

Equal Pay Statement

April 2017

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Equal Pay Statement April 2017

Incorporating:

Equal Pay Policy

Gender Pay Gap Report including Occupational Segregation

Disability Pay Gap Report including Occupational Segregation

Race Pay Gap Report including Occupational Segregation

Equal Pay Action Plan 2015-2017 Update

Equal Pay Action Plan 2017-2019

Introduction

This document sets out what actions Perth College UHI are taking to meet the requirements of the public sector equality duty with regard to equal pay for staff, and address the causes of any identified equality pay gaps and occupational segregation concerns around women and men; people who are disabled and those who are not; and people who fall into a minority racial group and those who do not.

Equal Pay Policy

1 Purpose

Perth College UHI is committed to the principles of Equal Pay for all members of staff. The College aims to ensure that procedures are in place to determine pay and conditions of employment which do not discriminate unlawfully and are free from bias.

The College understands the benefits of operating a fair pay system which is transparent and is based on objective criteria. We are committed to taking action to ensure that equal pay is in place for like work, work rated as equivalent, work of equal value; and that any identified equality pay gaps are reduced. We believe that by eliminating any bias from pay systems, and addressing any occupational segregation concerns, we are promoting positive relations amongst staff, students and the wider community.

The College also believes that practices such as flexible working and access to training, development and job opportunities contribute to the creation of a culture which values its staff and eliminates unlawful discrimination and advances equality of opportunity.

2 Scope

The principle of equal pay applies to all employees of Perth College UHI and of its subsidiary, Air Service Training (Engineering) Limited.

3 Definitions

3.1 For the purposes of this document and in line with relevant legislation, pay is defined as:

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"The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his/her employment from his/her employer."

Pay, therefore includes pensions, discretionary bonuses and sick pay as well as other benefits of monetary value.

- 3.2 "Like work" is defined as work which is the same or broadly similar. This can be determined by a general consideration of the types of work involved and the skill and knowledge required to do them. Different job titles, job descriptions or contractual obligations do not necessarily rule out a like work claim.
- 3.3 "Work of equal value" is defined as work which is of broadly equal value when compared under headings such as effort, skill and decision making.
- 3.4 "Work rated as equivalent" is defined as work which has achieved the same or a similar number of points under a job evaluation scheme.
- 3.5 "Gender pay gap" is the difference between men's and women's average hourly earnings (excluding overtime).
- 3.6 "Disability pay gap" is the difference between people who are disabled and those who are not in terms of average hourly earnings (excluding overtime).
- 3.7 "Race pay gap" is the difference between people who fall into a minority racial group and those who do not in terms of average hourly earnings (excluding overtime).
- 3.6 "Occupational segregation" is the concentration in particular grades and in particular occupational of men and women; people who are disabled and those who are not; people who fall into a minority racial group and those who do not. This can be into different types of work (horizontal segregation) and into different levels of work (vertical segregation).
- 3.7 "Line Manager" is defined as the Manager to whom the employee directly reports.
- 3.8 An "Equality Impact Assessment" of a policy, procedure or practice is a thorough and systematic analysis to determine whether it has a differential impact on a particular group.

4 Key Principles

We believe that in eliminating gender, race or disability bias in our pay systems we are sending a positive message to our staff and customers. It makes good business sense to have a fair, transparent reward system and it helps us to control costs. We recognise that avoiding unfair discrimination will improve morale and enhance efficiency.

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5 Equal Pay Objectives

Our objectives are to:

- Eliminate any unfair, unjust or unlawful practices that impact on pay and;
- Take appropriate remedial action.

6 Responsibilities

- 6.1 The Vice Principal Human Resources and Communication is responsible for the implementation, operation and revision of this Policy.
- 6.2 It is the responsibility of all Managers within Perth College UHI and its subsidiary to ensure that employees are treated equitably.
- 6.3 All Managers have a responsibility to ensure that they apply procedures appropriately in line with training and guidance.
- 6.4 Quality approval check of the policy is the responsibility of the Head of Quality who will arrange for the policy to be posted on the College website.

