

Item: 11

Policy and Resources Committee: 22 June 2021.

Addressing the Pay Gap for Gender and Race.

Report by Executive Director of Education, Leisure and Housing.

1. Purpose of Report

To outline actions to address gender pay gap and occupational segregation and findings in relation to Scottish Parliament's Race Equality, Employability and Skills inquiry.

2. Recommendations

The Committee is invited to note:

2.1.

That, in terms of the Equality Act 2010, the Council has a duty to publish gender pay gap information and an equal pay statement, including occupational segregation information.

2.2.

The analysis of demographics of Orkney and workforce data of Orkney Islands Council in relation to Gender, attached as Appendix 1 to this report.

2.3.

That, following an inquiry by the Scottish Parliament's Equalities and Human Rights Committee, that Committee has requested all public authorities to provide a commitment to take a minimum of three new actions to address their organisation's specific issues in relation to reducing the ethnicity pay gap and to ensure that there are more minority ethnic people in senior positions.

2.4.

The initial analysis of demographics of Orkney and workforce data for Orkney Islands Council in relation to Race, attached as Appendix 2 to this report.

2.5.

That future reporting by the Council on pay gap and occupational segregation information will include data on gender, race and disability.

2.6.

That, on 16 February 2021, when considering actions to address gender pay gap and occupational segregation and findings in relation to Scottish Parliament's Race Equality, Employability and Skills inquiry, the Policy and Resources Committee recommended:

- That consideration of the Gender Pay Gap Action Plan, together with the three actions identified as the Council's commitment in response to the Scottish Parliament's Equality and Human Rights Committee's request, be deferred, to enable the Executive Director of Education, Leisure and Housing to undertake consultation with the Youth Forum.
- That the Executive Director of Education, Leisure and Housing should submit a report, to the next available meeting of the Committee, on the outcome of the consultation with the Youth Forum, together with a revised Gender Pay Gap Action Plan.

2.7.

That consultation has been undertaken with the Youth Forum and the Trade Unions and, although no amendments were proposed to the Gender Pay Gap Action Plan, the document has been revised to take account of comments made at the meeting of the Policy and Resources Committee held on 16 February 2021.

It is recommended:

2.8.

That the Gender Pay Gap Action Plan, attached as Appendix 1 to this report, be approved.

2.9.

That the three actions identified in section 5.5 of this report be approved as the Council's commitment in response to the Scottish Parliament's Equality and Human Rights Committee's request referred to at paragraph 2.3 above, and thereafter incorporated into the Gender Pay Gap Action Plan to create an integrated plan to address pay gaps and occupational segregation.

3. Background

3.1.

As part of the Equality Act 2010, two of the Scottish specific equality duties relate specifically to pay inequality; the duty to publish gender pay gap information and the duty to publish an equal pay statement, including occupational segregation information.

3.2.

Although organisations are not required to report specific pay gap figures for race and disability, doing so makes development of the equal pay statement content much easier and also improves transparency.

3.3.

On 16 February 2021, when considering actions to address gender pay gap and occupational segregation and findings in relation to Scottish Parliament's Race Equality, Employability and Skills inquiry, the Policy and Resources Committee recommended:

- That consideration of the Gender Pay Gap Action Plan, together with the three actions identified as the Council's commitment in response to the Scottish Parliament's Equality and Human Rights Committee's request, be deferred, to enable the Executive Director of Education, Leisure and Housing to undertake consultation with the Youth Forum.
- That the Executive Director of Education, Leisure and Housing should submit a report, to the next available meeting of the Committee, on the outcome of the consultation with the Youth Forum, together with a revised Gender Pay Gap Action Plan.

4. Gender Pay Gap

4.1.

Since the Equality Act 2010 women's pay has been protected by law and employers cannot pay women less than men for doing work which is equal. This is Equal Pay.

4.2.

In the workplace there is still a difference in overall wages of women versus men. The balance of more men at the top and more women at the bottom of the pay structure creates an environment where men earn more in their lifetime and have more career progression, whilst a higher percentage of women occupy part-time, low-paid and low-skilled roles. This is the Gender Pay Gap.

4.3.

Requiring companies to measure and report their Gender Pay Gap is an attempt to see if women in the UK are provided with equal opportunities to men across each business and across the nation as a whole.

4.4.

Appendix 1 to this report sets out the analysis of Orkney Islands Council's gender pay gap and occupational segregation, along with an action plan setting out the next steps to address the identified gaps.

5. Race Equality, Employment and Skills Inquiry

5.1.

In November 2020, the Scottish Parliament Equalities and Human Rights Committee published the results of their inquiry into [Race Equality, Employment and Skills: Making Progress?](#). The inquiry found that the ethnicity employment gap in Scotland remains unacceptable and that more focus is required to reduce the ethnicity pay gap and to ensure that there are more minority ethnic people in senior positions.

5.2.

Following this inquiry, the Equalities and Human Rights Committee have written to every public authority asking them to provide a commitment to take a minimum of three new actions to address their organisation's specific issues in this area.

5.3.

It is useful to note that in identifying which ethnicity categories would constitute a minority racial group, the legislation explains the nature of a racial group but not how to identify which groups fall into the minority category. As the requirement is to contrast minority and majority groups, the Coalition for Racial Equality and Rights recommend categorising these using white majority, white minority and non-white groups as evidence on pay and occupational segregation largely demonstrates inequalities for non-white groups that may arise at organisational level.

5.4.

Whilst the current analysis attached at Appendix 2, shows a comparatively low level of ethnic diversity within Orkney and the Council workforce demographics do not appear to indicate negative impact in recruitment processes based on ethnic origin, the importance of the work highlighted in the Equalities and Human Rights Committee Race Equality, Employment and Skills Report is recognised.

5.5.

Following initial analysis, and reflecting proportionality in the Council response to this inquiry, the three recommended actions are:

- Use the Scottish Government's recruitment toolkit designed to support employers to better recruit more people from minority ethnic backgrounds to help review our recruitment procedures and practice and make any necessary changes.
- Record and publish the Council's ethnicity pay gap and integrate any actions to address any inequalities identified, into the appropriate plans.
- Review the Dignity at Work Policy and training in conjunction with equality and diversity training to improve the awareness of staff to increase the understanding of racism and the way it can impact on people and to reinforce the Council's zero-tolerance for racism and discrimination.

6. An Integrated Approach

6.1.

The action plan to address the gender pay gap and occupational segregation contained within Appendix 1 to this report, sets out some key actions that not only seek to improve outcomes relating to gender equality but for all employees.

6.2.

In addition to reporting on the gender pay gap and ethnicity pay gap, the disability pay gap will be incorporated into future pay gap reporting, following best practice. The next reporting date was 31 March 2021 and analysis will be published in due course.

6.3.

