

Dundee City Council

Pay Structure Proposal Equality Impact Assessment

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February 2021.

Contents

1	Purpose of Report.....	- 3 -
2	Scope of Report.....	- 3 -
3	Composition of the Workforce	- 4 -
4	The Pay Structure Proposal	- 5 -
5	Gender Pay Gap.....	- 6 -
6.	Other Protected Characteristics.	- 7 -
7	Future Monitoring	- 10 -
8.	Conclusion.....	- 10 -

1 Purpose of Report

- 1.1 Dundee City Council is looking to implement a revised pay structure to incorporate the Scottish Living wage into the structure and maintain relative differential pay rates between grades.
- 1.2 With the importance of equal pay within the public sector and across the economy it is essential that whenever proposals for change to pay and grading are put forward a review is undertaken of the proposed outcomes via an Equality Impact Assessment.
- 1.3 EqIAs should be carried out in accordance with guidance available from the Equality and Human Rights Commission which explains how public authorities can meet the requirements of the Equality Act 2010, see: *Assessing impact and the Public Sector Equality Duty: a guide for public authorities (Scotland)*. In addition, it should also be recognised that the integrity of the new pay and grading arrangements are maintained and that regular equal pay audits are undertaken in the future as part of the maintenance process.
- 1.4 The purpose of this report is therefore to assess the gender impact and any equality implications arising from the assimilation to the proposed pay structure revisions.
- 1.5 The report is based on a pay modeller backup data set provided by Dundee City Council in February 2021.

2 Scope of Report

- 2.1 The proposal impacts on grades 1 to 5 and only employees who currently occupy these grades will be included in the report.
- 2.2 The statistical analysis (of the workforce as at February 2021) includes the following breakdowns:
 - Population by Gender and Grade
 - Gender Pay Gap by Grade
 - Average Percentage increase by Grade
 - Distribution of increase by Gender
 - Ethnicity distribution
 - Ethnicity pay gap by White British and Non-White British by Grade
 - Average Increase by White British and Non-White British by Grade
 - Additional Protected Characteristics analysis

3 Composition of the Workforce

3.1 In terms of considering the equality impact of the proposed structure, it is important to understand the current composition of the workforce. Based on the table below it is evident that the workforce in grades 1 to 5 is predominantly female accounting for 68.62% of SJC employees with a significant proportion of them (61.84%) being in part time employment.

3.2 The table also illustrates the distribution of male and female employees by grade. A greater proportion of the female workforce is concentrated in the lower grades due to traditionally female dominated jobs typically being evaluated at a lower level. 80.48% of the total female population included in this report is in grades 1 to 4 whereas only 65.47% of the total male population occupies these grades. This type of distribution of male and female employees will have an impact on the overall gender pay gap.

Grade	Grand Total	Female	Male	% of Females in Grade	% of Males in Grade	% of all Females	% of all Males
GRADE 1	54	46	8	85.19%	14.81%	5.04%	1.92%
GRADE 2	31	19	12	61.29%	38.71%	2.08%	2.88%
GRADE 3	345	218	127	63.19%	36.81%	23.90%	30.46%
GRADE 4	577	451	126	78.16%	21.84%	49.45%	30.22%
GRADE 5	322	178	144	55.28%	44.72%	19.52%	34.53%
Grand Total	1329	912	417	68.62%	31.38%	100.00%	100.00%

4 The Pay Structure Proposal

4.1 The principal changes to the current structure are as follows:

- Grade 1 will move from SJC points 2, 4, 6 and 8 with a supplement to the current Living wage rate to SJC scale points 21 and 22.
- Grade 2 will increase from SCPs 8, 10, 12 and 14 with supplement to living wage rate to SCPs 22, 23 and 24.
- Grade 3 will increase from SCPs 14, 16, 18, 21 and 22 to SCP's 24, 25 and 26.
- Grade 4 will increase from SCPs 21, 22, 24 and 25 to SCP's 26, 27 and 28.
- Grade 5 will increase from SCPs 25, 26, 28 and 30 to SCP's 28, 29 and 30.
- All Grades from 1 to 5 will abut with the next grade.
- No Grades will have a starting point below the Living Wage.
- All Grades from 1 to 5 will have either two or three SJC scale points.

4.2 The following table shows the new distribution of points within each of the proposed grades once assimilated to the new structure.

Grade	Increments and values at Apr 2020				
	1	2	3	4	5
GRADE 1	£18,791	£19,100			
GRADE 2	£19,100	£19,370	£19,659		
GRADE 3	£19,659	£19,949	£20,238		
GRADE 4	£20,238	£20,528	£20,817		
GRADE 5	£20,817	£21,126	£21,454		

4.3 The table below demonstrates the average increase by grade and gender. 81.58% of Female Employees and 67.6% of Male employees will receive a pay increase of more than 1.4% from their basic pay in 2021 when assimilated to the proposed structure. Average Female increase are higher in every grade except for grade 5 where the Male increase is higher.

