

Policy and Sustainability Committee

10:00am, Tuesday, 24 October 2023

Policy Statement on Equal Pay

**Executive/routine
Wards**

Recommendations

- 1.1 The Policy and Sustainability Committee is recommended to note and approve the updated Policy Statement on Equal Pay.
- 1.2 This Policy Statement should be read in conjunction with our EDI strategy update (Equalities, Diversity, and Inclusion) and pay gap 2023 report, also being reported at this Committee.

Deborah Smart

Executive Director of Corporate Services

Contact: Nareen Owens, Head of Human Resources

E-mail: Nareen.owens@edinburgh.gov.uk | Tel: 0131 469 5522

Policy Statement on Equal Pay

Executive Summary

- 2.1 The Council is currently bound by duties arising from the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 to publish a Policy Statement on Equal Pay every four years.
- 2.2 At the City of Edinburgh Council we aim to ensure a fair, open, and transparent approach to the determination of pay and conditions of employment which does not unlawfully discriminate, and is free from bias, across all protected characteristics.
- 2.3 We are committed to the principle of equal pay, and we believe that all employees should receive equal pay for the same or broadly similar work, for work rated as equivalent, or for work of equal value. Monitoring of our equal pay position for workforce groups is contained within this report.
- 2.4 We are committed to reducing occupational segregation across our workforce (where an occupation is dominated by a group that shares a protected characteristic). We aim to ensure that all protected characteristics are represented at all levels of the workforce and in all areas of work.
- 2.5 Monitoring of our position in respect of occupational segregation and vertical segregation by sex, ethnicity and disability status is contained within this report in **Figures one to six**.
- 2.6 We also aim to have a workforce that is representative of the wider Edinburgh community.

Background

- 3.1 We last published our Policy Statement on Equal Pay in 2019. As part of our ongoing commitment to the general equality duty, we have updated our Policy Statement on Equal Pay to align with the EDI (Equalities, Diversity, and Inclusion) strategy and action plan and pay gap reporting in 2023.
- 3.2 The analysis contained in this report is based on data extracted from the HR and Payroll system on 31 March 2023, and reflects the permanent and temporary workforce, excluding casual and supply workers and agency workers.

What is equal pay?

- 3.3 For clarity, readers should be aware that “equal pay” is different to “pay gap” analysis. Equal pay refers to the equal payment of different groups for undertaking the same work, for example women and men. At our organisation, the base pay for roles is determined through a job evaluation or job sizing methodology. Equal pay is analysed on a grade-by-

grade basis to ensure that all employees are paid equally for doing equivalent jobs across the organisation.

What is a pay gap?

- 3.4 Pay gap analysis shows the difference in average hourly rate between one group and another, for example women and men. The pay gap is presented as a headline percentage figure which reflects the organisation level position.
- 3.5 We are working to increase the scope of equal pay audits to incorporate further protected groups. Analysis and trends for these groups will be monitored on an ongoing basis.

Main report

- 4.1 The updated Policy Statement on Equal Pay is contained in **Appendix One**.
- 4.2 The Policy Statement lays out our approach to maintaining equal pay across the organisation, and how this will be monitored, evaluated, and reviewed.
- 4.3 The Policy Statement has been reviewed and refreshed and includes the following update:
 - We will ensure that independent checks are undertaken on the application of job evaluation scorings for any bias based on protected characteristics.
 - We commit to a regular schedule for independent checks and these will be carried out on a four-year cycle, or more frequently, in response to significant organisational change programmes.

Next Steps

- 5.1 The Policy Statement on Equal Pay will be published on the Council website in October 2023.
- 5.2 We will continue to progress the activities and monitoring as outlined in the updated Policy Statement on Equal Pay.
- 5.3 The Policy Statement on Equal Pay will be reviewed and published every four years unless there are changes to legislation within this period.

