



OFFICIAL REPORT
AITHISG OIFIGEIL

Economy, Jobs and Fair Work Committee

Tuesday 28 March 2017

Session 5



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ECONOMY, JOBS AND FAIR WORK COMMITTEE 28 MARCH 2017
11th Meeting 2017, Session 5

CONVENER

*Gordon Lindhurst (Lothian) (Con)

DEPUTY CONVENER

*John Mason (Glasgow Shettleston) (SNP)

COMMITTEE MEMBERS

*Jackie Baillie (Dumbarton) (Lab)
*Bill Bowman (North East Scotland) (Con)
*Ash Denham (Edinburgh Eastern) (SNP)
*Richard Leonard (Central Scotland) (Lab)
*Dean Lockhart (Mid Scotland and Fife) (Con)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)
*Gillian Martin (Aberdeenshire East) (SNP)
Gil Paterson (Clydebank and Milngavie) (SNP)
*Andy Wightman (Lothian) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Shirley Campbell (Scottish Water)
Megan Horsburgh (Sodexo UK and Ireland)
Catriona Mackie (Diageo)
Rosie MacRae (SSE)
Katy Miller (Convention of Scottish Local Authorities)
Nicky Page (Police Scotland)
Peter Reekie (Scottish Futures Trust)
Ian Reid (NHS Scottish Terms and Conditions Committee)
Diane Vincent (Scottish Fire and Rescue Service)

CLERK TO THE COMMITTEE

Alison Walker

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Economy, Jobs and Fair Work Committee 28 March 2017

Tuesday 28 March 2017

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Gordon Lindhurst): Good morning, and welcome to the 11th meeting in 2017 of the Economy, Jobs and Fair Work Committee. I remind everyone to turn off, or turn to silent, electronic devices that may otherwise interfere with the sound system.

I have received apologies from Gil Paterson.

Under agenda item 1, the question for the committee is whether to take agenda item 3 in private. Are we agreed?

Members *indicated agreement.*

Gender Pay Gap

09:31

The Convener: We have with us four witnesses in our gender pay gap inquiry. I welcome Rosie MacRae, who is head of diversity and inclusion at SSE; Shirley Campbell, who is director of people at Scottish Water; Megan Horsburgh, who is head of diversity and inclusion at Sodexo UK and Ireland; and Catriona Mackie, who is human resources director for Diageo Global Supply.

We start with a question from committee member Bill Bowman.

Bill Bowman (North East Scotland) (Con): It is a nice straightforward question, although it may be hard to answer. Are you confident that there are definitive sets of statistics in Scotland on pay, earnings and employment for women? If not, what would you suggest?

The Convener: I should have said that witnesses who want to come in on any question should please indicate that by raising your hand and I will bring you in. The sound engineer will deal with the microphones, so you do not need to push any buttons. Who would like to start?

Shirley Campbell (Scottish Water): I do not know whether the statistics are definitive. I am perhaps a little different from others on the panel, in that Scottish Water is a public corporation; we have been publishing figures on inclusion, diversity, gender and our pay gap since 2013 as part of the public sector equality duty. Behind the scenes and voluntarily we also look at the normal United Kingdom pay definition. We have information in that regard, although we do not publish it because we do not have a responsibility to do so.

I guess that the statistics are not definitive because different organisations use different methodologies and approaches to calculation. That may lead to complexities down the line, but using both definitions certainly helps us to create statistics.

Catriona Mackie (Diageo): I am aware of some of the statistics that are around. It is always good to have more transparency and more information in that regard, so I would hope that gender pay reporting and other things that will be done will give us a different lens through which to see a bit clearer what is happening.

Rosie MacRae (SSE): The statistics that it would be good to have, and which would help to influence the gender pay gap, would cover aspects such as the number of roles that are advertised offering flexible or part-time working. There are some United Kingdom statistics on that,

which say that something like 8 per cent of roles that are advertised with a salary of over £20,000 per annum offer some sort of flexible working. Such statistics are really helpful because those types of initiative will drive change in the gender pay gap.

Bill Bowman: Thank you. So what you are saying is that you—or some of you—have your own figures that you use as a measure of how you are progressing or changing, but that there is perhaps not a definitive national set of figures to which you would look for comparison.

Shirley Campbell: No, there is—

Bill Bowman: Or a reliable set, let us say.

Shirley Campbell: There is a national reliable approach in respect of how the information is to be reported. We use that approach; we have not invented our own. However, what we are required to publish is the gender pay gap as per the public sector equality duty. We have been doing that in the same way since 2013. We have trend data for that, but we also find it useful to use the more comprehensive calculator, which is how others on the panel will calculate their gender pay gap, in due course.

The Convener: I would like to follow up on something that Rosie MacRae said about flexible working. If one looks at pay in purely monetary terms, does that obscure the issue for some workers? Some of the public sector organisations from which we will hear later have commented on the need for flexible working and so forth, but I wonder how that fits with approaching the issue from a monetary point of view, because that does not necessarily take into account other compensations and elements that employees might feel are important in their job package. That applies to male and female employees. How, for private companies, can that be worked into your approach, and does it call into question using just statistical analysis, as it were—saying what the gender pay gap is in terms of money, but not taking account of other factors? Does that partly cause or feed into the problem?

Rosie MacRae: We now understand that a penalty is applied to people who take time out of the workplace and that bias exists against people who work flexibly or part time. Normally, that does not affect the pay gap at the point when it starts. For example, a woman might say that she wants to come back from maternity leave on reduced hours. Her salary and her bonus—if she gets one—would not change but would just be aligned to the hours that she works. However, that has an on-going impact; there is an effect on opportunities for the woman to progress and in terms of jobs on the progression route being offered with flexible working. The issue seems to be that people feel

trapped within that pattern and the roles that they are in. We understand that where people work flexibly, they feel that there is little room for progression, because the roles that are advertised do not have the same flexible or agile working package. We would like to see, and we encourage, more senior roles and positions being advertised with agile and flexible working.

Shirley Campbell: It is a really interesting point. There is evidence that suggest that an employer offering agile or flexible working is worth, on average, 5 per cent of their basic pay to a person, so an external job would have to offer a salary that was higher by 5 per cent or more to encourage that person to move company once they have experienced the benefits of flexible and agile working.

Across Scottish Water, we have been pursuing agile working as an agenda for about two or three years now, and we have some interesting statistics on its effect. When we advertise now, there is a presumption that it will be done on a fluid basis that does not have a location-specific element to it. I was looking at statistics yesterday: interestingly, our number of men who work part time has doubled since 2013, so the policy is having an impact. On the convener's question whether that is worth something, our rule of thumb is that it is worth about a 5 per cent increase on basic pay.

The Convener: Do you have figures on that that you could share with the committee in writing after the meeting?

Shirley Campbell: Yes, of course.

The Convener: Do others want to come in on that point?

Megan Horsburgh (Sodexo UK and Ireland): I would be very happy to do so.

Sodexo has recognised flexibility as being one of the key elements that help us to achieve gender balance in our workforce. I absolutely echo the points that have been made by the other panel members. We know that flexibility is good not only for working women, but for men. In that regard, it fits incredibly well with our overall approach to gender balance, which is that a number of such initiatives benefit the whole organisation—they benefit all employees, not just women.

Catriona Mackie: I will build on some of the comments that have been made.

At Diageo, we are trying to understand what it will take to make such things more possible for employees. We have a lot of manufacturing and operational people in our Scottish business, and we know that it is easier to offer flexible working to people in office roles and some other functions. We are trying to work out what people really value

to enable them to stay in the workplace, to progress as they want to, and to release their full potential.

The convener asked whether it is just about pay and whether that is the wrong thing to look at. We should look at statistics across the entire talent lifecycle. We are moving away from looking at just how many women or men we have to trying to work out how many women we attract at the recruitment stage, what happens in our promotions and whether we see balance there, and whether more men or women are leaving the organisation. That is so that we can get a much more holistic view of what it will take to achieve gender balance in the organisation.

Jackie Baillie (Dumbarton) (Lab): Catriona Mackie touched on the forthcoming pay gap reporting legislation. Do the panellists think that that will make any difference in reducing the gender pay gap?

Megan Horsburgh: Sodexo believes absolutely that that will make a difference. We think that anything that brings gender balance into the public eye is a positive thing.

We published our first number back in November. One of our concerns is about people understanding the true difference between equal pay and the gender pay gap. As we have presented information to the public and our own employees—we employ about 35,000 people across the UK and Ireland, 3,000 of whom are in Scotland—we have come to realise that a great deal of education still needs to be done to help people to understand the difference between those concepts. For us, although the number tells a certain story, it is really the narrative that will be critical to change being made in a positive manner.

Rosie MacRae: SSE agrees with that. We would welcome a broadening of regulation to say that the narrative is as important as the figure. We reported last year in line with the guidelines, two years ahead of time, of which we were proud, but we were most proud of the narrative that we provided with the figure, because there were few companies that could be looked at to consider their pay gaps and what was said. Sometimes we found the number hidden away in a bunch of statistics.

The number is helpful only when people talk about what they are doing to address it. That allows them year on year to say whether anything has been achieved and what can be learned. We really welcome the approach for what we will see next year as part of the gender pay gap reporting, and for what we can learn from others that makes a difference.

Shirley Campbell: There is evidence that that approach creates a good focus. In 2013, when we started to report on our gender pay gap, we had a very small gap in favour of women. Our April 2017 report, which has yet to be published, will show a slightly bigger gender pay gap in favour of women. Therefore, there is evidence to suggest that publishing information after looking at the matter and being transparent have an effect.

Jackie Baillie: The guidelines apply to companies with more than 250 employees, of course. You have talked about broadening the approach in respect of the narrative. Is there an argument for broadening it to include more companies, given that Scotland's economy is principally driven by small and medium-sized enterprises?

Shirley Campbell: Yes—although very small movement can create big percentage shifts in a very small company. Many things might look positive or negative for an organisation when they are, really, very marginal changes. That is a complexity with very small organisations.

09:45

Catriona Mackie: Diageo also thinks that that would be a positive thing. As with anything else, understanding the data and what is actually going on in the organisation gives us other places to probe in seeking to understand root causes. Reporting and data can help to liberate that information. Broadening the approach would bring to bear a different lens, compared with how we have looked at things in the past. I would be really confident that it would drive change.

Rosie MacRae: I agree. We have learned an awful lot. After agreeing last year to report our gender pay gap, we did a lot of counting, and then a lot of learning from what the statistics were telling us. We are now confident about where we need to put our efforts.

SSE has 6,200 employees in the top 10 operational roles. Of those, 200 posts are held by women. The skill level is higher in those operational roles than in the roles that many women choose to enter—for example, in retail and administration. Not only that, but the progression points are different. Operational roles have five points of progression, so the person's career can be longer and there is more opportunity to progress. Retail and the administration functions oftentimes have only three points of progression. We have learned a lot from that. We already kind of knew that we did not have many women in the operational roles, but learning the science behind it and seeing the progression points helped us to put a spotlight on the issue and ask what we

should be doing to attract more women into those roles.

Megan Horsburgh: For Sodexo, it is not just about looking at the employees who are in our organisation currently; we are also thinking about what we can do to inspire the next generation. I believe that employers and large organisations have a duty to get people doing roles that do not fit typical gender stereotypes, who can go into schools and inspire future generations. We know that sometimes the aspirations of boys and girls differ from a very early age. That presents an opportunity for large organisations to contribute on a wider societal basis.

The Convener: Do you do a breakdown of statistics for Scotland in your reporting, or is it UK-wide?

Megan Horsburgh: The statistics that Sodexo has and that we will release will be UK-wide. That is because we are headquartered in London, so creating statistics specifically for Scotland might be a bit misleading.

The Convener: I wonder whether such statistics would be misleading or useful, from a Scottish perspective, if it were possible to create them. It might not be required by the legislation, but is that something that you might look at doing?

Megan Horsburgh: Yes—I am happy to take that away and look into it.

The Convener: I think that Shirley Campbell said that Scottish Water's reporting indicated a gender pay gap in favour of women in her organisation. Could you share your gender pay gap information with a greater level of detail than what is published? Would you be willing to do that for the committee?

Shirley Campbell: Yes. When we publish our public sector equality duty report, which is due in April this year, we will use the public sector equality duty approach to reporting. In addition, in the appendix, we will use the UK normal pay approach and show what that means. We are not duty bound to report that more forensic information, but we will include it in the report as well.

Rosie MacRae: We would be happy to share. We also have internal measures that are not regulatory but are what we use to create a scorecard. We would be happy to share that with you.

