

## COUNCIL

9 March 2020

### PAY POLICY 2020-21

#### Report of the Chief Executive

Strategic Aim:	Sound Financial and Workforce Planning	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Resources (other than Finance and Communications)	
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Ward Councillors		

#### DECISION RECOMMENDATIONS

That Council:

1. Approves the updated Pay Policy for 2020-21
2. Notes the latest update regarding the Local Government National Pay Award for 2020.
3. Notes the value of the pay policy in the context of recruitment and retention.
4. Notes the Council's Gender Pay Gap data for 31 March 2019.

#### 1 PURPOSE OF THE REPORT

1.1 The Council is required to review and publish on an annual basis its Pay Policy Statement – this is a requirement of the Localism Act 2011. In particular, this needs to include:

- The remuneration of the most senior employees;
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of the most senior employees and that of other employees.

1.2 Members are also advised, via this paper of:

- the current position regarding negotiations on the Local Government pay award for 2020
- the impact of pay on our ability to attract and recruit
- our Gender Pay Gap data.

1.3 The Council separately publishes data that it is required to do under the Local Government Transparency Code 2015 (for example – organisational structure charts, senior officer salaries, pay multiples).

## **2 PAY POLICY FOR 2020-21**

2.1 The pay policy for 2020 is shown in Appendix A. Given that the pay award for 2020 has not yet been agreed (see para 3), the values in paragraphs 6.2 and 6.3 of the Policy relate to April 2019 salary figures. These will be updated with 2020 figures when the pay award is confirmed.

2.2 There are no recommendations to change the Council's pay policy. We remain part of the national pay bargaining framework for the majority of our staff (NJC Green Book) and the associated Terms and Conditions of Service. Our local variations, which have been negotiated and agreed with the recognised Trade Unions, are shown in Appendix 5 of the Pay Policy to reflect local/organisational need.

2.3 Members were advised in March 2019 of the inherent risks and costs associated with moving away from national pay bargaining, including - investment in a new pay spine, developing local arrangements with the Unions for pay bargaining purposes, a job evaluation exercise on all posts with the potential for grade drift. This would also require working through a complex costing model in order to predict as accurately as possible the ongoing investment and budget pressure.

## **3 NATIONAL PAY AWARD 2020**

3.1 We fully implemented the new National Joint Council for Local Government Employees (NJC Green Book) pay spine in April 2019 which also provided a minimum hourly rate of £9.00 per hour and uplifts of between 2.3% and 7.3% across all pay points.

3.2 Negotiations for the 2020/21 pay award between National Employers and the Trade Unions began last summer with the LGA undertaking their usual regional pay briefings between September and October. The pay claim from the Trade Union side included £10 per hour on Pay Point 1, plus 10% on all other pay points.

3.3 In the meantime, a general election was announced to take place on 12 December. This resulted in a deferral of any further discussions with the unions until the impact of the general election was known. It has since been announced that the National Living Wage will increase by 6.2% to £8.72 on 1 April 2020 with a target of £10.50 for 2024.

- 3.4 The National Employers and Trade Unions further met on 5 February 2020 with an offer made by National Employers of 2% across all pay points. This has been rejected by the Trade Unions. Further regional briefings are taking place in March (led by the National Employers) to help inform negotiations with the Trade Union side.

## **4 RECRUITMENT AND RETENTION**

- 4.1 Our marketing and attraction strategies during 2019 have developed well and enabled us to recruit quality staff to Rutland – being able to offer comparable salaries within a challenging market is crucial. With a predominance of digital media and targeted campaigns this has brought successes in (for example) Human Resources, Occupational Therapists, Economic Development, Social Care and roles at Heads of Service level in Childrens Social Care, and Property.
- 4.2 As part of our Recruitment Strategy and to ensure we have effective controls in place to manage the risks of recruitment and retention – particularly around hard to recruit to posts, we have:
- 4.2.1 Enabled focussed resources within our HR team to support managers with recruitment, and develop marketing campaigns
  - 4.2.2 Negotiated package deals with on-line advertisers and job boards
  - 4.2.3 Pro-actively managed ‘hard to recruit to’ posts where we know the market is a challenge due to skill shortages or pay pressures. Use of local, regional and national intelligence and networks has enabled us to better understand the market and where to search for candidates.
  - 4.2.4 A specific target for 2019 was to develop a recruitment brand and Rutland microsite that would enable us to showcase all that is good about working for Rutland – this has now gone live. With a direct link into our Applicant Tracking System, our candidates experience a professional and welcoming experience to their job application process.
- 4.3 Our predicted turnover figure for 2019/20 is 11.8% - this compares to 8.7% for 2018/19. (Leavers excludes casual and fixed term contracts). Turnover in 2018/19 was below average and in 2019/20 we have seen:
- turnover in some service areas that is typically very low, eg. Human Resources, Surveyors, Economic Development,
  - some of our senior officers securing promotion opportunities in the private and public sectors.

