Gender Pay Gap Inquiry

Scottish Funding Council

The Scottish Funding Council (SFC) is helping make Scotland the best place in the world to educate, to research and to innovate. Investing around £1.5 billion of public money each year, SFC’s funding enables Scotland’s colleges and universities to provide life-changing opportunities for over half a million people. Colleges and universities will therefore play a key role in achieving the Government’s ambitions to tackle the gender pay gap – both for those women currently in the workforce, as well for those entering it in the coming years.

SFC welcomes the opportunity to contribute to this inquiry and would be happy to provide any further detail to the committee on the work we are doing with our public sector partners; the work colleges and universities are doing; or what more needs to be done.

We will consider three questions posed by the committee.

1. **What reasons are there for the existence of the gender pay gap?**

The pay gap has three key causes:

- occupational segregation, where men and women have for generations, done and still do different types of work, and different levels of work;

- inflexible working practices which make it difficult for women - who remain disproportionately likely to have caring responsibilities at various stages in life\(^1\) - to participate in the labour market, particularly at senior levels; and

- discrimination in pay and grading systems\(^2\).

It is also important to note how these causes impact on different groups of women in varied ways, leading to particular challenges. For example, unemployment and underemployment\(^3\) are particular problems for disabled women and women from some BME communities, whilst lone mothers, who make up 92% of all single parent households in Scotland\(^4\), face significant and specific challenges accessing paid work\(^5\).

---

\(^1\) An estimated 66% of caregivers are female. The average caregiver is a 49 year old woman, caring for her 60 year old mother who does not live with her. She is married and employed. https://www.caregiver.org/women-and-caregiving-facts-and-figures

\(^2\) Taken from Close the Gap’s research: [https://www.closethegap.org.uk/content/resources/Close-the-Gap-briefing---Debate-on-gender-equality-in-the-workplace.pdf](https://www.closethegap.org.uk/content/resources/Close-the-Gap-briefing---Debate-on-gender-equality-in-the-workplace.pdf)

\(^3\) Under-employment occurs where people are willing to work more hours than they currently do, or where people are working below their skill level (sometimes known as ’job downgrading’) – taken from [https://www.closethegap.org.uk/content/resources/Gender-Equality-Pays.pdf](https://www.closethegap.org.uk/content/resources/Gender-Equality-Pays.pdf)

\(^4\) One Parent Family Scotland http://www.opfs.org.uk/

2. What are the wider economic and social benefits of closing the gender pay gap?

The gender pay gap will be closed through tackling all of its causes, as outlined in our answer above. The benefits of this are outlined within research by Close the Gap - *Gender Equality Pays*. The report emphasises that gender equality at work is not just good for women, but is critical for improved business performance and economic growth. The report highlights evidence in four key areas:

- The correlation between gender balance at senior level, and improved corporate and financial performance.
- The business benefits of providing flexible or agile working.
- The economic gains where women's under-used skills are more effectively utilised across the labour market, particularly in sectors which are characterised by occupational segregation, which are also more likely to have skills shortages.
- Crucially, Close the Gap estimate that closing the gender gap in employment could be worth more than £17bn to the Scottish economy.²

In terms of the social benefits, it is also important to stress that the gender pay gap contributes to women’s inequality with men, leading to violence against women and girls (VAWG). Efforts to tackle the gender pay gap will therefore also contribute to achieving the Government’s ambitions to tackle VAWG as set out in the strategy Equally Safe - specifically the social benefits of ‘Scottish society rejecting all forms of violence against women and girls’ and ‘women and girls thriving as equal citizens: socially, culturally, economically and politically’.⁶

3. What are the enterprise agencies and local authorities doing to support gender pay equality and what more can be done?

As both of our answers above indicate, SFC knows that tackling the gender pay gap requires action to tackle occupational segregation and inflexible working practices, as well as discrimination within pay and grading systems. In 2016 SFC published a *gender action plan* as part of the Government’s youth employment strategy.

This includes a vision that by 2030 the proportion of male students studying at undergraduate level at university will be at least 47.5% (or to put it another way, the gap between male and female participation will be reduced to 5%) and that no college or university subject will have a gender imbalance of greater than 75% of one gender.

The plan includes several actions which the Committee may be interested in but we would like to draw your attention to the following one.

<table>
<thead>
<tr>
<th>The Strategic Aim</th>
<th>The Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>To enhance career progression for</td>
<td>SFC is working on delivering our Public Sector Equality Outcomes by April 2017,</td>
</tr>
</tbody>
</table>

---

The Strategic Aim

female staff in colleges and universities

The Action

one of which identified further work to understand representation by protected characteristic amongst staff, senior management and Boards. We will review our progress in April and outline any future Equality Outcomes and policy direction to enhance female career progression. For colleges, this will build on the work we are supporting through the ECU looking at staff equalities; and for universities it will build on our support for the Athena Swan Charter.

