

**NHS National Services Scotland**

# **Pay Gap Report April 2021**

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## Section 1 – Introduction

NHS National Services Scotland (NSS) is committed to the principles of equality, diversity and human rights in employment. It believes that staff should receive equal pay for the same or broadly similar work, for work rated as equivalent and for work of equal value (regardless of age, disability, ethnicity or race, gender reassignment, marital or civil partnership status, pregnancy, political beliefs, religion or belief, sex or sexual orientation). This is reflected in the NSS Equal Pay statement which is contained in **Appendix 1**.

NSS is committed to mainstreaming equality in the workplace and one way of ensuring this is to carry out a pay gap audit. In compliance with the Public Sector Equality Duty (under the Equality Act 2010), NSS has published a bi-annual Gender Pay Gap report since 2013. Additionally, since 2017 the report has also included ethnicity and disability pay gap information.

## Section 2 – What does the NSS Equal Pay Gap report cover?

This report provides **gender, ethnicity and disability pay gap** information for NSS, based on workforce and payroll data, as at **31 December 2020**.

The report provides both the mean and median pay gap data calculated as follows:

**Mean pay gap data** is calculated by adding together all employee hourly rates of pay, for a particular cohort, and dividing this amount by the total number of employees within the same grouping.

**Median pay gap data** is calculated by listing all employee hourly rates of pay, for a particular cohort, and finding the midpoint in the range.

Given that the mean pay gap is calculated from the hourly rates of all individual employees, it therefore includes the highest and lowest rates across the organisation and provides an overall indication of the size of the pay gap. The median hourly rate, on the other hand, is calculated by taking the mid-point from a list of all employees' hourly rates of pay and provides a more accurate representation of the 'typical' difference in pay, that is not skewed by the highest or lowest rates across the organisation. It is possible however that the median pay gap can obscure pay differences that may be associated with gender, ethnicity or disability. Therefore, whilst this report provides both mean and median pay gap information, the focus of the report is on the mean pay gap outcomes.

## Section 3 – Mean and Median pay gap data by gender

As at 31 December 2020, NSS employed 3,221 employees, **1,995 female employees (61.94%)** and **1,226 male employees (38.06%)**.

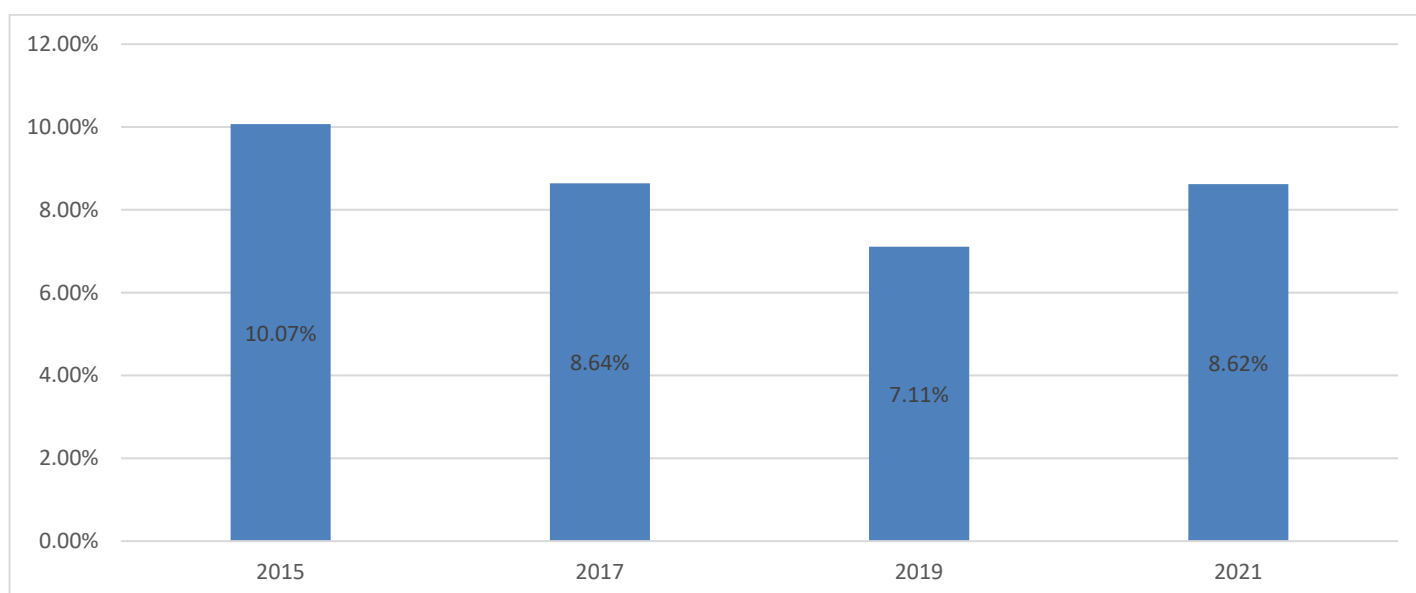
The table below provides mean and median gender pay gap data for the organisation as a whole.

