EQUALITY IMPACT ASSESSMENT (EqIA)

Summary results of the EqIA

Title of policy/practice/process/service:
Pay and Pay Supplements Policy.

Is the policy new (proposed), a revision to an existing policy or a review of current policy?
Revision of an existing policy.

Key findings from this assessment (or reason why an EqIA is not required):
This policy applies to all employees within SLAB and all prospective employees. Pay is a key term of employment. All protected characteristics are therefore potentially of relevance. There is a particular focus with regard to sex, race, and disability.

Summary of actions taken because of this assessment:
The following recommendations are made:

- New jobs should be evaluated unless it can be shown that they are the same or broadly similar to existing roles;
- New starts should always be paid at the bottom of the grade unless there are exceptional circumstances and evidence that justifies a higher rate, and there is a clear process for approval;
- Pay supplements should only be paid in exceptional circumstances and where they can be objectively justified, with a clear process for approval;
- Term 'sustained period of time' in terms of pay frozen due to poor performance has been clarified to be six months or potentially longer depending on the person's role.

Ongoing actions beyond implementation include:
See Step 6.

Lead person(s) for this assessment (job title and department only):
Head of Human Resources.

Senior responsible owner agreement that the policy has been fully assessed against the needs of the general duty (job title only):
Director of Corporate Services and Accounts.

Publication date (for completion by Communications):
12/06/2023

Document control		
Document control:		Pay & Pay Supplements EqIA
Date policy live from:		12 June 2023
Review cycle:		3 years unless law or best practice changes
Document change log		
Version/Author	**Date**	**Comment**
V0.1 Morton Fraser	2 Feb 2022	Draft ready for internal review
V0.2	18 Feb 2022	Comments deleted and changes accepted for presentation/review
V0.3 SLAB	8 March 2022	Updated draft following project group review.
V0.31	8 March 2022	'Clean' version for review
V0.4 Agata Soroka	March 2023	Further evidence gathered to explore promoting and fostering arms of the PSED and reviewed against further redraft of policy.
V0.5 Agata Soroka	April 2023	To reflect findings of staff consultation.
VO.6 HR	May 2023	To update following changes made as a result of consultation.

Step 1 – Framing the planned change

Discussing step 1 and step 2 with the Policy Officer (Equalities) at an early stage will help identify appropriate evidence. This may include support from the wider Policy and Development team.

1.1 Briefly describe the aims, objectives and purpose of the policy/practice/process/service. *You can use the information in your project specification, business case etc.*

Our aims in relation to the Pay Policy are to:

- provide a link between performance and pay;
- ensure that salaries are competitive within the external market to recruit and retain high quality employees, whilst meeting public sector pay policy;
- ensure fairness and consistency both within and between groups; and
- ensure that SLAB acts at all times within the terms of the Scottish Government's public sector pay policy for the relevant year.

1.2 Why is the change required? *Legislative, routine review etc.*

A review of the Pay Policy is required to ensure that the policy remains fit for purpose in terms of current employment and equality law. The policy has also been reviewed against Scottish Government's Public sector pay policy 2022-23.

1.3 Who is affected by this policy/practice/process/service? *Be clear about who the 'customer' is.*

This policy applies to all employees.

1.4 Policy/practice/process/service implementation date? *Project end date, date new legislation will take effect.*

12/06/2023

1.5 What other SLAB policies or projects may be linked to or affected by changes to this policy/practice/process/service? *The EqIA for related policies might help you understand potential impacts, and/or your findings might be relevant to share.*

- Managing Absence Policy and Procedure

- Parental Policy
- Out of hours working and payments
- Performance Review Process guidance
- Promotion to a Higher grade
- Recruitment Policy
- Special Leave Policy
- Training and Development Policy.

Step 2: Consider the available evidence and data relevant to your policy/practice/process/service

The information you gather in this section will:

- *help you to understand the importance of your policy/practice/process/service for different equality groups,*
- *inform the depth of equality impact assessment you need to do (this should be proportional to the potential impact on equality groups), and*
- *provide justification and an audit trail behind your decisions, including where it is agreed an equality impact assessment is not required.*

2.1 What information is available about the experience of each equality group in relation to this policy/practice/process/service?

Stay focused on the topic and scope of your policy/practice/process/service. Does the policy/practice/process/service relate to an area where there are already known inequalities? Refer to the EqIA guidance for sources of evidence. Remember, this step in the EqIA process is NOT about the impact your policy has on equality groups and what we need to do to mitigate those. That assessment is done under Step 4.

