

Gender Pay Gap

Comhairle nan Eilean Siar

Introduction

Comhairle nan Eilean Siar welcomes the opportunity to comment on the consultation. While the gap between the lowest and highest earners in the Comhairle is one of the narrowest in Scottish Local Government, the Comhairle, like other Local Authorities with similar demographics such as Orkney and Shetlands Islands Councils, has a relatively high gender pay gap. At 16.1%, it is higher than the Scottish average (13.98%), lower than Orkney at 16.55% but higher than Shetland at 14.69%. The percentage of “highest paid 5% of employees who are women” stands at 36.3% as at 2014/15, which is an increase year on year, but significantly less than the Scottish average and comparator ‘family’ authorities. It is acknowledged that this is a complex area, with many influencing factors, and exacerbated in sparsely populated remoter and island areas with a history of out migration.

In a wider regional context, a recent Report by Highlands and Islands Enterprise <http://www.bbc.co.uk/news/uk-scotland-highlands-islands-39217307>. indicates that gender imbalance and gender pay gap is wider in the Highlands and Islands than the average for Scotland and makes the following specific observations:

- Gender segregation in employment is an issue across most age groups in the Highlands and Islands, particularly those aged 50-64. The extent of segregation across each age group is greater regionally than in Scotland overall. The only exception is young people, 16 to 24-year-olds, where there are higher levels of employment among women than men. But the trend switches from 25 and over, suggesting that women become disengaged from the labour market as they get older.
- Women in the Highlands and Islands are more likely than men to hold higher-level qualifications and men more likely to hold trade apprenticeships.
- Females have a higher level of school attainment than males and are more likely to enter "a positive post-school destination" - 93.7% compared to 92.6% of males.

The Report found that more men held senior positions, dominated traditional male roles in construction and manufacturing, for example, and also tended to work in growing sectors. Women tended to work in public administration, health and education tourism and other service industries.

The Report also found that some of the contributory factors (to gender imbalance and pay) included 'perpetuating stereotypes'; 'workplace practices and cultures' and 'structural barriers such as the accessibility and availability of childcare'. This situation, the Report stated, needed to be redressed across the public and private sectors as a matter of priority and the Comhairle would certainly support any efforts and resources from Scottish Government to

improve or enhance equal participation of men and women across jobs and grades in the Western Isles.

The Comhairle would make the following comments on a selective basis:

What are the strengths and limitations of the different definitions of the gender pay gap?

Local Authorities tend to use the mean gender pay gap as the median figures underplay the fact that there are a few extremely high earning staff, most of whom are men, and that many women are clustered in the lowest paid professions

Are current Scottish Government and Office for National Statistics (ONS) statistics adequate for policy making and scrutiny in this area?

The Annual Survey of Hours and Earnings (ASHE) uses the median as its headline pay gap statistic. ASHE shows a Scottish pay gap of 5.8% in 2011, down from 7.4% in 2010 (comparing the hourly earnings of full-time male and female workers, excluding overtime). The Scottish Government, and its partners, have historically used the average (or mean) figure. This gives a full-time pay gap of 13.9% in 2012, up from 10.7% in 2011. The Comhairle would support the view that the mean better represents the nature of the gender pay gap. As stated previously, Median figures underplay the fact that there are a few extremely high earning staff, most of whom are men, and that many women are clustered in the lowest paid professions.

However, it is recognised that understanding the gender pay gap is complex. For example, the majority of employees working part-time are women and most part-time jobs are low paid. In order to understand the complexities fully, a range of measures need to be taken into account. This is why the Office of National Statistics now present pay gap figures separately (both mean and median) for full time, part time and all employees, rather than a single headline measure.

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

These could include (although most of these do not apply to local authorities):

- Assumption of segregation of men and women into different job sectors and industries e.g. women are still more likely to be in low paid/low skilled jobs.
- Lack of representation of women in senior management roles and in the boardroom e.g. fewer women in high paid sectors such as IT, Technology, Engineering.
- Not paying women the same as men for the same or equivalent work.
- Lack of challenging direct discrimination including pregnancy and maternity discrimination.

- The availability of affordable child care provision and equal sharing of family, care and domestic responsibilities. The task of looking after dependent family members is still largely borne by women.
- A need to increase opportunities for flexible working, for example job shares or quality part-time work
- There is evidence that although discrimination against women in the labour market has declined, some discrimination does still continue to exist.

Are there specific issues with gender pay within the Scottish public and private sectors?

Local authorities employ a high proportion of part-time, female employees which tend to be concentrated in lower paid areas, for example, administration, care, catering and cleaning. Since the implementation of Single Status, Local Authorities have implemented robust pay structures which have been subject to equality impact assessments. The reason for gender pay gaps is therefore more likely to be due to occupational segregation rather than any in-built gender bias in pay structures. Despite evidence of their higher educational attainment (than men), women are working below their skill level in many instances. The cost of that loss of knowledge and ability is high.

