

# Equal Pay Statement 2019

**(Incorporating:**

- **a statement on equal pay;**
- **gender, disability and race pay gap information; and**
- **information relating to occupational segregation for gender, disability and race)**

This report has been produced in Ariel Font (14) and is left aligned with 1.5 line spacing

**Please ask if you, or someone you know, would like this document in a different format or language.**

## **Section 1 - Background**

**1.1** The public sector equality duty requires public authorities to take a proactive and organised approach to tackling institutional discrimination, and aims to mainstream equality into public bodies in practical ways.

The public sector equality duty covers the following protected characteristics: age, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief, sexual orientation and marriage and civil partnership, with regard to eliminating unlawful discrimination in employment.

The public sector equality duty has a general duty which sets out requirements for all public authorities and those bodies exercising a public function, and specific duties, which place additional requirements on listed public authorities. Moray College UHI falls under this category.

### **1.2** General duty

The general equality duty requires public authorities, in the exercise of their functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation, and other prohibited conduct;
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

### 1.3 Specific duties

The specific duties in Scotland were created by secondary legislation in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. They came into force on 27 May 2012. Two elements of the specific duties come into force for the first time in 2017. These require that all listed bodies to include race and disability considerations alongside gender in their Equal Pay and Occupational Segregation published information every 4 years.

Therefore, Moray College UHI is required to publish the following every 4 years:

- a statement on equal pay which must have due regard to women and men, people who are disabled and those that are not and people who fall into a minority racial group and those that do not.
- Information on occupational segregation relating to grades and occupations of women and men, people who are disabled and those that are not and people who fall into a minority racial group and those that do not.

Whilst there is no specific legal requirement to publish the above in 2019, Moray College UHI has determined to do so. There is also no specific legal requirement for Moray College to publish pay gap information in relation to the protected characteristics of race and disability. Moray College UHI has determined that the pay gap for these protected characteristics will also be published.

## **Section 2 – Equal Pay Statement**

**2.1** Moray College UHI is committed to the principles of equal pay for all of our employees. We operate a single job evaluation scheme for support staff posts to measure the relative value of all jobs in our pay and grading structures within an overall framework that is consistent, transparent and fair. This is shortly to be replaced by a National Job Evaluation Scheme in furtherance of national bargaining arrangements described in section 2.5. The College aims to eliminate any bias in our pay systems. Moray College UHI believes males and females, those from different racial groups, those with or without disabilities, those of different sexual orientations, different religions or beliefs and different ages should receive equal pay for the same or broadly similar work, for work rated as equivalent and for work of equal value.

**2.2** We aim to reflect equal pay with respect to remuneration, development and career progression for all staff in ensuring that the level of reward is appropriate to the relative size and content of the job. It is in the interests of the College to ensure that we have fair and just pay systems. The College will continue working with the various stakeholders and the recognised trade unions in particular in taking action to ensure that it provides equal pay.

**2.3** We believe that by eliminating bias from our pay systems, we demonstrate best practice and commitment to our employees and students through equitable, fair and transparent reward mechanisms whilst effectively managing College finances. We believe these efforts in avoiding unfair discrimination will ultimately improve morale and

enhance College effectiveness and efficiency in fulfilling its strategy and contribute to our mission, vision and values.

#### **2.4** Our equal pay objectives are to:

- eliminate any unfair, unjust or unlawful practices that impact on pay
- take appropriate action to address these accordingly
- regularly monitor and review the application of its policies and procedures and;
- to conduct regular equal pay reviews including gender, race and disability.

#### **2.5** National Bargaining

Moray College UHI became a signatory to the National Joint Negotiating Committee in 2015 and, as such, pay awards and amendments to relevant terms and conditions are now determined through National Bargaining. Whilst agreed pay awards have to date allowed the maintenance of the grading structure within Moray College UHI, this too will be dictated by National Bargaining where separate negotiations happen at side tables for teaching and support staff. This may impact upon future considerations and equal pay reviews as separate grading structures may be arrived at through National Bargaining.