Overall NSS Pay Gap		
	2021 Mean Hourly Rate	2021 Median Hourly rate
Male (1,226 employees)	<b>£19.48</b>	<b>£16.26</b>
Female (1,995 employees)	<b>£17.80</b>	<b>£16.19</b>
Difference	<b>£1.68</b>	<b>£0.07</b>
% Pay Gap*	<b>8.62%</b>	<b>0.43%</b>

\*Please Note - The Gender pay gap is the monetary difference in the mean or median hourly rate of pay, expressed as a percentage of the male hourly rate.

Whilst approximately two thirds of the overall NSS headcount is female, the mean gender pay gap favours male staff by 8.62%.

The graph below highlights the movement in the NSS mean gender pay gap, since 2015.



From 2015 to 2019 the pay gap within NSS shortened from 10.07% to 7.11%, in favour of men. In the last two years, the pay gap has increased to a similar level to that in 2017 (8.62%).

It should be noted that on 1 April 2020, 739 staff (278 males and 461 females) transferred out of NSS under TUPE to join the newly established Public Health Scotland. Additionally, in response to the COVID-19 pandemic, a National Contract Tracing Centre was established which has involved the recruitment of 241 new employees (79 males and 162 females), with further appointments still being made. Furthermore, a recruitment drive under the Accelerated Recruitment Scheme brought in new staff recruited across a range of services, roles and pay grades to support the NSS response to the pandemic. This has resulted in a higher than normal number of new starts to NSS in the last 12 months, the majority of whom are likely to have commenced on the minimum of the grade for their post. This has significantly changed the workforce profile of NSS and the extent of the impact on the gender pay gap will not be fully known for a few months.

## Section 4 – Mean and median pay gap data by staff grouping

NSS staff are employed under three distinct contract groupings - **Agenda for Change (AFC)**, **Executive Level and Senior Managers (EL/SM)** and **Medical and Dental (M&D)** - each with a separate set of pay, terms and conditions of employment.

The following tables provide the mean and median gender pay gap data for each of the three contract groupings.

<b>Agenda for Change Pay Gap</b>		
	<b>2021 Mean Hourly Rate</b>	<b>2021 Median Hourly rate</b>
<b>Male (1,198 Employees)</b>	<b>£18.82</b>	<b>£16.19</b>
<b>Female (1,961 Employees)</b>	<b>£17.33</b>	<b>£16.19</b>
<b>Difference</b>	<b>£1.49</b>	<b>£0</b>
<b>% Pay Gap</b>	<b>7.90%</b>	<b>0%</b>

<b>Executive Level and Senior Manager Pay Gap</b>		
	<b>2021 Mean Hourly Rate</b>	<b>2021 Median Hourly rate</b>
<b>Male (13 employees)</b>	<b>£50.81</b>	<b>£51.71</b>
<b>Female (7 employees)</b>	<b>£50.24</b>	<b>£51.36</b>
<b>Difference</b>	<b>£0.58</b>	<b>£0.35</b>
<b>% Pay Gap</b>	<b>1.13%</b>	<b>0.68%</b>

Medical and Dental Pay Gap		
	2021 Mean Hourly Rate	2021 Median Hourly rate
Male (15 employees)	£45.63	£45.32
Female (27 employees)	£43.83	£45.32
Difference	£1.80	£0
% Pay Gap	3.95%	0%

