

Executive Report

Pay Policy Statement 2024/2025 Gender Pay Gap Report 2023

Decision to be taken by: Full Council on 21st March 2024
Lead director: Andrew Shilliam



City Mayor

Useful information

- Ward(s) affected: None
- Report author: Andrew Shilliam, Director of Corporate Services
- Author contact details: 37 0131
- 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 of 31 March each year.

This report seeks approval of the Council's Pay Policy Statement for 2024/2025 and asks Council to note the Gender Pay Gap Report for 2022/2023.

2. Recommendations:

- a) That Council approves the Pay Policy Statement for 2024/2025 (Appendix A)
- b) That Council notes the Gender Pay Gap Report for 2022/2023 (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, 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. The ratio is slightly higher than last year when it was 5.2:1. However this remains lower than the latest figures we have from our neighbouring councils – significantly in the case of Nottingham City Council (7:62:1 in 2023/24) and Coventry City Council (7.3:1 in 2021/22). Derby City Council's current ratio is 5.62:1

which is more comparable to Leicester's.

The Council has made a positive commitment to support lower paid staff and their families and has adopted the 'Real Living Wage' to provide a better standard of living. The Council therefore pays a supplement to employees whose hourly rate falls below the 'Real Living Wage'. At the time of writing, no employees are in receipt of this supplement as the minimum point of the LGS pay scale is above the Living Wage rate of £10.90 effective from 1 April 2023.

In September 2023, the 'Real Living Wage' rate was increased to £12.00. The Council intends to implement this increase from 1 April 2024. At the time of writing, it is unclear which employees (if any) will be eligible for the supplement as the 2024 pay award, which will be applicable from the same date, is yet to be agreed.

Gender Pay Gap Report 2023

This is the Council's seventh 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 mean and median gender pay gaps, i.e. the percentage difference between the mean and median 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 |
|------|----------------|------------------------|----------------------|------------------|--------------------------|------------------------|
| 2022 | -1.4% | £15.72 | £15.51 | 0.0% | £14.67 | £14.67 |
| 2023 | -1.2% | £16.68 | £16.49 | -0.2% | £15.67 | £15.64 |

At 31 March 2023 the council's mean gender pay gap was -1.2% with the mean hourly rate of pay being higher for women (£16.68) than men (£16.49). When considered against the previous year's figure (-1.4%) this represents a small improvement towards the ideal position of 0%.

At 31 March 2023 the council's median gender pay gap was -0.2% meaning that the median hourly rate of pay was marginally higher for women compared to men. When considered against the previous year's figure (0.0%) this represents a slight move away from the ideal position.

The council's figures continue to compare very positively against median and mean gender pay gaps for the public sector as a whole (14.0% and 11.5% respectively – i.e. average pay for men being significantly higher than for women).

Furthermore, at 31 March 2022 the Council was one of only five local authorities out of 39 in the same employee headcount band (5000–19,999), which have published data, with a 0% median pay gap.

It is not yet possible to compare our 2023 figures with other local authorities as this data does not need to be published until 31 March 2024. The council will, however, continue to monitor the mean and median gender pay gaps and consider any actions needed to maintain our very small gap and, ideally, achieve a 0% gap.

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 2023/2024 includes an estimate of pay costs which will be incurred.

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

Amy Oliver
Director of Finance

Ext: 375667

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 Implications

Under the Equality Act 2010, public authorities (including the local authority and schools), have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

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.

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. It will be important to assess against other authorities when they also publish their data to consider if our offer is comparative and fair.

Kalvaran Sandhu
Equalities Manager

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5.5 Other Implications

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 2024/2025 and supporting documents (1–4)

Appendix B: Gender Pay Gap Report 2022

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.