Average Increase to basic pay through assimilation to new structure			
Current Grade	Female	Male	Grand Total
GRADE 1	4.28%	4.28%	4.28%
GRADE 2	5.99%	5.99%	5.99%
GRADE 3	5.15%	5.04%	5.11%
GRADE 4	3.64%	2.33%	3.35%
GRADE 5	0.23%	0.31%	0.27%
Grand Total	3.42%	2.60%	3.16%

5 Gender Pay Gap

5.1 Having undertaken the analysis described above it is essential that there is an analysis of the impact on the gender pay gap:

- Comparison of current basic pay to proposed basic pay.

5.2 The analysis showing female earnings as a percentage of male earnings. The calculations have been based on averaged hourly pay rates. The table indicates the gender pay gap for each individual grade as well as showing the gender pay gap for the workforce.

TABLE: Analysis of current and proposed basic pay by grade following 2021 Assimilation

Proposed Grade	Number of Females	Number of Males	Current Average Female	Current Average Male	Female Current Pay as a % of Males	Proposed Average Female	Proposed Average Male	Female Proposed Pay as a % of Males
1	46	8	18,020	18,020	100.00%	18,791	18,791	100.00%
2	19	12	18,020	18,020	100.00%	19,100	19,100	100.00%
3	218	127	18,699	18,718	99.90%	19,659	19,659	100.00%
4	451	126	19,545	19,787	98.78%	20,242	20,243	100.00%
5	178	144	21,299	21,317	99.92%	21,347	21,379	99.85%
Grand Total	912	417	19,577	19,905	98.35%	20,221	20,396	99.14%

5.3 The table above shows that following the assimilation to the proposed structure, there are no grades where the pay gap is greater than 2.0% and the overall pay gap will improve from female pay being 98.35% of male pay to 99.14%.

5.4 This demonstrates that the proposal results in a gender pay gap within EHRC tolerances on an individual grade basis and as an overall pay gap for grades 1 to 5.

6. Other Protected Characteristics.

6.1 Other protected characteristics in addition to gender are reviewed through the impact assessment. Dundee City have provided data for the following

- Ethnicity
- Disability
- Religion
- Age
- Sexual Orientation

For several the characteristics the sample sizes are very small and limited analysis can be undertaken.

6.2 **Ethnicity** - The following table shows the distribution of Ethnicity with 90.92% of the population being Scottish. The analysis excludes non-disclosed, prefer not to answer and missing ethnicity data for employees.

Ethnicity	Number of Employees	% of Total employees with declared Ethnicity
SCOTSH	1,082	90.92%
ASBIND	1	0.08%
ASBOTH	1	0.08%
ASBPAK	2	0.17%
BNGDSH	4	0.34%
CHNESE	1	0.08%
EASTEU	4	0.34%
INDIAN	3	0.25%
IRISH	1	0.08%
MIXWHA	1	0.08%
OTHBR1	45	3.78%
OTHEC1	1	0.08%
OTHWH1	14	1.18%
PKSTAN	3	0.25%
USWHIT	27	2.27%
Grand Total	1,190	100.00%

6.3 Table below shows the distribution of Non-White British and White British by grade.

Grade	Grand Total	Non-White Scottish	White Scottish	% of Non-White Scottish in Grade	% of White Scottish in Grade	% of all Non-White Scottish	% of all White Scottish
GRADE 1	50	3	47	6.00%	94.00%	2.78%	4.34%
GRADE 2	26	2	24	7.69%	92.31%	1.85%	2.22%
GRADE 3	306	20	286	6.54%	93.46%	18.52%	26.43%
GRADE 4	511	64	447	12.52%	87.48%	59.26%	41.31%
GRADE 5	297	19	278	6.40%	93.60%	17.59%	25.69%
Grand Total	1,190	108	1,082	9.08%	90.92%	100.00%	100.00%

Of the population 82.41% of Non-White Scottish employees occupy grades 1 to 4 as opposed to 74.31% of White Scottish employees. This distribution will impact any Ethnicity pay gap.

6.4 The table below demonstrates the average increase by grade and Ethnicity. 85.02% of Non-White Scottish Employees and 75.42% of White Scottish employees will receive a pay increase.

Average Increase to basic pay			
Current Grade	Non-White Scottish	White Scottish	Grand Total
GRADE 1	4.28%	4.28%	4.28%
GRADE 2	5.99%	5.99%	5.99%
GRADE 3	5.07%	4.99%	5.00%
GRADE 4	3.99%	3.09%	3.21%
GRADE 5	0.38%	0.22%	0.23%
Grand Total	3.60%	2.97%	3.03%

6.5 The table below shows the Ethnicity pay gap between the predominant white Scottish group and the non-white Scottish grouping. The table demonstrates an improvement in the overall ethnicity pay gap and no significant issues on a grade by grade basis.