We have 21,000 employees across the UK and Ireland, 7,000 of whom are in Scotland. We do not report on that national breakdown now, but we can look into doing so.

Catriona Mackie: We would expect to report for Scotland as well. Probably about four fifths of our

UK business is in Scotland, with all of our operational areas here. It is a hugely significant part of what we do. I expect that we will publish Diageo Scotland data as well as UK data.

The Convener: Perhaps the committee can write to your companies on that point.

Gillian Martin (Aberdeenshire East) (SNP): You have all touched on some of the measures that you are taking to eradicate the gender pay gap and to encourage women to come into your industries and progress within them. Will you tell me in a wee bit more detail what you are doing to encourage more women into your sectors, particularly the utilities sector? As you have pointed out, the sector has been unbalanced until now.

Rosie MacRae: Following the gender pay gap report last year, our narrative was about encouraging more women in, on and up. That seems to have landed quite well in the organisation, and it makes sense from the point of view of recruitment and coming in.

With our learning about career choices and the lack of women coming into technical roles, we made a big investment last year with an education charity called Teach First, which helps to provide teachers in the most deprived schools across England and Wales. We entered into partnership with it because we thought that social inclusion was incredibly important to SSE. That offered us an opportunity to consider the matter of encouraging women into science, technology, engineering and maths and it gave us access at scale to 200,000 schoolchildren to discuss career choices and to encourage more girls to participate in STEM subjects. That was a real win.

We have had good success with some simple things that we have done, which have not cost a lot of money. They have included looking at how we are advertising for engineering graduates and what imagery and language we are using. In making some tweaks to that, we have seen some great changes. Last year, our intake of females into the engineering graduate programme was 17 per cent. This year, it is 40 per cent.

We did some really good things. For example, we went to the City of Glasgow College with Equate Scotland and spoke to the female engineering students there. We also had Twitter question and answer sessions. We did things differently, to show that we were open and inclusive to women as well as men.

In order to ensure that women feel that there are routes by which to progress, we have done a lot on our careers sites internally, bringing more stories to life not just about women who are working flexibly and still achieving great things but also about men—many of our managers are

men—and the benefits that they get from encouraging agile and flexible working. That has been a real thing for us. We have a big building opening up in Reading, which means that some of our satellite offices are closing. We have 1,200 employees moving into our Reading hub office, and we have used that as a mass-scale pilot for working differently, as we are calling it. That encourages occasional home working, and there has been a big investment in technology there.

There has been a big cultural change for our managers; it is also a change for our employees. However, doing that at scale allows us to pilot it in a meaningful way, to measure it and to see whether it is something that we would roll out across the rest of the organisation. That has been very good.

We have done some practical things to encourage difference overall. The education aspect is really important, too. Why are we doing all this? It is not just about women; it is about the greatness that difference brings, with all the creativity and innovation. Shadow boards have been introduced in some of our directorates, which means that it is not the normal faces round the table dealing with the big business challenges. Different people with different backgrounds are getting together and taking on some of those business challenges, and they are coming up with different responses. That has been really welcomed.

Shirley Campbell: I represent another utility, so I will go next. I echo many of the things that Rosie MacRae has just said about encouraging sector attractiveness. Practically, Scottish Water has been examining both ends of the career spectrum to see what we can do to change the mix. For example, we bring in a large number of modern apprentices every year. Back in 2013, only 11 per cent of our modern apprentices were female but now just under 20 per cent of them are female. We have done a huge amount to profile female modern apprentices using social media and the press to encourage them into what were traditional male roles.

We have also used people analytics to determine the five roles in Scottish Water that have traditionally been filled only by men, because, irrespective of our positive gender pay gap, we still have lots of occupational segregation. We know that we have five roles that are more attractive to males, and our referral scheme for males and females now refers young women to those roles if they are seen to be suitable for them.

Typically, we recruit only STEM graduates. Over the past few years, we have been delighted that we have had more or less a 50:50 gender mix in our graduate intakes. We have been running 10-year future leadership programmes that get

individuals ready to be senior leaders or executive directors. Some 76 per cent of the people in the first cohort of those who have been through that programme were female, and in the second cohort 50 per cent were female. We feel that our long-term pipelines are becoming much more gender balanced.

At the more senior level, we have worked with the Scottish Government on the shadow boards initiative and we have signed up to the Scottish business pledge and to the 50:50 by 2020 campaign. There is a measurable outcome from that: back in 2015, 9.1 per cent of our board was female and in 2017 that figure is 27.3 per cent.

At the national level, in this sector overall, we work closely with Energy and Utility Skills Ltd, which has just published its workforce renewal and skills strategy through to 2020. We were active in helping it to develop that strategy, which is focused on sector attractiveness with the aim of ensuring that there is not a skills shortage through to 2020. That strategy includes a case study on the ways in which we are encouraging flexible retirement, principally for males in traditional operational roles. When someone begins the flexible retirement process, we are able to bring in a modern apprentice to buddy with them until the date of their final retirement, which allows knowledge transfer. The process also allows us to determine whether, if a person flexibly retired, it would allow us the opportunity to create a better gender balance in that role. That is part of the business case for the flexible retirement policy.

Megan Horsburgh: Sodexo has had a global commitment to gender balance since 2009, which has been championed by our global chief executive officer, Michel Landel. As part of that commitment, he set up a global steering committee of some of our most senior men and women to focus their attention on how we can drive gender balance throughout the organisation at all management grades and within all occupations.

A number of initiatives have come out of that group and we have seen some really good progress since 2009. In particular, under Michel Landel's leadership, that group has put in place aspirational targets around the number of women in our senior management positions, and we have found that that has very much focused attention on that goal. Those targets look to create a 40 per cent representation of women in senior management positions. We arrived at that target through a large-scale piece of internal research that looked at the gender balance business case. We absolutely recognise the work that has been done on that by McKinsey & Company and others, but we wanted to see how that translated into our organisation. We found that the entities in which

there was a 40 to 60 per cent balance were 13 per cent more likely to report consistent organic growth and 23 per cent more likely to show an increase in gross profit; they also performed better on measures such as employee engagement, client satisfaction and client retention.

As part of SWIFt—Sodexo women's international forum for talent—there is a particular focus on some of the topics that we have previously touched on, such as leadership development, promoting flexible working, and encouraging the start-up and continuation of gender balance employee network groups. We know that, through those groups, people get access to informal and formal mentoring schemes, and access to role models in perhaps non-traditional roles. In the UK and Ireland we have the WomenWork! employee network group, which is looking to replicate some of those initiatives.

10:00

Catriona Mackie: To attract people, we have been doing a number of the same things that my colleagues have spoken about. We worked with Skills Development Scotland on the not just for boys campaign, which was great for showing people that there are great opportunities in pursuing a career in a STEM-type subject. For a long time, we have had a 50:50 graduate intake and, at the moment, about 31 per cent of our apprentices are girls. Over the past five years, there has been quite a lot of progress, but there is still much to do.

We utilise some of the people who are breaking through into new space. For example, we have a number of distilleries on Islay and we brought in two male and two female apprentices and used them to front campaigns to drive the idea that there are some fabulous experiences for women in our industry.

We do a lot of role modelling and opening up people's minds to opportunities. You might think that Scotch whisky is quite a male-dominated industry—for some operations roles, it is—but even some of our master blenders are women who have worked for 40 years in our industry. With the stories that we tell, we can encourage people to see the world of work differently and to really think about the possibilities for themselves in that world.

A lot of work is being done to get new people to come into the business in a gender-balanced way, but we are very fortunate in having a loyal workforce and, when people join us, they tend to stay for a long time.

Among the things that we have done on gender balance, specifically in our supply operation, is running internal women in leadership

programmes, using role modelling. We run virtual sessions that are voluntary and open to everybody, and in which I participate, as well as colleagues who might run factories, supply chains or procurement departments. We gather together all the materials and words of wisdom that people have given us as we have developed our careers and we try to impart that knowledge to people who work for us.

We have different seminars that are designed to give people confidence to try things differently or to go for promotions when they might naturally see many reasons not to. Hundreds of people have signed up for the seminars in the past couple of years and our main mission is to give people the confidence to experiment with different things.

What really strikes people is that no two people's stories are the same. Some of the feedback that we have had is about mindset. We get a lot of feedback from our female employees that says that they see many reasons why things are not possible. They might have caring accountabilities or they make assumptions about what it must be like to do one of those senior jobs, so they almost self-select out. We do a lot of work to encourage people to think about what the conditions would have to be for them to succeed in that role and to build their confidence on that. We give them mentors and coaches who help them to think about what they want to do and how they can do it. That is fundamental to many of the things that we do.

Other people have mentioned targets, and we have also had those. About 40 per cent of Diageo's executive committee are now women. We have spent a lot of time trying to address gender balance, particularly in the management arena, and the numbers show that we have done that successfully. However, the part of the business that I am accountable for, which is manufacturing and operations, is still quite male dominated in some particular areas of production. Because we have 24/7 operations, there is a lot of shift working and only about one in four of our shift workers is female. At the moment, we are running focus groups to get insights into some of the things that we could work on to address the balance and to consider how we could make some things a bit more possible.

I can give another couple of examples. In the supply chain operation, it is more difficult. We get a lot fewer applications from women because, way back in the system, fewer women take the right subjects to enable them to go into STEM, and so it goes on—I am sure that you have heard that from many people. We all have the same challenges in this arena so, last year, we ran an event to which we invited other companies and organisations—some of the other people who are here came to

it—with the aim of learning from each other and finding out other things that we might think about. It is such a complex area and so many things could be done, so it helps to have data to try to pinpoint the things that we want to achieve.

As I said, we have a lot of people and they stay with us for a long time. For some functions, it is very easy to recruit women. For any business, some functions will have a healthy balance and some will have more women than men. We are considering what we could do to encourage a bit more cross-functional movement. Maybe somebody did not take physics or something like that at school but, certainly for me, school was a long time ago. Therefore, we are considering what other opportunities we might create for people to do different roles. Some of our policies are about trying to document what is required in people's roles and what cross-functional skills they might have to bring into an operational area as a team leader. Maybe somebody does not have the functional capability or knowledge beforehand, but we can give them those skills and utilise their leadership in different areas.

Those are some of the things that we are trying to encourage at the moment.

Gillian Martin: I am glad that I asked the question—that was fantastic. Thank you.

John Mason (Glasgow Shettleston) (SNP): My question follows on from Gillian Martin's questions. I was interested to hear that Scottish Water is getting in a lot more women as modern apprentices, but the national figures on modern apprentices are not good—the situation still seems to be very traditional. Are you in effect just extracting more women from a small pool, or is it your impression that gradually more women are coming through?

Shirley Campbell: The pool is a big one, because we can draw on about half of the Scottish public. The change in the idea of what an apprenticeship is has helped enormously. There has been a move away from it always meaning traditional apprenticeships, which have typically been male dominated. Scottish Water now has 27 different types of modern apprenticeship that people can apply for. We have everything from foundation apprenticeships through to graduate modern apprenticeships. Varying the types of modern apprenticeships that people can apply for can in itself make them much more attractive for females.

In Scotland's recent modern apprenticeship week, we profiled almost exclusively female modern apprentices on social media and in advertising. That helped to get the message out that those roles are attractive and interesting for young women to consider and helped young

women to see how people are doing the roles now.

The pool is not a small one. The sector has not been great at showing that it can be—and is—an interesting, stimulating and positive place for young women to apply to. That is what we are focusing on and what Energy and Utility Skills is focusing on nationally.

John Mason: STEM has been mentioned, and I am interested in that area. We can encourage girls to apply at the apprenticeship stage. Where should we try to intervene or do more to change girls' thinking? The issue does not involve just them; it may involve families as well. Should we intervene at secondary school level, primary school level or even at nursery level?

Shirley Campbell: My personal view is that we should intervene as early as possible. A piece of interesting research shows that if when we talk about engineering roles we call them "design roles", it makes them much more attractive to women. It starts to create a connection between art and design. Often, the language or terminology can shut off someone's thinking about the possibility of those roles before they are even aware of what the roles are. People do not study engineering at school, so boys and girls have little appreciation until much later of what engineering means.

When one looks at what is on the curriculum, and the point at which young children are allowed to drop away from maths or the sciences, one might argue that that point is too early.

John Mason: What do other witnesses think about the age issue? If people choose subjects at around secondary 2, it suggests that that is quite a crucial age.

Rosie MacRae: I have a boy at that stage now, and that level is where our teach first initiative goes in secondary schools. Its purpose is to encourage 11 and 12-year-olds at the career choice stage. Our learning from the initiative is that the younger we get in, the better.