The above figures show a widening of the gender pay gap in the AFC contract group from 6.13% in 2019 to 7.90% in 2021. However, the pay gap has reduced significantly in both the Executive Level/Senior Manager and Medical and Dental contract groupings, as explained below:

1) Staff employed under **AFC** terms and conditions are recruited into a post with a confirmed AFC pay band, assigned through the application of the NHS Job Evaluation Scheme. The evaluation is undertaken by a trained panel of evaluators and is based on the skills and responsibility demands of the post. As such, all employees aligned to the same post/job description will be paid, regardless of gender, according to the evaluated band outcome for the post.

It is also important to note that each AFC pay band consists of a number of incremental points. In line with AFC terms and conditions, each employee will generally either:

- **Commence in post at the minimum of the pay scale, or**
- **In the case of promotion, commence on the first available point on the scale that will afford the employee a salary increase.**

Thereafter, incremental progression applies on an annual basis.

This means that commencing salary, length of service in grade and timing of each employee's yearly incremental date will have a direct influence on the pay gap within this contract group.

The specific data for this cohort confirms that females are the dominant gender in the majority of the AFC pay bands, most noticeably at the lower bands 2, 4, 5 and 6. One reason for this is that administrative and nursing/caring roles traditionally comprise female employees. A greater number of males than females hold posts at higher AFC bands including bands 8B, 8D and 9. Further analysis of this data confirms that length of service currently places the male postholders incrementally higher on the pay scale in these specific bands which has influenced the pay gap



result in the AfC cohort. However, whilst at present there are more long-serving male employees in the senior grades, this means that female employees who are more recently employed in these grades will catch up in the future through annual incremental progression.

**2)** The smallest contract grouping within NSS is that of **Executive Level and Senior Manager (EL/SM)** staff. This cohort shows a mean gender pay gap of 1.13% in favour of males which is an improvement on the figure reported in 2019 of 2.73%.

It is of note that in contrast to the AFC contract group, salary progression within the minima and maxima salary range of each EL/SM grade is based on the employee's annual performance rating which is determined through the Appraisal process. Dependent on the performance rating, a percentage salary uplift is applied within the salary range for the grade. Overall, the analysis of the EL/SM workforce would suggest that pay gap differences are closely associated with length of service in grade and position in the grade salary range.

**3)** The **Medical and Dental (M&D)** cohort consists of such posts as Consultants, Specialty Doctors and Associate Specialists and 64.29% of the head count is female.

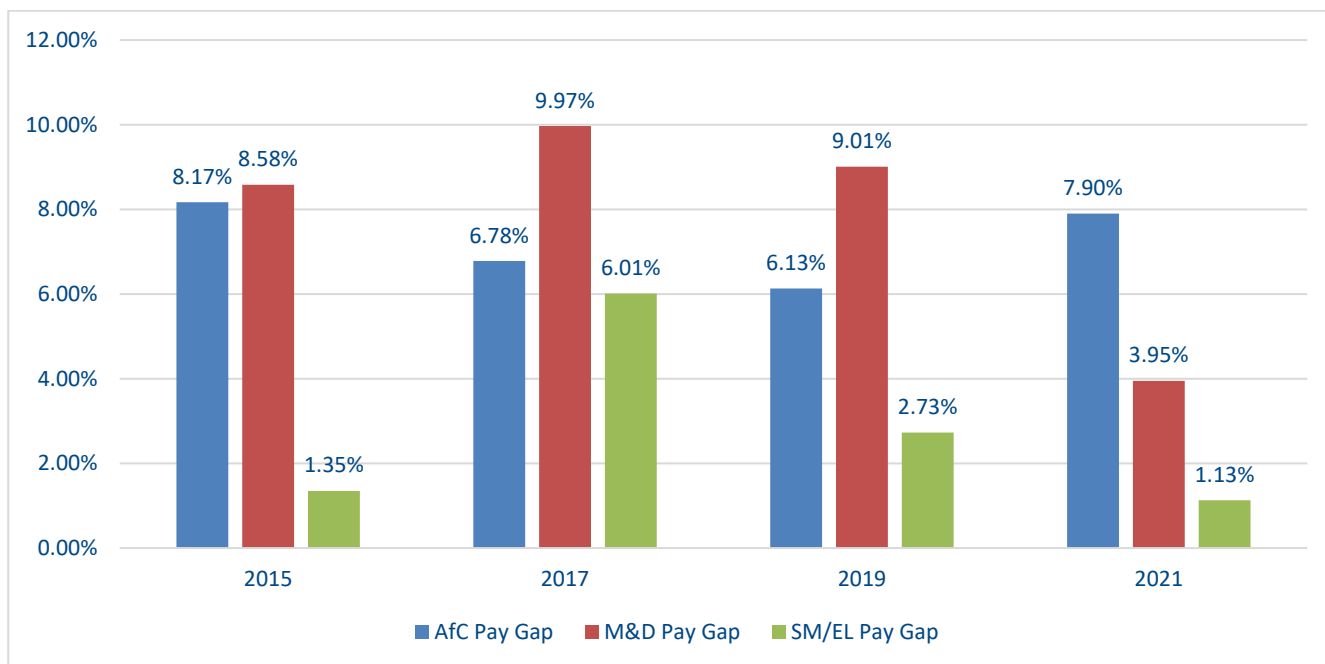
Whilst the mean gender pay gap is in favour of men by 3.95% this is a significant improvement on the pay gap of 7.11% which was reported in 2019.