Note: If you proceed to a full EqIA you should continue to add to this section as you develop the policy/practice/process/service, come across new evidence and/or undertake a consultation.

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*

All equality groups	(1) Expert insight on employment and discrimination law standards
	
	(2) **Check for risky practices: Equality and Human Rights Commission**
	
	(3) **What equality law means for you as an employer: Pay and benefits, EHRC**
		• There is a risk that subjectivity or discriminatory assumptions creep in if a full job evaluation is not done for all new posts using the 6 Job Evaluation factors.
		• It is good practice to be specific if possible about how often reviews of the rates and pay bands take place. (1)
		• New starts should always be paid at the bottom of the grade unless there are exceptional circumstances and evidence that justifies a higher rate and there is a clear process for approval. (1)
		• It is standard practice to be able to analyse bonus data by protected characteristic to assess any discriminatory impact or bonus gap. The organisation has not paid a bonus for 10 years, therefore current data is not available. (1)
		• Pay supplements should be temporary, proportionate to additional duties and subject to regular review to ensure no discriminatory distortion of the pay system. (1)
		• In its Equal Pay Toolkit, EHRC sets out the common causes of pay discrimination that can exist in pay systems. These can include out of date job evaluation, use of market supplements, managerial discretion over starting salaries, and differences in non-basic pay like allowances and overtime. (2)
		• In its guidance on pay and benefits, EHRC recommends that to avoid unlawful discrimination, employers:
		  ○ ensure they know why staff are paid differently,
		  ○ check that people who share a protected characteristic do not generally do worse than people who do not share it,
		  ○ use an equal pay audit to check the impact of decisions on pay and benefits,
		  ○ implement a transparent, structured pay system based on a sound job evaluation scheme to eliminate biases linked to managerial discretion. (3)

Age	(1) **Staff demographics 2021-22**	• SLAB employees are clustered around the middle age ranges with fewer employees aged <=24 year and 65+ years (both <5%). Around a third of our employees are aged

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	(2) Scottish Surveys Core Questions 2019	45-54 years (30-35%) and our next largest age group is 35-44 (20-25%). The organisation's mean employee age, as of March 2022, is 46 years; a sligh increase from 45 years in 2019/20. (1) • Proportionally, our age demographic is similar to the 2019 Scottish population in employment. The main difference is across the lower age ranges where we have <5% aged <=24 years and 10-15% aged 25-34 years compared to the 2019 Scottish population in employment which is 11.9% aged <=24 years and 23% aged 25-34 years. (1)(2) • The age groups in each pay grade largely reflects the age groups employed by SLAB, with some variations. A higher proportion of 24-34 year olds are in grades 1-3 (15-20%) than in SLAB generally (10-15%). At the other end, of the grade spectrum 45-54 year olds make up 40-45% of grade 7+s, but only 30-35% of the workforce. Older staff in the 55-64 age bracket are represented in the lower grades in the same proportion as they are employed across SLAB (20-25%) and are somewhat overrepresented in grade 7+ (30-35%). These patterns suggest that the pay reflects career paths rather than there being anything at play that is discriminatory on grounds of age. (1)
Disability	(1) Staff demographics 2021-22 (2) Staff survey 2021 (3) Scottish Surveys Core Questions 2019 (3a) SLAB Mental	• In 2021-22,15-20% of all employees disclosed a disability. (1) This level remains higher than the 2019 Scottish population in employment figure of 13.8% but lower than the 25.9% of people with a disability in the general population. (3) However, in the 2021 SLAB Staff Survey 35% said they had a condition which lasted or was likely to last for 12 months and 11% said they had a mental health condition. (2) This might suggest that the actual level of Equality Act disability amongst staff could be higher than is reported through our self-service equality data gathering process. • Our 2019 Mental Health Check (MHC) found that 36% of respondents had experience of a mental health condition (70% of employees participated). (3a) In the DANWE staff survey undertaken in Feb/Mar 2021 (3b), it was found that whilst the percentage of respondents rating their mental health as very good/good had