One of our groups of engineers has just created a workbook for schoolchildren aged up to seven, which is called "Keeping the Lights On". The good thing about the book is that the engineer in it is female. That is great and something that we have bought in to; when our females go into school to help inspire the younger generation, they take those booklets and workbooks with them. We have learned that earlier is probably better.

Megan Horsburgh: A fantastic point was made earlier about family influence. It is all very well talking to children, but that good work is undone if they go home and talk to parents who say, "That is not a job for girls," and, "That is not a job for boys."

More can be done by organisations and others to ensure that parents are more open to the possibilities that may not have been open to them when they were young, but are open now.

John Mason: We talked about different sectors. Three of the sectors that are represented today are traditionally male dominated. Does Sodexo have areas in the company that are female dominated?

Megan Horsburgh: We are a facilities management company and do catering, cleaning and facilities management. Some areas have roles that are quite technical and sometimes there is more male dominance in those areas. My colleagues here have described similar situations.

It depends on the sector. Sodexo is gender balanced up until the senior management team, which is why we have specific targets in place for that population.

John Mason: Was it Scottish Water that said that there are sectors that are more male dominated than others?

Shirley Campbell: We have occupational segregation at Scottish Water, which means that there are roles that are almost 100 per cent filled by males, and other roles that are almost 100 per cent filled by females. We try to get underneath the statistics and look at that occupational segregation and what we can do about it.

John Mason: Is part of the answer to get men into some of those roles? As well as getting women into roles that are traditionally seen as being male, we might need to get men into other roles—that is why I was focusing on Sodexo.

Megan Horsburgh: That is really important. If we look at the national statistics on the caring professions, we see that women tend to fill more of the childcare and healthcare positions. For us it is about achieving gender balance—it is not just about women or men, but about how we get gender balance in the occupational groups and in the levels of the hierarchy.

10:15

Gordon MacDonald (Edinburgh Pentlands) (SNP): I want to ask Shirley Campbell about her submission on closing the gender pay gap. At the bottom of page 1, it says:

“The causes of any ‘normal pay’ gap are complex, with the greatest driver being occupational segregation followed by length of service and age”.

You have talked quite a lot about how you are going to deal with occupational segregation, but what, if anything, can you do about the other two aspects?

Shirley Campbell: Our average length of service is just under 20 years, and our turnover, particularly in the big operational parts of Scottish Water, is just over 2 per cent. Whatever we attempt to do, it is quite difficult to squeeze into those areas where we have permanent employees who have been in those roles for a long time.

I mentioned an interesting scheme that we ran last year. We created a central fund of money—it is not an enormous amount—and carried out a promotional campaign targeted at that part of the business, to ask whether people were at a point in their career where they might want to consider flexibly retiring. For many people doing that is an enormous benefit, rather than something problematic, because the transition to full retirement can be quite brutal for some people who have always worked full time.

We had a lot of interest in the notion of flexible retirement, and about 60 men now work flexibly. That means that they might reduce their work to two or three days a week. We buddy them with a modern apprentice, who is often female, so that they can share knowledge and wisdom. In return we get a fixed retirement date from the individual—stating a fixed retirement date is an obligation for flexible retirement—which gives us certainty for our manpower planning and budgeting. It allows us, very slowly, to move in and make changes to that part of the business. It has gone down very positively and is something that we will probably repeat.

Gordon MacDonald: The Convention of Scottish Local Authorities mentioned a similar issue. What are other panel members doing? What is your average length of service and staff turnover?

Catriona Mackie: Our average length of service is similar to that of Scottish Water and our turnover is very low. We face the same kinds of challenges that Shirley Campbell outlined, because people stay for a long time.

Gordon MacDonald: On historic trends, the “PwC Women in Work Index”, which was published in February 2017, suggested that

“the gender pay gap in the UK, currently at 17%, might not close until around 2040.”

Is that a realistic target? How do we shorten that period?

Rosie MacRae: Looking at the trends in our business—I do not know whether I speak for other panel members—one can see that movement is slow. A lot of the issue is about cultural change. We have talked a lot about getting women in, and that is really encouraging, but we do not want to get a lot of difference in and for nobody to know how to handle it. It is not that women need to be

handled differently, but people need to understand that if they are in the majority of one gender or there is a majority of one thing and a minority of another, they need to think about how to enable that difference and get the best out of it. We have put a lot of effort into that and into raising awareness of the bias that everyone has. We have introduced hiring manager training, which focuses on unconscious personal bias. We are making that training mandatory, so anybody who is involved in hiring or looking at internal promotions will go through it.

Those are all small starts but they are important steps to take. There is a reason why my job title is head of inclusion and diversity—we see that difference and diversity are coming, whether we like it or not, because of demographic changes, and it is important to get that culture change right and to be inclusive.

There are some tactical moves that we could make; some research out there says that we could nail it in 10 years. For example, if we all put a spotlight on flexible working and really challenge ourselves to look at some of the roles—not just at the lower end of the pay scale but higher up—to see whether they could be done in a different way that would attract a broader spectrum of people applying, that would really help things.

Shirley Campbell: We can all take part and pursue internally all the initiatives that we have been discussing, but we also need to play a significant part externally. In the Wood review on developing Scotland's young workforce, there was a proposal that every organisation should enter into a partnership with a school in Scotland for between three and five years. Scottish Water has done that: we partner with St Andrew's school in Glasgow. To date, we have delivered 1,000 different interactions with that school and we are now at the point where 38 per cent of girls have said that they selected science subjects as a consequence of those interactions and that relationship.

However, that is just one school, and we only have the capacity to connect with one school. We have given a huge amount of support and attention to it. I wonder whether every organisation is entering into similar partnerships and whether there is more that we could do to encourage them to do that, because there has to be a societal effect. It is about not just playing our part internally but doing what we need to do externally as well.

Gordon MacDonald: We obviously need to get more people into STEM subjects. Are you aware of how many other companies and organisations are carrying out similar work with schools?

Shirley Campbell: I am not sure.

Megan Horsburgh: Sodexo would absolutely welcome a continued partnership with other businesses, education and the Government in promoting this work. We recognise that it is multifaceted, as my colleagues have said. It is about getting to children when they are young, and it is about bringing in, developing and retaining more women. That has to continue to be the focus.

From a personal perspective, I find it incredibly depressing to think that we might not close the gender pay gap until 2040, but the more you look into it, the more you see how complex it is. That is why a partnership approach is going to be critical.

We recognise the impact that role models can have, but we also recognise how difficult it is sometimes for people to get their story out there. Sodexo's women's network has run podcasts, in which people tell their own personal story. Those people tend to be in non-traditional roles. The podcasts are publicly available and are downloadable via iTunes. We have received really positive feedback on them, from our employees and people externally.

Within the partnership approach that we need to take, it is important to stress the role of awards organisations that profile women who are perhaps doing non-traditional roles or who are really pushing the boundaries in the work that they do. We find that incredibly helpful and we would absolutely encourage that to continue.

Catriona Mackie: That is a stark message from Gordon MacDonald on the gender pay gap. For me, it comes down to leadership and resolve. It may well be the case that if we carry on doing what we have always done, the gender pay gap will not close until 2040. However, we could change that if we encourage more creativity, leadership and resolve. The gender pay gap persisting until 2040 is not an outcome that we want. We need to ask what changes we need to make, although some of them may seem unimaginable at the moment.

I have worked in business for quite a long time now. Reflecting on what it was like back when I started work versus what it is like now, I think that, if we have resolve and positivity to change, it is in our hands to drive a different outcome.

Shirley Campbell: We have not touched on something else that has an effect, which is that women remain the people who have the principal responsibility for childcare. In my organisation, 96 per cent of women who go on maternity leave will return, but the number of men who take paternity leave has been completely flat since 2014. Approximately 63 men a year ask for paternity leave and take it, but the average amount of leave that they take is only 26 days. We could argue that

the responsibility for raising children is not particularly shared, and we should consider the effect on women in the workplace of decisions about childcare arrangements. Certain countries in Europe are looking at incentivising the taking of paternity leave, or even mandating it—although I am not suggesting for a moment that we do that. I find it interesting that the percentage of men who ask for paternity leave has remained flat.

Gordon MacDonald: Is there any reason for that? Is it a cultural issue?

Shirley Campbell: I do not think so. Paternity leave is on offer. Maybe we need to storytell a bit more about where leave has been shared successfully.

Megan Horsburgh: In my view, it is probably a cultural issue in the UK. It is not specific to certain organisations. It is still quite unusual for men to be the primary caregivers. To see that, we only have to turn up at any school gate, where the number of men will be very limited. It is a bigger issue and one that exists not only in specific organisations.

The Convener: I suppose that it is also a matter of personal choice and how families choose to organise themselves. As Shirley Campbell said, the option is there, but to a certain extent people—men and women—make choices about how to organise their lives.

Shirley Campbell: Yes. For us, the green shoot is that the number of males in part-time roles has doubled over just a few years. That suggests that they are working more flexibly because they are also playing a part in caring responsibilities.

Ash Denham (Edinburgh Eastern) (SNP): I was going to ask you about innovative practices, but that subject was well covered in your answers to Gillian Martin's question, so I will put another question to you. I do not know whether you saw it, but the insurance company Aviva recently wrote to all its supplier companies threatening to cancel contracts with them if they did not have progression routes for women or did not have women in senior roles. I would be interested to hear your comments on that.

Shirley Campbell: I perhaps have the inside track on that because I worked in human resources at Aviva for 12 years and I still have a lot of contacts there. I do not think that that approach, as it was stated and publicised in the press, was appropriate. It was perhaps too threatening and something of a blunt instrument. It is always a positive thing to encourage good working practices in the supply chain, and that covers a plethora of issues from modern slavery and human trafficking to gender equality et cetera. The relationships that we have, the sharing of good working practices and the expectation that people will adopt them are credible and positive

things. Personally, I do not think that it is positive to resort to threats to cancel arrangements.

Rosie MacRae: I agree. We are a living wage employer and we encourage that through our supply chain, but parts of our business are looking to win contracted work, and we see an increasing number of questionnaires coming through as part of the tender processes, asking us, "What are your stats? What are you doing? What policies and evidence do you have?" I see a trend of people asking for more transparency on those things, and that is a good thing.

Ash Denham: Do you pass that on to your supply chain? Do you ask people about their practices before you award contracts?

Rosie MacRae: Yes. We are working on that with procurement at present. We have our internal ambitions and we expect to see similar things demonstrated by the people who offer us services.

10:30

Megan Horsburgh: At Sodexo, we would probably even look beyond our supply chain. We are very open about the work that we do on gender balance. As an organisation, we are quite transparent, so we are open to sharing what we are doing in this space and in other areas. We have held a number of events at which we have shared our policies and approaches with our clients and suppliers, and with other organisations, which have an opportunity to learn about and share best practice.

Catriona Mackie: The situation in Diageo is very similar. We are looking more and more at partnerships with suppliers, as it is important that we are aligned in some of these areas. I echo the points that have been made.

Ash Denham: My final question is for Rosie MacRae. In your submission, you mentioned that you felt that a skills gap was looming. You said that you had identified a pool of women who have skills—perhaps not exactly the right skills—and that, with the right support and encouragement, they could be brought in to fill the skills gap, at least partially. Can you say a bit more about what you are doing in that respect?

Rosie MacRae: Yes—we are learning in that space. I think that Talat Yaqoob from Equate Scotland spoke to the committee about female returnships. We have partnered with her and with the Prospect union to work with a pool of women who have been out of the workplace, for whatever reason, for a number of years and who are qualified in STEM—science, technology, engineering and mathematics—subjects. We are looking at offering those women work placements that may last from three to 12 months. We had two

placements last year, which were very successful. One of the ladies got in touch with me to say that she has since gone to another organisation and acquired full-time permanent work, which is great.

We can do more of that, especially given that we are all learning in this space. We have looked at some of the stats for our female workforce, in particular for those over 50. As I said earlier, women commonly work in roles in which there are not as many progression points as there are in technical skilled roles, and that is a challenge. Only last week, I learned that women over 50 dominate areas such as education, health and retail, in which the opportunities to progress are slimmer than in other areas. Those women are probably vastly skilled. If we are serious about tackling the issue, we need to get behind the numbers and understand where our women are at and what skills they have, and seek to take positive action on a larger scale.

Ash Denham: Have you any idea what that might look like, or is it too early to say?

