

## **Equal Pay Audit**

**March 2015 and March 2014**

## Key Messages

- The gap between the average hourly pay of women and men in NHS Health Scotland is 16%
- The gap is caused almost entirely by the 28% gap in the average hourly pay of women and men who are senior managers, executives and medical/dental consultants
- Our overall gender pay gap has closed by about 4% since our first equal pay audit in 2013 but given the stability of pay gaps by grade this probably down to the reduction in the number of senior managers in the organisation
- While there are gaps between the pay related to ethnicity and disability, these remain within the acceptable +/-5% limited defined by the Equality and Human Rights Commission

## Introduction

The Equality and Human Rights Commission recommends equal pay reviews as the most appropriate method of ensuring that a pay system delivers equal pay free from bias. The aim of an equal pay review is to identify pay gaps between men and women doing equal work or work of equal value.

The Equality Act 2010 (the Act) gives women (and men) a right to equal pay for equal work. It is well recognised that equal pay cannot be achieved through legislation alone. Employers are ultimately responsible for ensuring that their pay systems are free from bias.

This is NHS Health Scotland's second Equal Pay Audit and will assist us in meeting the requirements of the Public Sector Equality Duties, and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 as well as our Equal Pay Statement 2012.

This equal pay audit is a statistical analysis of NHS Health Scotland's pay and HR data to identify and explain any significant <sup>1</sup> pay differences among men and women. The data in this Equal Pay Audit was taken as at March 2014 and March 2015. It should also be noted that for this Equal Pay Audit, the response rate on Equality data has been lower than in previous years due to the introduction of the new NHS Scotland system eESS (electronic Employee Support System) which did not transfer certain characteristics of our staff.

In addition to looking at equal pay based on gender, we are exceeding requirements and have also analysed the data for staff with other staff with protected characteristics; disabled and non-disabled, and our black minority ethnic (BME) and white staff. This showed a gap between BME and non-BME staff of -2.86% and disabled and non-disabled staff of +3.07%. The difference between BME and non-

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<sup>1</sup> The term significant has precise statistical meaning, and refers to gaps of more than 5%

BME staff is largely a result of grade distribution, however in both instances, length of service is a contributing factor.

We have used the following to identify the gaps:

- + where women earn more than men on average
- where women earn less than men average
  
- + where disabled staff earn more than non disabled staff on average
- where disabled staff earn less than non disabled staff on average
  
- + where BME staff earn more than non-BME staff on average
- where BME staff earn less than non-BME staff on average

## **Gender and Equal Pay**

The initial analysis of our workforce across pay bands indicates that the gender pay gap is currently 16.43% which is smaller gap, down from 18.54% in 2014 and 20.32% in 2013. This information is further broken down in Table 1 in Appendix A.

Women on average have more service than men, 8.68 years vs. 7.26. Breakdowns of this information can be found in Table 2 of Appendix A.

