

# Employment Committee

Excerpt of the Minutes of the meeting held on Wednesday 20 March 2019 at the Town Hall, Royal Leamington Spa at 6.00 pm.

**Present:** Councillor Mrs Bunker (Chairman); Councillors Barrott, Doody, Mrs Evetts, Mrs Falp, Mobbs and Parkins.

## 32. **Apologies and Substitutes**

An apology for absence was received from Councillors Day, Noone and Phillips.

## 33. **Declarations of Interest**

There were no declarations of interest.

## 34. **Pay Policy Statement & Gender Pay Gap Reporting**

The Committee considered a report from Human Resources which presented the Council's Pay Policy Statement for 2018-19, as required under the Localism Act 2011, Chapter 20, Part 1 Local Government, Chapter 8 Pay Accountability. It set out the Authority's policies for the financial year relating to the remuneration of chief officers, the remuneration of the lowest paid employees and the relationship between the remuneration of its chief officers and its employees that were not chief officers.

The report gave a definition of chief officers and lowest paid employees. It covered different elements of remuneration and outlined the guidelines and policies that governed remuneration.

It included mandatory gender pay gap information that had to be reported to central government and published on the Warwick District Council website.

A published Pay Policy Statement was a requirement under the Localism Act 2011 and needed to be formally adopted by the Council each year.

Guidance on the development of Pay Policy Statements stated that authorities should explain their policy in respect of chief officers who had been made redundant and later re-employed or engaged under a contract of service. Currently, Warwick District Council had no policy in relation this this, therefore a proposal had been included in the Pay Policy Statement.

In accordance with the Equality Act 2010, with effect from 30 March 2018, it was a requirement to report and publish specific gender pay gap information and this was the second annual statement. Whilst the legislation required reporting of the gender pay gap data, it was important to understand and address the underlying causes of pay gap.

The Human Resources Manager emphasised that the report was not to do with equality and if both a male and a female member of staff were employed at the same time for the same role, they would be paid the

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

same. Rather, the report presented the overall gender pay gap at Warwick District Council.

In answer to questions from Councillors, the Human Resources Manager advised Members that:

- According to the new spinal points, the minimum pay at Warwick District Council was above the national living wage and apprentices were also paid above the lowest level.
- Whilst a direct comparison with other Councils was not available, it sounded that this Council was comparable.
- The Senior Management Team Plus was an equal split, with five males and five females, and the issue was at the most senior level.
- The main reason for the pay gap was that more men were employed in higher paid jobs than women.

On behalf of the Committee, Councillor Mrs Bunker thanked the Human Resources team for all the work they put into the report.

**Resolved** that the next steps within the Gender Pay Gap Report, be endorsed.

**Recommended** to Council that

- (1) the Pay Policy Statement attached as Appendix 1 to the minutes as presented, be approved and its publication for the 2018-19 financial year be agreed;
- (2) publication of the approved Pay Policy Statement on an annual basis with reviews and amendments in-year if required, be agreed; and
- (3) the Gender Pay Gap reporting as at March 31 2018 presented in Appendix 2 to the minutes, be noted.

(The meeting ended at 7.27 pm)

CHAIRMAN

**PAY POLICY STATEMENT 2018/19**

**Introduction and Purpose**

Warwick District Council aims to have a comprehensive remuneration package that is appropriate and fair for all levels of role and responsibility; ensuring that transparency and equality underpins any rewards.

Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as authority thinks fit".

This Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the setting of pay for its employees.

The Pay Policy must set out the authority's policies relating to:

- The remuneration of its key chief officers (this includes Chief Executive, Deputy Chief Executive, Heads of Service, Section 151 Officer and Monitoring Officer)
- The remuneration of its lowest paid employees
- The relationship between
  - (i) the remuneration of its chief officers, and
  - (ii) the remuneration of its employees who are not chief officers.

The Pay Policy Statement must include:

- The definition of 'lowest paid employees' for the purposes of this statement
- The Authority's reason for adopting this definition

The Pay Policy Statement must also include the Council's Policy in relation to each of the following:

- Remuneration on recruitment
- Increases and additions to remuneration
- The use of performance related pay
- The use of bonuses
- The approach of payment on their ceasing to be employed by the authority
- The publication of and access to information relation to their remuneration

Once approved by Full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time

In support of improvements in transparency, and mindful of additional requirements of the Local Government Transparency Code 2015, the Pay Policy Statement 2018/19 signposts to the central point of information on the Warwick District Council website for Data Transparency.

