

PAY POLICY 2020/21

Report of the Assistant Director, HR, Sally Hopper

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Executive Member: - Ralph Sangster, Resources & Performance

1. Purpose of report

- 1.1 To present to Employment Committee the Pay Policy for 2020/21 as per the requirements set out in the Localism Act 2011 and to invite the Committee to recommend to County Council that Council adopts the Pay Policy for 2020/21.

2. Summary

- 2.1 The Localism Act 2011 (the '2011 Act') requires local authorities to publish a pay policy annually. The purpose of a pay policy is to assist with the drive for greater transparency and accountability in relation to pay. The policy must at a minimum cover the level and elements of remuneration of Chief Officers (as defined by the 2011 Act), but local authorities have the discretion to broaden the policy to cover other terms and conditions and employee groups.
- 2.2 This report sets out the proposed pay policy for the Council for 2020/21 and the pay ratio to be published; it also references the data to be released in April 2020 as part of the Council's annual publication of senior manager data, signposted from the Pay Policy.

3. Recommendations

- 3.1 1. That the Employment Committee *recommends* to County Council: -

That County Council adopts the Pay Policy for 2020/21 as set out in Appendix 1 to the report."

2. That the Employment Committee notes the data release, including the County Council's gender pay gap information, for April 2020 as set out in the report.

4. Background

- 4.1 The Localism Act 2011 requires all local authorities to prepare and publish an annual pay policy statement to articulate the Council's policies on the remuneration of both its highest and lowest paid employees for the following financial year.
- 4.2 Publication of the pay policy is to assist with the drive for greater transparency and accountability of senior managers' pay, providing information to the public about how the Council sets and manages pay for senior managers and also for its lowest paid employees. This is also in line with the Department for Communities and Local Government (DCLG's) 'Local Government Transparency Code 2015'.

5. Scope of the Pay Policy

- 5.1 The Localism Act 2011 requires the pay policy to include information relating to the Head of Paid Service, the Monitoring Officer, Chief Officers (statutory and non-statutory) and Deputy Chief Officers, as defined in the Local Government and Housing Act 1989 and including Public Health. Schools employees are excluded from the scope of the pay policy as each school is already required to publish its own pay policy.

6. Recommendations for content of the Pay Policy for 2020/21

- 6.1 Employment Committee is asked to review the content of the pay policy and is invited to recommend to County Council that the pay policy, set out in Appendix 1 to the report, be adopted. The pay policy for 2020/21 remains largely the same in format as previous policies. All relevant figures and dates have been updated where possible – or will be once new data is known. The areas that have been updated for 2020 are highlighted in yellow in the attached Pay Policy at Appendix 1. The only substantive change is;

- Section 7.8.1 has been reduced to one paragraph (from two) setting out the current arrangements for the management and payment of Returning Officer election fees to the Chief Legal Officer.

- 6.2 Employment Committee has previously noted some inconsistency of terms, specifically relating to annual leave within the Senior Manager population. These will be addressed as part of the Future Workforce transformation programme, part of the Council's wider transformation programme.

- 6.3 Within the parameters of the guidance around the Act the following definitions will be used within the Council's pay policy for 2020/21;

- The definition of the Council's lowest paid worker is the lowest national spinal column point (SCP) 1.

Note 1: The Council has renumbered all pay points in line with the NJC for Local Government Workers pay settlement for April 2019. This is the lowest pay point the Council can appoint to and, therefore, is the Council's lowest pay point. As at 1 April 2019 this is a full time value of

£17,364. This will be updated to the figure for April 2020 when this pay settlement is agreed nationally.

Note 2: This is with the exception of Health and Social Care Trainees (previously known as 'Care Cadets') who are paid £115 per week (this is above the National Minimum wage for Apprenticeships).

6.4 The definition of the ratio from 1 April 2020 is in line with the DCLG's Local Government Transparency Code 2015 as follows: -

- The ratio between the total remuneration of the Council's highest paid employee (Chief Executive) on 1 April 2020 and the median earnings figure for the whole of the Council's workforce (exc. schools). The earnings are calculated on remuneration, including additional payments such as bonuses. This ratio will be calculated based on data in April 2020 and the final figure published thereafter.
- The current published ratio (from April 2019) between the total remuneration of the Council's highest paid employee (Chief Executive) and the median earnings figure for the whole of the Council's workforce (exc. schools) was **1:6.7**. It is anticipated this will not vary significantly in April 2020.