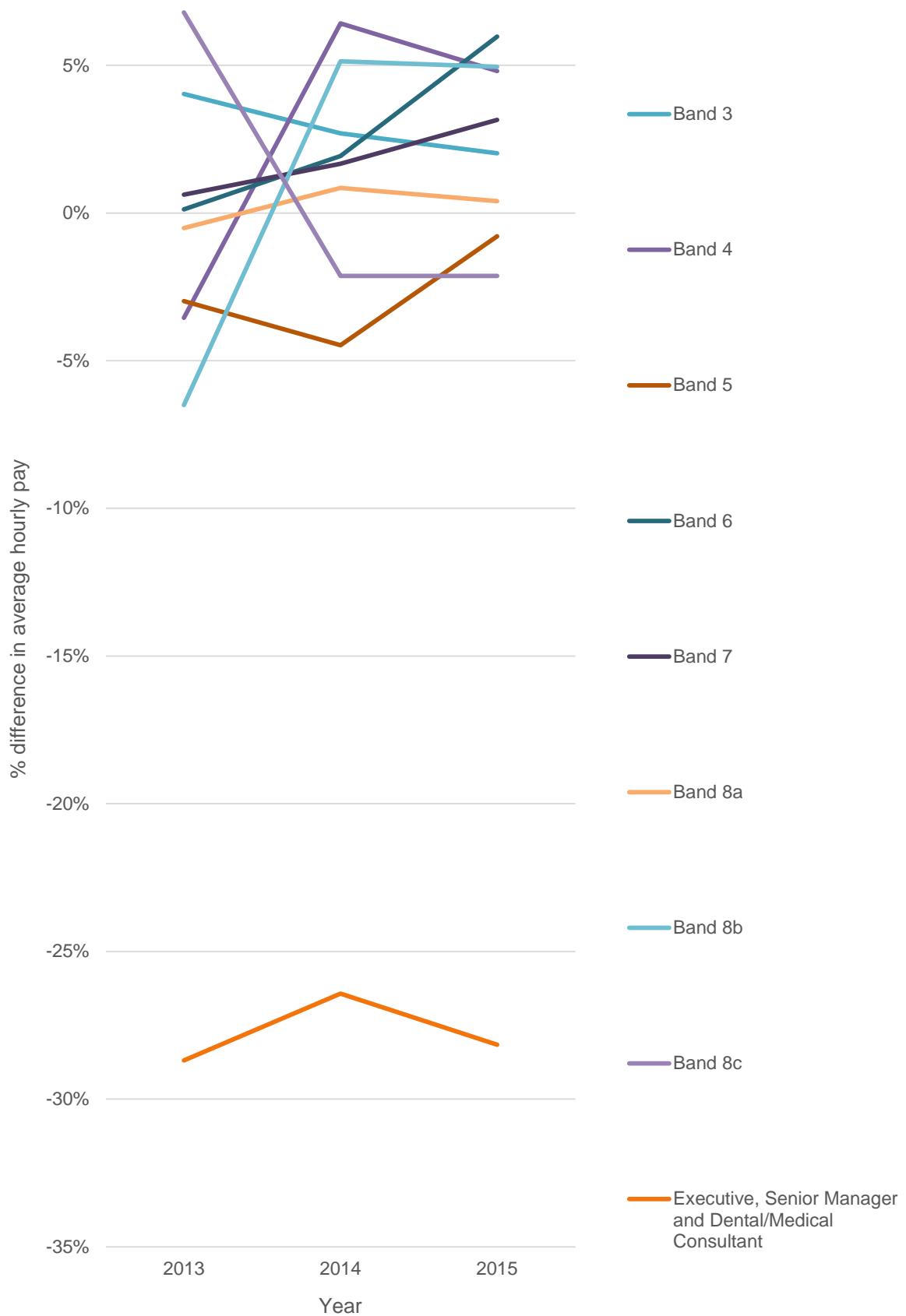
While NHS Health Scotland's gender split at this point was 74% women and 26% men, the difference in the average hourly pay by gender across all bands is a result of vertical segregation. In NHS Health Scotland women tend to be employed in lower paid roles and men employed in higher paid roles.

As illustrated by chart 1, when broken down into each pay band, most variations are within the 5% margin with no pay band ever having a gap greater than +/-7% and no gap greater than 5% being sustained for more than one year. Generally variation in this pay band can be attributed to length of service.

In the Executive, Senior Manager and Consultant pay grades, the pay gap is -28.16%. Length of service in this category has been considered, however women have a longer length of service on average than men, 15.96 years vs.12.51 years for men in 2015.