Rosie MacRae: A few months ago, I attended a session that was all about strategic thinking. In Germany, there is an initiative called Rent a Rentner—rent a pensioner—in which pensioners go on to a website and list all their skills, and say that they are up for working for two or three days a week. It is taking a lot of pressure off the Government with regard to pension payments, and it is keeping a group of elderly people healthy. It is working fantastically well, and I was really encouraged by it.

If we marry that up with what we know about our business, we could have great things. When we started looking at this area, we learned a lot by holding up a mirror and understanding who our customers are. A lot of SSE's domestic customers are elderly, yet a lot of the people in our retail business who deal with our customers on the phone are under 35. That was the first piece of inclusive work that we did: having inclusive conversations with people who are of a different generation. Why are we not targeting people in that age category, who may have more in common with our customers? We need to get a bit more creative in that regard.

Shirley Campbell: As I mentioned earlier, we have long-term succession pipelines. We have a 10-year programme that focuses on future leaders and senior leaders, and a big percentage of the cohort is young women. If someone is offered a place on the 10-year development programme, they must commit to permit career moves to be managed internally on their behalf. That has proven to be quite interesting. What it means over the 10-year programme is that the organisation will determine for them what their next move will be from a development perspective. Women in

particular can be quite hesitant about putting themselves forward for a next move, but in this case the organisation does it for them. They must spend time in a change role, a leadership role, a customer-facing role and a commercial role, and they are aware of that when they enter the programme. That helps them to develop a diverse skills mix as a consequence of those moves being managed on their behalf.

Ash Denham: Thank you.

Richard Leonard (Central Scotland) (Lab):

There is a group of workers that we have not really touched on, some of whom might be employed by Megan Horsburgh's organisation. I am talking about what I suspect are the lowest-paid workers, who might be employed for you, rather than by you; they will be contracted-out cleaners and catering workers and other facilities management workers. Will you share with us your organisation's experience and policy in relation to those lowest-paid workers?

Megan Horsburgh: Sodexo absolutely has a commitment to being a living wage employer, like other organisations that are represented here. We made that commitment recently, because we recognised that such individuals are the lowest paid in our organisation. They are also the life-blood of our organisation, and we know that the skills that people develop in customer-facing roles are critical to moving into more senior management positions. We know that customer-facing experience and an ability to have conversations with people are vital in that regard.

Like the other organisations, we have a long length of service in our organisation, on average. We often see people move from more junior positions into more senior positions. For example, let me share a story about a member of staff who joined our organisation in a lower-level position and who now sits on our UK and Ireland regional leadership team. We have great examples of career progression and people taking career paths that you might not necessarily expect them to take, which go against some of the gender stereotypes that we have been talking about today.

Richard Leonard: You said that you are a living wage employer. Is everyone who is employed by Sodexo in Scotland on a living wage?

Megan Horsburgh: We have signed up to the concept of the living wage and, through the bid process, our clients have a choice as to whether to sign up to that. We absolutely agree with the concept of the living wage and think that it is really important for people's quality of life that they are paid a fair wage—it is also important that they get career development opportunities; it is not just

about the here and now but about what the future looks like for someone.

Richard Leonard: You are a living wage employer on paper, but people who are employed by Sodexo are not necessarily being paid the living wage.

Megan Horsburgh: We have an aspiration that our employees are paid the living wage. That is a decision that is ultimately taken by our clients but, as an organisation, we absolutely support the living wage.

Richard Leonard: Do staff in the Scottish Parliament get paid the living wage?

Megan Horsburgh: I am not familiar with the details of that contract, but I will be happy to come back to you on that.

Richard Leonard: Okay. What about Diageo? Are your contracted-out catering and cleaning workers paid the living wage?

Catriona Mackie: We are in discussions with Sodexo on that at the moment. Our direct workforce, including our apprentices, is covered by the living wage. It is something on which we are actively in discussion at the moment.

Richard Leonard: Do you feel that it is a matter of corporate social responsibility to ensure that people who work on your site to provide services are paid a living wage?

Catriona Mackie: We are very committed to the living wage concept, as I said. Many of the third parties who are working on our sites are more than covered in that regard. If there are any others, that is something that we clearly need to address.

Richard Leonard: What is the hourly rate of pay for a cleaner or a contract catering worker on your Leven site or your Shieldhall site, for example?

Catriona Mackie: Sorry. I do not have that information to hand.

Richard Leonard: Could you supply it to us?

Catriona Mackie: Yes.

Richard Leonard: Thank you. SSE is an accredited living wage employer, is it not?

Rosie MacRae: We are.

Richard Leonard: What does that mean for catering or cleaning staff who are employed on your sites?

Rosie MacRae: All our direct employees are on the living wage or more. Some of our catering staff are contracted out, and we champion the living wage through our supply chain.

Richard Leonard: Does that mean that they get paid the living wage or not?

Rosie MacRae: I would not know. I imagine that in some cases they do and in some they do not. I do not have the data with me. We could supply it.

Richard Leonard: What about Scottish Water?

Shirley Campbell: We are an accredited living wage employer. We have also looked at the contracts that we have. At the point when we became an accredited living wage employer, two or three contracts had not yet come up for renewal. The endeavour was to ensure that, at the point of renewal, contracts with service providers would provide the living wage. As far as I am aware, only one contract has not come up for renewal—the others have done, and in one of the more recent cases it meant an increase on the contract cost of £300,000 per annum, which Scottish Water was prepared to accept, to ensure that those employees received the living wage.

Richard Leonard: I have a final question. If you are able to find the resources to pay your direct employees the living wage, is it not also possible for you to find the resources to pay the contractors who are supplying services on your sites to be living wage employers and to pay the living wage to their employees?

Shirley Campbell: We do.

The Convener: To bring matters back to the gender pay gap, and to follow on from Richard Leonard's question, if there are sectors of your workforces that are predominantly male or predominantly female and those sectors are low paid, what are you doing to balance things out? There is broad agreement that how such things are approached is a matter of balance, but how you address that issue may be a key point for the gender pay gap. Recent studies have shown that a difficulty arises because men's wages are getting lower, rather than women's wages increasing—the gender pay gap may be going down for that reason rather than for the better reason that wages are being brought up to the same mark. Are there any comments on that?

Rosie MacRae: In SSE, looking at the numbers and reporting on the gender pay gap last year helped with that. Our workforce is 30 per cent female, which is quite good in our industry, for which the average is 18 per cent. However, we looked at salary bands and found that only 10 per cent of our women were in roles that are paid over £40,000. That was quite alarming to us, and we knee-jerked into quite a target on that. We said that we wanted to see that percentage more than double by 2025.

We are also signed up with the POWERful women initiative, which was formed by what was

then the Department of Energy and Climate Change. It is not regulatory, but the pledge that we signed up to is that, by 2030, 40 per cent of our managers and 30 per cent of our senior managers will be women.

Those are things that we have found out from our statistics, which we have said that we want to do better at and on which we have set ourselves a target.

Shirley Campbell: Rather than seeing our salaries go down, we have seen them increase. That has been a consequence of the effect of the living wage, to the extent that band E, the lowest level of our pay banding system, has now collapsed completely into the band above. We will be eliminating the lowest band that we have typically had at Scottish Water for many years. We are looking at our banding arrangements for the future to make sure that we have the right start rates, end rates and overlaps between the bands, but the living wage has allowed us to take away that lowest rate of pay that we had in our band E.

Catriona Mackie: At the end of the day it comes back to the gender balance issue. It is not about trying to reduce pay—that is not an objective at all. As we have already said, it is more about trying to encourage more women into the area and into higher-paid jobs.

Andy Wightman (Lothian) (Green): We have heard responses from Shirley Campbell and Rosie MacRae to the question about Aviva. Do the witnesses wish to say anything about what large corporate organisations such as theirs are doing to close the gender pay gap in their supply chains?

10:45

Megan Horsburgh: At Sodexo, we have not yet had a focus specifically on our supply chain. That is an opportunity for us for the future, but we have been incredibly transparent about all the work that we do on gender balance and the gender pay gap figure, which we published last November. We recognise that there is a real advantage in coming together with other businesses as a community and sharing good practice, so we have been doing that informally and will continue to do so. It is not just about our supply chain, although we know that there are some large organisations in that chain; it is about how we move the conversation forward as a United Kingdom.

Catriona Mackie: We did a piece of work to try to work out whether we had any issues in the supply chain. I think that it would be a commitment to move that forward so that we understand what is happening in the different suppliers that we use and work in partnership with them to ensure that the outcome for everybody is great.

Andy Wightman: You said that you think that it is a commitment. Is it a commitment?

Catriona Mackie: We have definitely looked at it. There is no issue with the vast majority of our suppliers. The last time that I looked, there were maybe one or two where there was an issue, and we were in discussion with them to sort it out.

Andy Wightman: Are you inviting them to report their own gender pay gap? Is that the kind of measure that you consider when you procure?

Catriona Mackie: On reporting, they would be aligned to the same legislation as the rest of us.

Andy Wightman: Many companies in the supply chain will not be covered by the legislation because they employ fewer than 250 people.

Catriona Mackie: Okay. I need to take that away and have a look at it.

Andy Wightman: I have a question about what the Scottish Government is doing. We have heard a bit of evidence about some work being done in the fair work convention and on the Scottish business pledge, but those initiatives are perhaps not achieving a great deal on the gender pay gap at the moment. Is the Scottish Government doing enough with the policy levers that it has? What more could it do?

Rosie MacRae: We are in agreement with the Scottish business pledge. However, when it comes to the gender pay gap, there is room to be a bit more specific and a bit more targeted. I agree with the comment that was made about education, Government and employers working together. If we focused on the top three or four things on which evidence is being gathered so as to make a real difference, we could make some real change. I have talked a few times about flexible working, and there is probably more than that to be looked at, but we should all focus on the same things. The business pledge could articulate more factually what would make a difference.

Shirley Campbell: On where we could go further, the way that we report under the public sector equality duty is one way of stating what our gender pay gap is. The UK approach, which is applied to the private sector and the public sector in England, has a more onerous requirement and goes into far more detail, so there is a question about whether it might be appropriate to apply that approach to the Scottish public sector as well.

We would welcome the opportunity to consider our information more forensically. Examining pay bands by gender and the gender pay gap by ethnicity, age and length of service gives us interesting information. We do that voluntarily and for ourselves so that we can ensure that our interventions are properly targeted, so there is a

question about the methodology that we will use going forward.

Catriona Mackie: It is about partnership and probably keeping dialogue going between us to try to work out what areas we want to work on jointly.

I mentioned the not just for boys initiative. That was important in helping to address some of the longstanding issues for women coming into non-traditional organisations. It would be helpful if we could work together on some of those things.

Megan Horsburgh: I have spoken at length about Sodexo's desire for a partnership approach. Although we have not mentioned it much, the role of the media is really critical and, as more and more companies begin to publish their gender pay gap information, it will become more critical in ensuring that the general public have a reasonable understanding of the differences between equal pay and the gender pay gap. It is a difficult construct for laypeople to get their heads around, so there is a real opportunity for the media to contribute positively in that regard.

The Convener: Do you think that the UK Government's return to work scheme, which is going to come into force in England, is a good idea? I do not think that such a scheme is currently proposed for Scotland, but might one be useful? I do not know whether any of you have had a chance to consider that. There are no comments, so we will move on to the final question, which is from Dean Lockhart.

Dean Lockhart (Mid Scotland and Fife) (Con): I want to return to the discussion on the gender pay gap, the progression of women into senior positions and the role of programmes that organisations could put in place to help women to reintegrate into the workforce after a career break, either for maternity leave or for other reasons. We have heard evidence from other organisations that such programmes are critical in ensuring that women can progress into senior positions after a career break. I would like to get your views on what individual organisations can do to achieve that progression.

Shirley Campbell: I have talked at length about the high percentage of women that we have on our leadership development programmes. That is important, and it looks as if we are developing quite a healthy pipeline of women who will flow through into senior management positions. Some individuals needed to go on maternity leave part way through cohort 1, but when they came back, they automatically went straight into the next cohort. They were able to continue with their development—that was not an issue.

We are also delighted that more than 96 per cent of women return from maternity leave. It is quite interesting that, more recently, more of them

are returning to full-time roles than was the case previously, when women typically returned under some sort of part-time arrangement. We believe that that is due to the agile working principles that now play across the totality of Scottish Water.

I will give a recent example of something that we have just endorsed. Last week, we had a discussion with the executive team and it was suggested that every returner to Scottish Water could attend one of the immersion events that we offer to all leaders so that they can talk about business strategy, business performance and future direction. Whether or not they were leaders when they went on long-term sickness absence or maternity leave, or left to undertake an international assignment, returners will be given the opportunity to participate in that group, so that they get a good context and an understanding of where the business is at the point of their return, which should pump prime them as they go back into their roles. That is just a small example of something else that we think would be helpful.