An integrated approach will be adopted when identifying actions relating to pay gaps and occupational segregation for gender, ethnicity and disability. This approach seeks to embed actions into existing working practices:

- To ensure that actions to close pay gaps and to address occupational segregation become part of business as usual activity.
- To demonstrate commitment and to reduce burden on staff and managers.
- To consider existing monitoring and review processes and the wider equality and diversity context.

6.4.

The recommended three actions in response to the Race Equality, Employment and Skills inquiry, along with actions relevant to the disability pay gap, will be incorporated into the action plan accordingly and will align with the relevant aims and actions already contained within the Equality Outcomes, Workforce Plan and Disability Confident Scheme.

6.5.

Work will continue in gathering accurate employee diversity data with plans to improve more regular communications to encourage employees to keep their information update to date on My View thereby increasing the return rates and to ensure more meaningful analysis. This is of particular note in relation to workforce data disclosure rates on disability.

6.6.

It is widely acknowledged that reducing the pay gaps and occupational segregation are longer term activities. This is an important step in the right direction and the plan will be monitored and evaluated on an annual basis.

6.7.

Following deferral by the Policy and Resources Committee outlined in section 3.3 above, consultation on the plan has taken place with the Trade Unions and the Youth Forum and no substantive changes are required at this stage. However, amendments have been made to the Gender Pay Gap Action Plan to take account of comments raised by elected members at the previous Committee meeting.

6.8.

It is acknowledged that there will be continued work required to address pay gaps and occupational segregation and so engagement will continue with relevant stakeholders to review and evolve future actions.

6.9.

As part of the implementation of the plan, the potential for a Workplace Inclusion Network will be explored, in order to support the further development and delivery of the actions identified.

7. Equalities Impact

An Equality Impact Assessment has been undertaken and is attached as Appendix 3 to this report.

8. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

9. Financial Implications

There are no significant financial implications arising from the report recommendations. The Gender Pay Gap and Occupational Segregation Action Plan attached at Appendix 1 confirm that the steps planned will be undertaken utilising existing resources.

10. Legal Aspects

The legal aspects are contained in section 3 of this report.

11. Contact Officers

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12. Appendices

Appendix 1: Addressing the Gender Pay Gap at Orkney Islands Council.

Appendix 2: Race Equality, Employment and Skills report from The Scottish Parliament Equality and Human Rights Committee – Initial Analysis.

Appendix 3: Equality Impact Assessment.

Addressing the Gender Pay Gap at Orkney Islands Council

Whilst this report is expressed in binary gender terms, we wish at the outset to acknowledge that Orkney Islands Council is made up of a vibrant and diverse group of people who don't always fit neatly into conventional pigeon holes.

What is the Gender Pay Gap?

The gender pay gap is a complex issue and there is no definitive way in which to report a single figure which fully captures those complexities. The pay gap is caused by a range of factors, and not just women and men being paid different pay rates for the same job.

The gender pay gap is the difference between men's and women's average hourly pay and is the key indicator of women's labour market inequality. It represents the difference in experiences of not only the workplace, but in education, skills, care and other domestic work as well as wider societal norms.

It's not the same thing as equal pay, although pay inequalities do impact the underlying factors for the gender pay gap.

Why does it matter?

Women face significant challenges and barriers over their lifetime, just because they are women. Whilst much progress has been made towards addressing the gender pay gap¹, there are still ingrained, systemic barriers that persist and impact the ability for everyone to reach their full potential.

- On average, young women enter the world of work with higher attainment than men, but immediately earn less per hour than them;
- - Women aged 55 to 64 are almost 20% less likely to have a private pension than men, and those who do have around 40% less wealth held in them.
- Women in low pay are often still in low pay a decade later.

Orkney Islands Council are committed to helping create a fairer and more successful Orkney and taking action to address long-term gender inequalities further supports that.

What causes the gender pay gap?

From a young age, children can be faced with gender stereotyping that affects their dreams, goals and career aspirations.

This stereotyping can be as simple as pink or blue, netball or rugby, English or science. Boys aged 7-11 are almost twice as likely to want to be scientists, whilst over half of girls aged 7-10 think girls are better at doing chores than boys.

Taking time off work to care for family, going into a less well-paid job that provides more flexibility, meeting the living costs of today rather than saving, can all lead to greater inequalities for women.

¹ HM Government Gender Equality Monitor.

Eight key drivers of inequality have been identified²:

- Limiting attitudes to gender can hold women and men back across their lives.
- Women tend to work in lower paid sectors and occupations and are less likely to progress.
- The working age benefits system hasn't always tackled the disadvantages that women and those with caring responsibilities face.
- Women take more time out of the labour market to care for children.
- Women are providing more informal care and unpaid work for others.
- Some women face barriers returning to or entering the labour market.
- Women are more likely to face financial instability later in life, due to the decisions taken throughout working life.
- We need to ensure that we sustain strong foundations for the future.

These key drivers can lead to issues such as:

- Occupational segregation, which is the clustering of women and men into different types of work (horizontal segregation) and different levels of work (vertical segregation, or the glass ceiling).
- A lack of quality part-time and flexible working.
- The economic undervaluation of stereotypical female work such as care, admin and cleaning.
- Women's disproportionate responsibility for unpaid care.
- Biased and un-transparent recruitment, development and progression practices.
- Male-orientated workplace cultures.
- Discrimination in pay and grading systems.

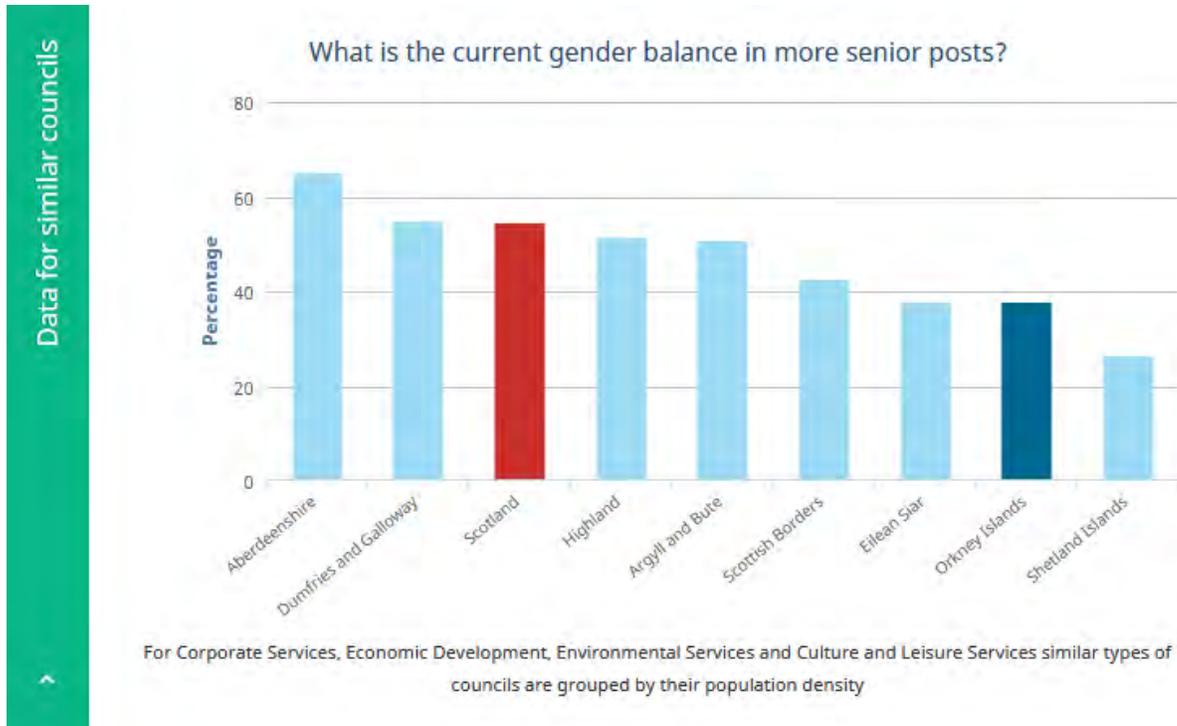
Action on the gender pay gap at Orkney Islands Council