7 Linked Policies/Related Documents

Progress in achieving Equality Outcomes 2013-2017
Equality Mainstreaming Report 2017
Equality Outcomes 2017-2021
Equality and Diversity Policy
Job Evaluation Review Procedure
Annual Employee Information 2015-2017

8 Relevant Legislation

Equality Act 2010
Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012
Equal Pay Act 1975

Equal Pay Gap Report April 2017

Equal Pay Review

The College has operated an analytical job evaluation scheme for all posts since 2012.

In 2012, following an analytical job evaluation of all posts, the College developed a pay and grade structure which promoted pay equity (Northgate Arinso).

Gender Pay Gap January 2017

The College's gender pay gap has reduced over the past 4 to 5 years:

- Pre analytical job evaluation scheme it was 14.02%.
- Post analytical job evaluation scheme in 2013, it was 12.21%.
- In 2015, the gender pay gap was 10.91%.
- In 2017, the gender pay gap is 11.15%.

Table 1: Calculation of Gender Pay Gap at Perth College UHI January 2017

| | Female | Male | Pay Gap% |
|---------------------|--------|--------|----------|
| Staff (n) | 361 | 228 | |
| Average Hourly Rate | £15.70 | £17.67 | 11.15% |

Perth College UHI's gender pay gap is below the average for the UK (18%) and Scotland (16%).

Over the years the College has taken the following steps to address the gender pay gap:

- The College became an accredited living wage employer in 2014 and pays the living wage to student interns and modern apprentices. The lowest hourly rate for staff is £8.78 – this is £0.33 or 3.9% higher than the living wage rate of £8.45.
- Implementing flat rate cost of living increases for lower graded posts which resulted in these predominately female groups receiving a higher percentage pay increase than those staff on higher grades.
- 100% of flexible working requests have been approved.
- Chartered Management Institute SCQF level 6 and 8 units are offered to staff to develop their skills and qualifications for future higher graded posts. In 2014, 7 staff engaged with the CMI programme, and this has increased to 15 in 2017.

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There are significantly more females than males in the lower graded posts within the College's grade and pay structure, and this vertical occupational segregation contributes to the College's gender pay gap, as demonstrated:

The table below details the gender pay gap for each of the grades for the College's grade and pay structure:

Table 2: Gender Pay Gap by Grade January 2017

| Grade | Scale Point | No of Females | Average Female Hourly Rate | No of Males | Average Male Hourly Rate | Formula | % Pay Gap |
|-------|-------------|---------------|----------------------------|-------------|--------------------------|---------|-----------|
| | LW | 1 | 8.45 | 1 | 8.45 | 100.00 | 0.00% |
| A | 1 | 42 | 8.48 | 11 | 8.48 | 100.00 | 0.00% |
| B | 2 to 4 | 25 | 9.70 | 7 | 9.69 | 100.11 | -0.11% |
| C | 5 to 8 | 16 | 10.41 | 3 | 10.36 | 100.47 | -0.47% |
| D | 9 to 12 | 30 | 11.40 | 10 | 11.45 | 99.53 | 0.47% |
| E | 13 to 16 | 14 | 12.52 | 5 | 12.46 | 100.45 | -0.45% |
| F | 17 to 21 | 49 | 13.92 | 20 | 14.06 | 99.03 | 0.97% |
| G | 22 to 25 | 20 | 15.60 | 8 | 15.59 | 100.06 | -0.06% |
| H | 26 to 28 | 58 | 18.05 | 56 | 17.83 | 101.20 | -1.20% |
| I | 29 to 30 | 79 | 20.18 | 87 | 20.25 | 99.69 | 0.31% |
| J | 31 to 32 | 9 | 21.71 | 5 | 21.72 | 99.98 | 0.02% |
| K | 33 to 36 | 6 | 22.83 | 8 | 22.80 | 100.13 | 0.13% |
| L | 37 to 41 | 7 | 26.83 | 5 | 26.61 | 100.84 | 0.84% |
| M | 42 to 46 | 0 | N/A | 1 | 30.64 | 0.00 | 0.00% |
| N+ | Range | | | | | | * |

*For Grade N and above, one grade has four females in it, and one grade has one male and one female and there are currently no gender pay gap issues.

