

STAFFING COMMITTEE
30th January, 2019

Present:- Councillor Alam (in the Chair); Councillors Cowles and Watson.

An apology for absence was received from Councillor Read.

11. PAY POLICY STATEMENT 2019/20

Consideration was given to the report presented by the Assistant Chief Executive and Assistant Director, Human Resources and Organisational Development, which detailed how under the Localism Act 2011, Chapter 8 Pay Accountability, authorities were legally required to produce and publish a Pay Policy Statement by the 31st March each year. This must be agreed by full Council and detail the remuneration of its Chief Officers and must then comply with the Pay Policy Statement for the financial year in making any determination.

The statement must detail:-

- Policies relating to remuneration of Chief Officers (definition includes Directors).
- Remuneration of its lowest paid employees.
- Relationship between remuneration of Chief Officers and employees who are not Chief Officers.
- The remuneration of its Chief Officers.
- Remuneration of Chief Officers on appointment.
- Increases and additions to remuneration for each Chief Officer.
- Use of performance related pay for Chief Officers.
- Use of bonuses for Chief Officers.
- Benefits in kind to which the Chief Officer is entitled.
- Any increase of enhancement to Chief Officer pension entitlement.
- Approach to payment of Chief Officers and their ceasing to hold office.
- Any amounts payable upon the Chief Officer ceasing to hold office other than that payable by virtue of any enactment.
- Approach to publication and access to information relating to remuneration of Chief Officers.

In addition, the approval salary packages offered for new appointments and exit packages for leavers where the value of either was in excess of £100,000 would be considered by Council following recommendation by this Committee.

In terms of pay relationships the lowest pay rate in the authority (excluding apprentice rates) equated to a full time equivalent annual salary of £17,711 and could be expressed as an hourly rate of pay of £9.18, above the current UK Living Wage of £9.00 per hour. This pay rate

and salary was determined by the Authority as part of a pay scale for employees employed on Local Government Services Terms and Conditions.

The highest paid salary in this authority was paid to the Chief Executive and the ratio between the two salaries 'pay multiple' was 9.5:1. Against the median salary of £20,541 this multiple reduced to 8:1 and against the average salary of £24,881 to 7:1.

The format and content of this Pay Policy was in line with previous practice and in accordance with guidance previously issued by the regional Local Government Employers Association. It was, therefore, felt to reflect good practice and it had not been considered appropriate to deviate from this.

Discussion ensued on the rate that mileage expenses were reimbursed which differed from the HMRC rate. This had been raised previously, but formed part of the budget savings in relation to employee terms and conditions. Whilst it was noted that there would be cost implications for adopting the HMRC rate for mileage, it was suggested that some analysis of cost difference between the HMRC and Council mileage rate reimbursement be undertaken and for this to be circulated to the Staffing Committee Members for information.

Employees were always encouraged to consider alternative transport methods or car sharing for essential journeys.

Resolved:- (1) That the Pay Policy Statement for 2019-20 (Appendix 1) be supported and be recommended to full Council for approval.

(2) That the analysis of cost difference between the HMRC and Council mileage rate reimbursement be undertaken and circulated to the Staffing Committee for information.

12. GENDER PAY GAP REPORT

Consideration was given to the report presented by the Assistant Director, Human Resources and Organisational Development, which detailed how the Gender Pay Reporting Legislation introduced in 2017 required employers with 250 or more employees to publish statutory calculations annually before 30th March, 2019 showing how large the pay gap was between their male and female employees for the snapshot date of 31st March, 2018.

Gender pay gap reporting was a different requirement to carrying out an equal pay audit and showed the difference in the average pay between all men and women in a workforce.

These results were to be published on the Council's website making them publicly available to customers, employees and potential future recruits.

The results were positive for Rotherham with the number of women in the top 5% of earners gradually increasing. As at 31st March, 2018 67% of the Council's top 5% of earners were women, an increase of 7% from 2017.

The report also identified where the median gender pay gap for the Council at the end of March, 2018 increased to **13.3%** from **12.5%**, however the mean pay gap reduced from **11.5%** to **9.9%**.

This analysis showed the median increase to be attributable to thirty-one lower paid male seasonal Grounds Maintenance staff, employed in March 2017, not being employed in March, 2018 having a disproportional affect due to the lower number of men employed.

The Council's pay gap showed that men were paid more than women, however, the figures compared favourably with the average UK gap 20.9% and EU average 16.2% (Eurostat figures published on the European Commission of Justice's website).

Whilst there was no legislative requirement to publish information on other protected characteristics, analysis for BME employees showed the Council had a negative **17.6%** median pay gap and negative **8.3%** mean pay gap. For disabled employees there was a negative **8.0%** median and a negative **2.2%** mean. The negative pay gap indicated that both BME and disabled employees were paid more than non-BME/disabled employees.

At 74% female and 26% male, the gender distribution in the two middle quartiles was also broadly in line with the overall workforce representation. In the lower quartile, where the Council had a large number of female employees working in traditionally low-paid cleaning and catering roles, there was an over-representation of female workers.

When looking at the spread of female employees across the quartiles, the ideal would be to see a quarter (25%) of all females in each of the four quartiles; the same went for male employees. This had almost been achieved for female employees, however, for male employees there was a discrepancy of nine percentage points at the lower and upper quartiles.

Regionally, benchmarking for the period ending March, 2017 only had so far been published so it is not possible to compare against the 2018 figure.

However, against the 2017 figures the Council mean compared favourably with neighbouring authorities with only Sheffield, who have outsourced a number of services traditionally with lower paid women, coming in lower.

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Discussion ensued on the challenges to lower paid workers in the education sector, particularly for schools who have become academies and looking to renegotiate competitive catering contracts.

Resolved:- That the publication of the narrative at Appendix 1 be approved in accordance with the Gender Pay Reporting Legislation.