Financial impact

- 6.1 We will ensure that adequate HR resource is funded to meet the commitments laid out in the Policy Statement on Equal Pay.
- 6.2 We will ensure that adequate funding is available to take forward specific activities relating to equal pay.

Equality and Poverty Impact

- 7.1 The updated Policy Statement on Equal Pay meets our obligation under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 to publish a Policy Statement on Equal Pay every four years.

- 7.2 The Policy Statement outlines our commitment to support equal pay and a culture where there is no unfair discrimination, nor unjust or unlawful practices that impact on pay equality.
- 7.3 All employees of the Council are covered by the content of the Policy Statement on Equal Pay.
- 7.4 An Integrated Impact Assessment (IIA) has been completed for this Policy Statement.
- 7.5 We will continue to work in partnership with the recognised Trades Unions and engage with external organisations on best practice to eliminate unfair or unlawful practices that impact on pay and take appropriate remedial actions where necessary.

Climate and Nature Emergency Implications

- 8.1 None.

Risk, policy, compliance, governance and community impact

- 9.1 This Policy Statement has been drafted in line with guidance and best practice from the Equalities and Human Rights Commission (EHRC) and the Society of Personnel Development Scotland Executive (SPDS) group.
- 9.2 The Policy Statement lays out how we will continue to minimise risk in the space of equal pay and how the equal pay position will be monitored on an ongoing basis.
- 9.3 The Policy and Sustainability Committee is recommended to note and approve the updated Policy Statement on Equal Pay.
- 9.4 This Policy Statement should be read in conjunction with our EDI strategy update, and pay gap 2023 report, also being reported at this Committee.

Background reading/external references

- Policy Statement on Equal Pay 2019, Policy and Sustainability Committee, 07 March 2019: https://democracy.edinburgh.gov.uk/Data/Finance%20and%20Resources%20Committee/20190307/Agenda/item_711_-_policy_statement_on_equal_paypdf.pdf
- Equalities and Human Rights Commission: <https://www.equalityhumanrights.com/en/our-work/equal-pay#:~:text=equal%20pay%20matters-,What%20is%20equal%20pay%3F,equal%20pay%20in%20your%20organisation.>
- EDI strategy and action plan, Policy and Sustainability Committee, 24 October 2023.
- Equality and diversity framework 2021 to 2025: <https://www.edinburgh.gov.uk/documents/equality-diversity-framework-2021-2025>
- Pay gap report 2023, Policy and Sustainability Committee, 24 October 2023.

Appendices

Appendix one: Policy Statement on Equal Pay

Appendix two: Progress update on occupational segregation and vertical segregation

Policy and Sustainability Committee – 24 October 2023

Appendix three: Occupational (horizontal) segregation, occupational groups

Appendix one: Policy Statement on Equal Pay

1. Policy Statement

- 1.1 This Policy Statement, together with our Equality and Diversity policy set out our key commitments to our workforce:
- to recognise, respect and value the diversity of our workforce as an asset and key resources in enhancing and maximising performance to effectively meet the diverse needs of our service users; and
 - to eliminate discrimination and encourage a culture that values and promotes equality and diversity across the organisation.
- 1.2 Fundamental to these commitments is the need to support equal pay and a culture where there is no unfair discrimination, nor unjust or unlawful practices that impact on pay equality by:
- rewarding fairly the skills and experiences of all employees;
 - working in partnership with trade unions to ensure pay is monitored regularly and employees have confidence in our processes to ensure there is no bias;
 - operating pay and reward systems which are transparent, based on objective criteria and free from bias.
- 1.3 We are also mindful of the need to monitor the effect of other relevant employment policies and practices to ensure that they do not adversely impact on equality in terms of access to pay and benefits, selection for employment, promotion, training, and other developmental opportunities. Integrated Impact Assessments including the equalities impact of change will be carried out and published on new or revised policies and practices.
- 1.4 By tackling the potential sources of pay discrimination and advancing equality in the workplace, our commitment is not just because it is the law, but because it aligns with our Behaviours and commitment to Fair Work, increases employee engagement and improves colleagues' lives and wellbeing. It supports the attraction and retention of the best people, dedicated to delivering the Council's strategic objectives through their daily work.
- 1.5 Nareen Owens, Service Director – Human Resources is responsible for implementation of this policy statement.