The Equality and Human Rights Commission recommends that a gender pay gap of 5% or more requires further investigation.

However, the College has an overall gender pay gap of 11.15% and the reasons for this will continue to be explored and addressed.

Close the Gap report that there are three main reasons for the gender pay gap:

- Discrimination in pay structures: Table 2 shows that there is little difference in pay between men and women doing work of equal value.

The majority of staff start at the bottom of each grade and progress through annual increment. The College is therefore generally applying the salary placement criteria for pay grades.

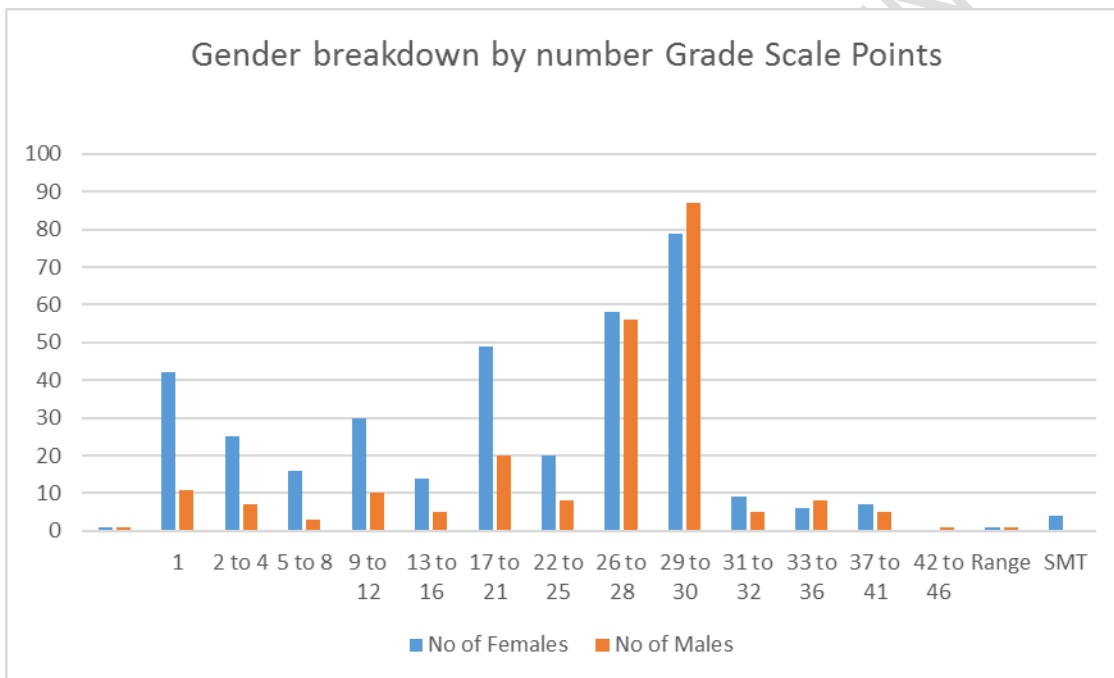
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- Lack of flexible working: the College has a flexible working procedure and has to date agreed all flexible working requests (though there has had to be negotiation on the detail to ensure the College's business needs are met).
- Occupational Segregation: refers to the clustering of men and women into different types of work (horizontal segregation) and into different levels of work (vertical segregation). The bar chart below shows how men and women are clustered in the College's grading and pay structure:

Occupational Segregation

Bar Chart – Gender Breakdown by Number by Grade Scale Points – January 2017



The above chart shows that there continues to be significantly more females than males in the lower graded posts within the College's grade and pay structure (vertical occupational segregation). This is particularly the case for cleaners (horizontal occupational segregation). An analysis of management grades shows that there is a good gender balance of males and females and that for the most senior College positions, the majority of post-holders are female. It is therefore women clustered in the lower graded jobs that contribute to the College's occupational segregation and gender pay gap.

