

## Equalities Report Update

**Committee** Personnel

**Date of meeting** 9 February 2018

**Date of report** 23 January 2018

### Report by Assistant Chief Executive (Business Support)

#### 1. Object of report

To provide the Personnel Committee with an update on SPT's pay gap further to the equal pay information published in SPT's Advancing Equality 2017 in April 2017.

#### 2. Background

The gender pay gap is the difference between men and women's average hourly earnings and is not the same as unequal pay in terms of equal pay for equal value. Rather, it reflects the distribution of men and women within an organisation or sector.

If there is an unequal distribution of people with one protected characteristic throughout an organisation this may in itself lead to a pay gap. For example, if more men than women are employed in senior roles and more women than men employed in junior roles, this will result in a gender pay gap. However, this does not necessarily indicate that this is because of pay discrimination.

The UK average gender pay gap figure is 18.1% and varies considerably across sectors.

Organisations with low staff turnover, such as SPT, have limited opportunity to make a marked difference in statistics over a short period of time, even where there is a strong and visible commitment to equal opportunities as an employer and service provider.

SPT published an update on equality outcomes in April 2017 that included reporting an overall pay gap (based on average hourly basic pay) of 12.21% as at December 2016<sup>1</sup>.

The gender pay gap widens to 21.15% when comparing overall earnings including allowances as a result of historic labour market patterns resulting in significantly more men than women working in technical roles that attract shift and weekend hour allowances for working unsociable hours.

Reporting requirements were changed within the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. The EHRC are closely monitoring compliance with the changes in regulations as tackling occupational segregation is a priority for the Scottish Government, and analysis of occupational segregation is the first step towards being able to prioritise and then take action to address particular issues within organisations and, in turn, across the labour market as a whole.

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<sup>1</sup> Advancing Equality 2017 Para 5.4

Although SPT had published information in accordance with the issued guidance, EHRC subsequently advised SPT to gather and publish data in relation to occupational segregation and vertical segregation in addition to the previous report. In future years this analysis will be included within SPT's main report.

### **3. Current position**

The analysis attached at Appendix 1 is based on data for the year to 31 December 2016, thus ensuring it is consistent with SPT's bi-annual cycle of reporting. In line with EHRC guidance, the analysis focuses on occupational and vertical segregation data for the following groups:

- i. men and women;
- ii. persons who are disabled and persons who are not; and
- iii. persons who fall into a minority racial group and persons who do not.

The Regulations require SPT to publish data on full pay relevant employees which means that employees who received less than full pay because of taking leave - such as those receiving statutory maternity pay or reduced sick pay, or who were employed for only part of the year - are excluded from the analysis.

All SPT staff were invited to complete an Equal Opportunities Monitoring form in the autumn of 2016 which increased the amount of equalities information held. This data forms the basis of the analysis, however, as some staff chose to respond 'prefer not to say' and others did not provide any data at all, some of the sample sizes in the analysis are small and represent a subset of SPT's overall headcount.

### **4. Proposal**

Detailed pay gap analysis will be completed in line with the bi-annual reporting cycle, the next being due by April 2019.

In the meantime, SPT will focus on developing and delivering against its equality action plan which includes measures to improve the quality of equalities data held, through regular requests to staff to complete equal opportunities monitoring, and considering how it can attract a more diverse range of candidates for positions in all occupations and at all levels in the organisation.

### **5. Recommendation**

The Committee is asked to note the attached supplementary "Equality Report - Pay Gap Information" at Appendix 1.