7. Open Data Release for 2020/21

7.1 The following information will also be published on the Council's website in compliance with The Accounts and Audit Regulations 2015 and The Local Government Transparency Code 2015:

- The number of employees whose remuneration is at least £50,000 in brackets of £5,000 (as set out in the Statement of Accounts).
- Details of the remuneration and job titles of certain senior employees whose salary is £50,000 or more; employees whose salaries are £150,000 or more are also identified by name (as set out in the Statement of Accounts).
- A list of responsibilities and bonus payments of certain senior employees whose salary is £50,000 or more (as set out in the Statement of Accounts).
 - Organisation chart covering the top three management tiers of the organisation showing the following information on: Grade, job title and local authority department
 - Whether permanent or temporary
 - Contact details (a generic email address)
 - Salary in £5,000 brackets,
 - Salary ceiling (the maximum salary for the grade).

Senior employees have been defined as the Chief Executive, his direct reports, Chief Officers (Directors), Deputy Chief Officers (Deputy / Assistant Directors) and the Monitoring Officer. Senior employees are identified by name and form the top three management tiers of the Council.

8. Gender Pay Gap

- 8.1 From April 2017, under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, all public sector employers are required to annually publish calculations showing their gender pay gap, based on data as at the snapshot date of 31 March. Hertfordshire County Council (HCC) is required by law to calculate and publish the organisation's Gender Pay Gap as at 31 March 2019 by 30 March 2020. This data will be published on the Council's website along with the information on the Open data release and is included in this report for the Committee to note.
- 8.2 The Gender Pay Gap is defined as the differences in average earnings of men and women over a set time period. The data does not include data for schools, as schools or traded services have responsibility for reporting their own Gender Pay Gap if they employ over 250 employees.
- 8.3 As at 31 March 2019, HCC had 7958 employees, consisting of 5370 females and 2588 males. 35.7% of the workforce was part time and 64.3% was full time. HCC's workforce consists of predominantly more females at 67.5% than male employees at 32.5%. This is typical of Local Government gender profiles and the County Council's Gender Pay Gap figures should be considered in this context.
- 8.4 **The County Council's mean gender pay gap is minus -2.80%. The female hourly pay rate is £15.07, and the male hourly rate is £14.66. This shows that when using the 'mean' calculation the County Council pays females 2.80% (0.41p per hour) more than males.**
- 8.5 **The County Council's median gender pay gap is 1.79%. The female hourly pay rate is £13.72, and the male hourly pay rate is £13.97. This shows that when using the 'median' calculation the County Council pays males 1.79% (0.25p per hour) more than females.**
- 8.5 The data indicates that in 2019 there remains a very small negative pay gap of minus -2.80%, with no significant change from minus -2.86 in 2018. The County Council's average hourly rate for females is only 41p more than that of males. HCC's overall median gender pay gap is a gap of 1.79% in favour of males (minus-1.90 in 2018 in favour of females), with the median hourly rate for males only very slightly higher than those of females. The County Council's pay gap is significantly lower than the national average. The mean gender pay gap in local government in 2018/19 is 6.1% and the median gap is 4%. Across the whole economy the mean gap is 14.2% (Local Government Association).

8. Approval of the Pay Policy

- 8.1 The pay policy must be approved by Full Council by 31 March each year. After approval or revision, the Pay Policy must be published on Hertfordshire.gov.uk in an easily accessible manner and linked to the Open Data release.
- 8.2 Once published the Council must comply with the Pay Policy for the relevant financial year and will be constrained by it when making any decisions relating to roles within scope of the policy.

8.3 Timetable for approval is as follows;

Action / Approval	Date
Employment Committee	10 February 2020
Full Council	24 March 2020
Publication of Pay Policy & Open Data	April 2020

9. Financial Implications

9.1 There are no financial implications of the publication of Pay Policy or the data release.

10. Equalities Implications

10.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making. Rigorous consideration will ensure proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EQiA) produced by officers.

10.2 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

10.3 There are no equality implications of the publication of Pay Policy or the data release