It should be noted that M&D staff progress incrementally on their pay scales, in a similar way to AFC staff. As such, commencing salary placement, length of service in grade and timing of each employee's annual incremental date are strong contributory factors on this pay gap result.

Further analysis of the pay data in this cohort confirms that although there are fewer males, their length of service in grade is greater than their female comparators. Two other key contributory factors to the lower pay gap are:

- **Female M&D staff have reached or progressed closer to the maximum of the pay scale through annual increments over the last 2 years.**
- **A number of long serving male M&D staff who had already reached the maximum of their pay scales in 2019, transferred from NSS to Public Health Scotland on 1 April 2020.**

The graph below provides a visual comparison of the mean pay gap for each contractual grouping, since 2015.



## Section 5 – Mean and median pay gap data by pay quartile

This section of the report provides data on the proportion of males and females within each pay quartile.

By ranking all employees from lowest to highest paid then dividing this list into four equal groups, it is possible to identify four pay quartiles. In doing so, this provides information on how male and female employees are distributed across the organisation in terms of pay.

Against each pay quartile the proportion of males and females is listed along with the mean and median hourly rates of pay.

<b>Lower Pay Quartile (AFC Bands 2 - 3)</b>		
	<b>Female</b>	<b>Male</b>
<b>Number of Employees</b>	<b>449 employees</b>	<b>356 employees</b>
<b>% of headcount in quartile</b>	<b>55.78%</b>	<b>44.22%</b>
<b>Mean hourly rate</b>	<b>£11.13</b>	<b>£11.25</b>
<b>Median hourly rate</b>	<b>£11.55</b>	<b>£11.55</b>

<b>Lower Middle Pay Quartile (AFC Bands 3 – 5)</b>		
	<b>Female</b>	<b>Male</b>
<b>Number of Employees</b>	<b>581 employees</b>	<b>224 employees</b>
<b>% of headcount in quartile</b>	<b>72.17%</b>	<b>27.83%</b>
<b>Mean hourly rate</b>	<b>£13.09</b>	<b>£12.88</b>
<b>Median hourly rate</b>	<b>£12.77</b>	<b>£12.80</b>

### Upper Middle Pay Quartile (AFC Band 5 – 7)

	Female	Male
Number of Employees	545 employees	260 employees
% of headcount in quartile	67.70%	32.30%
Mean hourly rate	£18.85	£19.30
Median hourly rate	£20.03	£20.03

### Upper Pay Quartile (AFC Bands 7 – 9, EL/SM grades and M&D grades)

	Female	Male
Number of Employees	420 employees	386 employees
% of headcount in quartile	52.11%	47.89%
Mean hourly rate	£30.10	£31.04
Median hourly rate	£27.32	£27.32

