

Employment Committee

Minutes of the meeting held on Monday 15 July 2024 at Shire Hall, Warwick at 6.00pm.

Present: Councillors Aizlewood, Davison, K Dickson, Gorman, J Harrison, Payne, Phillips, Sinnott, Syson, and Yellapragada.

1. **Appointment of Chairman**

It was proposed, duly seconded and

Resolved that Councillor Sinnott be appointed Chairman of the Committee for the 2024/2025 municipal year.

2. **Apologies and Substitutes**

Apologies for absence were received from Councillors Davidson and King.

3. **Declarations of Interest**

There were no declarations of interest made.

4. **Appointment of Vice-Chairman**

It was proposed, duly seconded and

Resolved that Councillor Yellapragada be appointed Vice-Chairman of the Committee for the 2024/2025 municipal year.

5. **Minutes**

The minutes of the meetings held on 19 March 2024 had not been circulated ahead of the meeting and therefore were not considered.

6. **Gender and Ethnicity Pay Gap Reporting as at 31.3.24**

The Committee considered an annual report from the Head of People and Communications which presented the mandatory gender pay gap information that had to be reported to Central Government and published on the Warwick District Council (WDC) website. It also presented the Ethnicity Pay Gap reporting and recommended its publication by the Council.

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; this was the seventh annual statement.

Although it was not a legal requirement, in June 2020 the Council decided that "in order to support its consideration of the report and the monitoring of the action plan, the Council requires the publication of relevant annual data, including an Ethnicity Pay Gap report alongside the current Gender Pay Gap report".

The WDC gender pay, and ethnicity pay gap reporting figures had been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The data included the following types of staff: Employees with a contract of employment (part time, full time, permanent and fixed term) and Casuals/Workers (a glossary was attached as Appendix 1 to the report).

Under the Equal Pay Act 1970, men and women should receive equal pay for:

- the same or broadly similar work.
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

WDC had a clear policy of paying employees equally for the same or equivalent work, regardless of their sex or ethnicity. In order to achieve this WDC:

- operated job evaluation methodology to grade all jobs, using the Hay Job Evaluation Scheme to ensure that jobs were paid fairly.
- ensured that allowances were awarded fairly and consistently across the Council.
- re-evaluated job roles and pay grades as necessary to ensure a fair structure.

For the purposes of pay gap reporting as at 31.3.24 Warwick District Council paid 508 people, 291 females (57%), 217 male (43%).

Bonus pay definition was classed as "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 were included. For WDC, this captured Long Service Awards and one-off honoraria payments.

Gender Pay Gap

The table below showed the WDC Gender Pay Gap figures as at 31.3.2024, together with a comparison of the 31.3.2023 figures, the 31.3.2022 figures, and the earliest recorded figures at 31.3.2018.

	31.3.2018	31.3.2022	31.3.2023	31.3.2024
Mean Gender Pay Gap	15.3%	12.9%	10.2%	11.7%
Median Gender Pay Gap	10.9%	11.9%	8.8%	7.6%
Mean Gender Bonus Pay Gap	-89.4%*	29.1%	0.6%	8.7%
Median Gender Bonus Pay Gap	-68%*	51.6%	0.0%	0.0%
% of Women in lower pay quartile	63%	68.5%	67.5%	73.2%
% of Women in lower middle pay quartile	64%	64.6%	59.2%	48.8%
% of Women in upper middle pay quartile	61%	53.5%	58.3%	64.6%
% of Women in upper pay quartile	38%	39.2%	43.7%	42.5%

**17 females received on average a higher bonus than the 8 males identified in the 2018 data*

In summary, relating to the Median gender pay gap, a positive trend had been identified since 2018 with the difference diminishing. This could be

attributed to the fact WDC had more women (approximately 30) in the upper middle pay quartile. However, the mean had increased since 31.3.2023, this was due to less women being in the upper pay quartile.

