

Gender Pay Gap Working Group

26 November 2020 10:00 – 11:30

Minutes of the 9th meeting of the Gender Pay Gap Working Group, held by Microsoft Teams.

Members Present:

Emma Ritch, Engender (ER)
Lesley Laird, Equate Scotland (LL)
Anna Ritchie Allan, Close the Gap (ARA)
Francis Stuart, STUC (FS)
Ima Jackson, Glasgow Caledonian University (IJ)
Laura Pasternak, Equality and Human Rights Commission (LP)
Patricia Findlay, University of Strathclyde (PF)

Scottish Government (SG) Officials:

Stephen Garland, Fair Work & Labour Market (SG)
Lorraine Lee, Fair Work & Labour Market (LLe)
Vivian Bogle, Fair Work & Labour Market (VB)
Eileen Flanagan, Equalities Unit (EF)
Gayle Mackie, OCEA (GM)
Rose Munenura, Equality & Social Justice Analysis (RM)

Apologies:

Nina Teasdale sent her apologies in advance of the meeting.

Jamie Hepburn, Minister for Business, Fair Work and Skills made a number of attempts to join this meeting, however due to technical issues the Minister sent his apologies and LLe took over as Chair for the meeting.

1. Welcome and Introductions

LLe welcomed everyone to the meeting and introduced Stephen Garland, Head of the Fair Work Unit to the group before summarising the agenda.

2. Minutes of the Last Meeting

The minutes from the 1 October 2020 were agreed and accepted by the working group. Actions from this meeting had been completed.

3. 2020 Gender Pay Gap Data

GM, Head of Labour Market Analysis Unit presented the new Gender Pay Gap statistics 2020 published by the Office of National Statistics (ONS) Annual Survey of Hours and Earnings data on the 3 November 2020.

GM took members through the statistics which showed the gender pay gap for full-time employees in Scotland has decreased from 7.2 per cent in 2019 to 3.0 per cent in 2020 and in the UK it has decreased from 9.0 per cent to 7.4 per cent. The gender pay gap for all employees in Scotland has decreased from 14.4 per cent in 2019 to 10.9 per cent in 2020 and in the UK it has decreased from 17.4 per cent to 15.5 per cent.

GM noted that the reduction in the pay gap was mostly due to an increase in overall hourly wage rates over the year was at a greater rate for women compared with men. Although the annual increase in pay for part-time men was slightly higher than part-time women.

The full-time gender pay gap was higher for private sector (15.6%) compared with public sector employees (4.9%).

The full-time gender pay gap was lower for 16-24 and 25-34 year olds and higher for age bands 35 years and above. The most substantial decrease over the year in the full-time gender pay gap has been for Managers, Directors and Senior Officials, where the gender pay gap almost halved from 22.8 per cent in 2019 to 11.7 per cent in 2020. This group has been identified as having a notable impact on the gender pay gap.

Hourly pay for full-time women employed as Managers, Directors and Senior Official increased by 8.9% over the year, this was followed by Caring, leisure and other service (6.1%), Elementary (5.9%) and Sales and customer services (4.7%). For full-time men the highest hourly pay increases were for men employed in Elementary (7.5%) and Caring, leisure and other service (5.2%).

In 2020 the largest gender pay gap was in sectors:

- Professional Scientific and Technical Activities (24.7%)
- Financial and Insurance Activities (23.3%)

The largest decrease over the year was in:

- Construction (-6.0 percentage points)
- Financial and Insurance Activities (-5.9 % pts)
- Education (-5.8 % pts).

The largest increase over the year was in:

- Administrative and Support Service Activities (12.6 %pts)
- Transportation and Storage (8.8 % pts)

Summary

The data relates to a snapshot of pay taken on the 22 April 2020, soon after Coronavirus measures were introduced, any subsequent impact on women's and men's pay is not reflected, furloughed employees are included in these estimates.

ONS conclude evidence from the ASHE and the Labour Force Survey (LFS) suggests that coronavirus (COVID-19) factors did not have a notable impact on the gender pay gap in 2020 (at UK level), and that changes reported in this bulletin reflect underlying employment patterns.

The Annual Survey of Hours and Earning 2020 shows:

- There has been a substantial reduction on both the full-time and all gender pay gap over the year between 2019 and 2020.
- The reduction has been across the pay spectrum for lower and higher paid occupations.

GM opened up to the group for discussion and questions.

LL asked for clarity around the gap in finance and insurance activities being the largest at 23.3% but was also the largest decrease at -5.9. GM noted this was one of the areas with the largest pay gap and change over the year.

Although the highest sectoral gap it was also the highest sectoral reduction on the year before. The pay gap will reflect the current situation and the change over the year will be from a baseline point. The gender pay gap in this particular sector was one of the highest.

LL asked if there was any specific sector anomalies reflected in this sector that are impacting this. Noting the financial services sector has a very different pay culture and it would be interesting to get more insight.

GM highlighted the change over the year in earnings for industry wasn't in the slides and she would consider this.