2. Purpose

- 2.1 The purpose of this policy statement is to set out our approach to ensuring that our pay systems in the Council continue to be fair and equitable. We want our employees to have confidence in our systems and processes for eliminating bias.

3. Scope

- 3.1 All employees of the Council are covered by the content of this policy statement. There are four discrete employee groups whose pay and conditions of employment are negotiated nationally and supplemented, where appropriate, by local collective agreements.

The national negotiating bodies are:

- Scottish Joint Council for Local Government Employees;
- Scottish Joint Council for Craft Operatives;
- Scottish Negotiating Committee for Teachers; and

- Joint Negotiating Committee for Chief Officers of Local Authorities (Scotland).

The Council has three separate grading structures:

- Local Government (including Craft) – Grades 1 to 12 underpinned by job evaluation using the Capital Job Evaluation Scheme
- Teachers – Jobs sized in accordance with SNCT
- Chief Officers – Nationally agreed grading structure underpinned by Hay/Korn Ferry job evaluation

4. What we will do

We will:

- 4.1 Continue to use a robust framework for job evaluation which allows an objective and reliable measure of the size and relative worth of each job. The framework is underpinned by equal opportunities practice ensuring that there is no bias related to any of the protected characteristics.
- 4.2 Ensure that those involved in carrying out job evaluation or job sizing are appropriately trained.
- 4.3 Independently check the application of job evaluation scorings for any bias based on protected characteristics. These checks will be carried out on a four-year cycle, or more frequently, in response to significant organisational change programmes.
- 4.4 Allow employees to appeal against job evaluation outcomes.
- 4.5 Maintain an HR framework that supports flexible and agile ways of working including the design of jobs and work.
- 4.6 Conduct regular Equal Pay audits in line with EHRC guidance to identify pay gaps by grade, assessing and reviewing the findings and acting where necessary.
- 4.7 Continue to monitor and act where necessary, regarding:
 - pay gaps for gender (sex), ethnicity, and disability
 - occupational segregation
- 4.8 Continue to work to improve data collection of equalities data for employees and applicants, to help us identify equality issues and act where required.
- 4.9 Continue to work in partnership with the recognised Trades Unions on equal pay and equalities in employment.
- 4.10 Promote a culture to challenge stereotypes in recruitment and promotion and will make reasonable adjustments to seek to minimise the adverse impact of occupational segregation.
- 4.11 Provide appropriate training on equalities and relevant guidance for those involved in determining pay.
- 4.12 Be transparent in informing employees how the Council's pay framework operates, and how their own pay is determined.
- 4.13 Refresh our People Strategy for 2024 to 2027 and associated Action Plan, which will be reported to the Policy and Sustainability Committee.

- 4.14 Revisit the design of our pay and benefits framework for Local Government Employees as part of the 2024 to 2027 People Strategy and Action plan. The scope of this programme will be defined through stakeholder engagement however areas we could explore include the design of our pay and grading structure, the wider pay framework, wellbeing related benefits and family friendly benefits.
- 4.15 Strive to ensure that there are no unfair, unjust, or unlawful practices that impact on pay.
- 4.16 Work to tackle any differences in pay where the differences appear to be linked to protected characteristics.
- 4.17 Monitor and respond to grievances and complaints regarding equal pay.
- 4.18 Make opportunities for training, development, and progression available to all colleagues, who will be helped and encouraged to develop their full potential, so their talents and resources can be fully utilised to maximise the efficiency of the organisation.
- 4.19 Promote flexible working arrangements to open opportunities to a greater number of employees, delivering a framework of conditions of employment which are family friendly and flexible.
- 4.20 We will continue to challenge views that employees in higher grades or frontline roles should not have access to flexible working arrangements where service requirements permit.
- 4.21 Work towards the standards set by Close the Gap so we achieve accreditation as an Equally Safe at Work employer.
- 4.22 Engage and apply appropriate resources to achieve equal pay.