**REMUNERATION PROVISIONS**

**Definition of Chief Officers**

For the purposes of this Pay Policy Statement, all references to Chief Officer include Statutory Officers, Chief Officer and Deputy Chief Officers, as defined within Section 43 of the 2011 Localism Act, apart from clerical and administrative posts. In accordance with the Council's Constitution these include:

- Chief Executive
- Deputy Chief Executive
- Heads of Service
- Section 151 Officer
- Monitoring Officer

The Council's Chief Officer Structure is set out within Article 12 of the Constitution of the Council and published in accordance with the Transparency Code.

Chief Officer grades and salaries are determined using the Hay Evaluation criteria.

For the purposes of the Pay Policy Statement, the Council is required to define and set out the relationship and definition of the lowest paid employee.

**Definition of Lowest Paid Employees**

For the purpose of this pay policy statement, the definition of the lowest-paid employees adopted by the Council for the purposes of this statement is as follows:

'The lowest paid worker is defined as those on the lowest spinal column point of Grade J, which is the Council's lowest pay grade (excluding apprentices). From 1<sup>st</sup> April 2018 the annual salary of the lowest paid employee is £16,495 (£8.54 per hour). '

This places a ratio between the lowest paid and highest paid employee at 6.68:1 from 1<sup>st</sup> April 2018.

The Council considers this to be the most appropriate definition as this is the lowest contractual pay point and pay level on its substantive pay structure and which normally applies to new entrants to the lowest graded jobs within the organisation.

The exception is employees who are employed on a Government sponsored apprenticeship programme that allows for them to be paid at nationally agreed apprenticeship rates. The recommended pay rates for apprentices should not be lower than the National Minimum Wage and the District Council has adopted a pay range for apprentices that exceeds National Rates for apprentices.

With effect from 1<sup>st</sup> April 2019 the Council has agreed to revise the lower end of its grading scale to a minimum of £17,711.

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

In 2014 to address low pay the Council introduced a discretionary, non contractual supplement to increase pay in line with the Voluntary Foundation Living Wage rate. In anticipation of the revision of the NJC Pay Spines this was frozen at £8.62 with effect from 1<sup>st</sup> April 2018, equating to an annual rate of £16,630.

**A copy of the Council's pay scales can be found at the end of this statement.**

### **Section 1- POLICY ON REMUNERATION OF CHIEF OFFICERS**

#### **1. Levels of Pay for Each Chief Officer**

The Chief Executive as head of the paid service is employed on the JNC terms and conditions of service and paid a salary that is a spot payment, commensurate with the role.

The Deputy Chief Executives, Heads of Service (which include the Monitoring Officer and the Section 151 Officer) are paid within the Warwick Senior Management Grades (WSMG) on a salary which is considered a market rate within the local government sector. There are 3 salary scale incremental levels; the current levels of pay for each Chief Officer are set out in Appendix 1.

Employer contributions for LGPS for 2018/19 and 2019/20 is 19.6% and Employee contributions can be found at [www.warwickshire.gov.uk/pensions](http://www.warwickshire.gov.uk/pensions)

These elements of remuneration for 2018/19 are set out below. With effect from 1<sup>st</sup> April 2019 these rates are subject to the JNC 2018/19 pay award of 2%.

#### **2. Elements of Remuneration for Each Chief Officer**

In addition to the basic salary outlined above, Chief Officers may claim business mileage as a Casual Car User; none of the Chief Officers are in receipt of an Essential Car User Allowance payment.

The Chief Executive is the Council's Returning Officer and receives an Election Allowance. This allowance is set by central government and it varies each year depending on the number and type of elections held in each year.

The Council's Monitoring Officer role is carried out by one of the Deputy Chief Executives as part of the current role; a separate payment for Monitoring Officer is not made.

For an exceptional piece of work or an exceptional achievement, a Chief Officer may be awarded an honorarium. The Chief Executive can approve this for any employee and this is either paid as a one off payment or can be a monthly allowance for a temporary period.

#### **3. Pay Levels on Recruitment**

The pay level offered on recruitment is typically the bottom point of the salary grade for all roles including Chief Officers. In situations, however, where the individual recruited has a high level of knowledge or skills, and/or previous

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

relevant experience, a higher salary up to the maximum salary for that post, may be authorised by the Chief Executive.

The majority of Chief Officers are appointed by the Employment Committee (which reflects all political parties) exercising their delegated powers as outlined in the officer employment procedures.

This excludes the appointment to the role of Head of Paid Service (Chief Executive) and any other posts where the salary is greater than £100,000 where the Employment Committee recommends the appointment to Full Council for approval.

### **4. Increases to Pay**

Any cost of living increases agreed through JNC are applied to Chief Officers pay. This is typically on 1<sup>st</sup> April each year and incremental increase to their pay will be applied as follows:

- Chief Officers appointed between 1<sup>st</sup> October and 31<sup>st</sup> March will receive an increment on 1<sup>st</sup> October the following year and thereafter
- Chief Officers appointed between 1<sup>st</sup> April and 30<sup>th</sup> September will receive an increment on 1<sup>st</sup> April the following year and thereafter.