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*
	Health Check 2019 (3b) DANWE staff survey 2021 (4) **Equality outcomes progress and mainstreaming report** (5) Internal pay analysis (6) **Disability pay gaps in the UK: 2021, ONS** (7) **Fairer Scotland for disabled people - employment action plan: progress report - year 2**	increased since the 2020 survey (by four percentage points to 80%); negative ratings had also increased (by two percentage points to 6%). Managers were more likely to rate their mental health as 'poor/very poor' (11%) as opposed to 4% of non-managers. • In March 2022, at grade bands 1-3 and 4-6, the percentage of employees declaring a disability is 20-25% and 10-15% respectively, whilst the percentage at Grade 7+ is 20-25%. Whilst there is a slightly higher proportion of employees with a disability at the lower grades 1-3 as compared to the middle grades, employees with a disability are well represented at the higher grades (when compared to 15-20% representation across SLAB) (1). This is similar to data on vertical pay segregation reported on in the 2020 Mainstreaming Report based on previous years. The same report notes that the figures for disability and ethnic origin in relation to horizontal pay segregation make it difficult to identify significant trends or contrasts. (4) • Internal analysis to 31 March 22 based on declared disability found that mean disability pay was 107.31% (meaning that disabled employees were on average earning more than non-disabled employees). Disability pay gap was negative at all grades. Grade 2 mean average disability pay gap was 102%, Grade 3 101%, Grade 4 104%, Grade 5 105% and Grade 6 was 100%. (5) • Scotland's median disability pay gap was 18.5% in 2021, the widest of all four UK countries. SLAB is performing significantly better than the national average, as its pay gap is negative. (6) • There is evidence that disabled people are generally underrepresented in the better paid occupations in the Scottish labour market (7). However, there is no evidence of this trend applying to SLAB, as the proportion of disabled employees is broadly similar within each of the pay grade groups (20-25% in Grades 1-3, 10-15% in Grades 4-6 and 20-25% in Grades 7+). (1)

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*
Race	(1) Staff demographics 2021-22 (2) Scottish Surveys Core Questions 2019 (3) Equality outcomes progress and mainstreaming report (4) Internal pay analysis (5) ONS: Ethnicity Pay Gaps, 2019 (6) Ethnicity pay gap, EHRC (7) Scottish Government	• The demographics of SLAB staff by race are as follows: 80-85% white majority, 5-10% white minority, less than 5% non-white minority ethnic, and 5-10% prefer not to say. (1) Our employee demographic is broadly comparable to the 2019 Scottish population when compared against ethnic origin. (2) • The 2020 Mainstreaming Report notes that the analysis of vertical pay segregation by race is limited given the small number of employees disclosing being from ethnic minority groups. However, there was ethnic minority representation at Grade 7+ which is an improvement from our last report when we had no representation to report. The same report notes that the figures for disability and ethnic origin in relation to horizontal pay segregation make it difficult to identify significant trends or contrasts. (3) • Internal analysis to 31 March 22 based on ethnic origin found that mean average minority ethnic pay was 87% of overall average pay and the median average minority ethnic pay was 80%. No single grade with a large enough population (10 or more) to break down further. The numbers involved make any meaningful analysis difficult. (4) • The most recent statistics published by the ONS (2019) report the median ethnicity pay gap in Scotland as 10.3%. (5) The EHRC reports that minority ethnic population may be expected to be paid less on average than the white population due to various reasons, such as discrimination (substantial evidence from literature noted), or immigrant status (unfamiliarity with language and customs, poor recognition of foreign qualifications resulting in occupational downgrading). (6) • An analysis carried out by Scottish Government reports that a consistent trend of Scotland's working-age minority ethnic population being much more likely to have qualifications at 'degree (or higher) level' than the comparable white population (59% vs 35% respectively in 2021). Despite this, employment outcomes for the minority ethnic population with degree level qualifications (or higher) still lag

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*
	analysis of labour market outcomes of Scotland's minority ethnic population	behind the white population. This trend may be especially relevant to pay in the context of foreign qualification recognition. (7)
Sex	**(1)** Staff demographics 2021-22 (1b) Regional employment stats 2018 (2) SLAB Annual Report 2021-22 (3) Equality outcomes progress and mainstreaming report (4) Expert insight on employment and	• Women make up to 60-65% of the workforce. (1) This is reflective of the higher proportion of women in public sector employment in Scotland, as 16.3% of men in employment work in the public sector compared to 35.4 % of women. (1b) Women are far more likely to work part time than men. Within SLAB, 80-85% of part timers are women. (1) • The proportions of women employed by grade are broadly in line with the overall numbers employed by SLAB, however the proportions are lower in the top grades (55-60% in Grade 7+) and higher in the lower grades (70-75% in Grade 1-3). This is likely to contribute to the gender pay gap as discussed below. (1) • In March 2022, SLAB's mean gender pay gap for all staff was 10.5%. This figure has decreased noticeably as compared to 13.1% in March 2021 and 13.3% reported in March 2020, 14.2% reported in March 2019 and 13.8% reported in March 2018. The median gender pay gap at March 2022 is 16.7%, an improvement compared to 18.3% between March 2018 and March 2021. (2) • The 2021 mean gender pay gap for all employees in Scotland (as reported by Close the Gap) was 10.1% and the median pay gap in Scotland in 2022 was 14.9% (as reported by ONS). Both are lower than our reported figures. (2) It ought to be noted that figures from 2020 onwards are likely to have been affected by the changes triggered by the Covid-19 pandemic.