### **6. Consequences**

Policy consequences	<i>None directly.</i>
Legal consequences	<i>None directly.</i>
Financial consequences	<i>None directly.</i>
Personnel consequences	<i>Revised guidance will be issued to all staff.</i>
Equalities consequences	<i>None directly.</i>

Risk consequences

*None directly.*

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**Title** **Assistant Chief Executive  
(Business Support)**

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**Title** **Chief Executive**

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## **Equality Report - Pay Gap Information**

This update provides detailed analysis to supplement that published in SPT's Advancing Equality 2017 report in April 2017 in line with the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

The gender pay gap is the difference between men and women's average hourly earnings and is not the same as unequal pay. The UK average figure is 18.1% and varies considerably across sectors. If there is an unequal distribution of people with one protected characteristic throughout an organisation this may in itself lead to a pay gap, for example, if more men than women are employed in senior roles and more women than men employed in junior roles this will result in a gender pay gap, however this does not necessarily indicate that this is because of pay discrimination.

This update focuses on occupational and vertical segregation data for the following groups:

- i. men and women;
- ii. persons who are disabled and persons who are not; and
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The report is based on data for the year to 31 December 2016. The Regulations require SPT to publish data on full pay relevant employees which means that employees who received less than full pay because of taking leave, such as those receiving statutory maternity pay or reduced sick pay, or who were employed for only part of the year, are excluded.

All SPT staff were invited to complete an equal opportunities monitoring form in the Autumn of 2016 which increased the amount of equalities information held. This data forms the basis of this analysis, however, some staff chose to 'prefer not to say' and others did not provide any data and as a result, some of the sample sizes in this analysis are quite limited and are substantially smaller than our headcount. This may result in skewed figures.

### **OCCUPATIONAL SEGREGATION**

SPT employs a wide range of role types. For the purposes of this occupational segregation analysis, all roles have been categorised into one of five broad groups: Administrative (Admin), Engineering & Maintenance (E&M), Operations (Ops i.e. customer-facing staff.), Professional (Prof) and Strategy roles.

The following tables provide details of the average hourly base pay rate, the average pay rate including allowances and the respective percentage pay gap for each occupational group against the 3 protected characteristics i.e. Disability, Ethnicity and Gender.

**Table 1: By Disability %**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
Admin - Disabled	£11.82	£12.43	15
Admin - No Disability	£12.99	£13.95	94
% gap	-9%	-11%	
E&M - Disabled	£14.39	£20.09	10
E&M - No Disability	£15.86	£21.72	60
% gap	-9%	-8%	
Ops - Disabled	£11.06	£12.64	10
Ops - No Disability	£14.20	£16.74	47
% gap	-22%	-25%	
Prof - Disabled	£20.52	£20.59	11
Prof - No Disability	£22.29	£22.74	53
% gap	-8%	-9%	
Strategy - Disabled	-	-	0
Strategy - No Disability	£61.60	£62.69	5
% gap	N/A	N/A	
<b>All staff - Disabled</b>	<b>£14.29</b>	<b>£16.09</b>	<b>46</b>
<b>All staff - No Disability</b>	<b>£16.72</b>	<b>£19.00</b>	<b>259</b>
% gap	-15%	-15%	

Note: Of the full pay relevant employees, only 305 have confirmed themselves to be either having 'no disability' (n=259) or 'having a disability' (n=46); a further 55 employees 'preferred not to say' and others declined to provide any data.

**Table 2: By Ethnicity %**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
Admin - Non White	£9.55	£10.09	2
Admin - White	£12.81	£13.77	118
% gap	-25%	-27%	
E&M - Non White	-	-	0
E&M - White	£15.14	£21.09	86
% gap	N/A	N/A	
Ops - Non White	£12.32	£14.13	2
Ops - White	£13.57	£15.74	61
% gap	-9%	-10%	
Prof - Non White	£19.09	£19.13	2
Prof - White	£21.70	£22.10	66
% gap	-12%	-13%	
Strategy - Non White	-	-	0
Strategy - White	£61.60	£62.69	5
% gap	N/A	N/A	
<b>All staff - Non White</b>	<b>£13.66</b>	<b>£14.45</b>	<b>6</b>
<b>All staff - White</b>	<b>£16.02</b>	<b>£18.37</b>	<b>336</b>
% gap	-15%	-21%	

Note: small sample sizes; 92% of staff employed at 31/12/2016 declared themselves to be white.