There are 3 levels of increment; the first is the recruiting salary, the second level is automatic but the final level is subject to a satisfactory performance as signed off by their line manager. It may be withheld if the Chief Officer is deemed to not have a satisfactory performance appraisal or has a live formal written warning for conduct or performance issues.

Where a Chief Officer has given exceptional performance then they may be awarded additional increments outside of the normal incremental timescale as detailed above - subject to their pay not exceeding the maximum salary for their post. This would be authorised by the Chief Executive.

Chief Officers' pay will be benchmarked regularly against the market to ensure consistency is maintained both in the peer local authorities and nationally if relevant. Where there are significant changes in market rates then a pay benchmarking assessment will be carried out for Chief Officers.

Where a Chief Officer is temporarily working in a higher level role, (duration of 3 months or more) this may be recognised by payment of an honorarium or the higher salary relevant to that role on a temporary basis.

### **5. Market Forces Supplement**

The Council adopted a Market Forces Policy in 2017. It is the Council's policy to pay temporary and reviewable 'market forces supplement' to posts where there is clear and demonstrable evidence that the salary level attached to the post creates substantial recruitment and retention difficulties. Any supplement will be automatically withdrawn at the end of two years unless an application for extension is agreed.

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

### **6. Performance Related Pay or Bonuses**

Exceptional performance of Chief Officers is recognised by either accelerated increments or an honorarium as detailed previously. Poor performance may result in an increment being withheld.

### **7. Termination Payments**

In the case of redundancy, a severance payment would be made to a Chief Officer in line with the current the Discretionary Compensation Policy and as per the Redundancy Calculator. Pension benefits, on termination of employment, prior to reaching normal retirement age, would be calculated in accordance with the Local Government Pension Scheme regulations

Employees who wish to apply for Early Retirement or Flexible Retirement may do so in accordance with the associated policies for early retirement and flexible retirement.

In the case of termination due to Ill-health, a termination payment would not be applicable but an early pension benefit may be awarded by the pension scheme. The pension benefit may include a lump sum in addition to an on-going pension payment.

On termination of employment, if it is not possible or desirable for the Chief Officer to serve their contractual or statutory notice period, then a payment may be made in lieu of the notice period.

Any contractual payments such as outstanding annual leave are usually included in payments on termination of employment. Similarly, any monies owing to the Council would be deducted from payments made on termination.

In exceptional circumstances the Council may choose to make a payment under a Settlement Agreement. Such circumstances could include minimising the risk of uncertainty or disruption to the authority. Such payments are subject to a formal decision by the Chief Executive, in consultation with the relevant Deputy Chief Executive, relevant Head(s) of Service and Group Leaders. Approval will be sought by the Executive at its next meeting.

Any severance package that exceeds £100,000 should be approved by full Council. The components of which may include pay in lieu of notice, redundancy compensation, payment made in accordance with a Settlement Agreement, pension entitlements, holiday pay and any fees or allowances paid. The draft Public Sector Exit Payment Regulations 2016 provide that exit payments to public- sector workers are capped at £95,000, these have not yet been implemented.

It is not the council's policy to re-employ or to contract with senior managers who have been made redundant from the council unless there are exceptional circumstances where their specialist knowledge and expertise is required.

## **Section 2 - POLICY ON REMUNERATION OF ALL EMPLOYEES AND IDENTIFICATION OF OUR LOWEST PAID EMPLOYEES**

In 2018/19 the lowest paid persons employed under a contract of employment with the Council were employed on spinal column point 7 of the NJC Pay Spines.

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

The full time equivalent salary for this point is £16,495. This is the evaluated rate for the job in accordance with the Hay job evaluation scheme and the Council's agreed grading structure. The Council introduced a voluntary non contractual supplement in 2014 which currently equates to a rate of £8.62 per hour.

With effect from 1<sup>st</sup> April 2019 the Council has agreed to revise the lowest point of the grading structure to £17,711 (£9.18 per hour) at this point the non contractual supplement will be superseded.

Using the Hay Job Evaluation process, the Councils uses the nationally negotiated pay spine (further details can be found at [www.LGE.gov.uk](http://www.LGE.gov.uk)) as the basis for its local grading structure. This determines the salaries of the large majority of the workforce – apart from Chief Officers - together with the use of other nationally defined rates where relevant. The last increase to the national pay scheme was April 2018 and a two year pay deal was agreed for 2018/19 and 19/20. The Council is committed to adherence to the national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by the Council. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied within the grade where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity and this would be done in accordance with the Market Forces Policy. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

The Council maintains its commitment to developing Apprentices and currently there are 12 within the Council.