ARA thanked GM for the presentation and wanted to note caution around the figures. ARA urged the use of the combined gender pay gap figure which includes full and part-time employees, as using the full-time figure excluded 40% of women who work part-time. ARA noted that the living wage policy is a lagging indicator which we won't see an impact on yet. Noting the living wage for early year workers was only when they are delivering the funded element and due to the pause in the role out, many workers are not being paid that living wage just now. Overall ARA noted the figures looked good, however we need to see the impact COVID-19 has had and note the ONS reliability warning as ASH data was a quarter shorter than normal due to employer response rates.

GM agreed that the sample was smaller this year. ONS thought it was representative and it didn't fall below any criteria for reliability.

PF agreed it would be really good if GM could see if anything around the financial services data could be connected to the gender composition of that workforce. Noting this sector has been prominent in terms of annual gender pay gap reporting and it might be worth trying to work out what other things are going on in that sector. It would be good to know if there was any UK Government work around the impact of gender pay gap reporting regulations and also to get a sense of if the gender composition of the financial services sector has changed over that period and could account for the different. We would not only want to think about policy having an impact but also thinking about business models and sector changes having an impact as well.

Action 1: GM agreed to look at what is possible in greater details noting there are limitations in being able to breakdown the data. GM will prepare an analysis and share with the group.

LLe thanked Gayle noting the Women in Finance charter established by Virgin Money and BEIS that many large companies signed up to and wondered if that was having an impact.

LP echoed ARA's point around the importance to include part-time workers in the data and not to assume a positive finding that pay has increased for women in the caring sector. It would be interesting to learn from Northern Ireland experience and what more action they recommend. It would also be useful if the data could be disaggregated further by protected characteristics to see trends on race and disability. Noting it would also be good to look at how occupational segregation can reflect these findings in wider SG work including reviewing adult social care and undervaluation of women's work.

4. Repurposing Gender Pay Gap Action Plan actions in light of the COVID-19 challenges

LLe introduced paper 4 which listed actions that could possibly be revised or new actions included to respond to COVID-19 as was agreed at the previous meeting on the 1 October 2020. Actions had been given a numerical identifier for ease. She thanked those members who had contributed comments in advance of the meeting

LLe took members through each action and requested views.

GPG01 - As this action centred around improving gender competence of policy makers in particular through the contract with the WISE research centre it was considered that this action could be revised as that training had been completed but work should still continue.

LP noted that when reading across the old action and the new action it felt like the work on gender competence had been lost by referring to the wider mainstreaming agenda. LP also queried the timescales of the actions and the need for them to be SMART, asking if the action plan has a timescale or it is a rolling plan.

EF confirmed the updated action does concern data and competence and we will reword so that this element is not lost.

Action 2– EF to review and reword to include gender competence.

ER queried the original action being marked as complete and if it was possible to get a copy of the evaluation of the WISE project for lessons learned. ER also sought an update on the early phase of development of the centre of expertise.

EF noted the centre of expertise is in the very early stages of development and colleagues in the Equality Unit are working closely with colleagues taking this work forward.

Action 3 – EF agreed to check whether evaluation results can be made available and will feed back to the group on how the centre of expertise is developing.

GPG19 - LL asked what we mean about support to employers around flexible working practices and what are the specific SMART actions we are proposing?

LLe confirmed that we will go through each action in turn and that we will come to this action.

GPG07 – Regarding the Public Sector Equality Duty (PSED). ER sought clarity on the revised action asking if the team will do some reflection on what did and didn't work for EQIA processes and other PSED drivers during COVID-19? ER asked if a paper could be produced on the reflection that can come to this group for discussion as this group could help the team reflect to increase rigour.

Action 4 : LLe noted this is something we will consider. At the meeting scheduled for March 2020 we had invited the Scottish Government unit head who leads on the PSED review to present to the group but that meeting had to be cancelled due to COVID-19. We could consider inviting them to future meeting.

GPG11 – regarding undertaking research into international wage setting practices. Feedback had been received from members suggesting this action also looks at mechanisms to address the undervaluation of women's work.

RM confirmed that budget has been set aside for research and analysis were currently looking to see what research and evidence is out there already. Analysts are keen to have a clear specification of what this research will look at and invited a few members of this group to look at this further.

ARA commented that this would be helpful, particularly as undervaluation didn't make it through the final version of the GPG action plan. Is also perfect time to think about undervaluation of women's work which has been illuminated by COVID-19. It would be helpful for SG to commit to taking steps to understand what can be done to address this. ARA happy to be involved in any further discussion around this action.

RM confirmed the budget noting it would be helpful to have a small group work on this to obtain a clear scope. Analysts will then draft a specification and put it to tender hopefully before the start of the new year.

FS also confirmed he would be happy to be part of the sub group looking at this action.

Action 5– A meeting to be arranged to discuss GPG11 prior to the festive season.

GPG19 The original action regarding funding Family Friendly Working Scotland is complete. Going forward a new action is suggested to *Support employers to adopt Flexible Working practices in Scotland including working from home during and post pandemic*. This widens the possible offer of support and does not restrict delivery to one organisation. LL earlier point on how to make this action SMART will be considered further.