Reducing the gender pay gap at Orkney Islands Council is a long-term goal and we acknowledge that it is affected by societal and educational factors and we employ a complex and diverse workforce across a range of services and professional areas.

² HM Government Gender equality at every stage: a roadmap for change.

Women in more senior posts

Figures for 2017 to 2018 from the Local Government Benchmark Framework (LGBF) show that Scotland Councils have an average of 54.6% of women in more senior posts. In comparison, Orkney Islands Council (OIC) has 37.6% and similar councils are as follows: Scottish Borders has 42.6%, Eilean Siar has 37.8% and Shetland has 26.6%.



Data over time highlights the increase in women in senior posts for OIC from a base point of 25% in 2013-14, rising to around 28% for 2014-15 and 2015-16 and with a marked increase to 37.2% in 2016-17. A total increase of 12.6% has been seen at OIC from 2013-14 to 2017-18.

The Scottish average shows a steadier increase of 3.9% over the same period which perhaps reflects the more relative rate of change. It is useful to note that with low staff numbers in all senior posts, any change has a significant impact to the mean average figure and therefore it is important to review these figures over a period of time to identify and understand any emerging trends.

The Council's figures for 2018-19 show a drop in the gender balance in more senior posts to 28.9%. This drop has been attributed to the addition of a new staff group from Towage being incorporated into the Council services. This has had the effect of inserting two wage groups into the top 5% category and resulting in four wage groups dropping below this category.

Like for like comparisons without the addition of the Towage staff would have shown a slight increase in the proportion of women in senior posts for 2018-19 to 37.8%.

Further analysis

Further analysis has been undertaken to better understand the impact of OIC including services such as Ferries, Marine Services and Towage, as it is recognised that these industries have a traditional gender bias towards men. Inevitably, inspiring alternative career aspirations for young people,

challenging gender stereotyping for particular jobs and industries along with the impact of lower staff turnover in smaller rural councils all need to be addressed as longer-term goals.

All staff groups



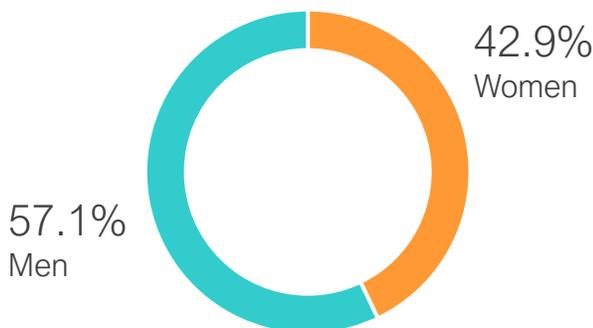
This chart shows the top 5% earners in the Council by gender for 2018-19.

Excluding Towage



This chart shows the figures for the top 5% earners in the Council as they would have been for a comparison to the 2017-18 figures. Had the Towage staff not been added to our staffing, we would have seen a 0.2% increase in 2018-19.

Excluding Marine Services, Towage and Ferries



This chart highlights the difference in Top 5% earners by gender excluding some of the more traditionally male dominated industries. These figures are a more representative comparison when looking at benchmarking data as OIC is one of the only Councils in Scotland to provide these services.

With this figure there is an 11.7% difference to the national average of 54.6%, rather than the current 25.7% difference. As a comparator against all councils, this would move OIC above Scottish Borders (42.6%) based on the published 2017-18 figures.

Additional analysis has been undertaken to explore what our figures would look like without some of the staff groups that are often outsourced by other councils and that are traditionally more female dominated.

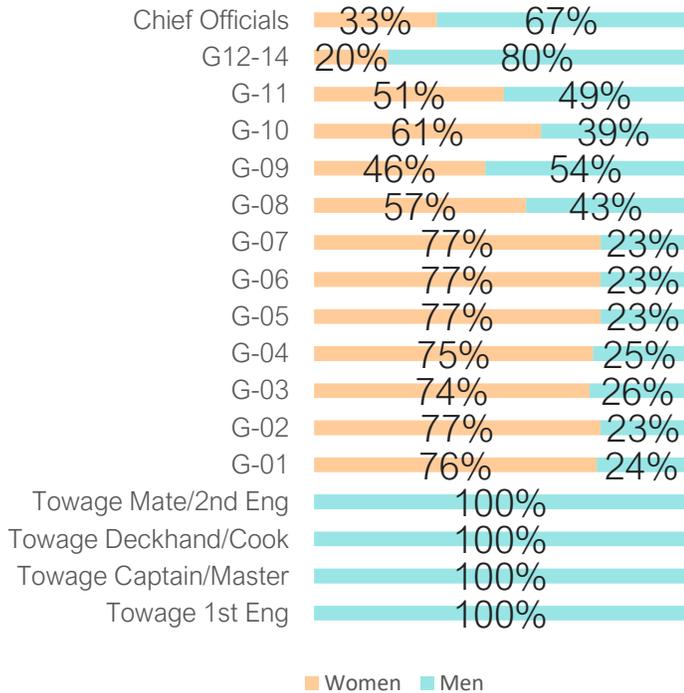
Excluding Marine Services, Towage,
Ferries, Cleaning and Catering



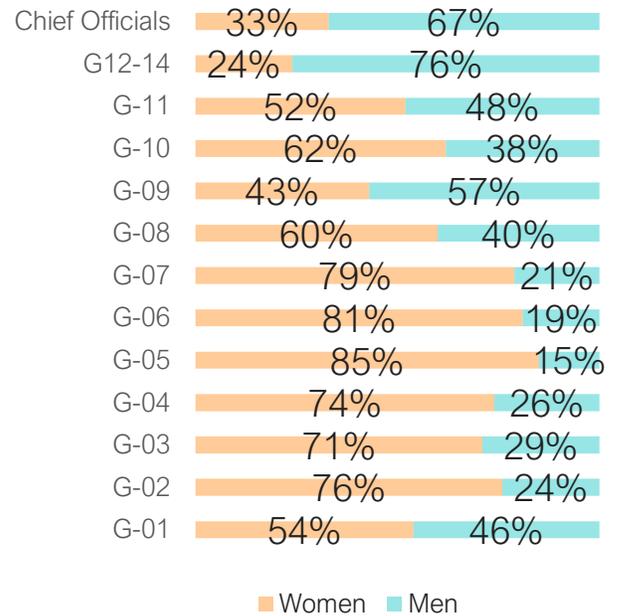
These figures don't show a significant difference for comparison to the top 5% earners by gender when taking out staff groups for Cleaning and Catering services. This is to be expected as there are no positions at a more senior level.