5. Monitoring and Information

- 5.1 We will publish data on pay gaps, occupational segregation, vertical segregation and pay quartile analysis, every two years.
- 5.2 We will continue to monitor the make-up of the workforce in terms of age, gender, ethnic background, sexual orientation, gender re-assignment, religion or belief, and disability.
- 5.3 Information on the recruitment, development and retention of employees will be published every two years as part of the council's Equality Mainstreaming Report.
- 5.4 Details of actions taken to implement the outcome of equality impact assessments will also be published as part of the council's Equality Mainstreaming Report.
- 5.5 Outcomes from analysis of the data will inform actions to ensure equality in respect of pay gaps relating to gender, disability and race, occupational segregation, and the availability of part-time and flexible working arrangements.

6. Evaluation and Review

- 6.1 This policy statement is communicated to all employees (existing, new and prospective) via the Council's internal and external websites.
- 6.2 This policy statement will be reviewed in Autumn 2027 and will be published no more than every four years unless there are changes to legislation within this period.

Appendix two: Progress update on occupational segregation and vertical segregation

Analysis of changes to occupational segregation between 2019 and 2023 shows some positive trends in relation to the direction of travel.

The scope of occupational groups is documented in **Appendix three**.

Note that we no longer have any colleagues in the less than £20K salary bracket. The lowest salary in the SJC pay structure is currently £20,626. In addition, the Scottish Local Government Living Wage hourly rate of £10.85 equates to an annual salary of £20,382 at our organisation.

Sex

At 2023, the organisation workforce profile is 70% female and 30% male. We aim to achieve a balanced representation of women and men across different occupational groups that reflects our overall workforce profile.

At our organisation, women have traditionally been:

- Under-represented in the leadership, management, professional and technical, and frontline public services occupational groups.
- Over-represented in the school support, teaching, care, and business support occupational groups.

Since 2019 (see **Figure one**):

- The number of women in leadership roles increased by 4.6%, to 67.1%.
- The number of women in management roles increased by 3.2%, to 64.3%.
- The number of men in school support roles increased by 1.7%, to 8.2%.
- The number of men in care roles increased by 1.3%, to 22.5%.

Ethnicity

At 2023, the organisation workforce profile is 4.5% minority ethnic (excluding white minorities) and 77.5% white. We aim to achieve a balanced representation of minority ethnic and white colleagues across different occupational groups that reflects our overall workforce profile.

At our organisation, minority ethnic colleagues have traditionally been:

- Under-represented in most occupational groups.
- With an over-representation in care, school support and catering, cleaning and FM occupational groups.

Since 2019, representation of minority ethnic colleagues increased across all occupational groups (see **Figure three**):

- The number of minority ethnic colleagues in leadership roles increased by 0.6%, to 0.9%.
- The number of minority ethnic colleagues in management roles increased by 1.0%, to 3.2%.
- The number of minority ethnic colleagues in professional and technical roles increased by 1.0%, to 4.3%.
- The number of minority ethnic colleagues in teaching roles increased by 0.6%, to 2.4%.

Since the last report in 2019, representation of minority ethnic colleagues across the workforce increased from 3.1% to 4.5%. Whilst this is a positive trend in relation to improved representation,

many colleagues joined the organisation in lower graded roles. This is reflected in the 2023 occupational segregation data, where:

- The number of minority ethnic colleagues in catering, cleaning and FM roles increased by 3.5%, to 7.3%.
- The number of minority ethnic colleagues in school support roles increased by 2.7%, to 6.4%.
- The number of minority ethnic colleagues in care roles increased by 1.2%, to 8.0%.