\*Please Note - Due to the numbers of staff on each pay point within each AFC pay band, there will be some overlapping of salaries and pay bands in each quartile

**Overall**, female headcount in all four quartiles is noticeably higher than that of their male comparators.

Mean pay gaps have been calculated within each of the four quartiles. This shows lower differences in average hourly rates which is also reflected in a reduced gender pay gap, as follows:

- Lower quartile - 1.07%, in favour of males
- Lower middle quartile - 1.67%, in favour of females
- Upper middle quartile - 2.33%, in favour of males
- Upper quartile - 3.02%, in favour of males

Whilst the upper pay quartile shows the biggest pay gap of 3.02% further analysis of the pay data confirms that, although there are a higher number of females within the group, a greater proportion of the female headcount is in posts at the lower end of this quartile's pay range (i.e. in salaries across AFC bands 7 and 8A). Additionally, there are a higher proportion of males in posts at the top of the salary range in this quartile.

The above figures demonstrate that when the pay gap is calculated across narrower band/salary groupings within the organisation this shows a reduced pay gap across all four quartiles. This would also support that factors such as length of service in grade and incremental dates are key contributors to the gender pay gap.

## Section 6 – NSS Ethnicity Profile

The NSS Ethnicity Profile splits employees into three high level ethnicity groupings, that of:

- **White Scottish, White British and White Irish**
- **White Minority Ethnic – including White Polish, White Gypsy Traveller, White Other**
- **Non-white Minority Ethnic – including African, African – other, Arab, Asian – other, Bangladeshi, Caribbean, Caribbean – other, Chinese, Indian, Mixed Races, Pakistani, Other Ethnic Group**

In the table below you will find headcount information alongside the mean and median hourly rates of pay and the mean pay gap for these groups.

Ethnic Groupings Pay Gap Breakdown							
	Female	Male	NSS WORKFORCE TOTALS		Hourly rate of pay for ethnic group		Pay Gap
Ethnic Group	Headcount	Headcount	Headcount	%	Mean	Median	Mean
White Scottish, British and Irish	1,683	1,042	2,725	84.60%	£18.55	£16.19	
White Minority Ethnic Group	83	50	133	4.13%	£17.13	£16.19	7.65%* *
Non White Minority Ethnic Group	68	51	119	3.69%	£18.51	£17.03	0.22%* **
<b>TOTAL</b>	<b>1,834</b>	<b>1,143</b>	<b>2,977*</b>				

\*Please Note – In addition to the data above, NSS has a further 244 employees where no response was provided or no data is held.

\*\* White Minority Ethnic Pay Gap –difference in average hourly pay rate of White Scottish, British, Irish grouping and White Minority Ethnic grouping expressed as a percentage of the average hourly pay rate of the White Scottish, British, Irish grouping

\*\*\* Non-white Minority Ethnic Pay Gap – difference in average hourly pay rate of White Scottish, British, Irish grouping and Non-white Minority Ethnic grouping expressed as a percentage of the average pay rate of the White Scottish, British, Irish grouping