Our actions to identify the barriers to female progression will include progression onto Postgraduate Taught and Postgraduate Research degrees.

In developing the plan we undertook a wide ranging consultation with colleges, universities, key public sector partners, and equalities organisations. This indicated that there is currently insufficient action in both the public and education sectors to tackle all three causes of the gender pay gap (as outlined in 1 above), as well as a lack of join up between actions focused on any one cause – leading to a lack of progress in tackling these issues and eliminating the gender pay gap.

The gender action plan sets out how SFC will work with colleges, universities and other partners, in particular Skills Development Scotland, to tackle gender imbalances within subject areas (which contribute to horizontal occupational segregation). As our response so far has indicated, this will require concerted effort across institutions and between institutions. We are asking all HE and FE institutions to develop long-term ‘whole institutional approaches’ - not just one off projects, standing in isolation from the mainstream policies, processes and practice of each institution, which have typically been in place. The measures each institution is taking will be set out in institutional action plans outlining how they will tackle severe gender imbalances across their work to:

- influence the influencers of subject choice (e.g. students, lecturers, teachers);
- raise awareness and aspiration of HE and FE;
- encourage applications;
- support the success of all their students through their studies and on into employment; and
- fundamentally, enhance their infrastructure.\(^7\)

---

\(^7\) More information on what is included within each of these areas can be found within the research underpinning it by the [Higher Education Academy](https://www.heacademy.ac.uk).
The first round of institutional GAPs are due in July 2017. We believe such concerted effort by a pivotal part of Scotland’s education system has the potential to offer a significant contribution to tackling horizontal occupational segregation, and in turn the gender pay gap. However, we would stress to the committee that consistent feedback from all stakeholders has reiterated our understanding that it will have an impact only if all parts of the education system, including early learning and childcare providers, also adopt similar ‘whole institutional approaches’ to tackling gender inequality. This should include examining the impact of a disproportionately female teaching and early learning workforce on both the gender attainment gap and the gender pay gap.

To tackle vertical occupational segregation we have asked all institutions, through their Outcome Agreements and/or Gender Action Plan, to highlight how through responding to the Public Sector Equality Duty they are proactively promoting gender equality in relation to their staff and to their governing body. We have outlined that:

- This should include reporting on progress with addressing gender imbalances at senior academic level and how they are working towards eliminating the gender pay gap.
- Institutions should be aware of the Gender Balance on Public Boards legislation announced in the Programme for Government.
- Institutions should indicate how they are working towards improving gender balance on their Board or Court.

The following section outlines what we are doing as organisation to support gender pay equality with our own staff.

4. **Our internal processes/PSED around gender pay gap for staff**

To ensure equivalent pay for equivalent work we have a Job Evaluation Procedure that is used to assign each role to a pay grade. Placement within the pay grade is decided upon via a Salary Determination Procedure – for joiners, additional responsibility payments and promotions the experience of the individual is measured against the experience of other people in the same grade, as well as other factors, to ensure a fair pay in relation to colleagues.

At the moment a gender pay gap exists at SFC – we are currently implementing a salary review that will impact on the gender pay gap we will report as part of the Public Sector Equality Duty in April 2017. The most recent figures [May 2015] indicate that the average female hourly rate is 77% of that of the average male hourly rate and the median female hourly rate is 81% of the median male hourly rate. The disparity in hourly pay is predominately related to there being more men in the Senior Management Team and more women in the lower pay grades (A2 – E2). To address this, we have participated in the Leadership Foundation’s Aurora programme, and have used feedback from participants to help formulate internal strategies to build on this. We have also encouraged applications from women for senior roles and in the last two years a fixed-term Director level role that was available at SFC was offered to two female members of staff on a job-share basis.
To retain parents and employees with caring responsibilities we offer flexible working, and flexible working hours (“Flexi-time”) as well as paid leave (“special leave”) for domestic emergencies. As with any internal policy these are subject to reasonable limits on what we can accommodate as an organisation. Our New and Expectant Parents and Parental Leave policy provides competitive maternity/adoptive pay (contractual pay is full pay for six months) and we have offered similar contractual shared parental leave pay to enable new parents to share childcare more evenly and flexibly between them. We are hoping to be accredited as a Carer Positive employer in the 17 – 19 period to promote our practices to applicants and employees and for the reassurance of having our practices assessed by an external body.

SFC recognises that gender is not-binary and this is reflected in the Gender Reassignment Guidelines that were introduced to staff in January 2017.

Scottish Funding Council