Proposed Grade	Number of Non-White Scottish Employees	Number of White Scottish Employees	Current Non-White Scottish	Current Average White Scottish	Non-White Scottish Current Pay as a % of White Scottish	Proposed Non-White Scottish	Proposed White Scottish	Non-White Scottish Proposed Pay as a % of White Scottish
GRADE 1	3	47	18,020	18,020	100.00%	18,791	18,791	100.00%
GRADE 2	2	24	18,020	18,020	100.00%	19,100	19,100	100.00%
GRADE 3	20	286	18,714	18,726	99.93%	19,659	19,659	100.00%
GRADE 4	64	447	19,473	19,647	99.11%	20,238	20,243	99.97%
GRADE 5	19	278	21,210	21,332	99.43%	21,286	21,376	99.58%
Grand Total	108	1,082	19,571	19,730	99.19%	20,254	20,291	99.82%

- 6.6 Disability** – Of the 1329 employees 1267 employees have stated no disability and 55 (4.14%) employees have stated yes to being disabled.
- 6.7** Overall the average increase for the 55 disabled employees is 3.33% compared to 3.14% of employees who have stated no to having a disability.
- 6.8 Religion** – Of the 1329 employees 560 have a stated religion. 84.64% of employees with a stated religion are either Church of Scotland or Catholic. With the small numbers of employees stating a religion other than Church of Scotland or Catholic the average % increase will be based on each employee’s grade and Scale point within it. This does not suggest and bias in terms of religion within the proposal.

Religion	Number of Employees	% of Total employees with declared Religion	Average % Increase
COFS	245	43.75%	2.90%
CATH	229	40.89%	2.86%
OTHC	25	4.46%	3.44%
OTHR	14	2.50%	1.71%
MUSL	11	1.96%	4.41%
EPIS	8	1.43%	1.34%
COFE	6	1.07%	2.78%
PRES	6	1.07%	2.26%
BAPT	3	0.54%	5.62%
HIND	3	0.54%	2.39%
PAGN	2	0.36%	1.45%
HUMT	2	0.36%	1.47%
METH	2	0.36%	3.00%
MORM	2	0.36%	0.00%
BUDD	1	0.18%	0.00%
ANGN	1	0.18%	4.62%
Grand Total	560	100.00%	2.87%

- 6.9 Age** – When the distribution of average pay increases is reviewed by age ranges and grade it is clear the under 21 age group receive on average a higher percentage increase. This is due to the distribution of these employees across the grades with all of the under 21’s age range receiving an immediate uplift compared to 74.8% in the 21-30 range, 75.6% in the 31 to 40 age range, 73.6% in the 41 to 50 an 82.2% in the 61 -70 age range. There is no obvious bias in terms of age in the application of the proposed structure.

Average % Increase by Grade and Age Range								
Proposed Grade	Under 21	21 -30	31 -40	41 -50	51 -60	61 -70	71+	Grand Total
1		4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%
2			5.99%	5.99%	5.99%	5.99%		5.99%
3	7.98%	6.44%	4.96%	4.86%	4.89%	4.87%	4.62%	5.11%
4	5.96%	4.66%	4.19%	3.37%	2.73%	2.74%	1.45%	3.35%
5	2.86%	0.85%	0.52%	0.08%	0.05%	0.08%		0.27%
Grand Total	7.28%	3.87%	3.37%	2.91%	2.81%	3.16%	4.15%	3.16%

7 Future Monitoring

7.1 As part of its future arrangements Dundee City should undertake regular equal pay audits in conjunction with the trade unions to ensure that the pay and grading and job evaluation arrangements are maintained. This process should also identify further changes in the gender pay gap and recommend further action if required.

8. Conclusion

8.1 The proposal demonstrates a narrowing of the overall gender pay gap in basic pay for grades 1 to 5.

8.2 The proposal shows a marginally higher percentage increase in salary for Female employees of 3.42% compared to 2.6% for Male employees. Average female increases are higher in grades 3 and 4 and the same in grades 1 and 2. There is a marginally higher average increase for Male employees in grade 5.

8.3 The proposal shows a marginally higher increase for the Non-White Scottish Ethnicity grouping of 3.6% compared to 2.97% for Scottish and an overall improvement in the Ethnicity pay gap.

8.4 The proposal shows the main determination of an employee's new salary and average increase is based on the employees' current grade and position on the pay spine as a result there is no obvious bias against any protected characteristic and on this basis, there is no issue with implementation of the proposal.