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Mr Gordon Lindhurst MSP
Convenor
Economy, Jobs and Fair Work Committee
The Scottish Parliament
Edinburgh
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Dear Gordon

During my appearance before the Economy, Jobs and Fair Work Committee inquiry into the gender pay gap on 2 May 2017, I committed to providing further information and clarification to the Committee on a number of points. That information is detailed below.

Availability of Data

I explained to the Committee that the Scottish Government routinely publishes data relating to the gender pay gap on its website. The Scottish Government publishes statistics relating to the Labour Market: <http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings>.

This information, based on data from the Annual Survey of Hours and Earnings, provides information on the gender pay gap for Scotland based on full-time employees by industry sector, age group, occupation and type of contract. For both full-time and part-time employees that information is provided by age group.

As I confirmed to the Committee, the Scottish Government will look to expand the range of available information. The Scottish Government consults on the content of statistical outputs produced to ensure they remain useful and relevant via Scotstat – a network for users and providers of official statistics. More information about the role of Scotstat can be found at: <http://www.gov.scot/Topics/Statistics/scotstat>. Through our labour market strategy, we are considering particular areas that we should focus on and also on how we can draw down that information in a meaningful way.

MacRoberts LLP

In the context of our discussion about the Living Wage, I referenced MacRoberts LLP. MacRoberts LLP are a law firm based in Glasgow and are an accredited Living Wage employer. They are just one of many exemplar employers who deserve credit as best practice employers for their commitment to the Living Wage and its benefits.

Examples of the business benefits of closing the gender pay gap

You asked if I could provide an example of share price increases arising from good gender pay activity. I have noted reports which evidence this below.

- **Credit Suisse Research Institute** (2012) found that companies with one or more women on their board had demonstrably better share price performance than those with all male boards and in 2014. The same Research Institute reported that companies with more than one women on the board had returned a compound 3.7 per cent a year over those companies with no women on their board since 2005 (Credit Suisse 2014).

Credit Suisse (2012) *Gender Diversity and Corporate Performance* Credit Suisse and Credit Suisse (2014) *The CS Gender 3000: Women in Senior Management* Credit Suisse available at <https://www.credit-suisse.com/uk/en/search.html?cs-gs-field=gender+diversity+and+corporate+performance&cs-site=cs>

- **Catalyst** (2011) found that when assessing Fortune 500 companies with sustained high representation of Women Board Directors (three or more Women Board Directors in at least four of five years) those companies significantly outperform those with sustained low representation (zero Women Board Directors in at least four of five years). <http://www.catalyst.org/knowledge/bottom-line-corporate-performance-and-womens-representation-boards-20042008>

Scottish Business Pledge

We currently have 375 companies who have signed the Business Pledge in Scotland. I can confirm that the first formal evaluation of the Scottish Business Pledge is planned later this year and I will ensure that my officials provide an update to the Committee and other interested parties.

Strategic Labour Market Group

I undertook to write to the Committee about that group and have now done so by separate correspondence.

Childcare expansion plans

I explained to the Committee the action the Scottish Government is taking to support women in the workplace and to return to work. We are already providing 600 hours of funded early learning and childcare provision for all 3 and 4 year olds and eligible 2 year olds, and are committed to almost doubling this entitlement to 1140 hours per year by 2020.

As well as ensuring a quality experience for the child, the free entitlement will support more parents to work, train or study.

As part of the budget process, the Scottish Government published information on our childcare expansion plans in December 2016. That information can be found at: <http://www.gov.scot/Resource/0051/00511808.pdf>

On 23rd March 2017 the Minister for Childcare and Early Years set out a detailed Action Plan, setting out the policy framework for delivering the expansion to 1140 hours and 31 actions that we will progress this year. More information can be found at: <http://www.gov.scot/Publications/2017/03/8937>.

We have also recently written to all Local Authorities to set out the capital investment that will be required to support this commitment and I attach that letter for information.

I trust the information and clarification that I have provided is helpful, but please let me know if I have omitted anything.

I look forward to reviewing the Committee's report on tackling the gender pay gap and considering any recommendations.


JAMIE HEPBURN