### **Section 3 - THE RELATIONSHIP BETWEEN REMUNERATION OF CHIEF OFFICERS AND OTHER EMPLOYEES**

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers (as included within the Hutton 'Review of Fair Pay in the Public Sector' 2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay – in that a public sector manager cannot earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's 'Code of Recommended



## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

Practice on Data Transparency' recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council's workforce.

Currently the average (mean) of the Chief Officers' pay is 2.92 times that of the rest of the employees. The highest earning Chief Officer earns 4.24 times the mean of the rest of the employees. The highest earning Chief Officer earns 6.68 times the lowest paid employees.

Currently the median Chief Officers' pay is 2.66 times that of the rest of the employees. The highest earning Chief Officer earns 4.62 times the median salary of the rest of the employees.

<b>Salary Information 2018/19</b>	
	<b>£</b>
Highest Chief Officer Salary	110,175.00
Median Chief Officers Salary	63,596.00
Median Officers Salary	23,866.00
Lowest Officer Salary	16,495.00

	<b>2018/19</b>
Comparison of the Chief Officers Mean / Officer Mean	2.92
Highest earning Chief Officer/ Payscale Officer Mean	4.24
Highest earning Chief Officer/ Lowest Payscale Officer	6.68
Median Chief Officer/ Median Payscale Officer	2.66
Highest Chief Officer/ Median Payscale Officer	4.62

These figures are accurate as of January 2019 data and exclude any other payments or allowances. The tolerances are well within the limits recommended by the Hutton report.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

### **Section 4 - PUBLICITY AND ACCESS TO INFORMATION**

This policy including Appendices will be available on our web site [www.Warwickdc.gov.uk](http://www.Warwickdc.gov.uk).

### **Section 5 - RELATED DOCUMENTS**

Early Retirement  
Redeployment Policy  
Recruitment Policy  
Final Increment Scheme for Chief Officers  
Disciplinary Policy

Flexible Retirement  
Ill-Health Retirement Policy  
Honoraria Policy  
Capability Policy  
Market Forces Policy

Hay Job Evaluation Scheme

Date of first issue:	March 2012
Date of Version 2:	March 2013

**EMPLOYMENT COMMITTEE MINUTES (Continued)**

Date of Version 3:	March 2014
Date of Version 4:	January 2015
Date of Version 5:	March 2016
Date of Version 6:	March 2017
Date of Version 7:	March 2018
Date of Version 8:	March 2019
Date of next review:	January 2020

## EMPLOYMENT COMMITTEE MINUTES (Continued)

### APPENDIX 1

#### **WARWICK SENIOR MANAGERS GRADES 2018/19** (WSMG Scheme for Chief Officers excluding the Chief Executive)

##### **Basic Pay**

<b>Grade</b>	<b>Post</b>	<b>Starting Point</b>	<b>Mid Point</b>	<b>Max Point</b>
	Chief Executive	£100,625	-	£110,175
WSMG1	Deputy Chief Executive	£82,781	£86,231	89,679
WSMG2	Head of Finance	£73,229	£76,148	£79,966
WSMG3	Head of Housing Services	£58,700	£61,148	£63,596
WSMG3	Head of Neighbourhood Services	£58,700	£61,148	£63,596
WSMG3	Head of Cultural Services	£58,700	£61,148	£63,596
WSMG3	Head of Development Services	£58,700	£61,148	£63,596
WSMG3	Head of Health and Community Protection	£58,7005	£61,148	£63,596

*Chief Officers and Chief Executive will receive a 2% pay award with effect from 1.4.19 as part of a two year pay agreement.*

#### **ELEMENTS OF REMUNERATION FOR CHIEF OFFICERS**

##### **Car Mileage Payments**

The accumulative mileage claims for the Chief Officer population for 2018/19 is approximately £805. It is estimated that the figure would be in the same region for 2019/20.

##### **Election Allowance for 2018/19 (Chief Executive only)**

The fee paid to the Returning Officer is determined by legislation and the recovery of the costs for the Returning Officer duties at a UK or European Election is met from Central Government funds and as such does not constitute a cost the Council.