**NHS Health Scotland's equal pay gap can be attributed almost entirely to differences in the pay among our executive, senior manager and medical/dental consultant staff.**

Chart 1: Change in the % Difference in Average Hourly Pay between Women and Men from 2013 to 2015



## **Ethnicity and Equal Pay**

We compared average earnings by ethnicity. It showed that non-BME staff earn on average 2.86% more than staff who identified themselves as BME. This gap has reduced since 2013 (16.52%) and 2014 (9.76%). Staff who did not wish to disclose their ethnicity or where it is unknown however, have higher average earnings on average than both non-BME and BME with 3.39% and 3.11% respectively. Within NHS Health Scotland 83.46% of staff are of non-BME origin, 1.88% are of BME origin and 14.66% either declined to provide this information or it is unknown. However, because the number of staff who identified as BME is relatively small, it is hard to reach firm conclusions based only on statistical data.

We currently have no staff of BME origin in pay bands 8a and above, in pay bands 2,3 and 4 or in the Executive, Senior Manager or Consultant pay grades. The majority of staff in this category currently sit within pay bands 5 and 7. Overall however, staff who declined to provide information on their ethnic origin or where it is unknown, have longer service than both other categories. Information on the average pay and length of service has been shown in Table 3 and 4 in Appendix A.

## **Disability and Equal Pay**

A comparison of average earnings by disability has been undertaken, which has shown that disabled staff earn on average 3.07% more than non-disabled staff. In 2014 they earned 3.1% less and in 2013 1.03% less.

6.02% of NHS Health Scotland's staff identify as disabled, 66.91% are non-disabled and 27.07% have declined to provide this information or it is unknown. As with ethnicity, because the number of staff involved is relatively small, we need to be cautious about drawing conclusions based only on statistical data.

The majority of staff who have identified themselves as disabled sit within pay bands 5 and 7. Staff in these pay bands who have identified themselves as being disabled earn on average 4.87% (band 5) and 6.97% (band 7) more than staff who are non-disabled – £13.88 vs. £13.23 (band 5) and £20.95 vs. £19.58 (band 7). This can be attributed to length of service – 9.29 years on average for disabled staff in band 5 vs. 7.11 years on average for non-disabled staff and 12.03 years on average for disabled staff in band 7 vs. 8.70 years on average for non-disabled staff. Overall, staff who have identified themselves as disabled have a longer length of service on average than those who are non-disabled, however the pay gap between the categories is under the 5% margin. Further information on pay and length of service for disabled and non-disabled staff can be found in Tables 5 and 6 of Appendix A.

We cannot report Executive, Senior Manager and Consultant pay grades for disability as the numbers are too small and would therefore potentially identify individuals.

## Potential Risk Factors Affecting Equal Pay

The Equality and Human Rights Commission Code of Practice on Equal Pay, paragraph 164, identifies a number of risk factors that pose risk in terms of potential for non-compliance with an employer's obligations. NHS Health Scotland recognise a number of these as potential risks however as we are governed by NHS Scotland, we have little or no jurisdiction over these. Health Scotland has identified the following:

- Different non-basic pay, terms and conditions for different groups of employees (for example Medical and Dental Terms and Conditions and Agenda for Change)
- More than one grading and pay system within the organisation (for example Agenda for Change, Executive and Senior Manager Cohort and Medical and Dental scales)
- Long pay scales or ranges
- Overlapping pay scales or ranges, where the maximum of the lower pay scale is higher than the minimum of the next higher scale, including 'broadbanded' structures where there are significant overlaps
- Managerial discretion over starting salaries
- Pay protection policies

Some work can be completed on identifying which of these risks Health Scotland can control and what can be done to minimise them.

## Appendix A

### Table 1a – Pay and Gender 2015

Pay Band	Men	Women	Difference (%)
2	N/A	£7.70	No comparative data
3	£9.03	£9.21	+2.02%
4	£10.27	£10.77	+4.81%
5	£13.42	£13.31	-0.79%
6	£15.49	£16.41	+5.97%
7	£19.23	£19.83	+3.15%
8A	£23.37	£23.46	+0.40%
8B	£27.24	£28.59	+4.95%
8C	£30.48	£29.83	-2.13%
8D	£42.16	N/A	No comparative data
Exec, Snr. Manager and Consultant	£43.54	£31.28	-28.16%
<b>Totals</b>	<b>£20.35</b>	<b>£17.01</b>	<b>-16.43%</b>