Disability

At 2023, the organisation workforce profile is 3.0% declared disabled and 76.8% not disabled. We aim to achieve a balanced representation of declared disabled and colleagues who are not disabled across different occupational groups that reflects our overall workforce profile.

At our organisation, declared disabled colleagues have traditionally been:

- Under-represented in the leadership and teaching occupational groups.
- Over-represented in the business support occupational group.

Since 2019, representation of declared disabled colleagues increased across all occupational groups (see **Figure five**):

- The number of declared disabled colleagues in leadership roles increased by 0.9%, to 1.4%.
- The number of declared disabled colleagues in management roles increased by 0.9%, to 3.5%.
- The number of declared disabled colleagues in professional and technical roles increased by 1.6%, to 4.9%.
- The number of declared disabled colleagues in teaching roles increased by 0.5%, to 1.8%.

Since the last report in 2019, representation of declared disabled colleagues across the workforce increased from 2.2% to 3.1%. However, many declared disabled colleagues joined the organisation in lower graded roles and occupations. For example, the number of declared disabled colleagues in business support roles increased by 3.8%, to 7.0%.

Figure one: Occupational segregation – sex, 2023 and 2019

	March 2023		March 2019	
	Female	Male	Female	Male
Workforce profile	70%	30%	70%	30%
Business support group	78.2%	21.8%	78.7%	21.3%
Care group	77.5%	22.5%	78.8%	21.2%
Catering, cleaning, FM group	70.7%	29.3%	69.3%	30.7%
Frontline public services group	22.6%	77.4%	22.8%	77.2%
Leadership group	67.1%	32.9%	62.5%	37.5%
Manager group	64.3%	35.7%	61.1%	38.9%
Professional / Technical group	57.3%	42.7%	58.5%	41.5%
School support group:	91.8%	8.2%	93.5%	6.5%
Teacher group	78.0%	22.0%	78.1%	21.9%

Figure two: Vertical segregation – sex, 2023 and 2019

	March 2023		March 2019	
	Female	Male	Female	Male
Workforce profile	70%	30%	70%	30%
Salary range less than £20k	0%	0%	73.4%	26.6%
Salary range £20K - £29,999	71.5%	28.5%	64.2%	35.8%
Salary range £30k - £39,999	63.1%	36.9%	73.7%	26.3%
Salary range £40k - £49,999	72.9%	27.1%	64.8%	35.2%
Salary range £50k - £59,999	67.4%	32.6%	64.8%	35.2%
Salary range £60k - £69,999	69.5%	30.5%	47.8%	52.2%
Salary range £70k - £79,999	72.6%	27.4%	34.3%	65.7%
Salary range more than £80k	41.0%	59.0%	31.4%	68.6%

Figure three: Occupational segregation – ethnicity (excluding white minorities), 2023 and 2019

	March 2023		March 2019	
	Minority ethnic	White	Minority ethnic	White
Workforce profile	4.5%	77.5%	3.1%	80.5%
Business support group	5.3%	80.9%	3.6%	81.8%
Care group	8.0%	72.3%	6.8%	74.4%
Catering, cleaning, FM group	7.3%	71.4%	3.8%	86.0%
Frontline public services group	2.5%	75.8%	1.8%	74.6%
Leadership group	0.9%	86.5%	0.3%	87.9%
Manager group	3.2%	85.2%	2.2%	87.6%
Professional / Technical group	4.3%	80.1%	3.3%	81.0%
School support group	6.4%	72.3%	3.7%	77.0%
Teacher group	2.4%	79.1%	1.8%	81.6%

- 2023 Prefer not to say - 3.3%, No info - 14.7%
- 2019 Prefer not to say - 1.2%, No info - 15.2%

Figure four: Vertical segregation – ethnicity (excluding white minorities), 2023 and 2019