#### **2.6** Living Wage Accreditation

Whilst Moray College UHI has implemented the Living Wage for employees for some years, the College became an Accredited Living Wage Employer during 2016. The impact of the implementation of the Living Wage, which to date has ensured a more generous percentage

increase to those posts evaluated on the lowest scale point in the salary model than those scale points above, can be seen particularly in relation to the overall gender pay gap of the College, the mean gender pay gap having decreased from 17% in 2015 to 12% in 2017 then to 9% in 2019.

### **Section 3 – Equal Pay Audit Background and Methodology**

**3.1** The Equality and Human Rights Commission (EHRC) recommends an equal pay audit as the most effective way of establishing whether an organisation is providing equal pay, rewarding employees fairly in practice and promoting equal pay under the terms of the equality duties. This report provides an overall pay gap by gender, disability status and race then considers these protected characteristics by grade to identify any gaps between staff doing work rated as equivalent in relation to the protected characteristics of gender, disability status and race.

**3.2** A key assumption underpinning this analysis is that staff in the same pay grade are doing equal work or work of equal value. This is based on the fact that jobs have been allocated to pay grades using a job evaluation system. The grade structure was devised following a full job evaluation exercise undertaken over 2010 and 2011 using the NorthgateArinso system, Evaluate – an analytical job evaluation tool. This tool has been utilised on a consistent basis since that time to evaluate any new posts. In addition, it is a requirement of managers to consider that each individual is working within their specified job role, so that any potential regrading requirements are identified and undertaken using the job evaluation tool. At this stage the analysis has not been separated into teaching posts and support posts even though the salaries for these categories of posts are determined through separate

national negotiations. This position shall be kept under review as the national agreements develop.

**3.3** The approach taken for this review was to compare average hourly rates firstly across all pay grades then within in each pay grade to identify any pay gaps for all contracted staff. If significant pay gaps were identified, analysis was carried out to identify possible contributory factors. Throughout the report, the term significant is used to mean gaps in excess of 5%.

**3.4** Moray College UHI's system for pay progression within grade is clearly defined and there is limited scope for discretion. The only area where managers have discretion to offer higher salaries than the minimum of the grade is for new appointments or internal promotions and these are determined with reference to a process involving not less than two people, one of which is an HR representative.

**3.5** All contracted staff are considered in this report and information is extracted from data from the March 2019 payroll. Where individuals hold a number of different roles with different grades, they have been counted for each different role.

## **Section 4 - Moray College Pay Gap Information**

As stated above this report provides an overall pay gap by gender, disability status and race then considers these protected characteristics by grade to identify any gaps between staff doing work rated as equivalent. Each of the protected characteristics is considered in turn with the overall pay gap then the gap by grade being detailed.

### **4.1 Gender**

**Table 1: Overall Gender Pay Gap**

	<b>Female</b>	<b>Male</b>	<b>2019 Pay Gap %</b>	<b>(2017 Pay Gap %)</b>
<b>All Staff</b>	228	95		
<b>Average Hourly Rate</b>	16.30	17.97	9%	12%
<b>Median Hourly Rate</b>	14.42	18.35	21%	26%

Using this formula, the gender pay gap for Moray College UHI when considering all contracted staff across all grades is 9%. Given that this figure exceeds 5% then further investigation is required and the detailed average gender pay gap by grade demonstrates that there are no significant gaps within grade.

**Table 2: Average Gender Pay Gap by Grade**

		<b>Comments</b>
<b>LW SCP</b>	0%	
<b>Grade 1, SCP 1</b>	0%	
<b>Grade 2, SCP 2 - 5</b>	0%	
<b>Grade 3, SCP 6 - 9</b>	0.5%	
<b>Grade 4, SCP 10 - 13</b>	0.2%	
<b>Grade 5, SCP 14 - 17</b>	1.6%	
<b>Grade 6, SCP 18 - 21</b>	3%	
<b>Grade 7, SCP 22 - 25</b>	0.7%	

<b>Grade 8, SCP 26 - 29</b>	-1.3%	
<b>Grade 9, SCP 30/L1</b>	-0.2%	
<b>Grade 10, SCP 31/L2</b>	0%	
<b>Grade 11, SCP 32/L3</b>	0%	
<b>Grade 12, SM3</b>	0%	
<b>Grade 13, SM2</b>	NA	No postholders
<b>Grade 14, SM1</b>	NA	1 postholder

Using this method, it is clear that analysis by grade shows that there is little or no pay difference between men and women doing work of equal value.