##### **Honorarium Payments**

None expected for Chief Officers in 2018/19

##### **Relocation Scheme**

None anticipated for 2018/19

##### **Mortgage Subsidy Scheme**

None currently

**APPENDIX 2**

***Salary Grades 2019/20***

<b>Salary Grade</b>	<b>Spinal Column Point</b>	<b>1.4.18 Salary £</b>	<b>Spinal Column Point</b>	<b>1.4.19 Salary £</b>
<b>J</b>	6	16394		
	7	16495		
<b>I</b>	8	16626	2	17711
	9	16755	2	
	10	16863	3	18065
	11	17007	3	
<b>H</b>	12	17173	4	18426
	13	17391	4	
	14	17681	5	18795
	15	17972	5	
	16	18319		
<b>G</b>	17	18672	6	19171
	18	18870	7	19554
	19	19446	8	19945
	20	19819	9	20344
	21	20541	10	21166
	22	21074	11	21589
<b>F</b>	23	21693	12	22462
	24	22401	13	22911
	25	23111	14	23835
	26	23866	15	24799
<b>E1</b>	27	24657	16	25295
	28	25463	17	26317
	29	26470	18	26999
	30	27358	19	27905

## **Salary Grades 2019/20**

<b>Salary Grade</b>	<b>Spinal Column Point</b>	<b>1.4.18 Salary £</b>	<b>Spinal Column Point</b>	<b>1.4.19 Salary £</b>
	31	28221	20	28785
<b>E2</b>	32	29055	21	29636
	33	29909	22	30507
	34	30756	23	31371
	35	31401	24	32029
	36	32233	25	32878
<b>D</b>	37	33136	26	33799
	38	34106	27	34788
	39	35229	28	35934
	40	36153	29	36876
<b>C</b>	41	37107	30	37849
	42	38052	31	38813
	43	39002	32	39782
	44	39961	33	40760
	45	40858	34	41675
<b>B</b>	46	41846	35	42683
	47	42806	36	43662
	48	43757	37	44632
	49	44697	38	45591
	50	45652	39	46565
	51	46608	40	47540
<b>A</b>	52	47578	41	48530
	53	48548	42	49519
	54	49517	43	50507

**Minute 43, Appendix 2**

**GENDER PAY GAP REPORT AS AT 31.3.18**

**1. Background Information**

- 1.1 The gender pay gap report for Warwick District Council sets out the gender pay gap information relating to employees in line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
- 1.2 Any company who employs more than 250 employees are required to report on their:
- a. Mean gender pay gap
  - b. Median gender pay gap
  - c. Mean bonus gender pay gap (including long service and honoraria)
  - d. Median bonus gender pay gap (including long service and honoraria)
  - e. Proportion of males and females receiving a bonus payment
  - f. Proportion of males and females in each quartile band
- 1.3 This report identifies Gender pay gap data using pay data on the snapshot date of 31<sup>st</sup> March 2018, and in relation to 'bonuses' paid between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2018.
- 1.4 The information must be published on both the Council's website and available for at least 3 years and on the designated government website.
- 1.5 No comparisons have been drawn between the 2017 data and the 2018 data, due to the following:
- the organisation profile has changed significantly with the TUPE out of Leisure staff in June 2017
  - In the 2017 data, 'bonus' was not included. Warwick District Council does not pay in the traditional sense and this decision was based on advice received at that time. Further clarification has advised that both 'one off honoraria' and 'long service awards' should now be included in the 'bonus' calculations.

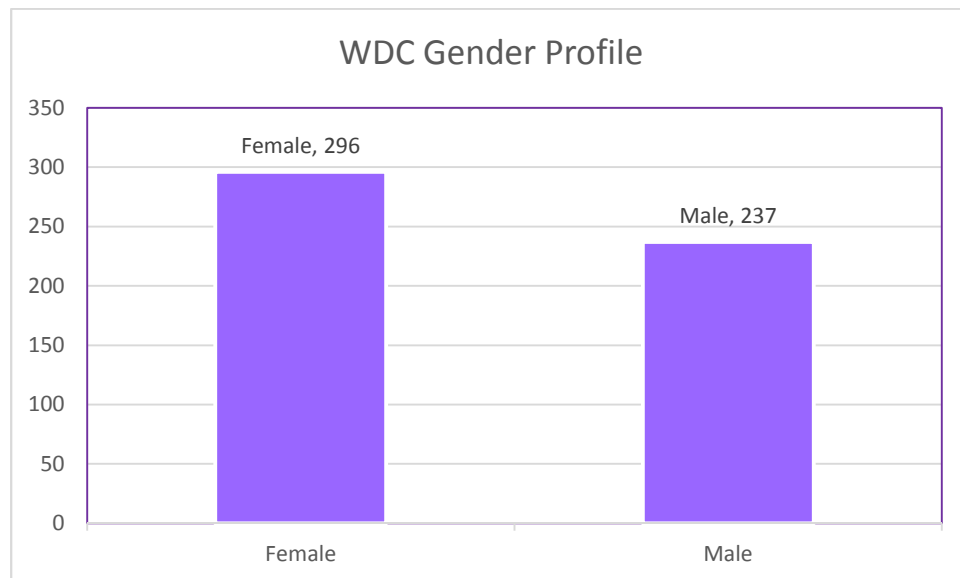
Moving forward it will be possible to draw more meaningful comparisons.