Analysis of WDC Gender Pay Gap Data on 31st March 2024

- The Mean Gender pay gap was 11.7%
 - an increase of 1.5% since 31.3.2023,
 - a decrease of 3.6% since 31.3.2018
- The Median Gender pay gap was 7.6%
 - a decrease of 1.2% since 31.3.2023
 - a decrease of 3.3% since 31.3.2018
- The Mean Gender Bonus pay gap as 8.7% and the Median bonus pay gap was 0%.
- The percentage of women in the lower quartile was 73.2%
 - an increase of 5.7% since 31.3.2023
 - an increase of 10.2% since 31.3.2018
- The percentage of women in the lower middle quartile was 48.8%
 - a decrease of 10.4% since 31.3.2023
 - a decrease of 15.2% since 31.3.2018
- The percentage of women in the upper middle quartile was 64.6%
 - an increase of 6.3% since 31.3.2023
 - an increase of 3.6% since 31.3.2018
- The percentage of women in the upper quartile was 42.5%
 - a decrease of 0.8% since 31.3.2023
 - an increase of 4.5% since 31.3.2018

National Picture by Geographical Area (as of October 2023)

- a) Comparison of 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 as of October 2023 (data would be available in October for 2024) for jobs in the United Kingdom and geographical areas:

Description	Mean	Median
United Kingdom total	13.2	14.3
Public Sector	11.5	14.0
Private Sector	15.6	18.9
West Midlands	14.1	14.4
Public Sector	11.0	14.4
Private Sector	18.2	18.4
Warwickshire – Geographical Area	27.0	15.8
Warwick	18.4	18.5
Stratford upon Avon	13.5	13.3

b) Benchmarking with other Councils:

Local Authority	Mean		Median	
	2023	2024	2023	2024
Coventry CC	0.1	0.1	2.5	0.4
Solihull MBC	13.8	10.9	19.2	12.2
Stratford Upon Avon DC	24.3	15.7	21.5	13.2
Wolverhampton CC	4.0	3.0	1.2	6.5
Warwick District Council	10.2	11.7	8.8	7.6

There was a positive correlation between the mean and median of Warwick District Council compared to the Warwick geographical area.

In relation to the report presented to the March Employment Committee in 2024, some errors relating to data were not identified until the report was considered by Council. This had been reviewed and additional controls had been put in place to ensure that all data underwent extra checks.

The information reported related to ethnicity was not a mandatory requirement and was voluntarily disclosed.

The move to a combined HR & Payroll system (I-Trent) in April 2021, prohibited the transfer of ethnicity categories, as it was incompatible data. The challenge to increase self-disclosure rates was being addressed by implementing a communication plan to educate employees about the importance of ethnicity disclosure, the benefits to the organisation and the impact on fostering an inclusive workplace. This would be a three-step approach:

- General messaging and using the intranet
- Targeting senior leaders / managers
- Approaching areas of the business with low disclosure rates

Ethnicity was special category of personal data, and therefore due to the low number of disclosures, it was not possible to provide more detailed breakdown as this could constitute personal data and directly identify individuals. Furthermore, as a result, the data provided could not be classed as representative of the organisation, which WDC were addressing, as seen in paragraph 3.3 in the report.

After benchmarking with other Councils, the aspirational figure for disclosure is 90%, for WDC to ensure the data WDC held could be used to inform further on other areas. The table below showed disclosure rates for other Councils:

Local Authority	Disclosure Rate % for ethnicity
Coventry CC	88.7%
Solihull MBC	97.6%
Stratford-Upon-Avon DC	46%
Wolverhampton CC	90.5%
Warwick District Council	58.7%

To help WDC target groups that had 'not declared' rather than 'prefer not to say', it had reviewed the evaluation of the data and separated this for 2024 as below:

Category - Ethnicity	2023	%	2024	%	Census 2021 %
Not declared	213	44%	210	41.3%	
Prefer not to say			7	1.4%	
Not White*	32	6.7%	44	8.7%	15.4%
White*	234	48.9%	247	48.6%	84.6%
Total	479		508		148,454
Disclosure Rates	55.6%		58.7%		

*Appendix 2 – categories of ethnicity data

Data calculated in previous reports had included 'not declared' within the 'White British' category. WDC had revised the 2023 data and updated the figures, along with 2024, to only compare white and not-white data and had not included those that have 'not declared' or 'prefer not to say' as previously.

The table below showed the WDC Ethnicity Pay Gap figures as at 31.3.2024, together with an updated comparison of the 31.3.2023.