Rosie MacRae: SSE offers coaching and mentoring to those who are going off on paternity, maternity and adoption leave—pre, during and post. I talked earlier about the inclusive approach to our hiring manager training, which has been good, but another win that we had was with our most senior leaders, all of whom are men, when they undertook personal belief coaching on the subject. They got it: they understood the business needs to have more difference, but they also went through some coaching about what that meant for them as individuals and how they have to change. You cannot get away from the importance of the key decision points and the processes and policies that are in place at those points in relation to people progressing or who you are hiring in. You need to put that lens on so that everybody is balanced. When you are interviewing, you have to ensure that the panel is balanced in many different ways, not just in gender terms, and we are all working through many things that seem to be incredibly important in making the shift that we need.

Catriona Mackie: Running programmes is one aspect of what we do, but we also have annual talent review processes, in which we review people's performance and potential and where they might go. A lot more emphasis is put on what we need to do to prepare a person for the next step up. People's aspirations and views can change, and having a regular review process helps in that regard, because it means that we can update where somebody is in their career and what we need to do to enable the next steps for them.

The Convener: I am afraid that we are well out of time now, so I thank all our witnesses.

10:56

Meeting suspended.

11:02

On resuming—

The Convener: Good morning, everyone. I welcome our second panel of witnesses. With us are Katy Miller, who is head of human resources at the City of Edinburgh Council and who is here on behalf of the Convention of Scottish Local Authorities; Peter Reekie, who is deputy chief executive and director of investments at the Scottish Futures Trust; Nicky Page, who is head of people management at Police Scotland; Ian Reid, who is management side secretary for the NHS Scottish terms and conditions committee; and Diane Vincent, who is director of people and organisational development at the Scottish Fire and Rescue Service.

Thank you for coming. We will start with a question from Bill Bowman.

Bill Bowman: My question is not so much about your organisations but about the broader picture. Do you believe that we have a defined set of agreed statistics on female economic activity in Scotland and on the pay gap?

Ian Reid (NHS Scottish Terms and Conditions Committee): I am not an expert on the earlier part of the question, so I will not comment too directly on it. The information that we collate in the national health service is in a standardised format across all the NHS boards and its level of detail is much greater than the level even two or three years ago. As you will be aware, each NHS board is required to publish that information—this year, by the end of April—so the nuances within the NHS will be much more in the public domain. I hope that that will help with the understanding of the situation. Although the NHS is a predominantly female organisation, it still has a gender pay gap, for reasons that we will perhaps go into. In terms of information, however, it is in a much better place than it was in two or three years ago.

Diane Vincent (Scottish Fire and Rescue Service): My comment is similar to what you heard earlier this morning from our private sector colleagues. There is perhaps no definitive measure as such, but in the public sector we are all reporting—in line with the public sector equality duty—on an average hourly rate of pay minus overtime and allowances. There are other ways of calculating it, but using that calculation allows comparisons to be made. We certainly use it when we compare our pay gap with those of similar public sector organisations.

I note that, in some of the reports, there is a tendency to use the median as opposed to the mean. Perhaps we in the public sector should consider whether it is worth expanding our reporting to include not just the average but the median as well.

Peter Reekie (Scottish Futures Trust): Speaking as a procurer, I note that it is really important that the figures that come from organisations are comparable so that we can make a fair evaluation. With some of the standards of publication, clear guidelines are set on which figures must be used, but we know from what we hear and read that there are some pretty difficult concepts about employees, workers, contractors and the owners of businesses—if we look at professional services—and about basics, overtime and allowances that differ between organisations within a sector as well as between sectors. There are challenges around exactly how we collect the figures and whether we will ever be able to get sets of statistics that are capable of being compared for transparency in a procurement context.

Nicky Page (Police Scotland): We have a very good grip on our police officer data and we are part of the way through our modernisation for staff. As the committee will be aware, Police Scotland came together four years ago, and we inherited 10 different legacy pay systems, which gives us particular challenges in the look-across. That being the case, however, we still made an attempt in the current published mainstreaming report to look at segregation and horizontal segregation. We used the benchmark of staff salaries to give us some work to build on in future years.

In response to the wider question about data, I add that, when we look for benchmarks and comparators, we find that the basic information in the public sector is comparable, as Diane Vincent said, but as soon as we get into the more challenging aspects of looking at segregation, age and service levels and how those things affect pay, it is much more difficult because there are no specifics and different bodies use different indicators for calculations. It is useful to have common benchmarks among organisations. That is maybe something that we all have to work on—in the public sector and in different industries at large.

Katy Miller (Convention of Scottish Local Authorities): I echo what Nicky Page has just said. At a surface level there is consistency across the measurements, but when we start to look at some of the dynamics that sit underneath that, such as the propensity for men to work longer hours in the week—some reports argue that men earn four times as much overtime as women in a working week—it is less clear. It is when we look

at the detail below the surface level that the dynamics really come into play.

Bill Bowman: Are you saying that you are reasonably comfortable that you are producing information for your own organisations' use but that getting reliable benchmarking across other organisations is not so easy?

Witnesses *indicated agreement.*

Bill Bowman: Thank you.

Ash Denham: My question is on the legislative requirement on pay gap reporting that is coming in. Will the requirement on organisations to report their statistics create change?

Diane Vincent: The Scottish Fire and Rescue Service has found pay gap reporting useful in making us fully understand what our pay and reward systems are providing for our employees and where we have to take action to address the pay gap. We are similar to Police Scotland in that nine legacy organisations were brought into our one national organisation in 2013, and in our support staff functions we inherited 19 different payroll systems and nine different pay and grading systems.

Our 2013 pay gap analysis and equal pay report allowed us to focus on that, and we have spent the past two or three years focusing on the pay and reward framework to reduce the pay inequality in the previous system and bring in a new human resources payroll system and a new pay and reward system that is based on a single job evaluation scheme, for which we used the COSLA and Scottish joint council scheme. Publishing the data helped us to focus on some of the key things that we had to do.

We also used our 2013 equal pay report to start to review the wider positive action initiatives that we might need to take. The committee might have some questions on that.

The reporting of the data is useful. It helps to promote us as an employer of choice and to show transparency in our pay and reward systems, but it also helps us to focus internally on the types of action that we need to take in order to reduce any pay inequality and the gender pay gap.

Ian Reid: In the NHS, reporting has already started to make an impact. One of the starkest observations from looking at the data a few years back concerned the impact that medical and dental staff had in skewing the gender pay gap. As you will know, those are traditionally male professions and the highest paid in the NHS, and they skewed the gender pay gap quite significantly.

Pay is unlikely to alter very much, but the way that we employ doctors is beginning to be looked

at so that it might be more flexible. We are trying to address the long hours culture and everything that went along with that. Younger women who are coming into the medical profession no longer want to work those rigid, fixed hours, so we are having to look at greater flexibility and more part-time working. That goes across the hospital sector and into general practice.

You will probably be aware that a lot of work is being done on multidisciplinary team working so that, for example, GPs can be part of a team, supported by nurses, physiotherapists and so on. That is a way of getting more female employees into the workforce and sustaining them there in a particularly demanding area.

Nicky Page: On whether the reporting duty will make a difference, if we look back at our published data for 2013 and at our current data, we see that, for police officers, we had a 7 per cent gap and we now have a 4.1 per cent gap, and that we have also made a 1 per cent improvement for police staff. There is a challenge in respect of police staff because of the modernisation of the pay and grading system, but we anticipate that that will result in further progress.

I echo the points of both Ian Reid and Diane Vincent—the reporting duty focuses the mind and focuses activity, and because of that there is a much greater chance of achieving something if we have actions in place to do that. We definitely feel that the duty to publish and promote is making a difference in policing, and I anticipate that that benefit will be seen in other sectors as the duty is better understood and taken forward.

Peter Reekie: I agree with everything that has been said. There are two points. The first is that what is measured is managed, to go back to management and paraphrase Peter Drucker. Secondly, the point about transparency and reporting is also important. One of the impacts reported in Lord Davies's 2011 report "Women on boards" was that the rate of change picks up significantly when people have to publish their information, although that has not yet happened widely enough.

There is something inherently competitive about corporates in particular as they compete for talent, for customers, for shareholders and for peer approval. I believe that, if we make them publish comparable information, leadership attention will be drawn to it and people will want to do the right thing so that they compare positively with their peers. Measurement, transparency and publication are important in driving change.

11:15

Katy Miller: I agree—I think that the reporting duty focuses the mind. We should be exploring

and should probably be more transparent about the dynamics that sit underneath the pay gap data. If we were to look at our strategies, we would probably find that we are all trying to achieve the same things and to move in the same direction. It is a question of how, as organisations, we work in partnership to support one another with that.

Ash Denham: To summarise, you think that having the duty there in black and white focuses people's attention on the situation, which leads to a desire to improve it. Are all your organisations setting targets for year-on-year improvement?

Ian Reid: I recently attended a board meeting at NHS 24 at which the equality data was presented, and there was a great debate among the organisation's non-executive directors about what that information told them and what they might want to put in place. I think that the reporting of such data opens up people's minds. There is now an action plan on the equality situation that will be measured and monitored. I think that the fact that the data is being discussed at senior levels helps with accountability on such issues.

Diane Vincent: In the fire service, although we are not necessarily setting targets to improve the situation, we are doing what Ian Reid mentioned—we are putting in action plans to support what we are trying to do on positive action and the gender pay gap, and those are kept under scrutiny by our senior leadership team, our staff governance committee and the wider Scottish Fire and Rescue Service board.

Peter Reekie: As someone who comes from a relatively small organisation, I have a slightly different viewpoint. In such an environment, it is necessary to be careful about driving the change specifically on the basis of numbers, because we are hit by the statistics of small numbers. That means that a single appointment in one role or another, whether of a male or a female, can cause some weird things to happen to the numbers that are not reflective of what is happening in the organisation. We try to focus on the change that we are making and what we do on a day-to-day basis rather than on setting targets on the basis of numbers.

Nicky Page: In policing, we set outcomes, which we look to achieve—in other words, the process is not driven by numbers, which, as Peter Reekie has pointed out, can skew behaviours and be quite detrimental to the culture, if we are not careful. We check on the outcomes that we are trying to achieve. The Scottish Police Authority looked at our mainstreaming report on 22 March. It scrutinises that throughout the year, and it is extremely interested in looking at progress on our outcomes.

Andy Wightman: Will you put on the record the latest gender pay gap figures for your organisations? What has been the trend in recent years?

Diane Vincent: The overall gender pay gap for the whole of our employee population is around 5 per cent. We are predominantly a uniformed service, so that percentage is driven by our uniformed staff population. Within our support staff, the gender pay gap is around 15 per cent. Since we published our 2015 report, the pay gap has gone down from 11 per cent at organisational level to 5 per cent, as the report that we will publish in April will show.

Nicky Page: According to our mainstreaming report, which was published recently, the gap for police officers, excluding allowances and overtime, is 4.1 per cent. When allowances and overtime are added in, it is 5.8 per cent. The gap for police staff is 12 per cent, and when allowances and overtime are added in, it is 13 per cent. That is the current position.

Ian Reid: Our figures are collated not across the whole of the NHS but at an individual board level, and they vary quite dramatically. The figures that I have here for boards show a gap of 26 per cent for NHS Ayrshire and Arran, where there is a high proportion of nursing and medical staff compared with others, whereas at NHS 24, which is the other organisation that I looked at, there is a lower proportion of directly employed medical staff, and the gap is 3.5 per cent. The difference, which is quite significant, depends on the make-up of the particular workforce in each employing board.

Katy Miller: Our pay gap reporting is broken down by grade; it is different across different grades, which have different profiles of staff, similar to Ian Reid's information. The gaps are all within the Equality and Human Rights Commission 3 per cent guideline, and they range from 0 per cent to 1.8 per cent.

The City of Edinburgh Council recently restructured and it has had about 900 voluntary redundancies in the past 12 months, so we have seen quite a significant shift in the organisational structures, roles within those structures and grading, with new people coming in and some people choosing to leave.

Andy Wightman: Okay. Does the council have an overall pay gap figure?

Katy Miller: Our overall figure is 9 per cent, which represents a downward trend compared with the previous report.

Andy Wightman: Will you say something about the measures that you are putting in place to tackle and eliminate the gender pay gap?