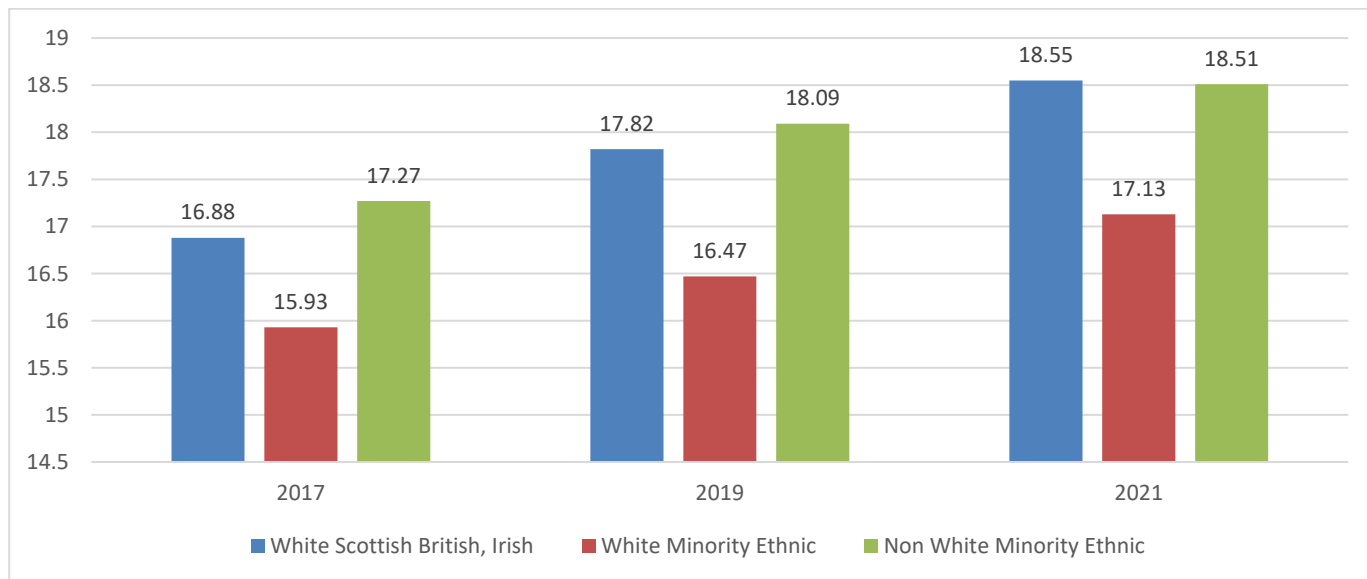
**White Scottish, British and Irish** is the predominant ethnic grouping within NSS, equating to just over three quarters of the overall headcount. Staff within this cohort can be found in all 3 contract groupings.

Staff within the **White Ethnic Minority and Non-white Ethnic Minority groupings** can be found within two of the three contract groupings – AFC and M&D. The majority of staff in these groupings are employed under AFC terms and conditions and are predominantly in bands 3, 5, 6 and 7.

The above table confirms that the average hourly rates for both the White Scottish, British and Irish and Non-White Minority Ethnic groupings are almost equal at £18.55 and £18.51 respectively, reflecting a pay gap of 0.22% in favour of the White Scottish, British, Irish grouping. This shows a continuing upward trend in favour of the White Scottish, British and Irish grouping because in both 2017 and 2019, the pay gap favoured the Non-White Minority Grouping by 1.51% and 0.27% respectively. This will continue to be monitored going forward.

The White Minority Ethnic Grouping has the lowest average hourly rate, at £17.13, representing a pay gap of 7.65%. This indicates a slight widening of the pay gap since 2019 (7.57%). Further analysis of the data for this cohort confirms that, although staff in the White Minority Ethnic Grouping can be found within AFC bands 2 to 8D as well as at M&D level, the greatest proportion of the headcount is employed at AFC band 3. As such, this is having a direct impact on the average hourly pay rate results in this grouping.

The graph below provides a visual comparison of the average hourly rates of pay for each ethnic grouping, since 2017.



It should be noted that all employees in the same post will be paid, regardless of ethnicity, according to the band for that post – which has been graded/evaluated according to the skills and responsibility requirements of the role.

Additionally, contractual terms and conditions have been applied consistently to all staff within the 3 ethnicity groupings. This includes new start salary placement, promotion rules and incremental progression.



## Section 7 – NSS Disability Profile

The NSS Disability Profile splits employees into two high level groupings, that of:

- **Employees who have disclosed that they have a disability**
- **Employees who have disclosed that they do not have a disability**

The table below contains headcount information alongside the mean and median hourly rates of pay for these groups and confirmation of the pay gap.

Ethnic Groupings Pay Gap Breakdown							
	Female	Male	NSS Workforce Total		Hourly rate of pay for ethnic group		Pay Gap
	Head-count	Head-count	Head-count	%	Mean	Median	Mean
Employees who have disclosed that they have a disability	87	48	135	4.19%	£16.12	£13.79	
Employees who do not have a disability	1,792	1,131	2,923	90.75%	£18.58	£16.19	13.24%* *
<b>TOTAL</b>	<b>1,879</b>	<b>1,179</b>	<b>3,058*</b>				

\*Please Note – In addition to the data above, NSS has a further 163 employees where a no response was provided or no data is held.