Gap between declared White and Not-White Categories	31.3.2023	31.3.2024
Mean Ethnicity Pay Gap	8.1%	13.5%
Median Ethnicity Pay Gap	16.7%	16.4%
Mean Ethnicity Bonus Pay Gap	2.7%	39.0%
Median Ethnicity Bonus Pay Gap	0.0%	0.0%

Based on all those paid in March 2024 - includes not declared and prefer not to say	31.3.2023	31.3.2024
% of Not-White employees in lower pay quartile	9.2%	12.6%
% of Not-White employees in lower middle pay quartile	7.5%	7.9%
% of Not-white employees in upper middle pay quartile	3.3%	7.9%
% of Not-white employees in upper pay quartile	6.7%	6.3%

It was not possible to provide a summary of analysis or trends for this information based on the rationale set out in paragraphs 3.3 and 3.4 in the report.

As Ethnicity Pay Gap reporting was not mandatory, it was not possible to give a national picture for comparisons.

Further analysis and actions would be undertaken as part of the review of the Equalities, Diversity, and Inclusion (EDI) agenda. It should be noted,

that addressing the underlying causes of a gender pay and ethnicity pay gap as well as developing an effective action plan, was an ongoing and iterative process, and the data should not be reviewed in isolation. Time was required to 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.

The 'Equalities, Diversity, Inclusion and Workplace Behaviours' sessions delivered between October 2023 and January 2024 were attended by 294 staff. 90% of participants agreed (65.3%) and strongly agreed (25.3%) that the course was beneficial to their personal development. This was now included as a key component of our Induction programme of which over 380 staff had attended to date.

All recruiting managers attend 'Recruitment & Selection' and 'HR for non-HR Managers' training that had a focus on equality, related legislation, types of discrimination, being aware of unconscious bias, and looking at factual evidence around applicants' knowledge and skills.

Equalities, Diversity, and Inclusion was a key theme of the People Strategy. This included our approach to Equality Impact Assessments and the toolkit that supports managers. WDC also raised awareness and covered internal information on key events, such as information for Pride Month, LGBTQ+ History Month, Stephen Lawrence Day, Windrush Day, with many more planned alongside our inclusion calendar.

WDC continued to promote and review the benefits of working for Warwick District Council through our 'family friendly' policies, for example maternity 'pay back' scheme withdrawn; health and well-being scheme; agile working; continued development of flexible working options that support effective work life balance; development opportunities including an increased promotion of 'work apprenticeship' training.

No alternatives had been considered as it was a legal requirement.

In answer to questions from Members, the Head of People and Communication advised that:

- assurance was provided to the Committee on the work being undertaken to support and encourage officers declaring their ethnicity or disabilities securely within the payroll system;
- officers would look at providing benchmarking against the Council's nearest neighbours in terms of comparable Council's;
- it was considered that there were a broad number of reasons why officers decided not to declare their ethnicity or disabilities including engagement, trust, and a lack of willingness;
- in future years publishing early would provide high level comparison against previous years for other organisations;
- at present it was hard to provide detailed analysis with confidence in respect of ethnicity due to the low level of recording by individual officers;
- the Council did provide equal pay for equal work, but there were far more women as a percentage in employment in lower grade pay work. However, there was improvement in the upper middle quartile with the percentage of women in these posts; and

- the Council was looking at how data was presented to Members and the public more generally but there was a recognition that different people preferred information being submitted in different ways.

It was proposed by Councillor J Harrison, seconded by Councillor Syson and

Recommended to Council that the

- (1) publication of the Gender Pay Gap reporting as of 31 March 2024, be approved; and
- (2) publication of the Ethnicity Pay Gap reporting as of 31 March 2024, be approved.

(The meeting ended at 6.35pm)

CHAIRMAN
17 September 2024

Definitions and Methodology

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 definition is classed as "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. 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".

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.

Pay Gap Reporting

The 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 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 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

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.

*Appendix 2 – Categories for Ethnicity Pay Gap Reporting

Ethnic origin

- Arab
- Asian or Asian British – Bangladeshi
- Asian or Asian British - Chinese
- Asian or Asian British – Indian
- Asian or Asian British – Pakistani
- Asian or Asian British – Any other Asian background
- Black or Black British – African
- Black or Black British – Caribbean
- Black or Black British – Any other Black/African/Caribbean background
- Mixed – Asian and White
- Mixed – Black African and White
- Mixed – Black Caribbean and White
- Mixed – Any other mixed/multiple ethnic background
- White - English/Welsh/Scottish/Northern Irish or British
- White - Irish
- White - Gypsy or Irish Traveller
- White – Roma
- White – any other White background
- Other ethnic groups – any other ethnic group
- Prefer not to say