As the maximum variance is 3% no further analysis is required.

#### **4.1.1 Changes to the Gender Pay Gap**

The overall average gender pay gap in 2015 was 17% and in 2017 it was 12%. It is considered that the improvement demonstrated above is likely to be as a result of the Living Wage increases being higher in percentage terms than the increases applied to scale points above the Living Wage and also the national increases which have provided for higher percentage increases for the lower scale points.

#### **4.1.2 Comparison with other organisations**

The gender pay gap in the UK for both full time and part time employees has been reported to be 18.4% in June 2018. The Moray College UHI mean pay gap compares exceptionally favourably against this.

#### **4.1.3 Causes of remaining gaps**

Occupational segregation is one of the main causes of the gender pay gap. As is demonstrated within this report, occupational segregation is a significant contributor to the remaining gender pay gap in Moray College

UHI. Occupational segregation is frequently linked to traditions and stereotypes and also the value which is placed upon work which is traditionally considered to be ‘woman’s work’. Scotland’s Economic Strategy commits to addressing women’s inequality in employment through the fair work agenda and encouraging employers to mitigate against gender barriers to minimise occupational segregation. The strategy highlights to employers that there are a number of benefits of addressing the pay gap in terms of retention of staff, reducing costs, utilising skills more effectively and improving morale and employee engagement. There is also the benefit of lowering the legal risks in relation to potential tribunal claims.

## 4.2 Race

**Table 3: Overall Race Pay Gap**

	White British	White Other	Non White	Unknown	Pay Gap (WB/NW)	2017 Pay Gap
<b>All Staff</b>	297	20	3	3		
<b>Average Hourly Rate</b>	16.64	18.97	18.19	16.35	-9%	-8%
<b>Median Hourly Rate</b>	17.12	20.15	20.15	15.37	-18%	-3%

Using this formula, the race pay gap for Moray College UHI when considering all contracted staff across all grades is 9% although small numbers do have an impact of statistical significance. Given that this figure exceeds 5% then further investigation is required as detailed below:

**Table 4: Average Race Pay Gap by Grade**

	<b>Largest Gap in Grade (not inc NK)</b>	<b>Comments</b>
<b>LW SCP</b>	NA	All White British
<b>Grade 1, SCP 1</b>	0%	
<b>Grade 2, SCP 2 - 5</b>	NA	All White British
<b>Grade 3, SCP 6 - 9</b>	NA	All White British
<b>Grade 4, SCP 10 - 13</b>	NA	All White British
<b>Grade 5, SCP 14 - 17</b>	-0.4%	
<b>Grade 6, SCP 18 - 21</b>	-1.3%	
<b>Grade 7, SCP 22 - 25</b>	NA	All White British
<b>Grade 8, SCP 26 - 29</b>	NA	All White British
<b>Grade 9, SCP 30/L1</b>	-2.6%	
<b>Grade 10, SCP 31/L2</b>	0%	
<b>Grade 11, SCP 32/L3</b>	NA	All White British
<b>Grade 12, SM3</b>	NA	All White British
<b>Grade 13, SM2</b>	NA	No postholders
<b>Grade 14, SM1</b>	NA	1 postholder

Using this method, it is clear that analysis by grade shows that there no significant pay difference between individuals of different races doing work of equal value.

#### **4.2.1 Changes to the Race Pay Gap**

The Moray College 2015 Equal Pay document reported the Race Pay Gap as being 13%, the 2017 figure being -8%. Whilst care is required in terms of the interpretation of this data when considering the very small numbers of Non White staff members and therefore the consequent statistical relevance, the improvement reported from 2015 to 2017 has been largely maintained.

#### **4.2.2 Comparison with other organisations**

Whilst Moray College calculated and published the race pay gap since 2015 it was not a legal requirement to do so and so it is difficult to

source comparative data from other organisations. 2016 Trades Union Congress research suggests that there is a 23% gap in hourly pay between black and white university graduates in the UK and that graduate staff from all minority ethnic backgrounds face a 10% pay deficit.

