Lothian Council will continue to monitor policies and practices to address any potential gender pay related issues that arise.

3 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

4 RESOURCE IMPLICATIONS

- 4.1 Financial - None
- 4.2 Human Resources - None
- 4.3 Other - None

5 BACKGROUND PAPERS

- 5.1 None