GPG20/21/22 regarding influencing the UK Government. As the minister has already written to the UK government on this action and also in response to the Good Work consultations on these issues the original action has been revised to influence the development of the new UK employment bill which will cover workplace equalities issues.

ARA noted the ask of UK Government around 10 days 'safe leave' in the original action and that safe leave is not the most important support that can be provided to domestic abuse survivors in the workplace. There is a number of steps before a women can take advantage of safe leave. We know many councils have this in place and uptake is low

LL informed the group the wording was from the original action plan, noting around point of publication New Zealand had declared 10 days leave which was applauded internationally and held as an example to follow. LL attends meetings with BEIS regarding support for victims of domestic violence and the merits and application of safe leave has been raised as an issue so could probably do with further consideration.

Action 6 – LL to consider revising this action. Suggestions from members welcome.

ARA pleased that SG is engaging with BEIS on this issue. Close the Gap responded to the UK consultation and are happy to share their response.

Action 7: ARA to send LL the CtG response to the BEIS consultation.

LL introduced a new action to ensure women's equality is central in developing the new Centre For Workplace Transformation.

ARA suggested that it would be useful to make this new action more specific on young women's equality. ARA noted that she is part of the working group taking this work forward and there is and good ambition on integrating equality.

However the nature of it is more complicated and covers existing initiatives under the umbrella of Young Person Guarantee (YPG). Can we add something more specific about young women's equality so it isn't lost.

Action 8 – LL / VB review the Centre for Workplace Transformation action in light of ARA comment. Anna happy to discuss further out of the meeting.

GPG45 – disaggregated data on skills planning. LL informed group that this has been updated to include the new initiatives YPG and the National Transition Training Fund. LL also updated the group that Skills are now joined with the Fair Work division.

GPG47 - the Flexible Workforce Development Fund. This action was still deemed relevant and updated to make links to COVID-19.

ARA asked if there was an update on this action noting that she was aware officials have been trying to identify and gather better quality data in particular on data gathering for YPG as there seems to be a strong move to use existing gathering systems.

LL agreed and as far as she understood there is a new system in the renewal of contracts / training agreement of the FWDF.

SG updated the group that we are looking at SMART objectives and timescales of plans. We are looking at a Programme Management approach around our work to deliver the overall Action Plan alongside that for Fair Work and related actions on race employment and disabled people's employment and hope to come back to you by the next meeting on what this looks like.

Action 9: SG to come back to the group on any Programme Management approach at the next meeting.

LLe thanked everyone again for their input and comments and invited members to contact the team if there is anything they wish to raise further.

5. Group focus and membership going forward

LLe informed members that the minister is keen going forward as we review the action plan in light of the impacts of COVID-19 and employment, that business interests are represented on the group.

As the Pregnancy and Maternity Working Group is coming to its natural conclusion due to fulfilling its remit the minister was also keen for a member of the pregnancy group to be invited onto this group to ensure the policy area is taken forward and that knowledge isn't lost.

ER supported this and also wished to raise the issue of women's unpaid work during the pandemic. This has been highlighted by the UN who suggests that the level and impact of unpaid work could roll back women's rights by 25 years. The effects of women having taken on even more of the caring roles during COVID-19, women's labour market attachment is decreasing and weakening which is an issue for this group. Can this be integrated within the action plan and suggest an offline conversation to look at this.

Action 10: LLe agreed to arrange a meeting with ER to discuss further.

LLe asked the group to contact the team if there are representatives from business they would like to nominate.

6. AOB

LLe informed group that the indicators document is still being finalised and will be published alongside the annual report in March 2021. A further meeting with the sub group would be useful.

Action 11: Meeting to be arranged with LLe, ARA, NT and GM to finalise the indicators document.

7. Close of the meeting

LL thanked everyone for their attendance and their contributions. The next meeting date is for March 2021.

Meeting Action Points:

1	GM agreed to look at what is possible in greater details noting there are limitations in being able to breakdown the data. GM will prepare an analysis and share with the group
2	GPG01 - EF to review and reword to include gender competence - Completed – GPG 01 has been reworded
3	EF agreed to check whether evaluation results from the WiSE project can be made available and will feed back to the group on how the centre of expertise is developing.
4	GPG07 - LLe to discuss ER comments with PSED and invite to future meeting
5	GPG 11 - VB to arrange meeting re research into international wage setting practices with LL, VB, FS and ARA prior to the festive season. Completed meeting took place 17 December 2020.
6	GPG 21/22 LL to review action on new UK employment bill with regards to 'safe leave'.
7	ARA to send to LL the Close the Gap response to the BEIS consultation
8	LL ,VB review the Centre for Workplace transformation action in light of ARA comments.
9	SG to update the group on any Programme Management approach at the next meeting.
10	VB, LL arrange offline meeting with ER regarding women's unpaid work and how this fits within the action plan. completed meeting took place 20 January 2021.
11	Meeting to be arranged with LLe, ARA and NT to discuss the indicators document. Completed. Meeting took place 1 February 2021.