For greater insight into the impact of taking out the Cleaning and Catering services, it is useful to consider Occupational Segregation comparisons.

All staff groups



Excluding Marine Services, Towage, Ferries, Cleaning and Catering



Excluding Marine Services, Towage, Ferries, Catering and Cleaning and Care Homes



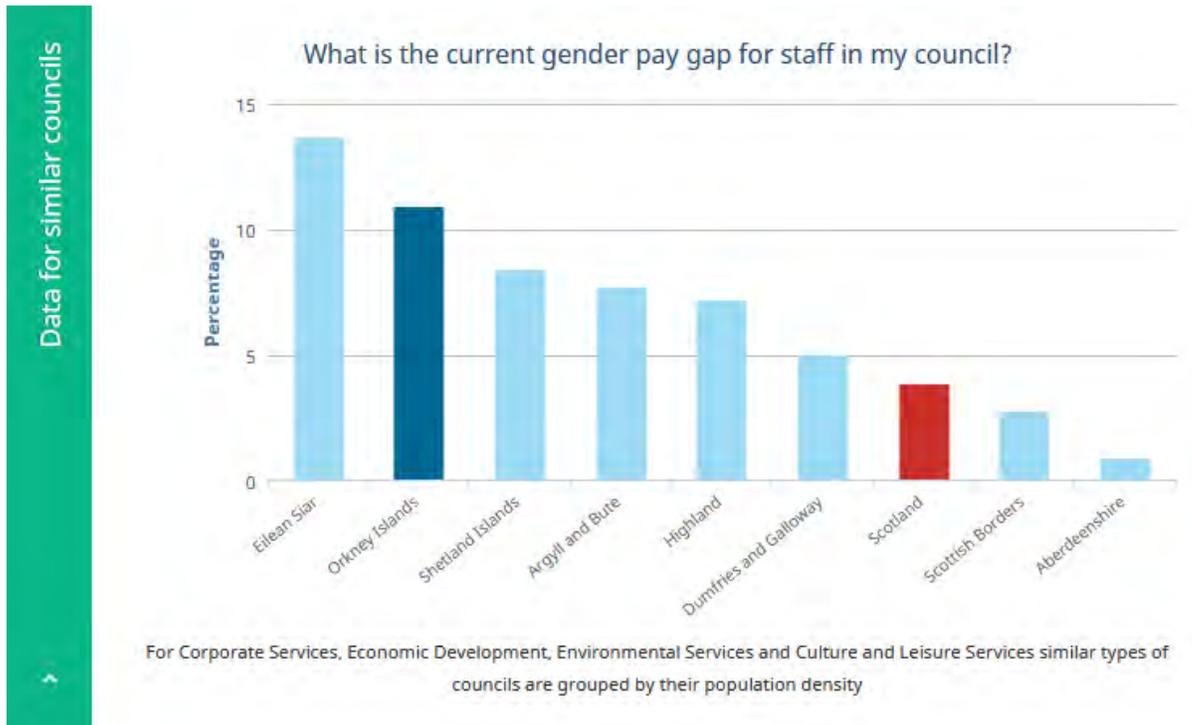
Whilst the top 5% in more senior posts gender pay gap figure has dropped slightly with the exclusion of Care Home staff, the overall gender pay gap for OIC is significantly impacted.

The gender pay gap at Orkney Islands Council

The all staff gender pay gap at OIC is a mean average of 11.5% and a median average of 14.7%.

The gender pay gap at OIC excluding Marine Services, Towage, Ferries, Cleaning, Catering and Care Home staff is lower, with a mean average of 8.6% and a median average of 7.2%.

The following table shows the comparisons of the gender pay gap to similar councils.



Which actions will make a difference in addressing the pay gap?³

Following a review of guidance available on reducing the gender pay gap, including the Government Equalities Office report on Reducing the gender pay gap and improving gender equality in organisations; Evidence-based actions for employers, some of the key approaches that are evidenced as having a positive impact in this area, are summarised below and have helped to inform the action plan for Orkney Islands Council.

- Reviewing recruitment practices, including ensuring recruitment panels have greater gender balance.
- Reviewing work experience and work placement opportunities to prioritise gender balance and tackle gender stereotyping.
- Improving workplace flexibility for men and women.⁴
- Encouraging the uptake of Shared Parental Leave.⁵

³ Government Equalities Office Reducing the gender pay gap and improving gender equality in organisations: Evidence-based actions for employers.

⁴ Government Equalities Office Family-friendly working practices. Happy to Talk Flexible Working – Family Friendly Working Scotland.

⁵ Government Equalities Office Employment pathways and occupational change after childbirth.

- Providing additional guidance relating to impact of maternity leave and reduction in hours on pension savings.
- Improving support for returners into the workplace.⁶
- Increasing gender balanced participation in STEM subjects.⁷

What do we already do?

We already take steps to reduce gender inequality in the workplace. These steps form part of the Equalities Duties as part of our reporting requirements and inform the setting of Equality Outcomes as well as ongoing mainstreaming of equalities in the workplace.

- Monitor and report on recruitment and progression by gender.
- Monitor and report on flexible working requests by gender.
- Impact assess our people policies.
- Provide awareness training on Dignity at Work policy with specific reference to inappropriate language and behaviours relating to gender.
- Monitor and report on Dignity at Work complaints by gender and specifically with regards sexual harassment.

It is also to be noted that encouraging progress has been made in terms of an increase in representation by gender in some more traditionally male dominated areas of the organisation such as VTS and Pier Management teams. We will continue to build on this work as part of the action plan.

Next steps

Further work will be undertaken to develop a variety of approaches to support the implementation of the proposed actions and to engage more widely with managers and employees. This will include the development of a proposal of a Workplace Inclusion Network to inform and progress this work.

In addition to the actions identified in the action plan on the following pages, work needs to continue on some of the underpinning foundations of equality, diversity and inclusion.

Work will continue on improving workforce diversity data collection and reporting. This will include making more workforce data available by Service area to better assist managers in their understanding of occupational segregation and pay gap issues in their areas, and in understanding the role they can play in reducing these.

Work will also continue on improving awareness of equality, diversity and inclusion issues in the workplace with more regular communication with managers and employees.

⁶ Government Equalities Office Returner Programmes: Best Practice Guidance for Employers.