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*

	discrimination law standards
	
	(5) **Reed: The impact of salary negotiations on pay equality**
	
	(6) **EHRC: Check risky practices**
	
	(7) **The Fawcett Society: Close the gender pay gap**
	
	(8) Staff consultation on HR policies
		• In 2019, SLAB undertook analysis to investigate the potential causes of the pay gap, and assessed that the clustering of female employees in the lower grades, and disproportionate number of male staff in higher grades (albeit there is still a female majority at higher grades) continue to be key drivers in the pay gap. (3)
		• The practice of paying over the minimum on grounds of exceptional skills or qualifications or previous experience can result in gender bias as the main risk but also increase risk of bias across other protected characteristics. (4) Research findings show that women are statistically about 20% less likely than men to negotiate their starting salary. (5)
		• In its Equal Pay Toolkit, EHRC sets out the common causes of pay discrimination that can exist in pay systems. These can include out of date job evaluation, use of market supplements, managerial discretion over starting salaries and differences in non-basic pay like allowances and overtime. (6)
		• The Fawcett Society sets out the four main causes of the gender pay gap: (7)
		  ○ Pay Discrimination.
		  ○ Unequal caring responsibilities and as a result more women work part time, in jobs that are typically lower paid with fewer progression opportunities.
		  ○ Horizontal segregation - Women are still more likely to be in low paid and low skilled jobs, affecting labour market segregation.
		  ○ Vertical segregation - Men make up the majority of those in the highest paid and most senior roles.
		• The feedback received through staff consultation carried out in March 2023 highlighted concerns that the differences in pay between CLAO and PDSO staff

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*
		caused by the temporary Recruitment and Retention Allowance may amount to sex discrimination. (8)
Gender Reassignment	**(1) Staff demographics 2021-22** (2) **Scottish Public Health Network: Health Care Needs Assessment of Gender Identity Services, 2018** (3) **Reuters: A new pay gap - this time for Britain's LGBT+ workers, 2019**	• SLAB gathers data on transgender status, but the employee population is too small to publicly report on it. The figures are also too small to carry out any meaningful pay gap analysis by trans status. (1) • There is no precise estimate on the number of trans people in Scotland, but the most commonly used figure is 0.5% (around 24,000 adults). (2) • There is evidence suggesting that there is a pay gap for LGBT+ workers in the UK (16% as of 2019). (3)
Sexual orientation	(1) **Staff demographics 2021-22** (2) **Scottish Surveys Core Questions 2019**	• In 2022, fewer than 5% of staff indicated they are either lesbian, gay or bisexual. Fewer than 5% of staff described their identity as "Other/not sure" (1); this is comparable to national statistics (2). The figures are also too small to carry out any meaningful pay gap analysis by sexual orientation. (1) • In 2019, around 3% of adults in Scotland self-identified as lesbian, gay, bisexual or other. 95% of adults self-identified as straight or heterosexual (2). • There is evidence suggesting that there is a pay gap for LGBT+ workers in the UK (16% as of 2019). (3)

