

ABERDEEN CITY COUNCIL

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|---------------------------|---------------------------------|
| COMMITTEE | Audit, Risk and Scrutiny |
| DATE | 26 th June 2019 |
| EXEMPT | Yes – Appendix Paragraphs 1 & 6 |
| CONFIDENTIAL | NO |
| REPORT TITLE | Equal Pay review |
| REPORT NUMBER | Res/19/297 |
| DIRECTOR | Steven Whyte |
| CHIEF OFFICER | Isla Newcombe |
| REPORT AUTHOR | Neil Yacamini |
| TERMS OF REFERENCE | 1.3 |

1. PURPOSE OF REPORT

This report seeks to provide information to Committee on an audit of Equal pay in Aberdeen City Council.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 note the contents of the report;
- 2.2 Recommends that the report be referred to the Staff Governance Committee for information; and

3. BACKGROUND

3.1 Introduction

- 3.1.1 Aberdeen City Council supports the principle of equal pay for work of equal value and recognises that we should operate a pay system that is fair and transparent. As part of this commitment to putting equal pay principles into practice we will carry out regular monitoring of the impact of our pay practices. Trade Unions raised the issue of an equal pay review at Staff Governance Committee and asked that it be reported to Audit and Risk then shared with Staff Governance Committee for information.

- 3.1.2 This audit is based on data taken in April 2019 for the financial year 2018/19 and includes pay information for all employees of the Council employed at that time and for at least part of the relevant period. Relief workers are excluded from the data.
- 3.1.3 This report considers four separate employee groups, each of which has its own negotiating body. These are Chief Officers, Teachers and related professionals, Craft Workers and the Local Government Employee group which encompasses former APT&C and Manual Workers covered by the Single Status agreement. The current workforce is 70% female and 30% male.

3.2 Gender Pay Gap Information for the Council as a whole

- 3.2.1 The current gender pay gap information for the Council as a whole is set out below and is based on the percentage difference, among our employees, between men's average hourly pay (excluding overtime) which is £16.03 ph and women's average hourly pay (excluding overtime) which is £16.12 ph.
- 3.2.2 The current gender pay gap for all Council employees is -0.56% (in favour of women). This is a negative figure as, on average, female employees are paid at a marginally higher hourly rate than male employees across the Council. This compares with a gender pay gap of -0.70% reported in the Mainstreaming Report of 2017 indicating a slight decrease in the gap (still in favour of women).
- 3.2.3 The current gender pay gap is regarded as modest and will continue to be monitored on an on-going basis.

3.3 Local Government Employees

- 3.3.1 This is the largest of the employee groups, including all those covered by the Single Status agreement. The pay grades for jobs in this group are determined by job evaluation and therefore the equal work groups used in the analysis have been based on the grades of the jobs (ie on a work rated as equivalent basis).

Workforce Distribution

| Equal Work Group (Grade) | | Male | | | Female | | |
|--------------------------|-------|-------|-----------------------|--------------------------------|--------|-----------------------|----------------------------------|
| | Count | Count | % of equal work Group | % of Male within overall group | Count | % of equal work Group | % of Female within overall group |
| G04 | 625 | 97 | 15.52% | 5.26% | 528 | 84.25% | 10.8% |
| G05 | 11 | 3 | 27.27% | 0.16% | 8 | 72.73% | 0.16% |
| G06 | 377 | 48 | 12.73% | 2.6% | 329 | 87.27% | 6.73% |
| G07 | 312 | 161 | 51.6% | 8.73% | 151 | 48.4% | 3.09% |
| G08 | 509 | 240 | 47.15% | 13.02% | 269 | 52.85% | 5.5% |
| G09 | 1859 | 340 | 18.29% | 18.44% | 1519 | 81.71% | 31.08% |
| G10 | 399 | 181 | 45.36% | 9.82% | 218 | 54.64% | 4.46% |
| G11 | 1030 | 221 | 21.46% | 11.98% | 809 | 78.54% | 16.55% |
| G12 | 324 | 109 | 33.64% | 5.91% | 215 | 66.36% | 4.4% |
| G13 | 695 | 193 | 27.77% | 10.47% | 502 | 72.23% | 10.27% |
| G14 | 304 | 136 | 44.747% | 7.38% | 168 | 55.26% | 3.44% |
| G15 | 196 | 72 | 36.73% | 3.9% | 124 | 63.27% | 2.54% |
| G16 | 70 | 32 | 45.71% | 1.74% | 38 | 54.29% | 0.78% |
| G17 | 20 | 11 | 55% | 0.6% | 9 | 45% | 0.18% |
| | 6731 | 1844 | 27.39 | 100 | 4887 | 72.61 | 100 |

3.3.2 This table shows the distribution of males and females across the pay grades. Overall the group comprises 27% males and 73% females. While females are represented at all levels within the group it is evident that females form a higher proportion of the lower graded posts.