⁷ Scottish Government A Fairer Scotland for Women: Gender Pay Gap Action Plan.

Gender Pay Gap and Occupational Segregation Action Plan.

Context:	What we are planning to do:	What is its intended outcome?	Who will do it?	Will additional resources be required?	When will it happen?	How will we recognise success?	How does this link with other priorities and plans?
Occupational segregation has a direct impact on the gender pay gap. Girls are less likely to choose science, technology, engineering and mathematics (STEM) subjects.	Challenge gender stereotypes that influence education, training and career choices through inclusive communication and awareness raising opportunities including national awareness days.	Increased number of young people choosing STEM subjects.	Head of Education.	Utilise planned resources.	September 2022.	Establish baseline figures of uptake in STEM subjects by protected characteristic. Increased engagement levels and positive feedback relating to awareness raising events.	Education Improvement Plan. Equality Outcomes.
Occupational segregation has a direct impact on the gender pay gap. Some career choices can be influenced by gender stereotypes.	Promote a greater gender balance in take up of work experience placements, modern apprenticeships by gender and service area.	There will be a greater gender balance in work based opportunities in typically male or female service areas, promoting better opportunities for future employment.	Head of Education.	Utilise existing resources.	September 2022.	Baseline of number of work experience placements, modern apprentice roles and graduate traineeships by gender.	Equality outcomes.
Supporting parents and carers. Supporting workplace returners.	Review recruitment practices to adopt a proactive approach to promoting	Improved work and life balance to meet the needs of employees.	Head of HR and Performance.	Utilise existing resources.	December 2021.	Increased flexible working request applications. Increased employee retention and job satisfaction.	Workforce Reintegration plan. Recruitment and Selection policy.

Gender Pay Gap and Occupational Segregation Action Plan.

Context:	What we are planning to do:	What is its intended outcome?	Who will do it?	Will additional resources be required?	When will it happen?	How will we recognise success?	How does this link with other priorities and plans?
	flexible recruitment for appropriate posts, including management and senior management roles.						
Gender balance in more senior posts.	Review recruitment practices to adopt a gender balance on shortlisting and interview panels for senior posts.	Help to eliminate gender bias and promote greater visibility of women in senior positions.	Head of HR and Performance.	Utilise existing resources.	June 2021.	Greater gender balance in more senior posts.	KPIs. Recruitment and Selection policy.
Supporting parents and carers.	Develop additional manager and employee guidance for supporting colleagues preparing for, taking and returning from maternity leave or adoption leave.	Improve the experience of employees taking maternity leave or adoption leave.	Head of HR and Performance.	Utilise existing resources.	September 2021.	Increased retention of returners.	Maternity and Paternity Leave policy. Adoption Leave policy.
Supporting parents and carers.	Promote more widely the Shared Parental Leave policy.	Improve opportunities for informed decisions relating to time off	Head of HR and Performance.	Utilise existing resources.	April 2021 ongoing.	Increased Shared Parental Leave requests.	Shared Parental Leave policy.

Gender Pay Gap and Occupational Segregation Action Plan.

Context:	What we are planning to do:	What is its intended outcome?	Who will do it?	Will additional resources be required?	When will it happen?	How will we recognise success?	How does this link with other priorities and plans?
Tackling gender stereotypes.		for sharing caring responsibilities.					
Supporting parents and carers.	Deliver a Flexible Working Policy.	Improved opportunities for greater flexibility at work and improve work / life balance.	Head of HR and Performance.	Utilise existing resources.	April 2021.	Increased number of employees utilising Flexible Working opportunities. Fewer leavers due to lack of flexibility to meet needs of work / life balance.	Workforce Reintegration Plan.
Supporting parents and carers.	Develop inclusion passport to better support additional unpaid caring responsibilities. (including adaptations for menopause).	To improve experiences for employees with additional unpaid caring responsibilities to enable them to remain in work.	Head of HR and Performance.	Utilise existing resources.	July 2021.	Reduction in employee turnover. Increase in employee satisfaction.	Disability Confident standard. Family friendly policies. Flexible working policy. Wellbeing plan.
Supporting women at work.	Assess further opportunities to provide mentor network to support women's progression in the workplace.	Improved progression and promotion of women.	Head of HR and Performance	Utilise existing resources.	April 2022.	Greater gender balance in percentage of women being promoted to more senior posts.	KPIs. Learning and Development plan.
Supporting women at work.	Offer mid-career reviews to all employees utilising tools	To proactively support informed decisions around changing	Head of HR and Performance	Utilise existing resources.	September 2021 ongoing.	Increased retention of experienced women in the workplace.	Flexible working policy. ERD.

Gender Pay Gap and Occupational Segregation Action Plan.

Context:	What we are planning to do:	What is its intended outcome?	Who will do it?	Will additional resources be required?	When will it happen?	How will we recognise success?	How does this link with other priorities and plans?
	such as the UK Government Mid-life MOT framework..	circumstances as employees get older. To retain skills and experiences of women in the workplace.					Wellbeing plan.
Supporting women in the workplace.	To develop and promote additional manager and employee guidance for supporting women with the menopause.	Improve the employment experience and support available to women with menopause symptoms.	Head of HR and Performance	Utilise existing resources.	November 2021.	Increased retention of older women.	Wellbeing plan. Flexible working policy. Sickness Absence policy.
Use of Relief contracts is likely to contribute to the gender pay gap with a higher proportion of women working as relief staff on part time shifts.	Undertake analysis of workers on relief contracts by gender. Encourage existing relief workers to take up contracts.	Improve employment parity for women currently working as relief.	Head of HR and Performance	Utilise existing resources.	April 2021 ongoing.	Reduction in the imbalance of women working as relief.	Workforce Plan. Recruitment and Selection Policy.

Race Equality, Employment and Skills: Making Progress? report from The Scottish Parliament Equalities and Human Rights Committee – Initial Analysis.

Report Context:

Over the last two decades there has been numerous Parliamentary committee reports, academic research, a Government Race Equality Framework supported by an Action Plan, all aimed at tackling institutionalised racism and improving equality for minority ethnic people.

Scottish Parliament expect public authorities in Scotland to demonstrate the highest employment practices and standards as publicly funded organisations. Their recent report into race equality has highlighted that progress has either been slow, stalled, or in the case of the ethnicity employment gap, gone backwards.

The Committee is clear that the issue does not lie with minority ethnic communities. The findings show:

- **Employment gap:** In 2017 the ethnicity employment rate gap was 14.4%³, in 2019 this figure had risen to 16.4.⁴ For BAME women, the employment rate is 20% lower than for white women.
- **Pay gap:** On average BAME employees are paid 10% less than their white counterparts.
- **Apprenticeships:** In 2019-20, 2.3% minority ethnic young people participated. Previously, 2.1% in 2017-18
- **Experience of racism:** For BME women in the private sector, 72% experienced discrimination, while it was 86% in the public sector.
- **Educational attainment:** In 2017/18, school leavers who identified their ethnicity as Asian - Chinese had the highest levels of attainment with 90.3 per cent of leavers achieving one or more passes at SCQF Level 6 or better, far higher than the percentage for leavers with an ethnicity of White-Scottish (61.3 per cent achieving this level).