Ian Reid: Like similar organisations in the public sector, we are slightly constrained by pay arrangements, which are nationally negotiated. In the NHS, the majority of staff are on agenda for change pay rates, but a large cohort of the medical staff are on national terms and conditions. All progression in the NHS is through length of service or seniority so, if people take time out of the workforce, they will come back in at a lower level—there are challenges with that.

On a more strategic level, more than 50 per cent of those who are studying medicine at university now are females, whereas they were previously underrepresented, so things are happening there. On training, each NHS board has modern apprenticeship schemes and is making sure that they are gender balanced. We have introduced flexibilities such as shared parental leave, as other organisations have, and we have a policy that encourages flexible working, so that people return on more flexible arrangements.

It is quite important to say that the NHS has a partnership model of employer relations; the trade unions have appointed equality officers to most of the boards and they work with managers to take forward the various strategies and plans that are in place.

The final area to highlight is that of women coming through to very senior positions in the NHS. Those positions were male dominated, but senior female staff have had a lot of leadership development. The women's monitoring network means that women in senior positions can support others who are coming through the organisation, to make sure that the gender balance is correct at higher levels.

Nicky Page: For police staff, we have a programme of modernising terms and conditions—as I have said, inheriting 10 different pay systems has given us a number of issues. We expect that programme to make a big difference on pay.

Under the provisions of the public sector pay policy and as part of our joint work through negotiation on our pay settlement, the trade union made a proposal on raising the pay of those who were earning less than the Scottish living wage to a figure that was considerably above that position, so we should not have a problem for the next few years, anyway. We endorsed that proposal, which was part of our pay settlement.

In addition, we are doing a lot of work to tackle the differences that might arise from occupational segregation and opportunities to earn allowances. That has included a bit of work on the theme of a day in the life, and we have run taster sessions. We find that our operational support division and specialist crime division are less attractive to women.

We have done a lot of activities. On the taster sessions, people can go along to a roads policing session, for example, and they can try out a motorbike. Historically, we had issues with people being put off by the equipment. The bikes might be bigger, for instance, and a woman would go along and say, "This isn't for me. It's too heavy." We have adapted our equipment to make it more female friendly. In certain aspects of policing, some of the equipment is different, and people worry about whether they will be able to handle it. The taster sessions allow them to put on or try equipment and, when they realise that they can absolutely cope with it, such areas become a career option for them.

We have done a lot of engagement on the other side to encourage flexibility among our male staff. We are still male dominated on the policing side, so we have done engagement with Fathers Network Scotland to encourage flexible working not only for our females—although that is predominantly where we get our applications for it from. If we are to help society to change from women taking on all or the majority of the caring responsibility, we have a social responsibility to encourage our males to be in a position where they feel that they, too, can take on some of that burden.

We are working with Fathers Network in our U division—for those who are not familiar with policing, that is Ayrshire. We recently ran a few exercises. First, we focused on raising awareness among expectant parents—male and female—about flexible working and care provision. We have an employee assistance programme that advises males and females about care provision and how they might manage childcare.

In another session that we ran recently in U division, we worked closely with the Scottish women's development forum on returners to work, as that affects our pay. Women found coming back to the workplace intimidating, particularly after maternity leave or a career break, so a lot of work was done to reintegrate those workers.

The nature of policing is such that, when somebody gets pregnant, we have to take them off direct operational duties. Trying to get body armour over somebody's bump when they are heavily expectant is quite difficult. We have worked well with the Scottish women's development forum to ensure that, when women have to pull away from front-line duties, there are still meaningful roles for them to carry out. That means keeping women engaged, which also means that they are more likely to return to work.

We are doing all those things in policing to tackle issues arising from occupational segregation that lead to a gender pay gap.

Diane Vincent: We, too, are undertaking many such activities at the Scottish Fire and Rescue Service. Nicky Page mentioned the modernising agenda for police support staff. We have been fortunate enough to complete such a process, so we have managed to move from the legacy arrangements to integrated human resources payroll systems.

We have focused on bringing in our own pay and reward scheme to take out inequalities that we inherited from the legacy arrangements. We have introduced that, but we still have more work to do, as our support staff arrangements involve occupational segregation, particularly where there is the biggest gender pay gap. The pattern is not dissimilar to the one that we heard described earlier this morning. Women are typically in the lower-paid jobs of cleaning, catering and administration, whereas middle-grade jobs, which are typically in information and communication technology and engineering, are occupied by men.

In the more senior roles, there is much more of a balance. At the most senior level below director, there is a 50:50 split on our senior management team among support staff. The board has also made a commitment to the 50:50 by 2020 agenda and, after the latest round of appointments, we have a board that is 40 per cent female.

We have completed our modernising agenda on pay for support staff but there is more to do on occupational segregation. As a key point, we are considering the 50:50 by 2020 agenda for senior appointments and are making good progress on that.

11:30

Like other organisations that are on the panel, we have looked at alignment with the Scottish public sector pay policy for low pay and we are committed to the living wage, so all our employees are on the living wage as a minimum. With the Poverty Alliance, we are working towards our accreditation as a living wage employer, so we are trying to tackle low pay. That includes extending the living wage and fair work into our procurement processes for the awarding of contracts within the parameters of European Union procurement legislation. We are following Scottish Government guidance to try to achieve that.

We are doing the developmental initiatives that colleagues on the panel described. We have reviewed our appraisal system, are about to review our leadership and management development programmes and are considering succession planning much more deeply. We are ensuring that any gap between uniformed staff, who are predominantly men, and support staff is

objectively justified by the role and nature of the duties.

This is not so much about the gender pay gap, but we are a predominantly male organisation. Firefighting has traditionally been, and still is, seen as a male occupation and we are working hard to change that stereotype but it is a long and painful journey. Using social media and the wider media, our latest recruitment campaign focused on telling and promoting the stories of people who are not stereotypically seen as firefighters. We were able to tell the stories of many female staff through those arrangements and we increased our attraction rate for women to 8 per cent, although that is not enough.

We had 8 per cent attraction rates, but we took 14 per cent into our recruitment round. The issue is not so much that people are not able to be firefighters—they can achieve the fitness standards, for example, which women would typically think were beyond them—but that we need to improve our attraction rates, expand the stories and change the stereotypically male face of the fire service. We have quite a journey to go on that.

John Mason: I have a question for Mr Reid. I think that he said that NHS pay is linked to length of service. Does that mean that it is automatically biased against women if they can never catch up?

Ian Reid: If someone has less time in their career, they will not catch up. Incremental progression, which is the model that we have in the NHS, applies to nurses, doctors and all the agenda for change groups. A fundamental issue about progression that is based on length of service is that, if people take breaks, it is often difficult for them to come in at the same level. We can do things to address that through a more proactive career break option, for example, but many people who return from maternity leave do not want any periods of unpaid leave, so it is a difficulty with the pay system.

At the UK staff council, discussions have begun on the possibility of shortening the scales and cutting down on overlaps so that, whereas some scales have seven or eight points just now, there would be only four points on a scale. The trade unions and I, from a Scottish employer perspective, are involved in those discussions. That approach would help to address the situation.

The Convener: Have the NHS, the Scottish Fire and Rescue Service and Police Scotland looked at pension arrangements as part of considering how pay arrangements affect the gender pay gap? New pension regulations about part-time employees, for example, have been brought into force over the past few years. Has each

organisation considered how they affect its employees?

Diane Vincent: To be honest, we have not specifically done that; it is something that we need to consider.

Ian Reid: We are in the same position. I do not think that we have specifically looked at the impact of the changes, so we would need to begin to look at that.

Nicky Page: There have been fairly recent changes to police pensions. In our previous staff survey, pensions came out as police officers' number 1 concern, but they were less of a concern for police staff. Police staff are in the local government pension scheme; police officers are in a separate scheme.

We have recently done work on pensions. The Scottish Police Federation has raised concerns about the number of younger officers who are opting out of the pension scheme. As a result, during our probation training, we are more proactively focusing on raising awareness about the importance of saving for retirement. Although the police pension scheme has changed, it is one of the most competitive pension schemes to be in. At induction sessions for police staff, we have been routinely raising the benefits of being in that scheme.

Richard Leonard: My question relates to the era that we are living in, which is one of tight public finances—and, in the case of local government, one of reducing public finances, I observe. Will you describe your understanding of any gender bias that comes with that public sector expenditure policy?

Katy Miller: That is an interesting question. We have in effect been going through transformation for the past 15 months in the City of Edinburgh Council, and every change on which we embark goes through a rigorous business case process. A business case starts with an end service user. It is designed within a cost envelope, which is an inevitability of the expenditure policy. At each stage, an equality impact assessment is done for the outward service and any internal impact. We monitor that consistently and we share that information publicly. We regularly talk about the issues with the trade unions, which—rightly—keep us on our toes. We are tight on the organisational processes that we go through.

We carry out a lot of impact assessment on pay as we do such work. We are stringent on our job evaluation, which keeps us safe in that regard. Last year, we, too, started to redesign our performance management framework, which is quite an interesting area. The framework was developed not by HR but by our workforce. We had a working party that involved several hundred

people, and it designed our whole performance management approach, its language and everything around it.

A really interesting element was the feedback that one-to-ones and appraisals were task orientated and outcome driven. On the one hand, that is great; on the other hand, staff said that they would love to have conversations with their line manager where the line manager got to know them as an individual, so that the line manager understood what a person's work-life balance looked like, including carer issues or when they might need to leave work at a particular time—and still trusted them to do the job that they were employed to do.

The core of our new approach to performance management is about having great conversations. One of the biggest aspects to those conversations is managers getting to know their team members and those people's work-life balance and trying to bring that into the frame.

Ian Reid: I will reiterate some of that. In the NHS, change is required to be equality impact assessed. Like the local authorities, we have a strong organisational change policy that involves individual discussions with staff and responsibility to take on carer issues if there is going to be a change of location, for example, and a service is being reconfigured. We consider those aspects as part of our policy.

As you will be aware, the transfer of NHS services is often difficult, but we do everything to make sure that people can be redeployed in their local area, if not in the same setting that they have come from.

The Convener: You are not all obliged to answer every question—I should have said that at the outset, rather than now. We have limited time but, if you want to come in on a specific issue, simply indicate that. Some questions are directed to certain witnesses or are more able to be answered by some, rather than others.

Jackie Baillie: My question is directed to all of you, except Katy Miller; I have a slightly different question for her.

Diane Vincent mentioned 50:50 by 2020 and seemed to be quite confident that the SFRS will get there. What is the rest of the panel's view on whether their boards will be compliant by 2020?

Ian Reid: I understand that we will be compliant in our public appointments process. For executive appointments, we ensure that there is a gender balance on every panel and that, wherever possible, we can appoint fairly and equitably, no matter what the individual's background is.

Nicky Page: I echo what Ian Reid said. The commitment from the Scottish Police Authority is

there. Appointments to the board are public appointments, and our equalities officer was telling me the other day about the work that goes into where we advertise them. Those are all things that, fundamentally, the Scottish Government has an influence over. We can do our part by ensuring gender balance on panels, raising awareness and putting out adverts to attract people from particular groups or backgrounds, which we can do by working heavily with the Scottish Government.

The key thing is the duty to publish gender pay gap information, which focuses minds, to go back to the point that Peter Reekie made. That is a critical aspect that is welcome. We are committed to doing what we can in policing to achieve that.

Peter Reekie: When our latest round of public appointments has worked through the system, we will have a 60 per cent female non-executive board, and there is now a 50:50 gender balance in our internal executive leadership team.

Jackie Baillie: That is good—long may it continue.

I am curious about local government. Ministers make the appointments to public boards so, whatever they do about the pipeline, the matter is ultimately for ministers. However, for elected politicians at local government level, the picture is different. Is COSLA doing anything to encourage diversity or do you leave that to political parties?

Katy Miller: We absolutely encourage diversity. COSLA has an equalities portfolio, which I took up about six weeks ago, and one of my first meetings was with a couple of your colleagues in the Parliament to talk about whether there is an opportunity for local authorities and yourselves to share an equalities plan. That comes back to my point that many of us are trying to do the same thing, so we should build once and use many times. In COSLA, we are having a lot of conversations about the best practice in local authorities and whether that practice is happening in a policy framework or culturally.

One of the key things that we have focused on in Edinburgh in the past year is the cultural aspect of leadership. We have a raft of policies on flexible working and so on, but one of the most impactful things is the role that leaders play. We have made a sustained effort during the past 12 months, with our wider leadership team—roughly our top 100 leaders—meeting every month to discuss their leadership and the impact that they will make on the organisation. We are now cascading that to the next 600 managers. We have two-day workshops in which we talk about great conversations and how to have them, so we are driving the culture from the top down, in addition to having the policy from the bottom up. COSLA has a very active role to play.

