

COUNCIL – 10 FEBRUARY 2022

PAY POLICY STATEMENT 2022-23 AND GENDER PAY GAP DATA

Executive Summary

Pay Policy

Sections 38 to 43 of the Localism Act 2011 require local authorities to prepare an annual pay policy statement for each financial year.

The statement must specifically cover the authority's policies relating to:

- the remuneration of its chief officers;
- the remuneration of its lowest-paid employees, and
- the relationship between – the remuneration of its chief officers, and the remuneration of its employees who are not chief officers
- the definition of 'lowest-paid employees' adopted;
- the level and elements of remuneration for each chief officer;
- remuneration of chief officers on recruitment;
- increases and additions to remuneration for each chief officer;
- the use of performance-related pay for chief officers;
- the use of bonuses for chief officers;
- the approach to the payment of chief officers on their ceasing to hold office or to be employed by the authority;
- the publication of and access to information relating to remuneration of chief officers;

The statement may also cover the authority's policy relating to:

- policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

Chief Officer is defined to include:

- the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- its monitoring officer under section 5(1) of that Act;
- a statutory chief officer under section 2(6) of that Act; - a non-statutory chief officer under section 2(7) of that Act; - a deputy chief officer in section 2(8) of that Act.

The pay policy statement has to be approved by a resolution of the authority. Following approval, the statement must be published as soon as possible on the authority's website. The Council may amend the pay policy statement in-year and this also requires a resolution.

The Act specifies that the functions relating to pay accountability are not executive functions and also that section 101 of the Local Government Act 1972, which gives local authorities powers to arrange for the discharge of their functions by committees, officers or other local authorities, does not apply to these functions. This means that the resolution must be approved by full Council.

Gender Pay Gap

Woking Borough Council is required by law to publish annual gender pay gap data. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all employers with 250 or more employees to publish data based on the snap-shot date 31 March 2021. In addition, the Council has to depict pay quartiles by gender whereby the workforce is divided into four equal-sized groups based on hourly pay rates, with the Upper Quartile covering the highest paid 25% and the lower quartile containing the lowest paid 25%. The data has to be published on the Council's website annually. The figures set out in the following report have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

These provisions add to the range of transparency obligations already placed upon the Council such as the Accounts and Audit Regulations 2011 which already require historic expenditure on chief officers within specified pay bands to be disclosed in the annual statement of accounts

Ethnicity Pay Gap

The Government has consulted on whether organisations should collect and publish information on its Ethnicity Pay Gap and we are awaiting the outcome. The Council has calculated its Ethnicity Pay Gap for 2021.

Recommendations

The Council is invited to approve the Pay Policy Statement for the financial year 2022/23 and in so doing comply with the provisions of the Localism Act 2011.

The Council is invited to note the gender pay gap data based on the snap-shot date of 31 March 2021 and in doing so comply with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The Council is invited to note the ethnic pay gap data based on the snap-shot date of 31 March 2021.

The Council is requested to:

RESOLVE That

- (i) the Pay Policy Statement be approved for publication;
- (ii) the Gender Pay Gap data be approved for publication; and
- (iii) the Ethnicity Pay Gap data be noted.

The Council has the authority to determine the recommendations set out above.

Background Papers: Sustainability Impact assessment
Equalities Impact Assessment.

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1.0 Introduction

- 1.1 This Pay Policy Statement is provided in accordance with Sections 38 - 43 of the Localism Act 2011.
- 1.2 This Pay Policy Statement sets out Woking Borough Council's policies relating to the pay of its workforce for the financial year 2022-23.

2.0 Background

- 2.1 The Council has developed its own local terms and conditions including pay. The local pay scale covers all employees of the Council.
- 2.2 As required by law, the Council provides all of its employees with the opportunity to join the Local Government Pension Scheme.

3.0 Definition

- 3.1 For the purpose of this pay policy the following definitions will apply:

'Remuneration', in addition to salary this includes taxable earnings and non-taxable benefits (and is more particularly defined in section 46 of the Localism Act 2011).

'Chief officer' refers to the following statutory and non-statutory roles within Woking Borough Council as follows:

- Chief Executive, as Head of Paid Service
- Directors
- Section 151 Officer/Chief Finance Officer and Monitoring Officer
- Senior Managers who report directly to those listed above

- 3.2 'Lowest paid Employees' refers to employees employed within grade W1 of the Council's current pay grading structure, other than apprenticeships or traineeships. This definition for the 'lowest paid employees' has been adopted because grade W1 is the lowest grade on the Council's grading structure on which employees are paid. The bottom point on this pay scale is £18,328. To enable meaningful comparison the Council uses employees on full time contracts for this definition.

4.0 Pay Framework and Remuneration

- 4.1 Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the Council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not unnecessarily excessive. The Council has responsibility for balancing these factors. The overall pay bill is controlled within a financial envelope agreed at least annually by the Council/Executive.
- 4.2 It is essential for good governance that decisions on pay and reward packages for chief executives and chief officers are made in an open and accountable way. Our policy is to pay appropriately to attract competent and experienced senior employees to lead the organisation. Our aim is to be regarded as competitive as compared to the level of pay locally and neighbouring local authorities.
- 4.3 All Woking Borough Council employees are on local conditions. The pay and reward structure and the performance management process apply to all employees including chief officers. Targets for both objectives and behaviours are set and performance against those targets is assessed.