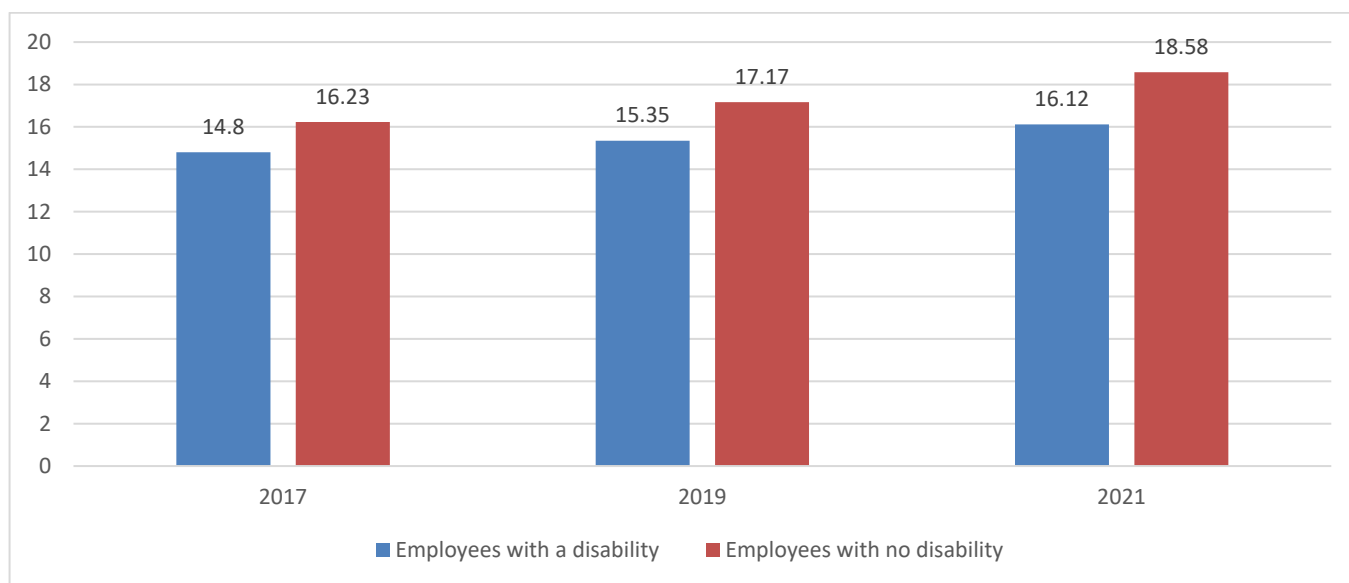
\*\*Disability Pay Gap – the difference in the average hourly rate of staff who have disclosed that they have a disability and staff who have disclosed that they do not have a disability, expressed as a percentage of the average hourly rate of staff group who have disclosed that they do not have a disability.

The above table confirms that 4.19% of the NSS workforce have disclosed a disability - a positive development in that it shows a continuing increasing trend from 1.94% in 2017 and 3.4% in 2019.

However the pay gap of 13.24%, between employees who have disclosed that they have a disability and those who have disclosed that they do not have a disability shows a widening trend over the same period, in favour of those who have disclosed that they do not have a disability, rising from

8.81% in 2017 and 10.60% in 2019. There is no clear evidence at this time concerning the reasons for this and further analysis will be required to address this.

The following graph illustrates changes in the average hourly rate of pay since 2017 for employees who have disclosed that they have a disability and those who have disclosed that they do not have a disability.



Further analysis of the data for this cohort confirms that all who have disclosed a disability fall within the AFC contract grouping, filling administrative, healthcare science, nursing and midwifery and support services roles. These roles range in grade from AFC bands 2 to 8C, with bands 3, 5 and 6 containing the greatest headcount (68.89%).

It should be noted, that all employees in the same post, regardless of any disclosed disability, will be paid according to the band for that post which has been graded/evaluated according to the skills and responsibility requirements of the role. Additionally, AFC terms and conditions have been applied consistently for all staff within the AFC contract grouping, including new start salary placement, promotion rules and incremental progression. As such, any variations in the average basic hourly rate will be influenced by starting salary placement, length of service at a particular grade and the timing of each employee’s incremental date.