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*
	(3) Reuters: A new pay gap - this time for Britain's LGBT+ workers, 2019	
Religion or Belief	(1) Staff demographics 2021-22 (2) Scottish Surveys Core Questions 2019	• In 2022, of all staff less than 40% employees declared a religion or belief (35-40% Christian and less than 5% other religion). (1) • This is below the Scottish national picture of 49.5% declaring any sort of religion or belief. (2) Figures are too small to do any meaningful pay gap analysis by religion or belief. • There appears to be no evidence of a substantial link between religion or belief and pay trends. We have no evidence in relation to SLAB employees or from wider desk research that there is a significant impact, positive or negative, for this group in terms of this policy.
Pregnancy or maternity	(1) Staff demographics 2021-22 (2) SLAB Annual Report 2021-22 (3) EHRC: Closing the gender pay gap (4) Trade Union Congress: The	• In 2021-22, 100% of maternity leavers returned to work (same as the year prior). Of these, 20% (33% the year prior) requested a variation to their contractual hours on return to work and all were approved on a permanent basis. (1) • Between 80 and 85% of part time SLAB employees are women, a proportion higher than the 60-65% of female SLAB employees. (2) This trend is reflected nationally. (4) • Many part-timers choose this working pattern after maternity leave. (4) However, it is not known how many of the part time employees within SLAB share the protected characteristic of pregnancy/maternity. (2) • It is widely known that women pay the 'motherhood penalty' in terms of career-long detriment to their pay as a result of taking maternity leave. TUC research in 2016 based on a cohort of people turning 42 found an overall gender pay gap of 34% for

Equality characteristics	Evidence source (web link, report, survey, complaint)	What does the evidence tell you about the experiences of this group in relation to the policy/practice/process/service? *Lack of evidence may suggest a gap in knowledge/need for consultation (step 3).*
	Motherhood Pay Penalty	women who had had children compared with average earnings in the group and a 42% pay gap between the mothers and fathers in the cohort. (3) • The national gender pay gap is also much higher when the hourly rate of part timers is compared with full timers. (4)
Marriage/civil partnership		• We have no evidence in relation to SLAB employees or from wider desk research that there is a significant impact, positive or negative, for this group in terms of this policy.
Care Experienced *(corporate parenting duty)*	1) **Staff demographics 2021-22**	• 5-10% of all staff members declare they are care-experienced, 80-85% are not and 10-15% prefer not to say. Figures are too small to do any meaningful pay gap analysis by care experienced status. (1) • We have no evidence in relation to SLAB employees or from wider desk research that there is a significant impact, positive or negative, for this group in terms of this policy.

2.2 Using the information above and your knowledge of the policy/practice/process/service, summarise your overall assessment of how important and relevant the policy/practice/process/service is likely to be for equality groups.

Based on the information gathered above, the main impacts of this policy are likely to be in relation to sex, pregnancy/maternity, disability, and race. Any other potential impacts should be investigated during the consultation process.

Proposed changes to the policy should address the risk of their being internal pay discrimination and seek to address any external market-based or societal discrimination transferring across into SLAB's pay system.

2.3 Outcome of step 2 and next steps. Complete the table below to inform the next stage of the EqIA process.
Consult with the project group and/or Corporate Policy Officer (Equalities) on completing this section.

Outcome of Step 2 following initial evidence gathering and relevance to equality characteristics	Yes/ No (Y or N)	Next steps
There is no relevance to equality or our corporate parenting duties	**N**	Proceed to Step 5: agree with decision makers that no EqIA is required based on current evidence
There is relevance to some or all of the equality groups and/or our corporate parenting duties	**Y**	Proceed to Step 3: complete full EqIA
It is unclear if there is relevance to some or all of the equality groups and/or our corporate parenting duties	**N**	Proceed to Step 3: complete full EqIA

Step 3 – stakeholder involvement and consultation

This step will help you to address any gaps in evidence identified in Step 2. Speaking to people who will be affected by your policy/practice/process/service can help clarify the impact it will have on different equality groups.
Remember that sufficient evidence is required for you to show 'due regard' to the likely or actual impact of your policy/practice/process/service on equality groups. An inadequate analysis in an assessment may mean failure to meet the general duty.
The Policy and Development team can help to identify appropriate ways to engage with external groups or to undertake research to fill evidence gaps.

3.1 Do you/did you have any consultation or involvement planned for this policy/practice/process service?
Yes

3.2 List all the stakeholder groups that you will talk to about this policy/practice/process/service.

Employees and Trade Union.

3.3 What did you learn from the consultation/involvement? *Remember to record relevant actions in the assessment action log.*

Union and Employee Consultation – April 2023.

- **Inequality in pay on the basis of sex:**
  A few responses highlighted that different areas of the organisation were paid higher than others in the same grade. The fact that the majority of people in the areas of the organisation who were paid higher are men raised concerns about discrimination in pay on the basis of sex. A further response commented on potential discrepancy in pay for people in the same graded job, when new recruits receive 'market allowance', when existing employees do not receive the same allowances.
- **Unfairness of practice which impacts age:**
  There was a comment that backdated pay should be made to the beginning of the financial year, instead of in the month the pay award is agreed, to ensure equality in pay to people who are retiring.