**Table 3: By Gender %**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
<b>Admin - Female</b>	£12.32	£13.19	75
<b>Admin - Male</b>	£13.58	£14.74	51
<b>% gap</b>	<b>-9%</b>	<b>-11%</b>	
<b>E&amp;M - Female</b>	£18.28	£23.41	5
<b>E&amp;M - Male</b>	£14.90	£20.79	86
<b>% gap</b>	<b>23%</b>	<b>13%</b>	
<b>Ops - Female</b>	£12.33	£14.88	28
<b>Ops - Male</b>	£14.32	£16.77	37
<b>% gap</b>	<b>-14%</b>	<b>-15%</b>	
<b>Prof - Female</b>	£20.41	£20.50	33
<b>Prof - Male</b>	£22.96	£23.55	40
<b>% gap</b>	<b>-11%</b>	<b>-13%</b>	
<b>Strategy - Female</b>	£66.10	£66.10	1
<b>Strategy - Male</b>	£60.47	£61.84	4
<b>% gap</b>	<b>9%</b>	<b>7%</b>	
<b>All staff - Female</b>	<b>£14.79</b>	<b>£15.81</b>	<b>142</b>
<b>All staff - Male</b>	<b>£16.80</b>	<b>£19.95</b>	<b>218</b>
<b>% gap</b>	<b>-12%</b>	<b>-21%</b>	

Note: small sample size in relation to women in Engineering and Maintenance roles which includes Control staff; these women are typically employed in relatively higher grades whilst men are employed at all levels including the lower technical grades many of which attract allowances for shift working.

### **VERTICAL SEGREGATION**

All roles are allocated to a grade structure based upon job evaluation and are aligned to SPT pay scales. In order to produce meaningful information, for the purposes of this analysis several broadly equivalent grades have been grouped together.

The following tables provide details of the average hourly base pay rate, the average pay rate including allowances and the respective percentage pay gap for each vertical grouping of staff based upon 3 protected characteristics i.e. Disability, Ethnicity and Gender. As before the sample sizes will vary depending upon the number of staff who provided data against each of these characteristics.

**Table 4 - Grades A & B**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
<b>Disability</b>	£10.15	£11.61	11
<b>No Disability</b>	£10.00	£12.16	54
<b>% gap</b>	<b>1%</b>	<b>-5%</b>	
<b>Female</b>	£9.96	£11.79	39
<b>Male</b>	£10.08	£12.44	35
<b>% gap</b>	<b>-1%</b>	<b>-5%</b>	
<b>Non White</b>	£9.55	£10.09	2
<b>White</b>	£10.03	£12.00	69
<b>% gap</b>	<b>-5%</b>	<b>-16%</b>	
<b>All staff in sample</b>	£10.02	£12.10	74

Note: There is a small sample size in relation to ethnicity; none of the roles with 'non- white' employees attract a shift or weekend allowance.

**Table 5 - Grade C, Infrastructure, Service Delivery Officer (1) and Technical 2 & 3 grades**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
<b>Disability</b>	£10.47	£12.13	11
<b>No Disability</b>	£11.64	£13.66	58
<b>% gap</b>	<b>-10%</b>	<b>-11%</b>	
<b>Female</b>	£11.39	£12.13	31
<b>Male</b>	£11.72	£14.94	55
<b>% gap</b>	<b>-3%</b>	<b>-19%</b>	
<b>Non White</b>	-	-	0
<b>White</b>	£11.56	£13.95	82
<b>% gap</b>	<b>N/A</b>	<b>N/A</b>	
<b>All staff in sample</b>	£11.60	£13.93	86

Note: Gender pay gap widens significantly when including allowances as although both men and women work shifts, the women are employed in frontline roles where allowances are consolidated into base pay (SDO1s) whereas many men also work in the Infrastructure and Technical 2&3 Grades within Engineering and Maintenance which attract separate shift allowances.

