BACKGROUND

Scottish Parliament’s Economy, Jobs and Fair Work Committee is seeking views on the gender pay gap in Scotland, to inform its inquiry on this. The remit of the inquiry is: “to explore the effect of the gender pay gap on the Scottish economy, with a particular focus on business performance, the Scottish public sector and Scottish Government action required to address the issue.” The inquiry will focus on the following areas:

1) Defining the gender pay gap, and looking at how it is measured
2) The gender profiles of Scotland’s public and private sectors, looking at good and bad practice in these areas and the benefits to businesses of closing the pay gap
3) What action the Scottish Government is taking, and could take, to reduce the gender pay gap

Responses are requested to a series of questions with respondents invited to answer as many or as few of these as they choose; and if appropriate focus only on those relevant to their organisation. The response below focusses on the questions relevant to local authorities and is based on information from the Council’s Mainstreaming Report 2017 – Employment; prepared as part of the Council’s Public Sector Equality Duty review and reporting obligations for April 2017.

N.B. It should be noted that all of the above reports have yet to consider by Council.

Question: What are the enterprise agencies and local authorities doing to support gender pay equality and can more be done?

Response:

Stirling Council in 2017 has an overall gender pay gap of 0.68% (reduced from 1.79% in 2013 to 0.71% in 2015). This was calculated adopting the principles recommended by Close the Gap Scotland and is similar to the calculation methodology used by the Council in both 2013 and 2015.

Following an extensive job evaluation project (Single Status); a new grading structure was introduced in 2009 for all Council employees. This was supported by a grading appeal process available to employees which ensured any gender bias in the authority’s pay systems was eliminated. This approach supported the Council to meet its obligations in relation to equal pay under the Equality Act 2010. The above process was validated during 2016 through an external scrutiny assessment.

The Council has been paying the Living Wage since April 2012 and does so as an hourly rate, not a separate allowance. This ensures that overtime is paid at Living Wage rates and that employees in the three grades above the Living Wage grade have also benefited due to the need to maintain pay differentials. This strategy has had a major impact in reducing the basic pay gender pay gap as the majority of beneficiaries in these grades are women. (The Council obtained Living Wage Accreditation in 2016. The Living Wage is set annually in November with the uprated rate announced in November 2016 set at £8.45 per hour. The Council decided to increase this to £8.50 per hour and apply this rate from 16th November 2016.)
In April 2016 the Council decreased the working week for non-teaching employees from 37 hours to 35 hours and increased rates of pay for all these employees to give a net reduction in employee earnings by an average of 1.0%. This along with the rising living wage has resulted in maintaining the full workforce pay gap at 10p per hour with the headline percentage gap reducing to 0.68%.

**Question**: What role can procurement policy play in promoting equal pay?

**Response**:

Procurement / commissioning of services, despite the individual and collective purchasing power of public sector organisations has theoretically indirect potential but in reality has no statutory obligation or power to promote equal pay. The Council as a commissioner cannot mandate payment of the Living Wage by employing organisations it purchase goods or services from, nor can it require such employers to reduce any gender pay gap within their organisation. It is however legally required to consider Fair Work practices including encouraging payment of the Living Wage as part of its Procurement Strategy. Such considerations are inherent in the Council’s procurement practice and underpin its procurement decisions.

As previously stated the Council decided to pay an increased Living Wage rate from 16th November 2016. This demonstrates the Council’s commitment to help lower paid workers directly employed by the Council and others who work indirectly for it via contracts awarded by public procurement to external organisations through the use of the Living Wage.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 due to come into effect in April 2017, requires private and voluntary sector organisations with 250 or more employees to publish data on their gender pay gap annually. These regulations are broadly similar to those currently applied to the public sector and will require publication of information on the gender pay gap in the private and voluntary sector, albeit limited to larger organisations; for the first time. However until this information is publicly available; it is too early to gauge what response it might receive or any action it might prompt in terms of encouraging organisations to reduce or eliminate any gender pay gap/s identified.

**Question**: Are the devolved public sector bodies (including the Scottish Government, National Health Service, and local authorities) examples of good practice?

**Response**:

Stirling Council considers it demonstrates good practice in the approach it has adopted to addressing the gender pay gap having achieved the following results:

- Reduction of the overall gender pay gap from 1.79% in 2013 to 0.71% in 2015 and 0.68% in 2017
- Removal of all union equal pay claims from employment tribunals in 2016 (Over a number of years the Council has reduced the number of historical Equal Pay claims. During 2013/2014 agreement was reached with UNITE, UNISON and GMB Trades Unions to settle or reject all outstanding claims. As of January 2016 all Union backed claims have been resolved and subsequently removed from the employment tribunal system.)

Scottish Government has announced that for 2017/18 it will be building £250M into the Scottish Budget baseline to support spending on social care, including
the payment of the living wage in the care sector. This funding, first paid to Health & Social Care Integration Joint Boards in 2016/17 will help improve wages for a predominantly female workforce, promotes equal pay and is likely to reduce the gender pay gap in this sector.

Stirling Council