Jackie Baillie: My next question is entirely for the Scottish Futures Trust. The SFT is responsible for co-ordinating billions of pounds-worth of public investment in major infrastructure projects. Has any consideration been given to making it a requirement that the companies that the SFT deals with do something about the gender pay gap, whether that is reporting gender pay gap information or taking measures to close it?

11:45

Peter Reekie: This is a particularly tricky area, as what we are talking about interacts with European procurement rules. Two things can be done in procurement—one is to exclude parties from tendering for particular reasons, and the other is to score characteristics or behaviours in service delivery in order to encourage people, in a transparent way, to adopt them.

In the Public Contracts (Scotland) Regulations 2015, procurement regulation 58(8) covers exclusion grounds. Exclusion would be really tricky to apply in this area, in relation to either the publication of information or any steps to reduce the gender pay gap. First, as we all know, the requirement to publish in the private sector applies only to large organisations. It would be very difficult to impose that requirement on smaller organisations solely for public procurement purposes. That might set up a bit of a two-tier system in the SME community, and it might not be proportionate to exclude someone from procurement simply for failing to publish such information.

The nudge that comes from giving scores to particular behaviours is really driven by the Procurement Reform (Scotland) Act 2014 and the statutory guidance that is already in place on addressing fair work practices and, in particular, using the living wage in selecting tenderers. The guidance is based on fair work practices leading to the delivery of higher-quality services. That allows us to evaluate working practices as part of the service delivery that goes with tendering itself.

The guidance focuses on all aspects of fair work. There is a focus on the living wage at present, but the sample invitation to tender includes a question about what steps organisations and tenderers have taken to promote equality of opportunity and the development of a workforce that represents the population of Scotland. The responses can be scored, and there is no reason why any procuring authority should not, if it wishes, make a particular reference to the gender pay gap in that question.

There are a couple of caveats around that. First, in major, complex procurement for infrastructure, we need to be really careful about how much of a

qualitative scoring in a tender process we can afford to give the employment practices of companies that are delivering the service, as opposed to how much we allocate to, for example, the quality of the end product—such as a hospital or a road—that is being delivered through the procurement. Procurers wrestle all the time with how much of a percentage can they allocate to those areas.

We have pretty deep supply chains in construction in particular, and it is quite difficult—when the supply chains might not have come together at the procurement stage—to drive that analysis or any scoring down through them. As I said, we need to be really careful that we do not inadvertently discriminate against SMEs, which might have different practices and policies and might be less good—dare I say it—at the essay-writing part of tendering. We need to focus on the things that will drive change rather than on the ability to answer a question well. That said, if you put these things in tenders, it drives attention towards them and, generally, attention on an area, including leadership attention, is what drives change overall. It is a tricky area but there are things that we can do.

Jackie Baillie: I do not want to put words in your mouth but I am just trying to unpick everything that you are telling me, and what I hear is that you are not doing anything directly. That might be unfair, in which case, please come back to me on it. However, doing something about the gender pay gap seems to be in the too-difficult-to-do box, because of European procurement rules.

Peter Reekie: As I said, what we can do in procurement involves scoring fair work practices as part of service delivery. A whole host of things sit within fair work practices. As we all know, to date, the one that procurers have predominantly focused on has been payment of the living wage.

There is an opportunity to expand that aspect further and to ask more direct questions on the gender pay gap. As I said, there would be a risk if we were to do that simply by beginning to try to score people on the numbers associated with that measure. I would much rather that we were able to score people on the steps that they are taking to address the issue. It is a great challenge, but we are trying to do that.

Jackie Baillie: That being the case, will you take that away as a specific piece of work and look at doing that in the billions of pounds-worth of infrastructure projects that you co-ordinate?

Peter Reekie: Along with the Scottish Government's procurement directorate, we will look at whether we can be more specific with those questions.

Jackie Baillie: Excellent—thank you.

Gillian Martin: I have a question specifically for Ian Reid about the NHS. There is much evidence to show that a lot of women do not return to work in the NHS—particularly GP roles—after having children. Given that we have GP shortages, what is your organisation doing to address that situation? A lot of GPs are women and many find it too difficult to come back to work, given the working practices that are expected of them.

Ian Reid: The issue is complicated, because the NHS does not directly employ general practitioners, so there are issues to do with partnerships and the associated business arrangements. However, in any discussion that we have with GPs where the partnership is struggling—for want of a better description—we are supportive. For example, we support part-time appointments where people can be directly employed by the NHS and the funding mechanism adjusted, with the GP directly employed by the NHS but still part of the local partnership, although they would not have the benefits, in a business sense, that the other GPs would have.

We have also been looking at being more flexible with GP training, with people able to work fewer hours during their training. There are issues around extending the training, but the Greenaway commission's work looked at how more flexibility could be built into the training period. That is a significant issue not only in general practice, but in hospital-based services, because of the hours and training requirements for junior doctors—as you know, there are caps on what their working hours can be. However, we are attempting to be as flexible as possible in that regard.

I suppose that I am hesitant because, although there is more to be done in that area, it is a recognised issue that has to be addressed and you will see more progress on it in the coming years.

Gillian Martin: I want to open up my question to the other panellists. In Police Scotland and the Scottish Fire and Rescue Service, a huge investment is made in people's training. The costs associated with staff retention are big. How will addressing the gender pay gap and flexible working help to retain staff?

Diane Vincent: The Scottish Fire and Rescue Service's staff turnover is relatively small. I do not have the figure to hand, but I could get it for you.

We have in place flexible working policies, although we do not see a huge uptake by our uniformed staff, who typically work two day shifts and two night shifts. In response to staff surveys on the positive action work that I have highlighted, staff reported that fixed work patterns are useful. They are set so far in advance that they allow staff to make arrangements for childcare, caring

responsibilities and so on. However, this year, we are moving to a new duty pattern, with an annualised hours contract. That will enable a bit more flexibility in how people use what we call out-of-pattern or rostered reserve to organise their work-life balance.

We have a range of opportunities outwith the fixed shift pattern and what we call day duty working patterns, which are typically Monday to Friday. That impacts a much smaller cadre of staff.

Early on as an organisation, we put a focus on maternity and paternity provision to get a harmonised position. We think that we have a fairly generous scheme for maternity and paternity provision. It is aligned with Police Scotland's scheme—we did a lot benchmarking with colleagues to put it in place.

We do not see turnover as a big issue. We have policies to support people in relation to flexible working and the return to work after maternity, paternity or adoption leave, for example. As part of our recent recruitment campaign, we used some of our very nice stories about support for pregnant firefighters, and about a particular firefighter who needs support with in vitro fertilisation treatment. We have arrangements in place to support staff where necessary, but they are not overutilised, given the demographics of our employee group.

Nicky Page: It is now the case that 30 per cent of our police officers are female. From the data that has been published, that is better than in the Police Service of Northern Ireland or in England and Wales, so we feel that we are on the right track for getting a gender balance. Obviously, if we are to represent our communities, which is our ultimate aim, we still have some way to go. Traditionally, policing has been viewed as a male-dominated industry, so it is positive that we have got as far as we have in the past few years, but we need to build on that.

To do that, we have things such as the Police Scotland youth volunteers programme. We are getting a good gender balance among the volunteers; I do not have the figures with me, but that is very positive because, as some of the previous witnesses said, it is critical that we make young women aware that policing is an option for them. That is about getting the idea into the minds of young people that there is nothing that they cannot do—that if they want to pursue a particular career, there should be no barriers to that. It is important that we attract both genders to the Police Scotland youth volunteers programme.

We had a session in Aberdeen that focused on encouraging female applicants, and we appointed four out of five of the people who came. At the session, we allowed people to try out the fitness tests, for example, because sometimes women

feel that they will not achieve that level of fitness—Diane Vincent has already commented on that. If they come along to a taster session to try things out and find that they can do them and can apply for policing, that is very positive.

There are also things that we do once we have attracted people who then start with the organisation. I have already mentioned some of the work that we have undertaken in U division in respect of maternity. We have also worked closely with the Scottish women's development forum, which has been absolutely fabulous as a partner in identifying areas where there is feedback that women are concerned. We have increased maternity provision for female officers, which was another step in the right direction. Therefore, quite a lot has been going on in relation to police officers.

Police staff are predominantly women. We have a low turnover rate of police staff and a higher uptake of flexible working patterns, and, generally speaking, we have a good return-to-work rate.

However, in relation to all these issues there is an element of never being able to take our foot off the gas. We have done a lot of work to achieve that 30 per cent figure for female police officers, and if we do not continue to focus on the issue we will slip back.

The Scottish women's development forum played us a video—I think that others present have seen it, too—of young children of about four or five years old who were shown images of a firefighter, a police officer and an astronaut wearing helmets, and every one of those children thought that those workers were male. We are already fighting against so many social biases that if we stop pushing the idea that women can have those careers we will lose the traction. There is constant work for us all to do in education and with early years childcare providers. We all have a responsibility to send out a consistent message that careers are not specific to one gender and that there is nothing that people cannot have a think about doing and potentially have a go at.

12:00

Gillian Martin: Making it easy for women to return to work is one thing, but what about progression up the grades should they opt to have flexible hours or agile working?

Nicky Page: Our most recent statistics show that we are getting a good balance of progression up our ranks. There are two blips, which are at our superintendent and executive levels, so we know that we have work to do there. However, since we started reporting, the broad picture has been that we have been increasing promotion rates.

We do not have stats specifically on how being on a flexible working pattern affects the promotion of staff. We are restricted by how flexible or otherwise our systems are when trying to produce data and do comparisons. However, the stats that we are able to pull show a positive picture of where female promotion is going.

As is reflected in the mainstreaming report, we have work to do on temporary promotions. We find that the substantive promotion rate is good, but we have to consider how fair and equitable temporary promotions are as well. We are doing work internally on that.

Ian Reid: Perhaps I should have mentioned the challenge of out-of-hours services in general practice, of which I am sure members will be aware, and the work that Sir Lewis Ritchie has been doing on developing community hubs. Service redesign will be critical in sustaining some of the services, given the way that workforce expectations of working patterns are changing.

Gillian Martin: Do you have any comments on my question about progression? Will a career break to do caring of any type put progression in jeopardy when someone comes back? How do you monitor that?

Ian Reid: My sense is that we have sufficient flexibility in working hours, particularly in nursing, to enable people to take on more senior roles on a part-time basis.

Gillian Martin: What about areas outwith nursing where you do not have that flexibility?

Ian Reid: It is still a challenge in medicine and some of the healthcare sciences, for example.

Gillian Martin: What is being done to address that?

Ian Reid: Again, we are considering ways that we can provide services more flexibly—for example, by substituting certain grades so that some of the work can be done in less time. We are taking such measures, but we are still a way off getting a real solution to the issue.

The Convener: Dean Lockhart has a question on the economic aspects of the matter.

Dean Lockhart: We have heard from the panel about a number of measures that have been taken across their organisations to address the gender pay gap and related issues. What economic or other steps to address the issue have the most impact? We have heard a lot of encouraging measures, all of which are heading in the right direction. To help the committee to understand what has the most impact in practice, it would be good to get a sense of that from each of the guests. It will be interesting to see whether the answers are the same or whether different

measures have different impacts across different organisations.

Katy Miller mentioned as being impactful a change of leadership or of culture and a leadership focus. Would other measures have a direct impact?

Katy Miller: One of the measures at a societal level that came through from the local authorities that responded for the COSLA submission—I am here on their behalf—was the extension of childcare infrastructure provision. I am sure that you have heard that before, but it was a common theme. There is a sense that there will be a lack of equality of role until, whether through changes in stereotypes or in provision, women do not take on the majority of the carer's role.

Peter Reekie: At the societal level, I agree on the transparency point that we have all talked about and on steps to address occupational segregation and to have family-friendly policies in the workplace.

Inside organisations, a lot is about leadership examples. I speak for a smaller organisation, and what seems to make a difference for us is flexibility for every worker in every situation, thinking that through for the individual and for the organisation and keeping the focus at the level of individuals. Rather than being rigid—saying that this is what happens in this situation—it is about asking how we can make what works for you work for us in this situation, to keep great people in great jobs.

Diane Vincent: I mirror what my colleagues have said. Our organisation is fairly new but with a long history, so our focus is on making sure that our pay and reward frameworks are as transparent and free from bias as they can be, following a modernising pay agenda in line with Scottish public sector pay policy; living wage accreditation has been a very important focus for us.