### 4.2.3 Causes of remaining gaps

Whilst our negative pay gap does not generally support the conclusion, it is considered that occupational segregation has a significant contribution to the race pay gap. There are other elements which can also contribute to the race pay gap and these can be considered in two forms; minorities entering lower paid occupations or experiencing barriers to higher paid occupations and minorities being paid less for the same work. Within Moray College different processes and procedures are applied on a consistent basis to ensure that any potential barriers to employment are removed. This is considered through the ongoing impact assessment of policies and procedures.

## 4.3 Disability

**Table 5: Overall Disability Pay Gap**

	No Disability	Disability	Unknown	Pay Gap (ND/D)	2017 Pay Gap
<b>All Staff</b>	297	17	9		
<b>Average hourly rate</b>	16.75	16.95	17.96	-6%	2.3%
<b>Median hourly rate</b>	17.12	20.15	20.78	-18%	0.5%

Using this formula, the disability pay gap for Moray College UHI when considering all contracted staff across all grades is -6% although small numbers do have an impact of statistical significance. Given that this figure exceeds a 5% difference then further investigation is required as detailed below:

**Table 6: Average Disability Pay Gap by Grade**

	<b>Disabled/Not Disabled</b>	<b>Comments</b>
<b>LW SCP</b>	NA	All No Disability
<b>Grade 1, SCP 1</b>	0%	
<b>Grade 2, SCP 2 - 5</b>	0%	
<b>Grade 3, SCP 6 - 9</b>	-0.4%	
<b>Grade 4, SCP 10 - 13</b>	-0.2%	
<b>Grade 5, SCP 14 - 17</b>	-0.4%	
<b>Grade 6, SCP 18 - 21</b>	NA	All No Disability
<b>Grade 7, SCP 22 - 25</b>	NA	All No Disability
<b>Grade 8, SCP 26 - 29</b>	-3.6%	
<b>Grade 9, SCP 30</b>	-2.6%	
<b>Grade 10, SCP 31</b>	0%	
<b>Grade 11, SCP 32</b>	NA	All No Disability
<b>Grade 12, SM3</b>	NA	All No Disability
<b>Grade 13, SM2</b>	NA	No Postholders
<b>Grade 14, SM1</b>	NA	1 Postholder

Using this method, it is clear that analysis by grade shows that there is little or no pay difference between those individuals who declare a disability and those who do not who are doing work of equal value.

### **4.3.1 Changes in the Disability Pay Gap**

The Moray College 2015 Equal Pay document reported the Disability Pay Gap as being 6%. In 2017 this was 2.4% and this trend has continued to the 2019 rate at -6%.

### **4.3.2 Comparison with other organisations**

Again, whilst Moray College UHI calculated and published the disability pay gap since 2015 it was not a legal requirement to do so and so it is difficult to source comparative data from other organisations.

## **Section 5 – Occupational Segregation**

### **5.1 What is occupational segregation?**

Occupational segregation has been defined as the concentration of men and women, people who are disabled and those that are not or people who fall into a minority racial group and those that do not within (i) different types of roles occupational groups or jobs - this is known as horizontal occupational segregation or, (ii) different grades – this is known as vertical segregation.

Occupational segregation is one of the barriers which prevents women, people who are disabled and people who fall into a minority racial groups from fulfilling their potential in the labour market. It is considered that this can have a damaging effect on the economy by failing to make the most efficient use of the potential workforce, contributing to persistent skills deficits and holding back increased productivity.

### **5.2 Occupational segregation in Moray College UHI, causes and consequences**

### 5.2.1 Methodology

Moray College's staffing structure is defined by different specialisms and functions, detailed through published organisational structures. In order to review both horizontal and vertical integration, the published structure has been examined by pay grade and gender, race and disability.

### 5.2.2 Gender

It is known that women tend to be concentrated in the lower paid jobs (e.g. caring, catering, cleaning, clerical, cashiering) and the lower grades within an organisation. Occupational segregation contributes to the gender pay gap. Causes of occupational segregation can be gender stereotyping, under-valuing of roles predominately filled by one gender and also the impacts of inflexible working practices.