Fundamentally, the Committee suggests that there is either a lack of understanding of racism or a reluctance to acknowledge institutional racism among public authorities.

One definition of institutional racism included in the report suggested:

The collective failure to support the needs of BME workers, whether in retaining them or supporting them in promotion opportunities, or when they face discrimination in the workplace.

Report Recommendations:

Following the publishing of the report, public authorities are now urged to show strong leadership and demonstrate a dedication to addressing decades of damage by providing a commitment to the Committee, to take a minimum of three new actions to address their organisations specific issues along with associated timescales and reasons for those timescales.

The Committee suggest that public authorities should focus on the following areas when considering the development of their response to the findings in the report, and to tackle the issues identified at a local level:

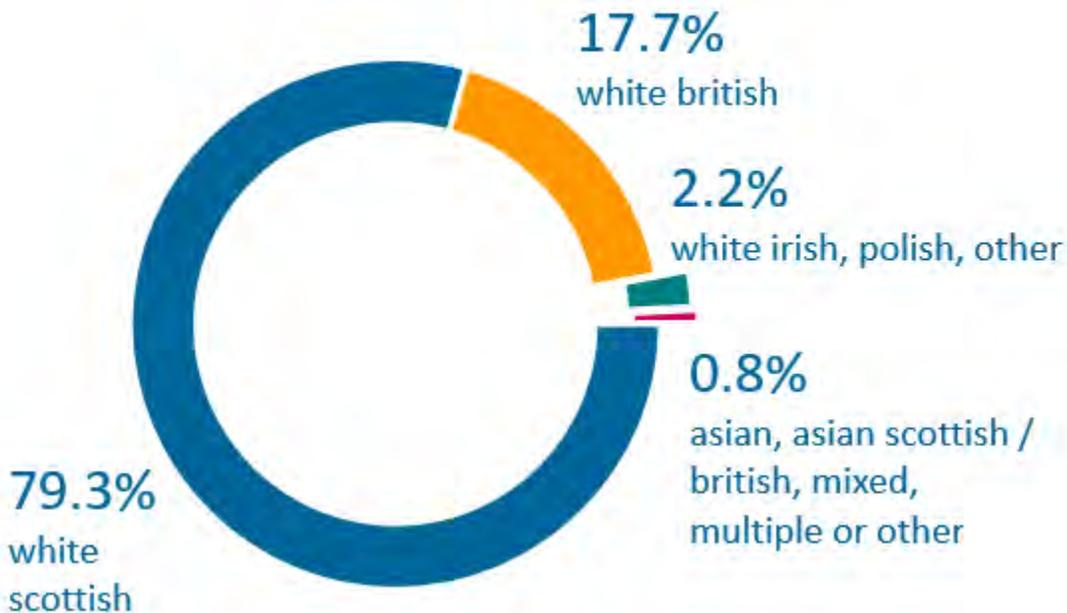
- Assessing the understanding of racism and structural barriers that may exist within the organisation.
- Integrating ambitions into the next strategic plan with a goal which is underpinned by specific outcomes and supported by timely monitoring.
- Reviewing the Scottish Government's recruitment toolkit which is designed to support employers to better recruit more people from minority ethnic backgrounds.
- Recording and publishing the ethnicity pay gap and producing an action plan to deliver identified outcomes.
- Engaging with community representatives and consider that this consultation work is on a paid basis to reflect their expertise.
- Recognising and acknowledging the issues to do not lie with the minority ethnic communities.

An Orkney context

In order to understand the key issues for Orkney, an initial analysis has been undertaken based on the regular reporting undertaken as part of the Equality Duties.

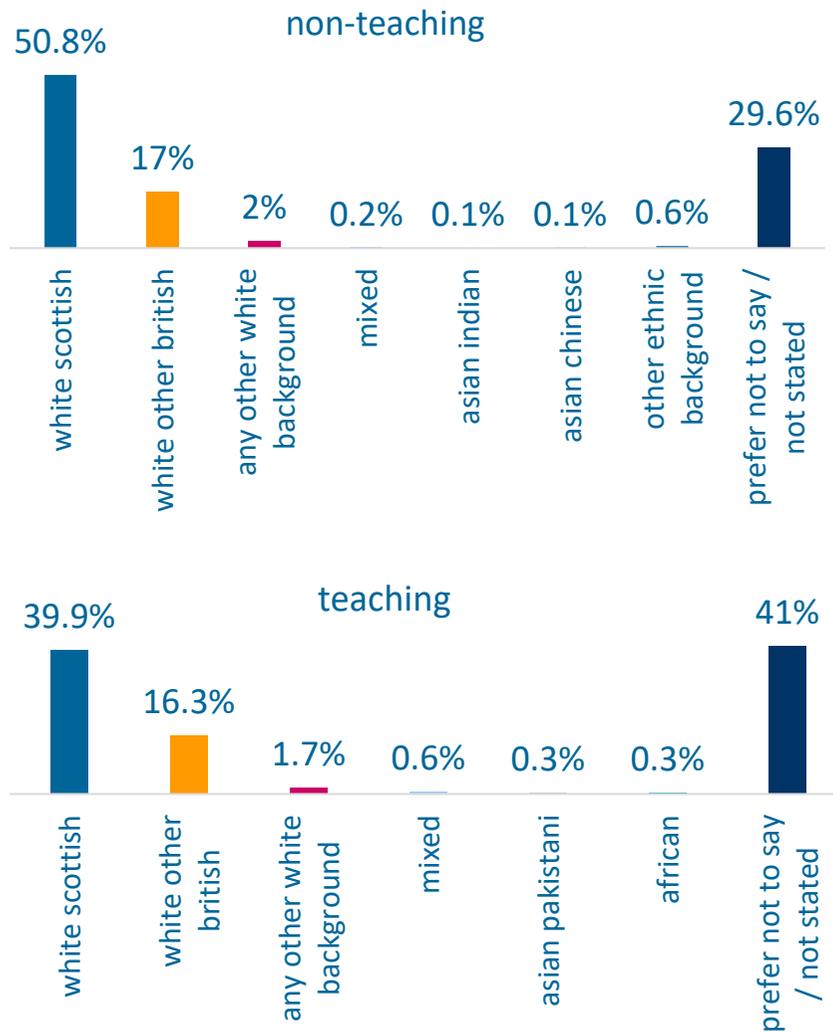
This initial analysis gives greater context when setting out three actions to demonstrate the Council's commitment to addressing the issues identified at a local level.

Population by ethnicity³



Workforce by ethnicity 2019

69.8% of OIC's non-teaching staff and 57.9% of OIC's teaching staff are from a white background.