**2. WDC Workforce Profile**

- 2.1 The WDC gender pay reporting figures have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
- 2.2 The data includes the following types of staff:
- Employees with a contract of employment (part time, full time, permanent and fixed term)
  - Casuals/Workers
  - Apprentices
- 2.3 The data does not include temporary staff employed through an agency

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

### **2.4 Gender Profile**



As at 31 March 2018 Warwick District Council employed 533 people (contracted and casual staff):

<b>Female employees = 296</b>	<b>Male employees = 237</b>
56% of all employees are female	44% of all employees are male
152 females are full time	178 males are full time
115 females are part time	38 males are part time
38% of female's work part time	16% of male's work part time
29 females work on a casual basis	21 males work on a casual basis
31 average weekly hours (between 7.5 and 35 hours per week)	34.7 average weekly hours (between 7.67 and 35 hours per week)
14% of females are in managerial roles (supervisor's/team leaders and managers)	21% of males are in managerial roles (supervisor's/team leaders and managers)

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

### **3. Mean and Median Gender Pay Gap Results**

We have used the guidance detailed on the gov.uk website to calculate this data described as: 'The gender pay gap of the organisation should be calculated as hourly pay, as both a:

- mean figure (the difference between the average of male and female pay)
- median figure (the difference between the midpoints in the ranges of male and female pay)'

As a summary the results for Warwick District Council are set out below:

	<b>Female</b>	<b>Male</b>	<b>Difference between Female and Male mean &amp; median 2018 hourly rate</b>
<b>Number of staff</b>	296	237	
<b>Mean hourly rate</b>	£12.20	£14.41	15.3%
<b>Median hourly rate</b>	£11.02	£12.37	10.9%
<b>Mean bonus payment</b>	£34.47	£18.20	-89.4%
<b>Median bonus payment</b>	£750	£447	-68%
<b>Proportion who received a bonus</b>	6%	3%	

3.1 For the purposes of Gender Pay Gap reporting a bonus payment includes a 'one off honoraria' and Warwick District Council 'Long Service Awards'.

3.2 The mean hourly rate is the "average" hourly rate when adding together the total of the hourly rates of all employees and dividing the total by the number of employees. The median hourly rate is the "average", middle hourly rate of all employees. This is calculated by sorting the hourly rate of workers from lowest to highest and working out what the middle employee's hourly rate is.

3.3 The mean can be affected by a small number of high earners, whereas the median takes into account the distribution of pay across the workforce and is less affected by a small number of high earners.

### **4. Pay Quartiles**

4.1 Hourly rates within Warwick District Council range from £4.59 (apprentice rate) to £55.99. When dividing all employees into 4 quartiles the pay rates for the 4 quartiles are shown below:



## EMPLOYMENT COMMITTEE MINUTES (Continued)

<b>WDC Pay Quartiles by Gender 31.3.18</b>						
<b>Quartile</b>	<b>No. of males</b>	<b>No. of females</b>	<b>Total</b>	<b>Males</b>	<b>Females</b>	<b>Total %</b>
<b>Lower Quartile</b> <b>£4.59 to £9.55</b>	54	80	134	37%	63%	100%
<b>Lower Middle Quartile</b> <b>9.72 to £11.74</b>	48	85	133	36%	64%	100%
<b>Upper Middle Quartile</b> <b>£11.74 to £15.63</b>	52	81	133	39%	61%	100%
<b>Upper Quartile</b> <b>£15.63 to £55.99</b>	83	50	133	62%	38%	100%

- 4.2 Quartile Pay Band Summary - In order for there to be no gender pay gap, there would need to be an equal ratio of male to female in each quartile. However, within the Council, 63% of the employees in the lowest two quartiles are female and 37% are male.
- 4.3 The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
5. **What are the factors influencing Warwick District Council's gender pay gap?**
- 5.1 Under the law, males and females must receive equal pay for:
- the same or broadly similar work;
  - work rated as equivalent under a job evaluation scheme; or
  - work of equal value.
- 5.2 Warwick District Council is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).
- 5.3 As such it:
- operates job evaluation methodology to grade all jobs, using the Hay Job Evaluation Scheme to ensure that jobs are paid fairly;
  - ensures that allowances are awarded fairly and consistently across the Council;
  - re-evaluates job roles and pay grades as necessary to ensure a fair structure.
- 5.4 Warwick District Council is confident that its gender pay gap does not stem from paying males and females differently for the same or equivalent work.
- 5.5 On the date that this information was taken we employed more females than males, therefore it would be expected that there are more females

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

than males at almost every level of the organisation. However, this is not replicated in the upper quartile.