This position was recognised and reported on in the 2013 Equal Pay Statement. A degree student investigated the College's occupational segregation, as this was an action in the 2013 Gender Pay Action Plan. The research conducted showed that:

- 95% of staff who responded to a survey believed that they had the same opportunity to progress in the workplace as someone of the opposing sex.

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- 56% of respondents believed that occupational segregation was the main reason for the gender pay gap.
- 85% believed that social attitudes played a part in the existence of occupational segregation.
- 92% of respondents believed that there were equal training and development opportunities for males and females.

The College has encouraged staff in the lower grades to apply for higher graded posts, and introduced training programmes for staff to encourage the development of key skills for career advancement.

The focus of the Gender Pay Action Plan 2017-2019 will be the encouragement of lower graded staff to undertake training and development to up-skill them for higher graded job opportunities; the encouragement of lower graded post-holders to apply for internal career opportunities; and training for all staff on gender stereotyping and work.

Gender Pay Action Plan 2015 – 2017 Update

Action 1 – Develop, implement and evaluate a skills and training programme for staff in lower grades to equip them with the skills for career/grade advancement. **Update** – 15 staff are undertaking Chartered Management Institute level 6 and 8 units, an increase from 7 staff in 2014. The College recruited four Modern Apprentices in 2017 – the first time the College has recruited MAs.

Action 2 – Develop, implement and evaluate equalities training for staff on gender, disability and race stereotyping and work – **Update** – Academic Lead, Equality and Diversity, HEAcademy delivered an access and inclusion presentation, covering the nine protected characteristics at the College's staff conference in February 2017. All staff undertake the mandatory on-line equality and diversity training module and the Equality and Diversity Adviser delivered an equality and diversity session at the staff induction days held every year.

Action 3 – Develop a reporting system for disability and race pay gaps in readiness for the 2017 Mainstreaming Report – **Complete**.

Action 4 – Gender pay gap by grade review undertaken and for the College overall – salary placement review not undertaken as a result of very low percentage pay gap identified – **Complete**.

Action 5 – Respond to grievances on equal pay as a priority – there were no equal pay grievances lodged. **On-going**.

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Disability Pay Gap January 2017

The Coalition for Racial Equality and Rights suggest that factors affecting pay inequality for disabled people are:

- Lack of flexible working options (especially in better paid posts).
- Expectations that staff in better paid posts will work long or unpredictable hours.
- Unfair assumptions about disability related absence affecting recruitment, promotion or succession planning decisions.
- Failure to make reasonable adjustments that may be needed for people to undertake jobs at higher grades.

The College has a number of policies and practices in place that address the above factors.