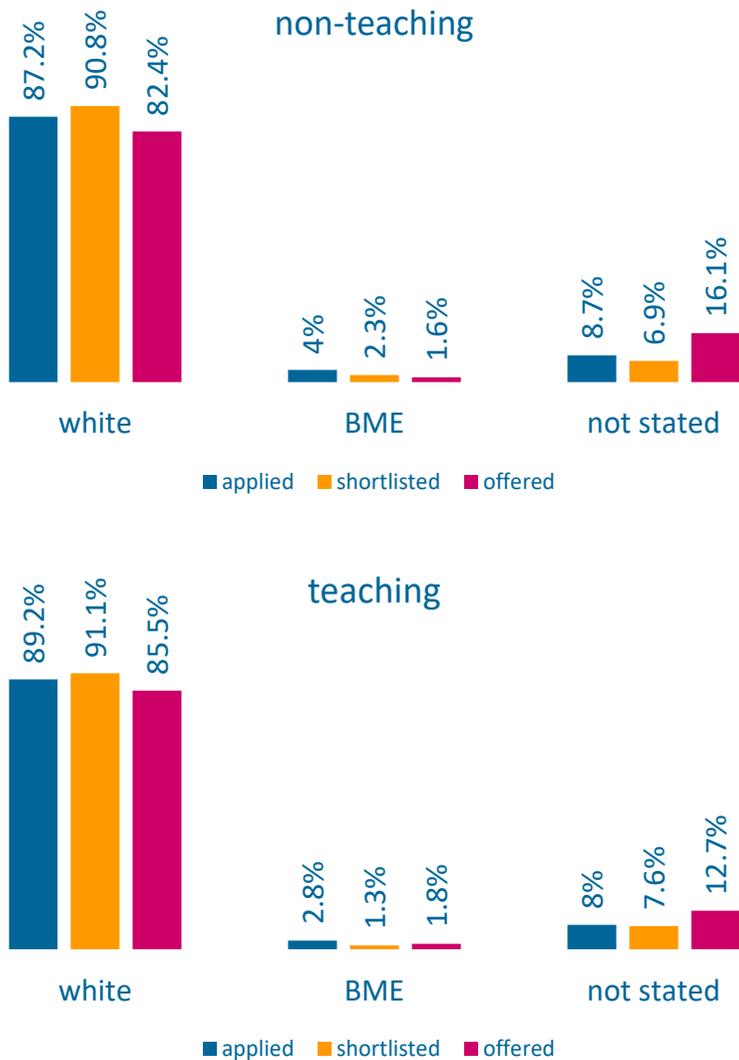


The workforce data by ethnicity is fairly representative of the population of Orkney, although ethnic diversity figures are lower in comparison to the Scotland average.

Close the Gap state that 'The lack of ethnic diversity within the Scottish teaching workforce is well-established. Only 1.4% of the teaching workforce are from ethnic minority backgrounds, with ethnic minorities accounting for 1% of the primary teacher workforce, and 1.7% of the secondary sector workforce. The number of teachers from ethnic minority backgrounds in promoted posts across the whole profession is only 0.6%'

Recruitment and Race (2019)

Proportion of applied, shortlisted and offered non-teaching and teaching candidates by ethnicity. (BME = Black Minority Ethnic).

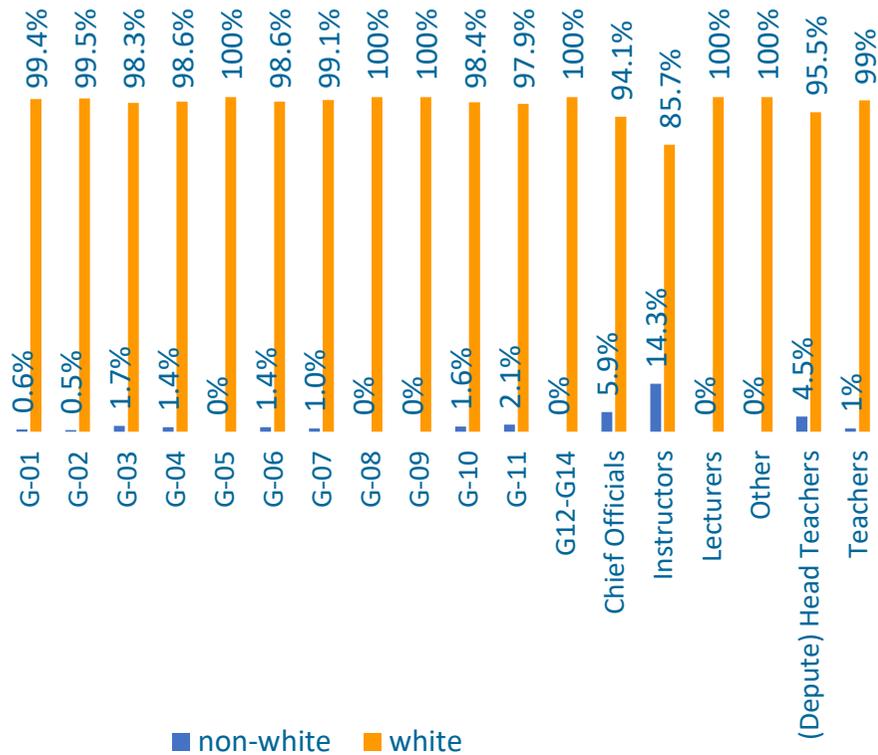


Summary

The ethnicity breakdown of our workforce remains similar to previous years with around half of our employees being White Scottish. A slightly higher proportion (1%) are from ethnic minority groups compared with the Orkney population figure or (0.8%). Declaration rates for ethnicity have increased in 2019 by 6.1% for teaching staff and 2.6% for non-teaching staff.

Current workforce by ethnicity and grade

Note: This chart only presents white and non-white staff. Staff who have not stated their ethnicity have been included in the calculation but are not represented in the graph to make it more meaningful. Due to the low levels of disclosure it is difficult to make meaningful analysis of the data for this purpose.



that Skills Development Scotland's CIAG Equalities Action Plan (2019) highlights that discrimination is the main explanation for the educational achievements of BME people not being reflected in labour market outcomes. However, "actions relating to ethnic minorities are firmly focused on supply-side initiatives, such as sharing information with migrants, refugees and asylum seekers and promoting CIAG services to BME people"

Close the Gap refer to Career information and advice guidance (CIAG), which the Race Equality Framework recommends is used to tackle occupational segregation in relation to race. They state

Key areas for focus:

In the development of the three priority areas for action by the Council, the points highlighted from the report below have been identified as key to focus on in the local context.

It is clear from the evidence we heard there is lots of activity around recruiting minority ethnic people. However, the Committee believes the main issue fundamental to resolving the lack of progress on public authorities employing more people from minority ethnic communities is gathering relevant disaggregated data, to help set clear outcomes and monitor achievement of those goals.

Evidence presented in the report suggest that;

One of the ways in which racism and discrimination can be tackled in the workplace is through staff training.