3.3.3 It should however be noted that 59.8% of all employees in the top three grades for this group are female.

Basic Pay

| | Male | | Female | | | |
|-----|-------|---------------|--------|---------------|----------------|-------------|
| | Count | Avg Basic Pay | Count | Avg Basic Pay | Difference (£) | Pay Gap (%) |
| G04 | 97 | 17450.68 | 528 | 17449.73 | 0.95 | 0.005% |
| G05 | 3 | 17681.56 | 8 | 17602.19 | 79.37 | 0.45% |
| G06 | 48 | 17783.37 | 329 | 18027.82 | -244.45 | -1.38% |
| G07 | 161 | 18707.14 | 151 | 18687.65 | 19.486 | 0.10% |
| G08 | 240 | 19979.78 | 269 | 19599.62 | 380.16 | 1.90% |
| G09 | 340 | 21806.56 | 1519 | 21654.20 | 152.36 | 0.70% |
| G10 | 181 | 25142.53 | 218 | 24767.35 | 375.18 | 1.49% |
| G11 | 221 | 28576.28 | 809 | 28030.30 | 545.98 | 1.91% |
| G12 | 109 | 32768.90 | 215 | 32599.27 | 169.63 | 0.52% |
| G13 | 193 | 37239.87 | 502 | 36919.64 | 320.23 | 0.86% |
| G14 | 136 | 42518.70 | 168 | 42365.22 | 153.48 | 0.36% |
| G15 | 72 | 48932.40 | 124 | 48865.88 | 66.52 | 0.14% |
| G16 | 32 | 55996.82 | 38 | 56047.13 | -50.31 | -0.09% |
| G17 | 11 | 60845.63 | 9 | 60208.37 | 637.26 | 1.05% |

3.3.4 The above table shows the average basic pay for males and females in each pay grade. The largest pay gap in any grade is 1.91% in favour of females (Grade 11). This gap is within the expected limits particularly when 80% of the group in question are female.

Craft Workers

3.3.5 Craft Workers terms and conditions are agreed nationally outwith the Equal Pay and Modernisation. Pay rates are fixed hourly rates for different posts (Mechanic, Plasterer, Chargehand Joiner etc.) with nationally agreed percentages of the fully qualified rate paid to Apprentices depending on which stage of their Apprenticeship they have reached.

Workforce Distribution

| Equal Work Group | Male | | | Female | |
|------------------|-------|-------|------------|--------|------------|
| | Count | Count | % of Group | Count | % of Group |
| Apprentice | 58 | 55 | 94.82 | 3 | 5.17 |
| Chargehand | 18 | 18 | 100 | 0 | 0 |
| Craftworker | 267 | 265 | 99.25 | 2 | 0.74 |
| Labourer | 39 | 39 | 100 | 0 | 0 |
| | | | | | |

Basic Pay Comparison

| Equal Work Group | Male | | Female | | Difference (£) | Pay Gap (%) |
|------------------|-------|---------------|--------|---------------|----------------|-------------|
| | Count | Avg Basic Pay | Count | Avg Basic Pay | | |
| Apprentice | 55 | 16888.74 | 3 | 16282.65 | 606.09 | -3.58 |
| Chargehand | 18 | 28271.88 | 0 | 0.00 | 0.00 | 0.00 |
| Craftworker | 265 | 25795.67 | 2 | 18990.92 | 6804.75 | - |
| Labourer | 39 | 21422.67 | 0 | 0.00 | 0.00 | 0.00 |
| | | | | | | |

3.3.6 An investigation into the Apprentices shows that the basic pay gap is due to the different year of apprenticeships. Comparison with male apprentices in the same trade and in the same year of apprenticeship shows that there is no actual basic pay gap with their direct comparators who are carrying out like work. The gap in craftworker pay can be attributed to the scale placing of the female employees and the hours worked.

3.3.7 Therefore it is concluded that gender is not the determining factor of basic pay levels and any gaps are due to material differences between the jobs concerned.

Teachers and Related Professionals

- 3.3.8 The pay for employees in the teaching profession is covered by the SNCT salary scales. These scales apply to Teachers, Education Psychologists, Quality Improvement Officers, Head Teachers & Depute Head Teachers, Music Instructors and related professional posts. For promoted posts (such as Head Teachers and Principal Teachers) a nationally agreed job sizing scheme is in place.
- 3.3.9 For the purpose of the review, employees were split into equal work groups based on their job responsibilities. The comparison is therefore based on like work.

