

 Employment Committee 20th March 2019		Agenda Item No. 11
Title	Pay Policy Statement & Gender Pay Gap Reporting	
For further information about this report please contact	Elaine Priestley Senior HR Officer 01926 456682 Mike Snow Head of Finance 01926 456800 Tracy Dolphin HR Manager 01926 456350	
Wards of the District directly affected	None	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	None	
Background Papers	None	

Contrary to the policy framework:	Yes/No
Contrary to the budgetary framework:	Yes/No
Key Decision?	Yes/No
Included within the Forward Plan? (If yes include reference number)	Yes/No
Equality & Sustainability Impact Assessment Undertaken	Yes/No (If No state why below)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	18.2.19	Chris Elliott/Bill Hunt/Andy Jones
Head of Service	18.2.19	Chris Elliott
CMT	18.2.19	As above
Section 151 Officer	18.2.19	Mike Snow
Monitoring Officer	18.2.19	Andy Jones
Finance	18.2.19	Mike Snow
Portfolio Holder(s)		Cllr Mobbs
Consultation & Community Engagement		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 The report presents 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 sets 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 are not chief officers.
- 1.2 The report gives a definition of chief officers and lowest paid employees. It covers different elements of remuneration and outlines the guidelines and policies that govern remuneration.
- 1.3 It includes mandatory gender pay gap information that must be reported to central government and published on the Warwick District Council website

2. **RECOMMENDATIONS**

- 2.1 That the Employment Committee recommends that Full Council approve the Pay Policy Statement – Appendix 1 – as presented and agree for its publication for the 2018-19 financial year.
- 2.2 That the Employment Committee recommends that Full Council agree to publication of the approved Pay Policy Statement on an annual basis with reviews and amendments in-year if required subject to agreement at Full Council.
- 2.3 That the Employment Committee and Full Council note the Gender Pay Gap reporting as at March 31st 2018 presented in Appendix 2, prior to its publication.
- 2.4 That the Employment Committee endorses the next steps within the Gender Pay Gap Report.

3. **REASONS FOR THE RECOMMENDATIONS**

- 3.1 A published Pay Policy Statement is a requirement under the Localism Act 2011 and needs to be formally adopted by the Council each year.
- 3.2 Guidance on the development of Pay Policy Statements states that authorities should explain their policy in respect of chief officers who have been made redundant and later re-employed or engaged under a contract of service. Currently Warwick District Council has no policy in relation this this, therefore a proposal has been included in the Pay Policy Statement (see 8.3.7)
- 3.2 In accordance with the Equality Act 2010 with effect from 30th March 2018 it is a requirement to report and publish specific gender pay gap information; this is the second annual statement. Whilst the legislation requires reporting of the gender pay gap data it is important to understand and address the underlying causes of pay gap.

4. POLICY FRAMEWORK

4.1

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
None	None	None
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
To ensure we are monitoring and reviewing management information associated with effective staffing	None	None

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies. The People Strategy outlines the future needs of our workforce to enable us to attract, recruit and retain the right people; provide the development they need to allow them to grow and progress; manage potential and plan for the future. The way in which we lead and support our people is key to the successful delivery of quality services. Monitoring data related to pay and management information are key measurements aligned to the People Strategy.

4.3 **Fit for the Future** – The report is not contrary to the aims of the Fit for the Future programme of work.

5. **BUDGETARY FRAMEWORK**

5.1 There is not an impact on the Budgetary Framework. The costs of the Pay Policy are all reflected within the Council's agreed Budget.

6. **RISKS**

6.1 Agreeing and publishing the Pay Policy Statement is a legal requirement. By complying, this should remove any risk of external challenge to the Council.

6.2 Reporting and publishing the attached gender pay gap information is a legal requirement. By complying, this should remove any risk of external challenge to the Council.

7. **ALTERNATIVE OPTION(S) CONSIDERED**

7.1 None considered – it is required by law

8. **BACKGROUND**

8.1 Agreeing and publishing the Pay Policy is a legal requirement. This is the seventh year this has been in place.

8.2 Reporting and publishing the attached gender pay gap information is a legal requirement, this is the second year it has been in place

8.3 **Main Points from the Pay Policy (Appendix 1)**

8.3.1 The Pay Policy Statement must be prepared on an annual basis beginning with 2012-2013 financial year and each subsequent year as set out in the Localism Act 2011.

8.3.2. The statement must contain details of the authority's policies in relation to remuneration for its chief officers

8.3.3 It must also include a definition of its lowest paid workers and the policy in relation to their remuneration.

8.3.4 It must include the relationship in remuneration between chief officers and lowest paid workers; this has been illustrated by ratios.

8.3.5 The statement also includes levels and elements of remuneration for chief officers, remuneration for the recruitment of chief officers, increases and additions to chief officers, performance related or other bonuses for chief officers, the approach to chief officer remuneration if they cease to hold office or cease employment and the publication of and access to information relating to chief officer remuneration.

8.3.6 The statement must be published once it has been approved, this will be on the Council's website.

8.3.7 The Pay Policy Statement now also includes reference to the Authority's policy in relation to the re-employment or re-engagement of Chief Officers who have been made redundant, as required by the Localism Act 2011.

8.4 **Main Statistics from the Gender Pay Gap Reporting (Appendix 2)**

8.4.1 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. The data includes the following types of staff: Employees with a contract of employment (part time, full time, permanent and fixed term), Casuals/Workers.

8.4.2 As at 31st March 2018 WDC Mean Gender Pay Gap was 15.3% and the Median Gender pay gap 10.9%.

8.4.3 WDC mean bonus payment gap is -89.4% and the median bonus gap is -68%.

8.4.4 In proportion twice as many females as males received a 'bonus'.

8.4.5 Females are proportionally represented in all quartiles other than the upper quartile.

9. **Conclusion**

9.1 **Pay Policy Reporting** – It is positive to note that the measures that Warwick District Council has undertaken to combat low pay has resulted in an incrementally decreasing ratio of highest to lowest earnings that is well within the tolerances recommended by the Hutton report (20x).

9.2 **Gender Pay Gap Reporting** – The District Council needs to identify and address, where possible, any reasons for the WDC Gender Pay Gap as part of a longer term strategy that addresses traditional male/female role divisions and increases the opportunities of female representation at senior levels. A further report will be presented to SMT/Employment Committee based on the March 2019 data in order to allow for more meaningful evaluation to take place.