

<b>Meeting:</b>	<b>Executive Directors Group</b>
<b>Meeting Date:</b>	<b>Thursday 20 April 2023</b>
<b>Title:</b>	<b>Equal Pay Audit 2023</b>
<b>Responsible Executive:</b>	<b>David Miller, Director of Workforce</b>
<b>Report Author:</b>	<b>Brian McKenna, Workforce Planning, Workforce Systems and Data Intelligence Lead</b>

## 1. Purpose

**This report is presented for:**

- Assurance

**This report relates to:**

- Legal requirement

**This report aligns to the following NHSScotland quality ambition(s):**

- Effective and Person Centred

## 2. Report Summary

### 2.1 Situation

Since 2013, NHS Fife has had legislative duty to publish biennial Gender Pay Gap information highlighting the percentage difference in the average basic hourly earnings between male and female employees. The legislation was extended in 2017, with public bodies required to publish pay gap information for disabled and employees from a Diverse Ethnic background. This SBAR details the results of the Pay Gap analysis undertaken in 2023.

### 2.2 Background

The Equality Act (Specific Duties) (Scotland) Regulations 2012, as amended in 2015 and 2016, sought to mainstream equality into public sector culture in practical and demonstrable ways. In doing so, the regulations require public authorities to consider how they can positively contribute to a more equal society.

The regulations focus on three key elements, collectively referred to as the General Equality Duty. The General Equality Duty requires NHS Fife, in the exercise of its functions, to have due regard to the needs to:

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

The Regulations details specific responsibilities which public authorities are required to evidence. Within NHS Fife, the specific responsibilities are shared between different Directorates. These are:

### Nursing Directorate

- Report on mainstreaming the equality duty
- Publish Equality Outcomes and Report Progress
- Assess and Review Policies and Practices

### Workforce Directorate

- Gather & use employee information
- Publish gender pay gap information. This responsibility was extended to cover disability and Race from 2017
- Publish statements on equal pay

### Finance Directorate

- Consider award criteria and conditions in relation to public procurement

The 2023 Equalities Outcomes and Mainstreaming Update report has previously been presented to EDG members for consideration and, following Board approval, is scheduled to be published on 1 April 2023.

This SBAR focuses on the results of the 2023 Equal Pay Audit. These results are to be published no later than 30 April 2023, along with NHS Fife's Equal Pay Statement.

## 2.3 Assessment

### Findings

The Equal Pay Audit undertaken in 2023 was based on the average basic hourly earnings for all employees who provided a positive response within the equal opportunities questionnaire in respect to their Disability (52.5%), Gender (100%), and Race (65.8%). The Pay Gap results for each of these characteristics are detailed below:

Protected Characteristic	2013	2015	2017	2019	2021	2023
<b>Disability</b> (% variation between disabled v's non-disabled)	-	-	-0.88%	-4.94%	-4.44%	-7.84%
<b>Gender</b> (% variation between male v's female)	21.47%	20.43%	20.69%	19.90%	19.36%	16.85%
<b>Race</b> (% variation between employees from a Diverse Ethnic background v's white)	-	-	32.65%	5.55%	28.25%	22.44%

A report titled 2023 Equal Pay Gap Analysis is included as Appendix 1. The report incorporates the following information:

- 1) Gender Pay Gap information.
- 2) Information on Equal Pay and Occupational Segregation for the protected characteristic groups of Disability, Gender and Race.
- 3) Steps to be taken to demonstrate our commitment to contributing to a more equal society.

The report explains the application of robust job evaluation processes within NHS Scotland ensures pay gap variations identified in the 2023 audit are generated by factors unrelated to an employee's protected characteristic status. In addition, the paper outlines a range of factors

explaining the increasing pay variation trend for those who identify themselves as disabled. Namely, improvements in data capture during recruitment has meant that the majority of staff who share this Protected Characteristic have less than 3 years service and are placed towards the bottom of the relevant pay bands due to the terms and conditions governing annual incremental progression plus the decision to amalgamate various incremental points into a reduced number of salary spine points within the Agenda for Change Bands. In contrast, the majority of those who do not share this Protected Characteristic have in excess of 5 years service and are placed towards the top of the relevant pay bands.

The report also incorporates a series of recommendations to be progressed in the coming months in order to demonstrate this finding. These are:

- All employees will be encouraged to update their personal information, including their protected characteristic status, via the eESS Employee Self Service Functionality. This will facilitate a higher positive response rate for each of the characteristic groups, thereby improving the robustness of future audits.
- Although analysis of the pay gap audit indicates that employees are not disadvantaged based on their Protected Characteristic status, the results of this audit will be measured against other Health Boards within NHS Scotland once published.

NHS Fife's Equal Pay Statement is also included as Appendix 2. This Statement was agreed collectively by NHS Scotland. There have been no updates to this statement, or the related legislation which underpins this Statement, in the previous 2 years.

### **2.3.1 Quality / Patient Care**

N/A

### **2.3.2 Workforce**

Analysis of the Equal Pay Audit ensures that the practices and processes within NHS Fife in respect to Pay and Remuneration collectively treat employees fairly & consistently, in an environment where diversity is valued. It provides reassurance that the practices of NHS Fife do not negatively impact employees who share the Protected Characteristics of Disability; Sex and Race.

### **2.3.3 Financial**

N/A

### **2.3.4 Risk Assessment / Management**

N/A

### **2.3.5 Equality and Diversity, including health inequalities and Anchor Institution ambitions**

Publication of the Equal Pay Audit, information on Occupational Segregation and the renewal of the Equal Pay Statement helps NHS Fife fulfil relevant requirements under the Equality Act (Specific Duties) (Scotland) Regulations 2012.

An impact assessment has not been completed for this SBAR as its content, and that of its supporting appendices, summarises the impact of applying NHS Fife's Recruitment and Selection Policy; Job Evaluation Processes including the Evaluation of New (AfC) Posts Policy; plus nationally agreed Terms and Conditions of Employment. Separate impact assessments have been completed for each of these.

### **2.3.6 Climate Emergency & Sustainability Impact**

N/A

### **2.3.7 Communication, involvement, engagement and consultation**

The results of the Equal Pay Audit will be shared with the Staff Governance Committee (11/05/2023); Area Partnership Forum (24/05/2023); The Equality & Human Rights Strategy Group (12/05/2023) plus the Diverse Ethnic Staff Network, following publication.

### **2.3.8 Route to the Meeting**

This paper has been previously considered by the Director of Workforce and the Senior HR Team as part of its development. They have either supported the content, or their feedback has informed the development of the content presented in this report.

## **2.4 Recommendation**

This report is provided to Executive Directors Group for:

- Assurance – For Members' information.

## **3. List of Appendices**

The following appendices are included with this report:

- Appendix 1: 2023 Equal Pay Gap Analysis
- Appendix 2: Equal Pay Statement

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