## Section 8 – Conclusion

There is a widening gender pay gap within NSS with an increase of 1.51% since 2019. There is also a commensurate rise in the AFC gender pay gap of 1.77% over the same period. In comparison, there has been a positive impact since 2019 in respect to EL/SM and M&D groups where the gender pay gaps have reduced.

In respect to ethnicity, the White Minority Ethnic Group is highlighted as the main area of pay gap at 7.65%, which has increased slightly since 2019 by 0.08%. In addition, for those who have disclosed a disability the gap has continued to widen over the same period, increasing by 2.64%.

The common factors relating to Equal Pay are predominately linked to the unprecedented number of new staff recruited during 2020 to support the COVID-19 pandemic, plus length of service and incremental pay progression across our staff groups.

Overall, the NSS Equal Pay Gap reports a positive position when considering the common factors linked to any of the gaps identified. There are however some areas where further attention will be required to ensure these gaps do not widen further in future years, for example, those relating to disability.

# NSS EQUAL PAY STATEMENT

## APPENDIX 1

This statement has been agreed in partnership and will be reviewed on a regular basis by the NHS National Services Scotland (NSS) Partnership Forum and Staff Governance Committee.

NSS is committed to the principles of equality of opportunity in employment and believes that staff should receive equal pay for the same or broadly similar work, or work rated as equivalent and for work of equal value, regardless of age, disability, ethnicity or race, gender reassignment, marital or civil partnership status, pregnancy, political beliefs, religion or belief, sex or sexual orientation.

NSS understands that the right to equal pay between women and men is a legal right under both domestic and European law. In addition, the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires NSS to publish pay gap information on a bi-annual basis. NSS must also publish information on occupational segregation within its workforce, being the concentration of women and men, persons who are disabled and those who are not, and persons who fall into a minority racial group and persons who do not, in particular grades and in particular occupations.

It is good practice and reflects the values of NSS that pay is awarded fairly and equitably.

NSS recognises that in order to achieve equal pay for employees doing the same or broadly similar work, work rated as equivalent, or work of equal value, it should operate pay systems which are transparent, based on objective criteria and free from unlawful bias.

NSS also recognises underlying drivers of pay inequality, including occupational segregation, inequality of unpaid care between men and women, lack of flexible working opportunities, and traditional social attitudes, and will take steps within its remit to address those factors in ways that achieve the aims of the NHSScotland Staff Governance Standard and the Equality Duty.

**In line with the General Duty of the Equality Act 2010, NSS objectives are to:**

- **Eliminate unfair, unjust or unlawful practices and other discrimination that impact on pay equality**
- **Promote equality of opportunity and the principles of equal pay throughout the workforce**
- **Promote good relations between people sharing different protected characteristics in the implementation of equal pay**

**NSS will:**

- **On an annual basis, through the NSS Staff Governance Committee, review and monitor this policy statement and action points detailed below**

- **Ensure there are communication systems in place to inform employees on how pay practices work and how their own pay is determined. Included will be information about what policies exist to deal with any concerns about their pay**
- **Ensure that all managers and those involved in making decisions about pay, benefits and grading decisions are provided with training, policies and guidance to enable consistent and fair practice**
- **Continuously monitor our existing and future pay practices for all our employees, including part-time workers, those on fixed term contracts or contracts of unspecified duration, and those on pregnancy, maternity or other authorised leave**
- **Undertake regular monitoring of the impact of our practices in line with the requirements of the Equality Act 2010**
- **Ensure that equal pay is central to our commitment to fair organisational change, and that the outcomes for staff in relation to equal pay and occupational segregation are monitored**
- **Develop and implement a planned programme of equal pay reviews in line with Equality and Human Rights Commission guidance which will be developed in partnership with Trade Unions and Professional organisations**

Responsibility for implementing this policy is held by the NSS Chief Executive.

If a member of staff wishes to raise a concern, they should do so informally in the first instance with their Line Manager. If the issue is not resolved informally, staff can use the NHS Scotland Workforce Grievance Policy to formally raise their concerns.