The Equality and Human Rights Commission Scotland said that;

Research on unconscious bias' training published in 2018 found a mixed picture. "Although it can raise awareness of bias and even reduce implicit bias, it is unlikely to eliminate it and is not usually designed to deal with explicit bias. The evidence of behaviour change is limited, and there is a risk of a 'back-firing' effect.

Evidence also identified that;

Training in itself will not build capacity. What matters is that there is an enabling environment in which people feel free to speak about the issues. Sometimes, if there are issues in the organisation involving one's manager or a senior person, there is no space to deal with that, and the human resources department would not necessarily have the capacity to understand those issues. Therefore, there should be a reporting mechanism that is separate from the roles that are being delivered.

And further that;

Employees need to feel they can call out unacceptable behaviour and that they will be supported if they do this.

Demonstrating commitment and setting actions:

Following initial analysis of the local data and the key findings in the report, the three actions below are proposed as a proportional response demonstrating the Council's commitment to improving race equality in employment:

- Use the Scottish Government's recruitment toolkit designed to support employers to better recruit more people from minority ethnic backgrounds, to help review our recruitment procedures and practice and make any necessary changes. **Target date: 31 March 2022**
- Record and publish the Council ethnicity pay gap and work to integrate actions to address any inequalities identified into the appropriate plans. **Target Date: 30 September 2021**
- Review the Dignity at Work Policy and training in conjunction with equality and diversity training to improve the awareness of staff to increase the understanding of racism and the way it can impact on people and to reinforce our zero-tolerance for racism and discrimination. **Target Date: 31 March 2022**

An integrated approach will be adopted when identifying actions relating to pay gaps and occupational segregation for gender, ethnicity and disability. This approach seeks to embed actions into existing working practices:

- to ensure that actions to close pay gaps and to address occupational segregation become part of business as usual activity.
- To demonstrate commitment and to reduce burden on staff and managers.
- to consider existing monitoring and review processes and the wider equality and diversity context.

The recommended three actions in response to the Race Equality, Employment and Skills inquiry, along with actions relevant to the disability pay gap, will be incorporated into the action plan accordingly and will align with the relevant aims and actions already contained within the Equality Outcomes, Workforce Plan and Disability Confident Scheme.

Underpinning improvement work will continue in gathering accurate employee diversity data with plans to provide more regular communications to encourage employees to keep their information update to date on My View, thereby increasing the return rates and ensuring more meaningful analysis. This is of particular note in relation to workforce data disclosure rates on disability.



Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

1. Identification of Function, Policy or Plan	
Name of function / policy / plan to be assessed.	The Gender Pay Gap Action Plan and Response to Race Equality, Employment and Skills Inquiry
Service / service area responsible.	HR and Performance
Name of person carrying out the assessment and contact details.	Andrew Groundwater, Head of HR and Performance. Andrew.groundwater@orkney.gov.uk
Date of assessment.	January 2021.
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	New.

2. Initial Screening	
What are the intended outcomes of the function / policy / plan?	The Gender Pay Gap Action Plan and Response to Race Equality, Employment and Skills Inquiry presents an analysis of the current position for Orkney Island Council in respect to the gender pay gap and occupational segregation for the workforce and an initial review of the data relating to race equality within the workforce. The plan is focused on reducing inequalities in these areas and ensures that this is in line with the Equality Act to demonstrate our accountability and transparency and to meet the general equality duty to: <ul style="list-style-type: none"> • Eliminate discrimination, victimisation and

	<p>harassment.</p> <ul style="list-style-type: none"> • Advance equality of opportunity. • Foster good relations.
Is the function / policy / plan strategically important?	(Strategic plans include major investment plans, new strategic frameworks or plans such as annual budgets, locality plans or corporate plans).
State who is, or may be affected by this function / policy / plan, and how.	Council employees and potential employees.
How have stakeholders been involved in the development of this function / policy / plan?	Not at this stage.
Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).	Data and research from a range of sources was considered and used and has been referenced directly within the report.
Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See The Fairer Scotland Duty Interim Guidance for Public Bodies for further information.	<p>Women have been identified as being disproportionately vulnerable to socio-economic impacts.</p> <p>Women are more likely than men to manage reduced family budgets, have primary caring responsibilities and act as the buffers, going without to protect their children from the worst effects of poverty and also continue to report higher levels of concern about their financial situation.</p> <p>A high percentage of women in Orkney work part time in the public, voluntary and community sectors.</p> <p>Disabled people are more likely to experience poorer outcomes in terms of employment, income and education. They are more likely to face discrimination and negative attitudes and often experience greater difficulties in accessing housing and transport. The 2011 Census figures show that 6.5% of the population in Orkney reported a disability; around half (51%) were sensory impairments, 32.8% related to a physical disability, 2.2% to a learning disability and 3% as having a mental health condition.</p>

	National research shows that the ethnicity employment gap was 16.4%. For BAME women, the employment rate is 20% than for white women. On average, BAME employees are paid 10% less than their white counterparts.
Could the function / policy have a differential impact on any of the following equality areas?	(Please provide any evidence – positive impacts / benefits, negative impacts and reasons).
1. Race: this includes ethnic or national groups, colour and nationality.	The actions set out in the plan seek to specifically address inequalities in relation to race in terms of recruitment and employment that may be identified.
2. Sex: a man or a woman.	The actions set out in the plan seek to specifically address inequalities in relation to gender in terms of recruitment and employment that may be identified.
3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
4. Gender Reassignment: the process of transitioning from one gender to another.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
5. Pregnancy and maternity.	The actions set out in the plan seek to specifically address inequalities in relation to gender, including pregnancy and maternity, in terms of recruitment and employment that may be identified.
6. Age: people of different ages.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
7. Religion or beliefs or none (atheists).	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
8. Caring responsibilities.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
9. Care experienced.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
10. Marriage and Civil Partnerships.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
11. Disability: people with disabilities (whether registered	(Includes physical impairment, sensory impairment, cognitive impairment, mental health)

or not).	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
12. Socio-economic disadvantage.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.
13. Isles-proofing.	The actions set out in the plan are likely to have a positive impact for all employees with Orkney Islands Council.

3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	No, the action plan is designed to address inequalities for the specific protected characteristics referenced and therefore will result in positive impacts.
How could you minimise or remove any potential negative impacts?	N/A.
Do you have enough information to make a judgement? If no, what information do you require?	N/A.

4. Conclusions and Planned Action

Is further work required?	Yes.
What action is to be taken?	The action plan will be reviewed and evaluated on an annual basis. The pay gap and occupational segregation information relating to gender, race and disability will be produced and published on a regular basis.
Who will undertake it?	Officers within HR and Performance.
When will it be done?	As per the timescales referred to in the action plan.
How will it be monitored? (e.g. through service plans).	Through the regular reporting cycle.

Signature:



Date: January 2021

Name: ANDREW GROUNDWATER

(BLOCK CAPITALS).