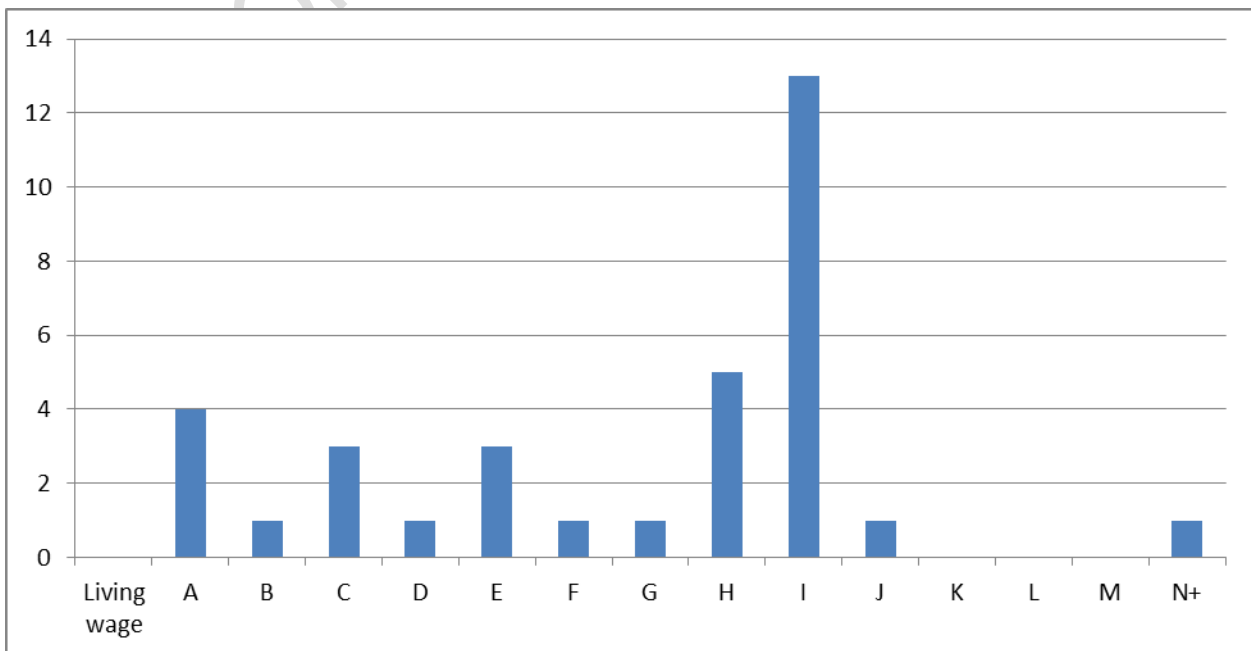
This Equal Pay Statement has highlighted that research undertaken on flexible working arrangements at the College are operating well, and the College has approved 100% of flexible working requests.

Following an IIP assessment in 2014, the College took steps to encourage staff to review working hours and practices to ensure that they achieved a good work/life balance.

Staff protected characteristics information is not considered during recruitment and success planning and the College has an excellent occupational health service for staff to support reasonable adjustments in the work place.

These policies and working practices will be reviewed to build on the good practice we have so that we can better meet the needs and aspirations of disabled staff.

Bar Chart – Disabled Staff in Each Pay Grade – January 2017



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Around 6% of staff have disclosed that they have a disability. The above bar chart demonstrates that disabled staff are not concentrated in the lower grades within the College's grade and pay structure (vertical occupational segregation). The majority of disabled staff are in grade H and above – that is £29,524 and above. The biggest concentration of disabled staff is within the post of lecturer (current salary grade £29,524 – £37,046). Disabled staff are not therefore concentrated in the lower graded posts within the College (horizontal occupational segregation).

The average hourly rate of pay for disabled staff is £16.48, and £16.46 for non-disabled staff. **The College's disability pay gap is -0.12%.**

Race Pay Gap January 2017

The Coalition for Racial Equality and Rights suggest that factors affecting pay inequality for minority ethnic people are:

- Organisational culture.
- Promotion structures which favour those with length of service rather than being merit based.
- Succession planning which is not sufficiently merit based.
- Failure to properly assess merits of candidates for recruitment or promotion and assumptions based on stereotypes such as language skills and overseas qualifications.

The College has a number of policies and practices in place that address the above factors.

The 2016 staff survey highlighted that 97% of respondents understand their personal responsibilities for ensuring and promoting equality at work which suggest there is a positive equality and diversity culture within the College. One respondent stated:

"Equality and Diversity is important to Perth College there have been tremendous improvements over the last few years to make the College accessible to all and fully inclusive."

Recruitment and selection decisions and promotions are based on candidates meeting the criteria for the post and are on merit, not length of service. The College has a Recruitment and Selection Good Practice guide that managers follow.