What are some examples of good or bad practice within Scotland or internationally?

In a national context, "Taking the High Road – Work, Wages and Wellbeing in the Scottish Labour Market" (January 2014), a report by the Scottish Parliament's Economy, Energy and Tourism Committee states that it is unacceptable for a business to use zero hours contracts which cause hardship to individuals due to regularly changing patterns of work; deny individuals their basic employment rights; and/or, deter workers from asserting their basic employment rights and they will not endorse a Pledge proposal where a company is employing people on exploitative zero hours contracts.

Regionally, Equal Pay Audits have been required in Local Authorities for a number of years and there is data to show that the gender pay gap is decreasing. The implementation of the Living Wage is vital as it is shown that more women work below the Living Wage than men. Shared parental leave is one example of good practice.

What are some examples of gender pay policies leading to more effective and successful businesses?

Examples of good gender pay policies include reviews of terms and conditions of employment, introduction of Equal Pay policies and associated equal pay audit, reviews of accelerated pay increments related to service / entry points to minimise pay gaps. These could also include development of career paths, flexible contracts and family friendly policies which support and encourage

females in the work place and enable social mobility and potential to earn more.

The Comhairle has recently embarked on a successful modern apprenticeship programme targeted at highly qualified individuals who might otherwise have left the Western Isles to pursue higher and further education on the mainland. This puts them on a sustainable career path while retaining younger people in the region. Seventeen new apprentices were taken on, ten of whom were female. This is certainly one proactive initiative by the Comhairle which addresses a number of factors such as skills shortages, utilises existing local talent and potential, provides training and sustainable careers, promotes growth sectors, and retains young people. There is scope for further development of programmes such as these with further central government or EU funding.

A further initiative by the Comhairle is the drive to get a more accurate picture of equalities information organisation-wide. There is a tendency for staff and prospective applicants not to complete equalities questionnaires or to choose not to answer all questions. In 2016, the Comhairle encouraged all staff to complete their online equalities information using the Comhairle's self-service platform and this will now be an ongoing task. This enables the Comhairle to have a more accurate overview of issues or emerging issues in the wider context of redressing gender imbalance and pay.

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

Closing the gender pay gap will lead to a more equitable and fairer society and there are obviously greater socio-economic benefits in having a larger working population which recognises that women have the education, skills and abilities to contribute to wider overall productivity and better social cohesion. 'Women returners' (to work) have been integral to that although further incentivising initiatives could be introduced to remove whatever barriers may exist to that happening, especially in remoter rural communities and islands.

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

Current and future public sector funding constraints will effectively bring greater pressures on smaller authorities and workforces to continue to deliver high quality services. It is necessary therefore to adopt flexible working, lifelong learning, retraining, smart use of technology and outsourcing where viable, and other investments in workforce which prevent or mitigate loss of expertise and which ensure business continuity. There are challenges ahead in terms of continuing to meet service users' increasing expectations in the current financial climate and any guidance or practical support in this area from Scottish Government would be welcomed.

Family friendly working approaches help achieve equality and recruit and retain a more diverse workforce. Designing jobs flexibility and adding the Happy to Talk Flexible Working strapline to relevant job adverts help optimise talent attraction and recruit and maintain a diverse talent pipeline.

What role can procurement policy play in promoting equal pay?

Implementation of the provisions in The Procurement Reform (Scotland) Act 2014 which help tackle living wage and fair work practices through public bodies' procurement activity.

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

The Scottish Government is involved in a range of activity to reduce the gender pay gap, including:

- Ensuring greater pay transparency - The Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016 lower the threshold for listed public authorities to report their gender pay gap and publish equal pay statements
- Increasing early learning and childcare provision, from 600 to 1140 hours a year, by the end of the next parliament and funding and playing an active role in the Family Friendly Working Scotland Partnership
- Working with the Equality and Human Rights Commission to challenge pregnancy and maternity discrimination
- Implementing recommendations from the Commission for Developing Scotland's Young Workforce and the Developing the Young Workforce - Scotland's Youth Employment Strategy to address gender imbalances in young people's career choices and opportunities
- Taking action to improve women's representation on boards for example through the Partnership for Change 50/50 by 2020 campaign
- Promoting adoption of the Living Wage via; The Scottish Business Pledge and increasing the number of Living Wage Accredited employers.
- Implementing the provisions in The Procurement Reform (Scotland) Act 2014 which help tackle living wage and fair work practices through public bodies' procurement activity
- Continuing to support the Strategic Group on Women and Work.

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