In addition to providing their observations, a small number of respondents also proposed a number of approaches to tackle any discrepancies in pay:

- Equal pay audit carried out annually to identify any differences in pay due to protected characteristics
- Grading practices should be assessed to ensure the consistent application across the organisation, rather than letting historic or emerging practices locally dictate practices
- Transparency of all allowances paid to different areas of the organisation.

Step 4 - Impact on equality groups and steps to address these

You must consider the three aims of the general duty for each protected characteristic. The following questions will help:

- **Is there potential for discrimination, victimisation, harassment or other unlawful conduct that is prohibited under the Equality Act 2010?** *How will this be mitigated?*
- **Is there potential to advance equality of opportunity between people who share a characteristic and those who do not?** *How can this be achieved?*
- **Is there potential for developing good relations between people who share a relevant protected characteristic and those who do not?** *How can this be achieved?*

4.1 Does the policy/practice/process/service have any impacts (whether intended or unintended, positive or negative) on any of the equality characteristics?

In the tables below, record the impact the policy/practice/process/service might have on each equality characteristic,

as it is planned or as it operates, and describe what changes in policy/practice process/service or actions will be required to mitigate that impact. Copy any actions across to the project action log.

All protected characteristics	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination		**X**		All job roles are evaluated by a two-person panel, assessing the role and not the person. The updated policy provides clarity on the process. New starts should always be paid at the bottom of the grade unless there are exceptional circumstances and evidence that justifies a higher rate and there is a clear process for approval. Pay supplements should only be paid in exceptional circumstances and where they can be objectively justified, as proportionate and have a clear process for approval. They should also be subject to regular review to ensure no discriminatory distortion of the pay system. The period of time that a person's pay is frozen due to poor performance has been clarified to be six months or potentially longer depending on the person's role. We monitor gender, ethnicity and disability pay gap data to detect potential patterns that could lead to the earning of employees with these protected characteristics being affected, in line with EHRC guidance.
potential for developing good relations			**X**	

potential to advance equality of opportunity	X			The policy has been updated with more details on how often reviews of the rates and pay bands take place. Equal pay audit monitoring differences in pay between protected characteristics of sex, race and disability is carried out annually.

Age	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		There does not appear to be a significant impact on any particular age group in terms of SLAB's pay data. However, the proposed changes that will assist across all the protected characteristics will mitigate any potential risk that SLAB's pay practices could discriminate directly or indirectly on grounds of age.
potential for developing good relations			X	
potential to advance equality of opportunity			X	

Sex	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		A gender pay gap exists within SLAB that is persistent and is higher than the national figure. It is likely that this is caused by a number of factors (external as well as internal) and it is not clear whether pay discrimination contributes to the gender pay gap. However, the changes

				to the policy which are aimed at tackling some of the common causes of unequal pay should have a positive impact and address any risks of pay discrimination. For example, ○ The policy states that the practice of paying over the minimum on grounds of exceptional skills or qualifications or previous experience is only agreed in exceptional circumstances and outlines the process involved in considering a higher starting salary, including the potential for discrimination ○ Pay supplements should only be paid in exceptional circumstances and where they can be objectively justified, with a clear process for approval ○ The policy has been updated to make it clear that part time staff are treated equally in terms of pay and pay reviews. The causes of occupational segregation are unlikely to be tackled by any changes to the Pay Policy and this is something that is better tackled by non-discriminatory policies in relation to recruitment and selection, and training and development. The temporary Recruitment and Retention Allowance was introduced as a proportionate measure to ensure that acute shortage of criminal defence solicitors had been addressed and PDSO's duties to provide a service could be fulfilled. The objective of the Pay & Pay Supplements Policy is to minimise the use of pay supplements, and the temporary PDSO Recruitment and Retention Allowance will be reviewed accordingly in the upcoming job evaluation and pay grade review.
potential for developing good relations			X	

potential to advance equality of opportunity			X	

Disability	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		Overall, there appears to be no disability pay gap within SLAB on current analysis to 31 March 22. The changes to the policy as noted for all protected characteristics above and under 'sex' will also assist for people with disabilities. Changes across other people policies will help to tackle other causes of occupational segregation, for example recruitment and selection, and training and development.
potential for developing good relations			X	
potential to advance equality of opportunity			X	

