

Executive Report

Pay Policy Statement 2021/2022
Gender Pay Gap Report 2020

Decision to be taken by: Full Council on 17 February 2021
Lead director: Miranda Cannon



City Mayor

Useful information

- Ward(s) affected: None
- Report author: Miranda Cannon, Director of Delivery, Communications and Political Governance
- Author contact details: 37 0102
- 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 2021/22 and asks Council to note the Gender Pay Gap Report for 2020.

2. Recommendations:

- a) That Council approves the Pay Policy Statement for 2021/22 (Appendix A)
- b) That Council notes the Gender Pay Gap Report for 2020 (Appendix C)

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, the Pay Policy Statement must be published on the Council's website by 1 April 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 5.3:1, a marginal decrease on last year when it was 5.4:1. This remains significantly lower than our neighbouring councils – Nottingham City Council, Derby City Council and Coventry City Council – who all had ratios of more than 6.1:1.

As of 1 April 2020, following an increase in the UK Living Wage (UKLW), the council has paid a 'living wage supplement' to those whose hourly rate falls below £9.30. In November 2020, the 'UK Living Wage' rate was increased to £9.50. The Council will implement this increase from 1 April 2021 with a revised 'living wage supplement' paid to those whose hourly rate falls below this.

Gender Pay Gap Report 2020

This is the Council's fourth 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 table below compares these figures over the last two years as at 31 March.

Year	Mean pay gap %	Women mean hourly rate	Men mean hourly rate	Median pay gap %	Women median hourly rate	Men median hourly rate
2019	0.1%	14.55	14.57	0	13.76	13.76
2020	0.9%	14.68	14.80	0	14.03	14.03

The council's median gender pay gap remains at 0% for the third year - i.e. the median hourly rate is the same for both men and women which can be regarded as the ideal situation.

At 31 March 2020 the council's mean gender pay gap was 0.9%, with the mean hourly rate being slightly higher for men (£14.80) than women (£14.68). This is the second year where, using this average, men's pay has been slightly higher than women's pay. Possible reasons for this are being explored and may be due to a slight increase in the percentage of women working in the lowest paid jobs (61% in 2020 compared to 57.9% in 2019). The council will continue to monitor the mean gender pay gap and consider any additional actions which may be required to move this closer to 0%.

The council's figures continue to compare very positively, however, against median and mean gender pay gaps for the public sector as a whole (11.2% and 11.4% respectively) – i.e. average pay for men being significantly higher than for women.

At 31 March 2019 the Council was one of only three out of 29 local authorities in the same employee headcount band (5000–19,999) with a zero median pay gap. The Council's mean pay gap was also the closest to zero for a second year i.e. we had the smallest difference in average pay between men and women. It should be noted however, that in March 2020, the Government Equalities Office (GEO) and the Equality and Human Rights Commission (EHRC) suspended the requirement for organisations to publish their 2019 Gender Pay Gap data due to the coronavirus pandemic. As such, the comparative data available for 2019 was slightly less than in previous years.

It is not yet possible to compare our 2020 figures with other local authorities as this data does not need to be published until 30 March 2021.

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 2021/22 includes an estimate of pay costs which will be incurred.

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

Colin Sharpe
Deputy Director of Finance

Ext: 374081

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.

Paul Holmes
Head of Law, City Barrister & Head of Standards

Ext 371428

5.3 Climate Change and Carbon Reduction Implications

No climate change implications.

5.4 Equality Impact Assessment

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 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 and the mean and median differences in bonuses between male and female employees. The proportion of male and female employees who have received bonus pay and the proportion of male and female employees in the lower quartile, lower middle quartile, upper middle quartile, and upper quartile of the pay scales must also be published.

The pay policy statement must explain what an authority's policies are on a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. Although there are no equalities implications arising for people with protected characteristics directly related to the pay policy statement itself, the purpose of the pay policy statement is to increase accountability, transparency, and fairness in the setting of local pay.

Surinder Singh
Equalities Officer

Ext 37 4148

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'

7. Summary of appendices:

Appendix A: Proposed Pay Policy Statement 2020/21 and supporting documents (1–4)

Appendix B: Gender Pay Gap Report 2019

Appendix C: Gender Pay Gap Report 2020

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.