	March 2023		March 2019	
	Minority ethnic	White	Minority ethnic	White
Workforce profile	4.5%	77.5%	3.1%	80.5%
Salary range less than £20k	0%	0%	4.5%	75.3%
Salary range £20K - £29,999	6.1%	73.8%	2.9%	82.8%
Salary range £30k - £39,999	4.0%	78.2%	2.3%	81.7%
Salary range £40k - £49,999	2.6%	82.0%	1.6%	87.1%
Salary range £50k - £59,999	1.7%	84.0%	1.1%	89.4%
Salary range £60k - £69,999	0.8%	87.7%	0.0%	91.3%
Salary range £70k - £79,999	3.0%	83.0%	0.0%	86.6%
Salary range more than £80k	0.0%	81.9%	0.0%	68.6%

- 2023 Prefer not to say - 3.3%, No info - 14.7%
- 2019 Prefer not to say - 1.2%, No info - 15.2%

Figure five: Occupational segregation – disability, 2023 and 2019

	March 2023		March 2019	
	Declared disabled	Not disabled	Declared disabled	Not disabled
Workforce profile	3.0%	76.7%	2.2%	77.4%
Business support group	7.0%	75.9%	3.8%	77.0%
Care group	2.7%	75.7%	2.0%	75.8%
Catering, cleaning, FM group	2.1%	75.8%	1.9%	83.5%
Frontline public services group	2.9%	73.7%	2.3%	70.8%
Leadership group	1.4%	82.1%	0.5%	83.2%
Manager group	3.5%	82.1%	2.6%	83.5%
Professional / Technical group	4.9%	78.3%	3.3%	77.1%
School support group	2.6%	74.9%	2.1%	73.5%
Teacher group	1.8%	76.2%	1.3%	78.3%

- 2023 Prefer not to say - 4.9%, No info - 15.3%
- 2019 Prefer not to say - 1.2%, No info - 19.2%

Figure six: Vertical segregation – disability, 2023 and 2019

	March 2023		March 2019	
	Declared disabled	Not disabled	Declared disabled	Not disabled
Workforce profile	3.0%	76.7%	2.2%	77.4%
Salary range less than £20k	0%	0%	2.6%	72.8%
Salary range £20K - £29,999	3.2%	75.1%	2.2%	79.8%
Salary range £30k - £39,999	3.4%	74.9%	2.0%	77.9%
Salary range £40k - £49,999	2.9%	79.5%	1.7%	83.2%
Salary range £50k - £59,999	2.2%	80.6%	1.5%	86.4%
Salary range £60k - £69,999	1.8%	83.1%	0.0%	84.8%
Salary range £70k - £79,999	0.0%	84.4%	0.0%	85.1%
Salary range more than £80k	0.0%	79.5%	0.0%	62.9%

- 2023 Prefer not to say – 4.9%, No info – 15.3%
- 2019 Prefer not to say – 1.2%, No info – 19.2%

Appendix three: Occupational (horizontal) segregation, occupational groups

Horizontal (occupational) segregation occurs when one demographic group is over-represented or under-represented among different kinds of work or different types of jobs. Our data for horizontal segregation looks at populations in the following groups.

Business Support – example roles include Business Support Administrator, Transactions Administrator

Care – example roles include Social Care Worker, Social Care Assistant, Residential Care Officer

Catering, cleaning, and facilities management (FM) – example roles include Cleaning Operative, Cook, Facilities Technician

Frontline Public Services – example roles include Waste and Cleansing Operative

Leadership – example roles include Service Director, Head of Service, Service Manager, Head Teacher

Manager – example roles include Business Manager, Team Leader

Professional and Technical – example roles include Engineer, Housing Officer, Policy Adviser

School Support – example roles include Pupil Support Assistant, Early Years Practitioner, Early Years Officer

Teacher - example roles include School Teachers