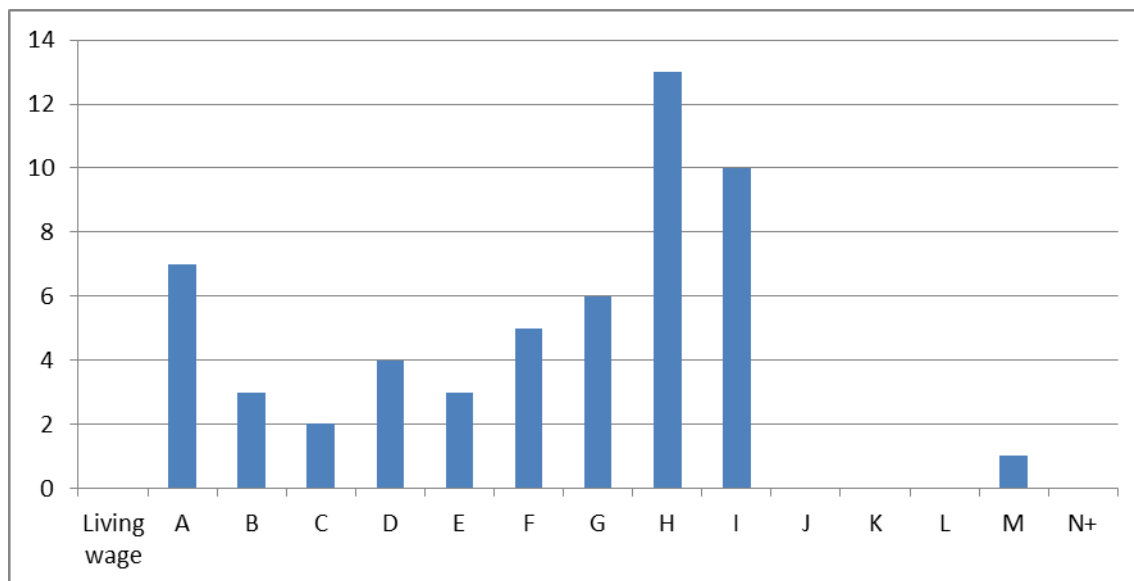
Continuous Professional Development (CPD) opportunities for talent development/succession planning such as the CMI units are open to all staff.

These policies and working practices will be reviewed to build on the good practice we have so that we can better meet the needs and aspirations of minority ethnic staff.

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Bar Chart – Minority Ethnic Staff in Each Pay Grade – January 2017



Around 9% of staff have disclosed that they identify as a minority ethnic individual. The above bar chart demonstrates that minority ethnic staff are not concentrated in the lower grades within the College's grade and pay structure (vertical occupational segregation). Just under half of minority ethnic staff are in grade H and above – that is £29,524 and above. The biggest concentration of minority ethnic staff is within the post of lecturer (current salary grade £29,524 – £37,046). Minority ethnic staff are not therefore concentrated in the lower graded posts within the College (horizontal occupational segregation). Minority ethnic staff are not well represented within the College's management grades and this will be addressed in the Equal Pay Action Plan.

The average hourly rate of pay for minority ethnic staff is £15.22, and £16.67 for White UK staff. **The College's minority ethnic (race) pay gap is 8.7%** (not including staff who did not disclose their background).

Equal Pay Action Plan 2017 – 2019

| Ref | Action | Responsibility | Timescale |
|-----|---|---------------------------------------|---------------|
| 1 | Evaluate CMI programme. Develop and implement and evaluate a work experience programme for staff to gain skills/experience to apply for higher graded posts. Evaluations to take account of gender/race/disability factors. | Vice Principal, HR and Communications | December 2017 |
| 2 | Review policies and working practices on recruitment and selection and staff development to build on the good practice we have so that we can better meet the needs and aspirations of disabled and ethnic minority staff. | HR Manager | March 2018 |

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| Ref | Action | Responsibility | Timescale |
|-----|--|--|-------------------------------|
| 3 | Review recruitment practice and take steps to encourage more male applicants to apply for jobs in the College's lower graded posts. | HR Manager | December 2017 |
| 4 | Conduct annual review of the gender/disability/race pay gap by grade and for the College overall, in order to assess if pay gap has reduced, and publish findings. | HR Manager | January 2018 and January 2019 |
| 5 | Respond to grievances on equal pay as a priority. | HR Manager/Vice Principal, HR and Communications | On-going |

More Information

If you would like further information or wish to provide comments and suggestions on our equality and diversity work, or wish to receive this information in an alternative format, please contact us using any of the methods listed below.

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