Gender reassignment	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		See changes above that relate to all the protected characteristics.

potential for developing good relations			X	
potential to advance equality of opportunity			X	

Race	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		There is currently a minority ethnic pay gap overall, although the numbers involved make any meaningful analysis difficult. Further investigation is recommended to see whether pay discrimination contributes to this gap (see 6.1). The changes to the policy for all protected characteristics and those details under Sex will also mitigate any risks of discrimination of the pay policy for this group.
potential for developing good relations			X	
potential to advance equality of opportunity			X	
Religion or Belief	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		Whilst there is no pay data available for religion or belief, the general changes aimed at ensuring a fair and non-discriminatory pay system

				should have a positive impact on this group and address any risks of discrimination.
potential for developing good relations			X	
potential to advance equality of opportunity			X	

Sexual Orientation	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		Whilst there is no pay data available for sexual orientation, the general changes aimed at ensuring a fair and non-discriminatory pay system should have a positive impact on this group and address any risks of discrimination.
potential for developing good relations			X	
potential to advance equality of opportunity			X	

Pregnancy & Maternity	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		The general changes aimed at ensuring a fair and non-discriminatory pay system should have a positive impact on this group along with changes made in relation to Sex (see above).

potential for developing good relations			X	
potential to advance equality of opportunity			X	

Marriage & Civil Partnership	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination			X	The evidence does not suggest that this policy is likely to have an impact on this protected characteristic group.
potential for developing good relations			X	
potential to advance equality of opportunity			X	

Care experienced young people	**Place 'X' in the relevant box(es)**			**Describe the changes or actions (if any) you plan to take.** For example, to mitigate any impact, maximise the positive impact, or record your justification to not make changes despite the potential for adverse impact.
	Positive impacts	**Negative impacts**	**No impact**	
potential for discrimination	X	X		Whilst there is no pay data available for care experienced candidates, this group experience disadvantage in accessing employment generally. The general changes aimed at ensuring a fair and non-discriminatory pay system should have a positive impact on this group and addressing any risks of discrimination.
potential for developing good relations			X	

potential to advance equality of opportunity			X	

4.2 Describe how the assessment so far might affect other areas of this policy/practice/process/service and/or project timeline?

The aim of the review of policy was to conduct a general update and refresh revision of the policy. This was to ensure SLAB is meeting legislative obligations, is not discriminatory in this policy nor application and is adopting standard good practice. We have been supported by consultants and devised a project plan with the intention of the initial review being completed within six months.

We conducted a consultation with all staff and our recognised Union seeking views on the refreshed policy and made changes to the policy as a result. In addition SLAB has given a commitment to conduct a fuller review of its pay policy, pay systems including its job evaluation scheme, and pay and grading structures. This review is expected to take 18 months to two years to complete and will be consultancy support. Equality will be part of the technical specification for any future procurement process. More resource by way of consultancy support; management information services for HR data analysis and to provide training to those involved with this policy and pay decisions will be required, all of which will be additional cost compared to the current set up.

4.3 Having considered the potential or actual impacts of your policy/practice/process/service on equality groups, you should now record the outcome of this assessment below.
Choose from one of the following (mark with an X or delete as appropriate):

Please select (X)	Implications for the policy/practice/process/service
	No major change Your assessment demonstrates that the policy/practice/process/service is robust. The evidence shows no potential for unlawful discrimination and that you have taken all opportunities to advance equality of opportunity and foster good relations, subject to continuing monitoring and review.

X	**Adjust the policy/practice/process/service** You need to take steps to remove any barriers, to better advance equality of to foster good relations. You have set actions to address this and have clear ways of monitoring the impact of the policy/practice/process/service when implemented.
	Continue the policy/practice/process/service with adverse impact The policy/practice/process/service will continue despite the potential for adverse impact. You have justified this with this assessment and shown how this decision is compatible with our obligations under the public sector equality duty. When you believe any discrimination can be objectively justified you must record in this assessment what this is and how the decision was reached.
	Stop and remove the policy/practice/process/service The policy/practice/process/service will not be implemented due to adverse effects that are not justified and cannot be mitigated.

Step 5 - Discuss and review the assessment with decision makers and governance structures

You must discuss the findings of this assessment with senior decision makers during the lifetime of the project/review and before you finalise the assessment. Relevant groups include, but are not limited to, a Project Board, Executive Team or Board members. EqIA should be on every project board agenda therefore only note dates where key decisions have been made (for example draft EqIA sign off, discussion about consultation response).