### 5.6 Loss of highly paid female Leisure Staff

Overall staff numbers were down from 680 in 2017 to 533 in 2018 mainly due to the TUPE out of 174 contracted and casual Leisure staff in May 2017. These included 138 Leisure staff paid on 31/3/17 – 70 of these staff were female and 68 male. However, out of those in the highest quartile 8 were female and 1 was male. Out of the top 20 Leisure earners in 2017, 17 were female and 3 were males receiving specialist coaching/tuition rates.

### 5.7 More male staff earning more money

Despite the lower overall staff numbers, there were 10% more females in the overall workforce in 2018 compared with 2017. However, the percentage of females in all quartile pay brackets decreased other than the lower quartile where it increased by 4%.

## 6. **Benchmarking**

6.1 At the date of compiling this report there is insufficient data published to draw effective comparisons.

6.2 According to Office of National Statistics estimates in the UK in 2017, there was a mean gender pay gap of 17.4% and a median gender pay gap of 18.4%. The ONS provisional figures Annual Survey of Hours and Earnings figures published in October 2018 have estimated for the UK that those figures stand at 17.1% and 17.9% respectively.

7.2 We have compared the Council's gender pay gap results for the mean and median hourly pay to the Office of National Statistics (ONS) - Annual Survey of Hours and Earnings (ASHE) provisional earnings data for October 2018 for jobs in the United Kingdom in the table below:

Description	Mean	Median
<b>United Kingdom</b>	17.1	17.9
Public Sector	17.5	19.0
Private Sector	23.8	20.3
<b>Warwickshire</b>	22.5	25.7
Warwick Area	26.6	24.7
Warwick District Council	15.3	10.9

## 7. **Publication**

7.1 WDC Gender pay gap data will be published following Employment Committee in March 2019

## 8. **Summary of Gender Pay Gap Data as at 31<sup>st</sup> March 2018**

- The Mean Gender pay gap is 15.3%.
- The Median Gender pay gap is 10.9%.
- The TUPE transfer of Leisure staff has resulted in a decrease of females in the upper quartile.

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

- 'Bonus' pay is being reported for the first time in 2018 which was not reported in 2017.
- Despite the lower overall staff numbers, there were 10% more females in the overall workforce in 2018 compared with 2017. However, the percentage of females in all quartile pay brackets decreased other than the lower quartile where it increased by 4%.
- Statistics provided by the ONS show that Warwick District compares favorably with its peers.

### **9. Next steps**

#### **9.1 Review and analyse the data available:**

The data reported is based on March 2018 data, which is not comparable with the March 2017 data. In order to give a meaningful indication of the direction of travel it is proposed to analyse the March 2019 data earlier than March 2020 to enable us to provide further analysis to update SMT/Employment Committee by:

- a) Improving data collection in order to develop a robust evidence based action plan - Employers who use high quality data to understand the drivers of their gender pay gap will be able to target their actions and therefore deliver the most effective results. Therefore, as a starting point it is essential to have good quality relevant data relating to employment, recruitment, progression, retention upon which to base any proposed actions. In order to achieve this, it will be necessary to identify what data is held, what gaps there are and the best method for filling the gaps in data.
- b) Undertake data analysis to understand the reasons for a gender pay gap - this will comprise both quantitative and qualitative data analysis.
- c) Benchmark with acknowledged leaders - Having identified barriers to progression benchmark with other employers to explore options to incorporate in an evidence based action plan that encompasses improved recruitment and retention processes, robust learning and development and agile working/family friendly policies. It is apparent from the current high level data that females are not proportionally represented in the upper pay quartiles and initial actions will seek to first understand and then address the causes of this as necessary, with some further examples to be considered below:
  - i. Analysis of number of female applicants to roles and success rate.
  - ii. Develop a greater evidence base to determine the proportion of female staff who return to work after maternity and adoption e.g. full time; part time and same role and those that continue in post a year after returning.
  - iii. Ensure consistent recruitment training that is fit for purpose e.g. recognition of unconscious bias.
  - iv. Increase awareness of 'work apprenticeship' training to encourage more employees to improve their skills and experience to enable the opportunity to progress their career.
  - v. Promote a consistent and transparent process to career grades and progression.
  - vi. Promote Mentoring/Coaching opportunities.
  - vii. Continue to develop flexible working options that support effective

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

work life balance including career breaks/sabbaticals.

- 9.3 It should be noted that addressing the underlying causes of a gender pay gap and developing an effective action plan is an ongoing and iterative process. Time is required to both consider in detail the approach to adopt, and to refine the content as well as consider comparative data to be able to benchmark best practice both internally and externally. This will be incorporated into our Equality and Diversity actions as part of the People strategy updates.