### Table 1b – Pay and Gender 2014

Pay Band	Men	Women	Difference (%)
2	N/A	£8.91	No comparative data
3	£9.28	£9.53	+2.71%
4	£10.27	£10.93	+6.42%
5	£13.96	£13.34	-4.48%
6	£16.04	£16.35	+1.93%
7	£19.54	£19.87	+1.67%
8A	£23.57	£23.78	+0.85%
8B	£27.24	£28.65	+5.17%
8C	£30.48	£29.83	-2.13%
8D	£42.16	N/A	No comparative data
Exec, Snr. Manager and Consultant	£41.44	£30.48	-26.43%
<b>Totals</b>	<b>£21.48</b>	<b>£17.50</b>	<b>-18.54%</b>

**Table 2a – Pay Length of Service 2015**

Pay Band	Length of Service (years): Men	Length of Service (years): Women	Difference (years)
2	N/A	0.28	No comparative data
3	2.29	4.06	+1.77
4	4.00	5.27	+1.27
5	6.46	7.18	+0.72
6	6.61	8.29	+1.68
7	6.69	9.38	+2.69
8A	10.96	13.28	+2.33
8B	8.23	19.81	+11.58
8C	1.69	9.35	+7.66
8D	16.04	N/A	No comparative data
Exec, Snr. Manager and Consultant	12.51	15.96	+3.45
<b>Totals (Average)</b>	<b>7.26</b>	<b>8.68</b>	<b>+1.42</b>

**Table 2b – Pay Length of Service 2014**

Pay Band	Length of Service (years): Men	Length of Service (years): Women	Difference (years)
2	N/A	8.98	No comparative data
3	2.96	6.12	+3.16
4	4.00	6.16	+2.16
5	9.86	7.14	-2.72
6	8.73	7.76	-0.97
7	7.81	10.54	+2.73
8A	11.05	15.31	+4.26
8B	8.23	14.88	+6.65
8C	2.83	9.35	+6.52
8D	16.04	N/A	No comparative data
Exec, Snr. Manager and Consultant	17.71	17.77	+0.06
<b>Totals (Average)</b>	<b>9.54</b>	<b>9.46</b>	<b>-0.02</b>



**Table 3a – Pay and Ethnicity 2015**

Pay Band	Black Minority Ethnic Origin	Non-Black Minority Ethnic Origin	Declined/Unknown
2	N/A	£7.70	N/A
3	N/A	£9.14	£10.04
4	N/A	£10.50	£11.20
5	£14.13	£13.24	£13.58
6	£16.60	£16.19	£15.99
7	£19.59	£19.72	£19.27
8A	N/A	£23.47	£23.06
8B	N/A	£28.12	£26.98
8C	N/A	£29.83	£30.48
8D	N/A	£42.16	N/A
Exec, Snr. Manager and Consultant	N/A	£34.99	£44.69
<b>Totals (Average)</b>	<b>£16.21</b>	<b>£17.68</b>	<b>£19.23</b>

**Table 3b – Pay and Ethnicity 2014**

Pay Band	Black Minority Ethnic Origin	Non-Black Minority Ethnic Origin	Declined/Unknown
2	N/A	£8.91	N/A
3	N/A	£9.43	£10.04
4	N/A	£10.63	£11.17
5	£14.41	£13.47	£13.28
6	£16.12	£16.14	£16.60
7	£19.59	£19.70	£19.96
8A	N/A	£23.61	£24.27
8B	N/A	£28.02	£28.45
8C	N/A	£29.83	£30.48
8D	N/A	£42.16	N/A
Exec, Snr. Manager and Consultant	N/A	£33.41	£42.87
<b>Totals (Average)</b>	<b>£16.56</b>	<b>£18.35</b>	<b>£18.81</b>