#### **Vertical Integration (the concentration of women in low paid and low status jobs)**

The overall staff population within Moray College is predominantly female with 17/18 monitoring data indicating that 72% of staff are female. This is compared to the local population gender balance of 51% female as detailed in the Moray area 2011 Scotland Census.

Occupational segregation can result in the existence of a 'glass ceiling' where management roles within an institution are predominantly filled by male employees. An investigation carried out in relation to genders and grades within Moray College UHI in 2013 identified that four out of the seven Principal's Planning Group (PPG) members were female and four out of eight Assistant Directors were female. At this time whilst the ratio of females to males (8:7) was determined to be improving in the respect

of becoming closer to the staff profile (and was in line with the local population profile as reported in the 2001 census), the 'gender imbalance' (when compared to the staffing profile) had not yet been fully addressed.

The profile at these levels in Feb 2017 is that five out of the nine PPG members are female and five out of the seven Assistant Directors are female. The ratio has therefore moved closer to the college staffing profile at 10:6.

A new Academic Staffing Structure has subsequently been implemented and in April 2019 the ratio of females to males within the equivalent posts better reflects the college staffing profile at 13:6.

It is a slowly improving picture and the rate of improvement is likely to be contributed to by the small number of posts and level of turnover at that level rather than the existence of barriers, deliberate or otherwise, to the progression of females.

**Table 7: Gender breakdown as a percentage of total staff in grade**

	Females	Males
<b>LW SCP</b>	1.2%	0%
<b>Grade 1, SCP 1</b>	5.9%	1.5%
<b>Grade 2, SCP 2 - 5</b>	3.1%	0.3%
<b>Grade 3, SCP 6 - 9</b>	2.5%	1.2%
<b>Grade 4, SCP 10 - 13</b>	10.8%	0.9%
<b>Grade 5, SCP 14 - 17</b>	11.8%	4.6%
<b>Grade 6, SCP 18 - 21</b>	0.9%	1.9%
<b>Grade 7, SCP 22 - 25</b>	2.2%	0.9%
<b>Grade 8, SCP 26 - 29</b>	24.5%	15.5%
<b>Grade 9, SCP 30</b>	3.7%	0.9%
<b>Grade 10, SCP 31</b>	1.5%	0.6%
<b>Grade 11, SCP 32</b>	1.5%	0.3%

<b>Grade 12, SM3</b>	0.9%	0.3%
<b>Grade 13, SM2</b>	0%	0%
<b>Grade 14, SM1</b>	0%	0.3%

When comparing the percentages of males and females in each grade it is clear that there are higher percentages of females in all grades except grade 6 (where there are a small proportion of staff and the more traditionally more male dominated posts of Computer Technologists are included) and grade 14 (where there is one male postholder). There are far fewer postholders above grade 8, but it should be noted that the percentages of females in these grades suggests that an improved picture than previously reported. There are far fewer opportunities above grade 8 and turnover, particularly at that level in Moray College UHI is very low.

### **Horizontal Integration (the occupational segregation of women and men in different occupational groups)**

Women and men tend to work within gender segregated occupations and the jobs that are most likely to be carried out by women, tend to be those associated with low pay. These occupations are often referred to as the '5 Cs (cleaning, clerical, cashiering, catering and caring). When considering the staffing profile in terms of roles, it is notes that all or over 92% of postholders within the following posts are female:

- Cleaner
- Catering Assistant
- Clerical Assistant
- Nursery Assistant

- Nursery Nurse
- Student Services Assistant
- Administration Assistant
- Assistant Finance Officer
- Learner Support Worker
- Vocational Training Adviser

It would appear that like most organisations, the continued existence of gender specific roles prevails.

### **5.2.3 Race**

Whilst the internal statistical information available to Moray College UHI and the small numbers of minority ethnic staff, make it difficult to arrive at firm conclusions on the basis of data, it is important that thorough impact assessments and reviews take place to ensure that the potential barriers to those staff and potential staff are removed.

Race occupational segregation can occur as a result of practices such as poor recruitment practices, for example, when overseas qualifications are not assessed or under assessed, promotions are based on factors other than merit, and there is subjective succession planning.

Organisational culture can have a huge impact, particularly in relation to the impact of stereotyping and assumptions about organisational 'fit' and also language difficulties.