5.1 Record details of the groups you report to about this policy/practice/process/service and impact assessment. Include the date you presented progress to each group and an extract from the minutes to reflect the discussion.

- **January/February 2022:**
  Chain of review and updates to the EqIA between Policy Team, Human Resources and Morton Fraser (MF). MF have led on the EqIA development.
- **22 February 2022 - Senior Staff Policy Review Meeting:**
  MF recommended a moderation process for whose decision it was where new starters pay was above the norm. The agreed process is that the recruiting Director ultimately takes the decision, having taken advice from HR. The decision is not the manager's nor HR on their own. The Policy had been changed to reflect this and includes wording to address any risk in approval by making it on a case by case basis. The EqIA included an action to develop a moderation process but that is now

addressed with the process outlined above this action would be removed. The summary of actions taken had been mostly covered in previous discussions. MF had recommended a specific time period to replace reference to 'a sustained period of time' for frozen pay. The policy now includes a review after 6 months. This was agreed as a helpful revision, placing a boundary on it. Other areas have been addressed including paying bonuses; the moderation process; and the paying of supplements. For all these we should be able in future to pull out data to monitor them to ensure there is no bias in there. References to pay gaps on disability and race in the EqIA were discussed. Our data doesn't support the analysis except for disability. It was noted that whilst we demonstrate we are interested and want to pursue it there is a limitation to all pay gap analysis because of the small numbers. It is hoped that the data will improve but usage may continue to be restricted because of this. It was agreed that all actions identified were valid to do.

- **March 2023:**
  Consultation with Employees and our recognised Trade Union.
- **April/May 2023:**
  Following consultation with employees and our recognised Trade Union changes made to the policy and EqIA.

Step 6 – Post-implementation actions and monitoring impact

There may be further actions or changes planned after the policy/practice/process/service is implemented and this assessment is signed off. It is important to continue to monitor the impact of your policy/practice/process/service on equality groups to ensure that your actual or likely impacts are those you recorded. This will also highlight any unforeseen impacts.

6.1 Record any ongoing actions below.

This can be copied from the project action log or elsewhere in this assessment and should include timescales and person/team responsible. If there are no outstanding items please make this clear.

Action	Lead	Deadline
Look into SLAB's ability to pull out bonus data disaggregated by protected characteristic.	Human Resources	March 2023 (or later depending on when bonuses might be permitted again)
Look into SLAB's ability to analyse data by protected characteristic of overtime, pay supplements and starting salaries above pay band maximum.	Human Resources	March 2023

Pull out data on part time/full time gender pay gap figures	Human Resources	March 2023
Clear process for approval of pay supplements to be developed to ensure objective justification.	Human Resources	March 2023
Investigate the pay gap for disability to check if the 3% difference (that is, at Grade 6) can be explained by non-discriminatory factors.	Human Resources with support from Policy Team	March 2023
Investigate the pay gap for race where the difference is 3% or more to ensure that any difference in pay can be explained by non-discriminatory factors	Human Resources with support from Policy Team	March 2023

6.2 Note here how you intend to monitor the impact of this policy/practice/process/service on equality groups. *In the table below you should:*

- *list the relevant measures,*
- *identify who or which team is responsible for implementing or monitoring any changes,*
- *identify where the measure will be reported to ensure any issues can be acted on as appropriate.*

Measure	Lead department/ individual	Reporting (where/ frequency)
Gender, race and disability pay gap	Human Resources	Annually as part of pay award
Occupational segregation analysis	Human Resources with input from Policy Analyst	Every three years are part of regulatory equal pay statement (specific duties in Scotland)
Equality Impact Assessment of reward policies and practices	Human Resources	Every three years

6.3 EqIA review date.

This EqIA should be reviewed as part of the post-implementation review of the policy/practice/process/service. The date should not exceed three years from the policy/practice/process/service implementation date.

12/06/2026

Step 7 – Assessment sign off and approval

Once final consultation has been undertaken with Corporate Policy Officer (Equalities), all equality impact assessments must be signed off by the relevant Director or Senior Responsible Owner (SRO), even where an EqIA is not required. The Chief Executive must approve all equality impact assessments. Note the relevant dates here:

Director/SRO sign off: 07/06/2023
Chief Executive approval: 07/06/2023

All full equality impact assessments must be published on SLAB's website as early as possible after the decision is made to implement the policy, practice, process or service.