Whilst national local authority data is not yet available for 2018/19, we know that average turnover – nationally, regionally, and across all single-tier and County authorities is 12-14%.

## **5 GENDER PAY GAP REPORTING**

- 5.1 Gender Pay Gap data is reported on an annual basis for data as at the previous year ie. we reported data as at 31 March 2018, in March 2019. Data as at 31 March 2019 is due for submission by the end of March 2020. Our reports are submitted to Employment and Appeals Committee on an annual basis.

5.2 The Gender Pay Gap is defined as the difference between the average earnings of men and women, expressed relative to men's earnings. This is not to be confused with equal pay which is the right for men to be paid the same rate when doing the same or equivalent work.

5.3 For reporting purposes, there are two measures:

- Median hourly pay
- Mean (average) hourly pay.

Each is represented as the percentage of the difference with men's pay. Negative percentages reflect women's pay higher than men.

5.4 Members are advised of the following changes to our data between 31 March 2018 and 31 March 2019.

	31 March 2018	31 March 2019
Median	-1.54%	5.25%
Female – hourly rate	£12.50	£12.40
Male – hourly rate	£12.31	£13.08
Mean (average)	5.7%	11.25%
Female – hourly rate	£13.89	£13.73
Male – hourly rate	£14.73	£15.47

5.5 This represents:

- In 2019, the median hourly rate for women was 68p lower than men – in April 2018 it was 19p higher.
- In 2019, the average hourly rate for women was £1.74 lower than men, compared to 84p less in 2018.

5.6 Some general points and observations regarding Gender Pay Gap data:

- We can see that we have a greater gap as at 31 March 2019, compared to 31 March 2018. Comparator data with other authorities in the region (for 31 March 2019) is not yet available as authorities have until 31 March 2020 to publish their reports.
- The causes of Gender Pay Gap are complex and overlapping but we know that contributory factors are the nature of roles and services e.g. services that have not been outsourced but tend to be supported by a predominant female or male workforce; workforce profiles and natural changes throughout the year. We have previously carried out some further detailed analysis to identify if there were any pockets of un-balance across certain services or roles – this did not identify any issues.

- Whilst the mean and median figures for Rutland as at 31 March 2019, indicates a widening gap (compared to 31 March 2018), these can be explained by natural work force changes through the year. Our recruitment, selection and promotion processes are free from bias and we remain committed to promoting equality and fairness in the workplace.
- The gender balance in Rutland varies little year on year – at 25% Male and 75% Female. The percentage of females in the lower pay quartiles increased between 31 March 2018 and 31 March 2019 – this therefore reduced the average hourly rate for females. The highest percentage of males (compared to females) is in the higher pay quartile – 31% Male. Hence the shift in median and mean average salaries.
- We know from undertaking an equal pay audit as part of the new April 2019 pay scales that we pay men and women in a consistent way for work of equal value. This is underpinned by a grading structure and job evaluation system which takes into account roles rather than gender differences.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The Council is required to publish a Pay Policy in accordance with the Localism Act.
- 6.2 We are contractually required to implement national pay bargaining agreements as we adopt the national framework, terms and conditions associated with the NJC and JNC. A departure from national pay bargaining arrangements would require local negotiating arrangements to be put in place and a full scale review of the Councils Pay and Grading structure – it is anticipated this would require significant financial investment.

## **7 FINANCIAL IMPLICATIONS**

- 7.1 The Council makes provision for year on year pay increases at a value of 2% - subject to final pay agreements.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 The information in the Pay Policy statement required approval by Council in order that it can be published. This is a requirement under the Localism Act.

## **9 DATA PROTECTION IMPLICATIONS**

- 9.1 A Data Protection Impact Assessments (DPIA) has been completed. No adverse or other significant risks/issues were found. A copy of the DPIA can be obtained from Carol Snell at [csnell@rutland.gov.uk](mailto:csnell@rutland.gov.uk)

## **10 EQUALITY IMPACT ASSESSMENT**

- 10.1 An Equality Impact Assessment (EqIA) has been completed. No adverse or other significant issues were found. A copy of the EqIA can be obtained from Carol Snell at [csnell@rutland.gov.uk](mailto:csnell@rutland.gov.uk).

## **11 COMMUNITY SAFETY IMPLICATIONS**

11.1 There are no Community Safety implications arising from this report.

## **12 HEALTH AND WELLBEING IMPLICATIONS**

12.1 There are no Health and Wellbeing implications arising from this report.

## **13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

13.1 A Pay Policy statement ensures the Council is compliant with the Localism Act and provides a clear framework and structure that describes how we pay our staff and the mechanisms we use – this ensures transparency and fairness.

## **14 BACKGROUND PAPERS**

14.1 There are no additional background papers to this report.

## **15 APPENDICES**

Appendix A – Pay Policy Statement 2020/21

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.