### **Vertical Integration (the concentration of those of minority ethnicity in low paid and low status jobs)**

Notwithstanding the concerns regarding the statistical relevance of the race pay data, and in common with the findings of the 2017 Equal Pay Statement, it is noted that there are no non white staff members in role

which are in the lower grades of the Moray College structure. Indeed, the small number of ethnic minority staff are most prevalent in the grades where there is a specific qualification or specialism requirement.

### **Horizontal Integration (the occupational segregation of those with different races in different occupational groups)**

When considering the data in relation to grade and ethnicity, it is noted that the distribution of staff with minority ethnicity, as with the White British staff population, shows highest percentage at grade 8. This is the grade which contains the post of Lecturer.

It is also noted that there is no Non White staff members in any grades above this, which might suggest that progression above this grade should be examined to ensure that there are no subconscious barriers to progression for those of Non White ethnicity.

#### **5.2.4 Disability**

Disability occupational segregation can occur as a result of practices such as poor recruitment practices and failures to make reasonable adjustments for those in higher paid jobs. Promotion prospects can be impacted for disabled staff by promotions being based on factors other than merit, and an expectation that those in higher paid posts will work longer hours. Again, organisational culture can have a significant impact, where the focus should be on positively supporting those with disabilities to attain and retain employment. To this end the College has transitioned from the previous 'Positive About Disabled People' Accreditation to the 'Disability Confident' Scheme. We are therefore committed to demonstrating progression and taking positive action to attract, recruit and retain disabled people.

### **Vertical Integration (the concentration of those with disabilities in low paid and low status jobs)**

Again, it is difficult to arrive at firm conclusions in relation to the data given that numbers and therefore percentages are low. It is interesting to note however the number of grades which have disabled staff paid against is higher than is evident when considering race. This includes a number of the higher grades and supports the findings in relation to the disability pay gap being smaller than the race pay gap.

### **Horizontal Integration (the occupational segregation of those with disabilities in different occupational groups)**

It is not so evident that there is a concentration of those with disabilities in any particular occupational groups in the college. It would be the case that there are roles that may be more difficult to adapt for particular disabilities (for example a disability affecting mobility in the Site Assistant role) but the college is committed to considering reasonable adjustments for both prospective and current staff members with disabilities.

## **Section 6. Conclusion**

The Equal Pay Audit clearly shows that staff within Moray College UHI are paid equal pay for work rated as equivalent. It is evident however that the effects of occupational segregation have an impact on the staffing structure and the cross college gender pay gap.

When considering the causes of occupational segregation it is clear that such societal norming will not be addressed to immediate effect.

However, Moray College UHI recognises that equal pay and occupational segregation need to be considered in tandem. The following has already been considered in relation to steps taken to address equal pay:

- Pay Structures: all support posts in the college are subject to Job Evaluation to determine grading. The grading structure has a number of fixed points but also grades which have 4 scale points. This is an area of change however as a result of the separate national bargaining arrangements for teaching and support staff and also the forthcoming implementation of a national job evaluation scheme for support staff posts. These factors are likely to impact upon the data for the next reporting cycle.
- Progression through the grade is very clearly defined and has very limited opportunity to deviate from this process.
- The starting point for new starts onto a grade is subject to a process which involves at least two people.
- The impact of length of service in relation to progression through the grade is limited to 3 years for support staff roles.
- Whilst the opportunity to apply market forces exists, this is very rarely used and, in any event, would require evidential support and authorisation by the Principal.
- There are no PRP provisions in place.
- The college operates a significant number of flexible working practices and a Flexible Working Procedure is in place.
- Many college roles are term time and part time.
- The college operates a Parental Support Procedure.

In furtherance of the College's commitment to Equal Pay and the elimination of occupational segregation, the following further actions have been identified

#### 6.1 Actions to address the pay gaps and occupational segregation

- The provision of specific staff development programmes to support those involved in the recruitment and management of staff
- A review of the categories for all protected characteristics to ensure consistency in reporting, including the introduction of gender re-assignment
- Improvement upon the monitoring data held to further inform impact assessments of policies and procedures
- Ensuring that those involved in the review of college pay policies and procedures are fully informed in relation to equality impact assessments.