**Table 4a – Length of Service and Ethnicity 2015**

Pay Band	Black Minority Ethnic Origin (years)	Non-Black Minority Ethnic Origin (years)	Declined/Unknown (years)
2	N/A	0.28	N/A
3	N/A	3.03	19.29
4	N/A	5.19	4.63
5	7.37	6.67	9.55
6	7.30	8.24	5.68
7	9.88	8.97	6.28
8A	N/A	12.54	15.61
8B	N/A	15.79	5.66
8C	N/A	2.74	8.30
8D	N/A	16.04	N/A
Exec, Snr. Manager and Consultant	N/A	13.68	15.90
<b>Totals (Average)</b>	<b>7.84</b>	<b>8.39</b>	<b>7.95</b>

**Table 4b – Length of Service and Ethnicity 2014**

Pay Band	Black Minority Ethnic Origin (years)	Non-Black Minority Ethnic Origin (years)	Declined/Unknown (years)
2	N/A	8.98	N/A
3	N/A	5.52	7.48
4	N/A	6.43	4.37
5	7.89	7.04	8.93
6	7.75	8.04	7.81
7	9.88	10.50	8.35
8A	N/A	13.43	17.90
8B	N/A	13.47	9.78
8C	N/A	2.74	16.05
8D	N/A	16.04	N/A
Exec, Snr. Manager and Consultant	N/A	15.35	25.52
<b>Totals (Average)</b>	<b>8.32</b>	<b>9.46</b>	<b>9.60</b>

**Table 5a – Pay and Disability 2015**

Pay Band	Disabled	Non-Disabled	Declined/Unknown
2	N/A	£7.70	N/A
3	£9.42	£9.29	£8.79
4	N/A	£10.54	£11.62
5	£13.88	£13.23	£13.46
6	£16.73	£16.19	£16.08
7	£20.95	£19.58	£19.30
8A	£23.06	£23.36	£23.74
8B	N/A	£27.76	£28.45
8C	N/A	£30.05	£30.48
8D	N/A	N/A	£42.16
<b>Totals (Average)</b>	<b>£17.65</b>	<b>£17.40</b>	<b>£19.10</b>

**Table 5b – Pay and Disability 2014**

Pay Band	Disabled	Non-Disabled	Declined/Unknown
2	N/A	N/A	£8.91
3	£8.79	£9.40	£9.65
4	N/A	£11.09	£10.43
5	£13.88	£13.40	£13.41
6	N/A	£16.55	£15.94
7	£20.95	£19.65	£19.76
8A	£24.32	£23.48	£23.91
8B	N/A	£28.93	£27.19
8C	N/A	£29.83	£30.48
8D	N/A	£42.16	N/A
<b>Totals (Average)</b>	<b>£16.84</b>	<b>£18.46</b>	<b>£18.44</b>

**Table 6a – Length of Service and Disability 2015**

Pay Band	Disabled (years)	Non-Disabled (years)	Declined/Unknown (years)
2	N/A	0.28	N/A
3	5.14	4.21	2.14
4	N/A	5.50	2.04
5	9.29	7.11	6.15
6	8.78	7.63	8.17
7	12.03	8.70	6.85
8A	8.66	13.11	13.05
8B	N/A	15.36	13.28
8C	N/A	7.18	0.56
8D	N/A	N/A	13.67
<b>Totals (Average)</b>	<b>9.62</b>	<b>8.27</b>	<b>8.27</b>

**Table 6b – Length of Service and Disability 2014**

Pay Band	Disabled (years)	Non-Disabled (years)	Declined/Unknown (years)
2	N/A	N/A	8.98
3	3.57	5.83	5.93
4	N/A	5.07	6.64
5	9.29	7.62	7.32
6	N/A	9.29	6.22
7	10.70	7.35	11.33
8A	10.04	15.06	13.62
8B	N/A	12.52	12.39
8C	N/A	2.74	16.05
8D	N/A	16.04	N/A
<b>Totals (Average)</b>	<b>9.72</b>	<b>9.46</b>	<b>9.48</b>