We can all work harder on attracting into stereotypically male roles—that comes from leadership examples, stories, how roles are portrayed in the media, support at a political level, and so on. That is a wider societal change.

To answer Dean Lockhart's question about what has an impact, living wage accreditation and how that impacts on the supplier chain will not address the gender pay gap overall, but it starts to send a message out about pay transparency and transparency in the public sector generally.

The challenge for the Scottish Fire and Rescue Service is how to attract women into our uniformed roles. I think that we will start to see a change as our service redesigns and responds to changes in the traditional demand for our services and in what communities demand of our services in the future.

That will start to change the shape of the role of a firefighter, which will help with the stereotyping issue.

On leadership progression, we have put in place the usual forums, networks, support groups and links with partner agencies that colleagues have mentioned. I do not think that we can put our finger on any one of those as having the most impact—it is the collection of all of them, and what lends most weight will depend on what the data is telling us and the circumstances facing our organisations at a particular time. We need to have all of those in our toolbag.

Ian Reid: My thoughts relate not necessarily to the gender pay gap, but to the fact that a lot of NHS boards are looking at how they can bring in, in particular, young people to the caring professions, given that most professions in the NHS are now degree based. Young people might not have the educational qualifications at the outset, but they could be supported through skills development or modern apprenticeships, so that they can begin to make a transition to a profession—if that is the way that they choose to go. Attracting young people, in particular, to the caring professions will be a challenge.

Nicky Page: Peter Reekie mentioned the importance of role models. We have a proactive deputy chief constable in Rose Fitzpatrick, who not only is a role model but is proactive in working well with the Scottish women's development forum; speaking to our women; coming back to the ranch and asking, "What are we doing about X?"; constantly challenging; actively participating in promotion processes; and going out to engage with, and write to, individuals to ask why they are not applying for roles—she knows from her reading and industry statistics that women tend to avoid going for promotion as early as their male counterparts. We are lucky that we have such role models.

In addition to that, we have public sector pay policy and we have pushed the provision of the Scottish living wage through work at a local level.

We do a lot more work—we need to do more—to engage fathers and promote flexible work across the service. A previous witness spoke about the fact that shared parental leave and paternity leave are not being taken up by fathers, and a lot of that relates to pay provision. Dean Lockhart's question was about economic factors, and the difficulty is that if we start putting up occupational pay, there is a cost. Given the current compression of public sector budgets, that is a challenge for us all. However, if we do not start to put up pay in the public sector, we will not encourage more males to partake in parental leave. There are things that, ideally, we could or

should look at, but economics play a part in what we can achieve.

John Mason: My question follows on from Jackie Baillie's first question, which was on targets and quotas for boards. Further down the organisation—not just your organisations, but generally—is it advantageous to have targets, quotas and so on? For example, in the police, you have been successful at the top and at the bottom, but we have heard that there can be a bit of resistance in the middle.

Nicky Page: As it stands, our current mainstreaming report shows that we are achieving quite well across our ranks—with the exception of the superintendent rank, in which we have had a dip this year—and in our executive. We are not complacent; we know that there is work to be done, and I have already mentioned that our DCC, Rose Fitzpatrick, does an incredible amount of work in this area. However, due to the small numbers, especially in the executive, one or two leavers can make a huge difference statistically, which returns us to the point that Peter Reekie made earlier.

Policing is a service, so people join as a constable, they become sergeants and they work their way up the ranks. There is no chief constable who has not been a constable. The difficulty with areas in the executive is that people have about 25-plus years of service, so they reflect recruitment practices from 25 years ago. That goes back to issues of age and length of service and the difficulties of trying to balance that. The work that we are doing now to encourage and increase the number of applicants and people joining the service who are women will impact the service in about 30 years' time—hopefully, I will be retired by then.

John Mason: I think that you said that 30 per cent of police officers are women.

Nicky Page: That is correct.

John Mason: Are you aiming for 50 per cent?

Nicky Page: We are always aiming to improve, but we do not have a specific target that is over and above our aim to reflect our communities—obviously, communities in Scotland are slightly more than 30 per cent female.

We are constantly working on having role models. When we do marketing, we are now able to find female officers to have a gender balance for our recruitment stall and our marketing materials in virtually any area, including the islands; just five years ago, we might have struggled to do that in some areas. As we progress and increase the number of women, there is a return on our investment, if you like. However, there is always work to be done,

because we are living with that historic recruitment practice and we have to constantly work to ensure that we do not slip back.

John Mason: I accept that. I think that Diane Vincent said that 8 per cent of recruits to the fire and rescue service are women.

Diane Vincent: In our last recruitment campaign, we had an 8 per cent attraction rate, but 14 per cent of the recruitment intake was female. Overall, we have roughly 92 per cent male to 8 per cent female.

John Mason: How long would it take you to get to 50 per cent, or would you not want that?

12:15

Diane Vincent: I do not think that I could reasonably comment on that.

Speaking more generally—this is a personal view, rather than the view of the Scottish Fire and Rescue Service—targets are helpful in some ways, as they focus the mind and result in action plans and so on, as we discussed earlier. However, clearly targets can also have negative connotations. Feedback that we get from women includes, “I only got promoted because I am a woman,” or, “You only took me on because I am a woman.” Therefore, you have to be careful about target setting—whether with regard to your candidate pool, if you are bringing people in, or your internal promotion arrangements—and the perceptions that it can create within the wider population.

We are not looking specifically at targets; like Nicky Page, we are constantly trying to find ways to improve our attraction rates. When we achieve that, we will start to see the progression of women through fire service careers. However, we have a journey to go on; there is no point in saying otherwise.

As I mentioned earlier, though, over the next few years, we will be moving into an arena where the types of services that we might provide will start to change. We will be looking to respond to things such as out-of-hospital cardiac arrests; there will be a wider emergency medical response service and much more support for vulnerable groups in our communities. That might attract a different kind of person to join our organisation and we will need to capitalise on that for our brand.

We are not setting targets, but we are aware that we have more to do.

Peter Reekie: I am a civil engineer, so perhaps I can make a wider point if I put on my engineering hat rather than my SFT hat. We have talked about some of the inputs that will make a difference in all

of this, and there could be a place for targets and publication in that regard. For example, we have heard before about partnering with schools, and we know that a lot of construction companies and people in our supply chains are asking about how many visits to the site there have been, how many school visits have been made and how many people have been contacted to show them what this profession, or area or sector can mean for them.

This is right at the other end from targets and quotas around what we get out of all this, but if we have targets around how much we are doing to try to change perceptions about professions right from an early age, and if we are able to measure the difference that can be made for people at that early stage, it would be a step in the right direction.

The Convener: I have two final questions. The gender pay gap can be described in numbers, as 4 per cent or 13 per cent for example, which are the result of a calculation. I do not want to discount numbers as a measure for looking at the issues, but Police Scotland and COSLA, in their written submissions, talked about other aspects, such as flexible working and the flexibility of contracts. When we look at this issue, should we be looking at more than just the numbers and the monetary payment in order to address where we are and where we should be going? I am interested in panel members’ views on that.

Nicky Page: In our last mainstreaming report, we put in data on flexible working requests and we commented that, compared with our last mainstreaming report, we had had fewer applications.

It is a very complicated area. When you start to monitor it and look at the reasons, it is about getting behind the data. We have tried to do exit surveys and other things to try to understand what the data is telling us. It is one thing to have the statistics but if you do not understand why they are coming out the way that they are, they are really unhelpful.

Statistics help, but you have to do good, proactive work with other partners as well. I have mentioned the Scottish women’s development forum—it works very proactively with us. It is able to do surveys and to engage with women in other groups, for that matter, and to give us feedback as a service and ask us, “What about X? What about Y?” That has led to us engaging with other partners. We have worked with the Equality and Human Rights Commission on maternity in the workplace as a result of that relationship. We need to do more, to get behind the data and look at its value.

A witness on the previous panel mentioned research showing that a person who had flexible working and moved to a new job without a flexible working pattern would have to increase their wage by 5 per cent in order to mitigate that loss. I can totally understand that, because a flexible working pattern can reduce childcare and lots of other costs.

It is important that we try to understand better how people put values on things, but there are other aspects to consider, too. For example, a police officer who wants to increase their hours after decreasing them can do so automatically. That means that there is no underutilisation of people as their kids start to go to school and all the other things that mean that people have more time available to work and want to increase their hours.

We do not, however, have those provisions for police staff who want to increase their hours. Arguably, dealing with them could be more difficult because they might be part of a smaller group or they might have a more specialist role. Therefore, to simply increase their work hours could be inefficient.

There are various aspects that we have to look at. We have to start to ask about the art of the possible and try to see where we can encourage women and give them opportunities. The provisions that we have in place on the police officer side are successful. There is an element of having to learn from different pay systems and provisions to try to assist us in our learning across the board. There is a lot more work to be done in that regard.

The Convener: Others who want to comment should do so briefly.

Diane Vincent: The answer to your question is yes, it would be useful to highlight a total reward package. The challenge is how to place a value on the elements of that package, so that a benchmarking comparison can be done.

The average hourly rate of basic pay is a simple comparison to make with other organisations. We are looking at the wider total reward package and benefits scheme, because people place value on flexible working, as opposed to—in some cases—an hourly rate.

I am not quite sure that we have the answer to how to top up all the elements of the report package in order to give a gender pay gap analysis. However, promoting pay transparency and the reward packages allows both men and women to make choices—if you have that flexible reward package. That is our aspiration, but we are not quite there yet.

Ian Reid: I will make a similar point. The statistics demonstrate that there might be significant problems with the pay structure. Changing a pay structure takes time, but it needs to begin to include some of the things that Diane Vincent mentioned. Although the hourly rate is important, those wider issues need to come into that context, too.

Peter Reekie: There are perhaps some other aspects that we have not addressed on what allows flexibilities and the enablers that we need to look at in organisations. We are involved in smarter workplaces across the public sector. The idea is that, if we have multisite operations or, indeed, the public sector's ability to collaborate, people can work in a different location, their pass can get them into the building, they can access their information technology system—all those aspects at the hard end of the organisation's infrastructure can help to promote a more flexible way of working overall. The leadership, developments, policies and practices that we have been talking about could help, too, but we should not forget the harder end of business infrastructure that can support those flexible practices.

Katy Miller: On the total reward package or total value statement, when employees are given the opportunity to pick and mix, that gives huge insight into where they place their value, both in monetary and—of equal importance—non-monetary terms.

The Convener: Ian Reid mentioned that the majority of medical students coming through from university are female. He also said that most NHS professions require degree-based qualifications. We have all heard of firefighting—of course, the panel members all come from public bodies with limited budgets—but I asked whether you had looked at how the pension changes affect employees and the differentials there. I understand—I am sure that everyone does—the restraints that your organisations must work within, including the constraints of budget and time and so on.

Take, for example, the now recognised problem that more university students are female than male—the Scottish Further and Higher Education Funding Council has asked the universities to address that and to reduce that gap. Such issues affect organisations' forward planning on employment. How realistic is it to expect your organisations to address the issues? Is it a matter of trying to create a level playing field now, ensuring equality of opportunity in the various ways that we have talked about and trying to move the ball forward? Is it realistic that you can achieve that? One can have good intentions, but everyone understands that it is much more difficult to do at the practical level.

Ian Reid: Your point is well made, because we cannot necessarily change the situation by tackling it in our organisation alone. To use education as example, when I worked in NHS Greater Glasgow and Clyde, we worked with the colleges and the Scottish funding council to address the issue that I was describing. That was done on a partnership basis because—along with the NHS—they had to bring funds to the table. A lot of the solutions will be found by working across the public sector. We just need to think about how we can work together more effectively in tackling the issues.

The Convener: Does anyone else want to make a final comment?

Diane Vincent: I agree with Ian Reid.

Convener, you asked whether it is realistic to expect our organisations to address the issues. That cannot be achieved in the short term, but if we do not keep tackling the issues in the way that has been discussed with both this and the earlier panel, we will not make progress. We are making progress, but perhaps not at the speed at which we would all like.

As I have mentioned, all the issues that we have discussed are tools that we must have in our tool bag and we need to deploy them appropriately within our organisations. I have certainly found this session to be useful. I have enjoyed hearing about other people's experiences and I have a few takeaways. We will endeavour to continue on this journey. We must do that—it is the right and proper thing to do; organisationally, it is also the sensible thing to do as we start to look at demand for services and how we best serve our communities.

The Convener: We will take that as the final comment. I thank all the witnesses for coming. We will move into private session after the people from the public gallery leave the room.

12:27

Meeting continued in private until 12:45.

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