**Table 6 - Service Delivery Officer 2 & 3 and Technical 4 grades**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
<b>Disability</b>	£13.86	£18.37	8
<b>No Disability</b>	£13.69	£17.81	38
<b>% gap</b>	<b>1%</b>	<b>3%</b>	
<b>Female</b>	£12.92	£14.82	19
<b>Male</b>	£14.11	£19.28	44
<b>% gap</b>	<b>-8%</b>	<b>-23%</b>	
<b>Non White</b>	£12.32	£14.13	2
<b>White</b>	£13.74	£18.01	57
<b>% gap</b>	<b>-10%</b>	<b>-22%</b>	
<b>All staff in sample</b>	£13.75	£33.27	63

Note: As in table 5, the gender pay gap widens significantly when including allowances as although both men and women work shifts, the women are employed in frontline roles where allowances are consolidated into base pay (SDO2/3s) whereas many more men work within the Technical grades within Engineering and Maintenance which attract separate shift allowances.

**Table 7 - Grade D, Technical 5 & 6 grades**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
Disability	£18.16	£19.79	7
No Disability	£18.12	£21.40	48
% gap	-	-7%	
Female	£18.08	£19.05	29
Male	£18.31	£22.61	33
% gap	-1%	-16%	
Non White	£16.38	£16.45	1
White	£18.21	£21.09	59
% gap	-10%	-22%	
All staff in sample	£18.20	£20.94	62

Note: As in tables 5 and 6, the gender pay gap widens significantly when including allowances as many more men than women work within the Technical grades within Engineering and Maintenance which attract separate shift allowances.

Other pay gaps reflect the specific roles undertaken by those with a disability or ethnic group; allowances are determined by the role and not the person.

**Table 8 - Grade E**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
Disability	£20.72	£20.83	7
No Disability	£20.15	£20.66	14
% gap	3%	1%	
Female	£20.59	£20.74	10
Male	£20.26	£20.75	14
% gap	2%	0%	
Non White	£21.80	£21.80	1
White	£20.50	£20.89	22
% gap	6%	4%	
All staff in sample	£20.40	£20.75	24

**Table 9 - Grade F**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
Disability	£22.68	£22.68	1
No Disability	£23.89	£24.10	23
% gap	-5%	6%	
Female	£23.34	£23.52	8
Male	£24.18	£24.37	18
% gap	-3%	-3%	
Non White	-	-	0
White	£24.03	£24.23	24
% gap	N/A	N/A	
All staff in sample	£23.93	£24.11	26



**Table 10 - Grade G**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
Disability	£24.99	£24.99	1
No Disability	£30.77	£32.11	19
% gap	<b>-19%</b>	<b>-22%</b>	
Female	£29.79	£29.79	4
Male	£30.66	£32.24	16
% gap	<b>-3%</b>	<b>-8%</b>	
Non White	-	-	0
White	£30.44	£31.85	18
% gap	<b>N/A</b>	<b>N/A</b>	
<b>All staff in sample</b>	£30.48	£31.75	20

Note: small sample size for disability. Gender pay gap increases male to female when including allowances (7 out of 16 males receive an additional allowance).

**Table 11 - Chief officials**

Category	Average Hourly rate base pay only	Average Hourly rate including allowances	Number
Disability	-	-	0
No Disability	£61.60	£62.69	5
% gap	<b>N/A</b>	<b>N/A</b>	
Female	£66.10	£66.10	1
Male	£60.47	£61.84	4
% gap	<b>9%</b>	<b>7%</b>	
Non White	-	-	0
White	£61.60	£62.69	5
% gap	<b>N/A</b>	<b>N/A</b>	
<b>All staff in sample</b>	£61.60	£62.69	5

Note: small sample size for group.