Workforce Distribution

See Appendix A Table 1

Basic Pay

See Appendix A Table 2

Basic Pay Comparison

- 3.3.10 For a small number of groups large gaps exist.
- 3.3.11 Senior, Depute and Principal Education Psychologist – This is a mixed group containing a small number of employees who are at different levels within the hierarchy of the job family. The pay gap is a result of those different hierarchical levels rather than suggesting that individuals carrying out like work are paid at different levels.
- 3.3.12 Music instructors – There is a 7.17% pay gap. Analysis of this suggests that this variation is due to length of Service and placing within the scale points
- 3.3.13 Principle Teacher Primary – There is an 23.62% pay gap in this group with female employees, on average, being paid more than males. This is due to the effects of teachers job sizing and length of Service and is not related to gender.
- 3.3.14 Principle Teacher Secondary - The pay gap in this group is therefore predominately due to differences in the average lengths of service for male and female employees and not to gender.

Chief Officers

- 3.3.15 This Group has been broken down into 4 equal work groups – Directors, Statutory Officers, Heads of Service and Other Chief Officers.
- 3.3.16 Overall 22.2% of Chief Officers are female. As there is no direct comparator for the Chief Executive, Director or Other Chief Officer equal work groups, they will not be included in the further analysis of these jobs.

Basic Pay Comparison

The following table shows the comparison of basic pay for the group:

| Equal Work Group | Male | | Female | | | |
|------------------|-------|---------------|--------|---------------|----------------|-------------|
| | Count | Avg Basic Pay | Count | Avg Basic Pay | Difference (£) | Pay Gap (%) |
| Chief Officer | 13 | 81552.69 | 4 | 77380.25 | 4172.44 | 5.11% |

See Appendix A Table 3

3.3.17 The data therefore shows that while there is a gender pay gap of 9% between male and female there is no gender pay gap in basic pay for employees in this group who are carrying out like work.

Chief Officers Group– Summary

3.3.18 The identified pay gaps in this group are not at a level which would be a cause for concern and no further action should be required.

3.4 Summary

3.4.1 For Chief Officers and for Craft Workers there was no evidence of any significant pay gap which would require further investigation or action to close that gap.

3.4.2 While pay gaps were found for Teachers these were found to be the result of factors other than gender, for example differences in levels of experience, or as a result of teachers job sizing. There is a potential equal pay risk if elements such as higher graded duty payments are not available equally to male and female employees.

3.4.3 For Single Status employees there was no evidence of any significant gap in basic pay. There was however evidence of pay gaps for this group when considering total pay.

4. FINANCIAL IMPLICATIONS

4.1 The main financial implications arising from the equal pay review would relate to any areas which were outwith normal pay parameters which could result in additional payments being required. There has been no evidence of these occurring within the review.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

| | Risk | Low (L), Medium (M), High (H) | Mitigation |
|---------------------|-------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------|
| Financial | There could be an equal pay challenge if there were large differentials | L | No evidence has been found of a risk currently |
| Legal | If there was an issue regarding equal pay a challenge could be received | L | No evidence has been found of a risk currently |
| Employee | Employees could bring an equal pay challenge | L | The approved Job evaluation scheme has been implemented for roles within the organisation |
| Customer | N/A | | |
| Environment | N/A | | |
| Technology | N/A | | |
| Reputational | N/A | | |

7. OUTCOMES

| Design Principles of Target Operating Model | |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Impact of Report |
| Workforce | <p>The cost of staffing in Aberdeen City Council is one of the highest costs to the organisation. Like many councils, we employ staff to perform a range of specific functions. Our staff tend to specialise in one service area, perhaps having qualified into the field via a dedicated training course or qualification.</p> <p>This model of employment requires to be modernised to allow us to use our resources flexibly and creatively, support our ability to innovate and offer greater opportunities for progression.</p> |

8. IMPACT ASSESSMENTS

| Assessment | Outcome |
|------------------------------------------------------|----------------|
| Equality & Human Rights Impact Assessment | Not required |
| Privacy Impact Assessment | Not required |

| | |
|-------------------------------------------------------------------------------|----------------|
| | |
| <u>Children's Rights Impact Assessment/Duty of Due Regard</u> | Not applicable |

9. BACKGROUND PAPERS

N/A

10. APPENDICES (if applicable)

N/A

11. REPORT AUTHOR CONTACT DETAILS

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