### **Definitions**



For the purposes of reporting, **Standard Hourly Rate** includes the following:

- Basic Salary
- Casual payments
- Honoraria paid monthly to recognize acting up duties
- Shift premium pay
- Retention allowances
- Living Wage Foundation top ups
- Unsocial hours payments
- Standby payments
- First Aid Allowances
- Market Related Supplements

Not required to be included in reporting are:

- Overtime
- Mileage, subsistence and other expenses
- Redundancy payments
- Anyone receiving nil pay during the period e.g. on maternity / sick leave / leave with no pay
- Salary sacrifice amounts

### **Bonus**

Bonus pay means any remuneration that is in the form of money, vouchers, securities, securities options or interests in securities and relates to profit sharing, productivity, performance, incentive or commission. Non-consolidated bonuses are included. Long service awards with a monetary value are also included.

For WDC, this captures Long Service Awards and one-off honoraria payments. Regular honoraria payments are excluded from "bonus" calculations and included in "ordinary pay".

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

We believe this is in line with the ACAS guidance, but it is unclear whether other Councils have followed this definition as closely as ourselves and we have previously had conflicting advice.

### **Gender Pay Gap**

The gender pay gap is a measure of labour market or workplace disadvantage, expressed in terms of a comparison between males and females average hourly rates of pay. The gap can be measured in various ways and it is important to understand how the gap is being measured. The hourly rates of pay, excluding overtime are used to take account of the fact that many more males than females work full-time. Overtime is excluded because it is recognised that male employees work more overtime than female employees due to female's caring responsibility and part-time nature of work.

Gender pay is different to equal pay. The gender pay gap is the difference between the average hourly rate of pay of a male employee and the average hourly rate of a female employee as a percentage. The gender pay gap is calculated using both mean and median hourly rates.

### **Equal Pay**

There have been laws in place since the 1970s requiring employers to pay male and female who are doing 'like work', 'work of equal value' or 'work rated as equivalent' the same salary and to have equal contractual terms such as annual leave and pension payments. The law was updated in the Equalities Act 2010. This is known as equal pay.

Equal pay and gender pay are separate and not necessarily related. A company can be equal pay compliant and still have a gender pay gap. When a company pays equally and has a gender pay gap the cause is likely to be the distribution of males and females in different grades.

### **Mean Vs Median**

The mean hourly rate is the 'average' hourly rate when adding together the total of the hourly rates of all employees and dividing the total by the number of employees.

The median hourly rate is a different way of calculating an "average" hourly rate where the average is the middle hourly rate of all employees. This is calculated by sorting the hourly rate of workers from lowest to highest and working out what the middle employee's hourly rate is.

The mean average can be affected by a small number of high earners, whereas the median takes into account the distribution of pay across the workforce and is less affected by a small number of high earners.

### **Mean Gender Pay Gap**

The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

#### **To calculate the mean**

The mean is an average of all the numbers in a dataset, that is you have to add up all the numbers and then divide the result by how many numbers you are dealing with. To find the mean hourly rate for WDC's full-pay relevant male employees, all the hourly rates will be added together and then divided by the total number of full-pay relevant male employees. This will give the "mean" hourly rate.

### **Median Gender Pay Gap**

The difference between the median hourly rate of pay of male full-pay relevant employees and that for female full-pay relevant employees.

#### **To calculate the median**

## **EMPLOYMENT COMMITTEE MINUTES (Continued)**

The median is the numerical value which splits the top 50% and the bottom 50%. To find the median, all the hourly rates for all employees will be listed in numerical order; if there are an odd number of values, the median is the number in the middle. If there is an even number, the median is the mean of the two central numbers.

### **Bonus**

The gender pay gap is the average value of bonuses paid to female relevant employees expressed as a percentage of the average value of bonuses paid to male relevant employees. For Warwick District Council, bonuses as defined for the purposes of the Gender pay Gap are retention payments, one-off honoraria and long service awards.

Regular honoraria payments, to cover an acting up situation, are excluded from "bonus" calculations and included in "ordinary pay".

### **Mean Bonus Gap**

The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.

### **Median Bonus Gap**

The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.

### **Bonus Proportions**

The proportions of male and female relevant employees who were paid bonus pay during the relevant period.

### **Quartile Pay Bands**

The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

### **Quartiles**

A quartile is one of the three points that divide the population of data into 4 equal parts. In the context of gender pay gap reporting, the four quartile pay bands are created by dividing the total number of full-pay relevant employee into four equal parts. For clarification, that is not WDC Pay bands.

### **Measures**

A positive measure, for example 18%, indicates the extent to which females earn, on average, **less** per hour than their male counterparts.

A negative measure, for example -18%, indicates the extent to which females earn, on average, **more** per hour than their male counterparts. This may happen, for example, if WDC employ a high proportion of males in low-paid part-time work, and/or the senior and higher paid employees are female.