

7.1

Executive Report

Pay Policy Statement 2019/20

Gender Pay Gap Report 2018

Decision to be taken by: Full Council on 21 March 2019

Lead director: Miranda Cannon



City Mayor

Useful information

- Ward(s) affected: None
- Report author: Miranda Cannon, Director of Delivery, Communications and Political Governance
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- Report version number: 1

1. Summary:

Section 38 of the Localism Act 2011 places a requirement on all local authorities to prepare and publish a Pay Policy Statement for each financial year in order to achieve public accountability, transparency and fairness in the setting of local pay. The Statement must be approved by Full Council and published by 1 April each year.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require public sector employers, as part of their public sector equality duty, to publish specific details of their gender pay as at 31 March each year.

This report seeks approval of the Council's Pay Policy Statement for 2019/20 and asks Council to note the Gender Pay Gap Report for 2018.

2. Recommendations:

- a) That Council approves the Pay Policy Statement for 2019/20 (Appendix A).
- b) That Council notes the Gender Pay Gap Report for 2018 (Appendix B).

3. Supporting information including options considered:

Pay Policy Statement

The Pay Policy Statement is required to focus on the pay of senior staff and to set this in the context of the pay of the wider workforce. The Statement must cover the Council's approach to a number of elements of pay for senior staff including salary scales, any performance related pay, bonuses or additional elements of pay, termination payments and approach to pensions. Similar information must be included in relation to the wider workforce and the remuneration of the lowest paid employees must be specified.

After approval by Full Council in March each year, the Pay Policy Statement must be published on the Council's website for public scrutiny. The intention is to ensure that Members consider how they pay their senior staff and can justify their policy on senior pay in the light of potential public scrutiny.

The Statement includes the ratio between the top earner's salary and the median salary which is 5.6:1, a marginal increase on last year when it was 5.38:1. This is the first year there has been an increase since the council started reporting the pay ratio in 2013 and it remains significantly lower than our neighbouring councils – Nottingham

City Council, Derby City Council and Coventry City Council – who all had ratios of more than 6.5:1.

The new pay structure, to be implemented for Local Government Services employees from 1 April 2019 following a restructure of the national pay spine, will likely have a positive impact on the pay ratio and will also result in no longer needing to pay a supplement to bring the pay of some employees to the level of the UK Living Wage as the minimum of the pay scale will equate to the current UK Living Wage rate.

Gender Pay Gap Report

This is the Council's second Gender Pay Gap Report. It is important to note that gender pay gap reporting is not about men and women being paid differently for the same job but about the differences between the overall average pay of men and women within an organisation. The key figures to be published are the median and mean gender pay gaps, i.e. the percentage difference between the median and mean hourly rates for men and women.

The council's median gender pay gap at 31 March 2018 was 0% - i.e. median pay was the same for both men and women (£13.28 per hour) which can be regarded as the ideal situation. At 31 March 2017 the median gender pay gap was 3.1%, meaning that our position has improved since then when median pay was slightly higher for men than women.

The council's mean gender pay gap at 31 March 2018 was -0.99%, i.e. mean pay was slightly higher for women (£14.39 per hour) than men (£14.25 per hour). At 31 March 2017 the mean gender pay gap was 0.5%, meaning that mean pay was slightly higher for men than women.

The council's figures compare very positively against median and mean gender pay gaps of 19% and 17.5% respectively for the public sector as a whole – i.e. average pay for men being significantly higher than for women.

At 31 March 2017, compared to other local authorities in the same employee headcount band (5000 – 19,999) the council's mean pay gap was the closest to zero – i.e. we had the smallest difference in average pay between men and women. The median difference was the third smallest. It is not yet possible to compare 2018 figures with other local authorities as data does not need to be published until 31 March 2019.

4. Details of Scrutiny

The Pay Policy Statement is essentially a statement of existing policy. Pay Policy Statements from previous years remain available for public scrutiny on the Council's website.

The Gender Pay Gap Report is a statement of fact. Reports must remain on the Council's website for a minimum of three years for public scrutiny. Data must also be uploaded to a Government portal, where the public can access the data.

5. Financial, Legal and Other Implications

5.1 Financial Implications

The Pay Policy Statement sets out the framework for the Council's employees' pay with a particular focus on senior staff (Head of Paid Service and Directors) in the context of the wider workforce. The Council's budget for 2019/20 includes an estimate of pay costs which will be incurred.

There are no financial implications associated with the gender gap report.

Colin Sharpe
Head of Finance

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5.2 Legal Implications

The Localism Act 2011 requires local authorities to prepare a Pay Policy Statement each year. This document must set out the Council's approach to the remuneration of chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of chief officers and employees who are not chief officers. In preparing a Pay Policy Statement, local authorities must have regard to any guidance issued or approved by the Secretary of State. Guidance was issued by the Department for Communities and Local Government initially in November 2011 and supplementary guidance was issued in February 2013. Each year's Pay Policy Statement must be approved by Full Council before it comes into force.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 place a duty on public authorities with more than 250 employees to publish their gender pay gap statistics by no later than 31 March every year.

The statistics that must be published are the mean and median differences in the hourly full pay between male and female employees; the mean and median differences in bonus pay between male and female employees; the proportion of male and female employees who have received bonus pay and finally the proportion of male and female employees in the lower quartile, lower middle quartile, upper middle quartile and upper quartile of the pay scales.

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5.3 Climate Change and Carbon Reduction Implications

No climate change implications.

5.4 Equality Impact Assessment

No equality impact assessment has been carried out on the Pay Policy Statement itself as it is a statement of existing policy.

No equality impact assessment has been carried out on the Gender Pay Gap Report

as it is a statement of actual pay at a specific date.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply.)

No other implications.

6. Background information and other papers:

'Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act'
'Localism Act: Pay Policy Statements – Guidance for Local Authority Chief Executives'
'Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act – Supplementary Guidance'
The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017
The Public Sector Equality Duty – Section 149 of the Equality Act 2010

7. Summary of appendices:

Appendix A: Proposed Pay Policy Statement 2019/20 and supporting documents (1 – 4).
Appendix B: Gender Pay Gap Report 2018.

8. Is this a confidential report? (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)

No.

9. Is this a “key decision”?

No.