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- 4.4 The Authority has a salary and grading structure for all employees which includes the grades and salaries applicable to chief officers. The grade allocated to a post is determined by the duties, level of responsibility and behaviours required as outlined in the job description, person specification and role map.
- 4.5 The grade framework comprises of 12 grades. Outside the main framework there are 4 trainee grades. All employees are placed within the grade framework on a fixed salary based on an assessment of the job role. Progression through a grade is based on an assessment of behaviour, skill and performance following the outcome of an annual performance and development review (PDR). Each employee receives an overall grading which determines the amount of performance pay to be awarded. Payments are made against a pre-determined amount to ensure the scheme remains affordable.
- 4.6 Indexation is considered annually for all employees in consultation with UNISON.
- 4.7 In addition to basic pay all chief officers and employees are eligible to receive the following benefits:
- If the officer is a member of the Local Government Pension Scheme the employers' contribution.
 - Payment of an annual subscription to one professional institution where this has a clear benefit or is a requisite to the job.
 - A flexible benefit paid in monthly instalment. This can be used to purchase a public sector season ticket, obtain a vehicle through the Council's car leasing scheme or as a cash alternative. Normal tax and national insurance rules apply.
- 4.8 The Council does not have a lump sum performance related pay or bonus scheme.

5.0 Policy on the Lowest Paid Employees

- 5.1 When determining any pay award the Council considers the needs of the lowest paid and the Living Wage (outside London rate).
- 5.2 The Council is supportive of the principle of equal pay in employment and has made a commitment to involve and work positively with UNISON to develop and maintain an open and transparent process and dialogue.

6.0 Policy on the Lowest Paid Employees

- 6.1 Our policy is that the ratio is broadly in line with comparator authorities.
- 6.2 The average (median) chief officer remuneration is £73,604; the average (median) remuneration for employees other than the chief officers is £33,529. Therefore the ratio of average chief officer remuneration to the average remuneration of other employees is 2.19:1.
- 6.3 The ratio between the highest paid earner, the Chief Executive, to the average (median) remuneration of the whole workforce is 3.9.

7.0 Remuneration on Employment

- 7.1 Our policy is to appoint at, or near, the bottom taking into account the relevant skills and experience of the person appointed. Progression through the grade is as outlined in section 4 above. Appointments at chief officer level below Chief Executive are made by more senior officers with Member involvement as appropriate. On occasion the Council will request input from neighbouring authorities or other experts in the recruitment process particularly when the

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post requires specialist knowledge. Appointments to the post of Chief Executive are made by the leading Members and approved by the Council.

8.0 Approach to the Payment of Officers in the Event of their Ceasing to Hold Office or be Employed by the Authority

8.1 The Council's redundancy framework sets out a consistent method of calculating redundancy pay which is applied to all redundant employees. The level of redundancy pay is calculated using the statutory system with a multiplier of 2.2 and no cap on weekly earnings. The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment.

8.2 Officers who leave the Council's employment, where appropriate, will receive compensation in line with the Council's redundancy payments policy or through a negotiated settlement.

9.0 The Publication of and Access to Information Relating to Remuneration of Chief Officers

9.1 The annual Pay Policy statement will be published on the website where it can be easily accessed. Information about senior officer remuneration has been published on the Council's website as part of the Final Statement of Accounts and transparency agenda. The grade framework for all employees is published on the Council's website.

10.0 Additions to Remuneration for Chief Officers

10.1 One or more chief officers will be eligible for payments for election duties (e.g. as Returning Officer or Deputy Returning Officer/s) which is calculated based on the number of electors in each ward in the election. There is an agreed Surrey wide scale of fees and charges which sets out the amounts used to calculate this.

10.2 Fees for borough, county and Police Commissioner elections vary according to the size of the electorate and number of postal voters. Payments for General and European elections are set by central government and are not paid by the Council as the money is reclaimed.

11.0 Policy on Employing Someone Who Has Taken Redundancy from another Authority

11.1 If there is less than a 4 week gap between someone being made redundant from another council and joining Woking Borough Council they will be required to repay their redundancy payment to their previous employer. If the gap is longer than 4 weeks they can retain their payment but their continuous service is broken, which means that they would have no eligibility for redundancy payments until they have 2 years continuous service with this authority.

12.0 Policy on Employing Someone Who is Also Drawing a Pension

12.1 The Council will consider all requests from employees who wish to draw their pension but continue working.

13.0 Policy on Additional Employments

13.1 The Council's Conditions of Service provide for employees:- to have one or more employments with the Council, in which cases the arrangements outlined above apply; private employment or outside activity conditional upon such employments or activity not prejudicing their main employment with the Council; and appointments to remunerated roles directed or authorised by the Council.

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14.0 Gender Pay Gap

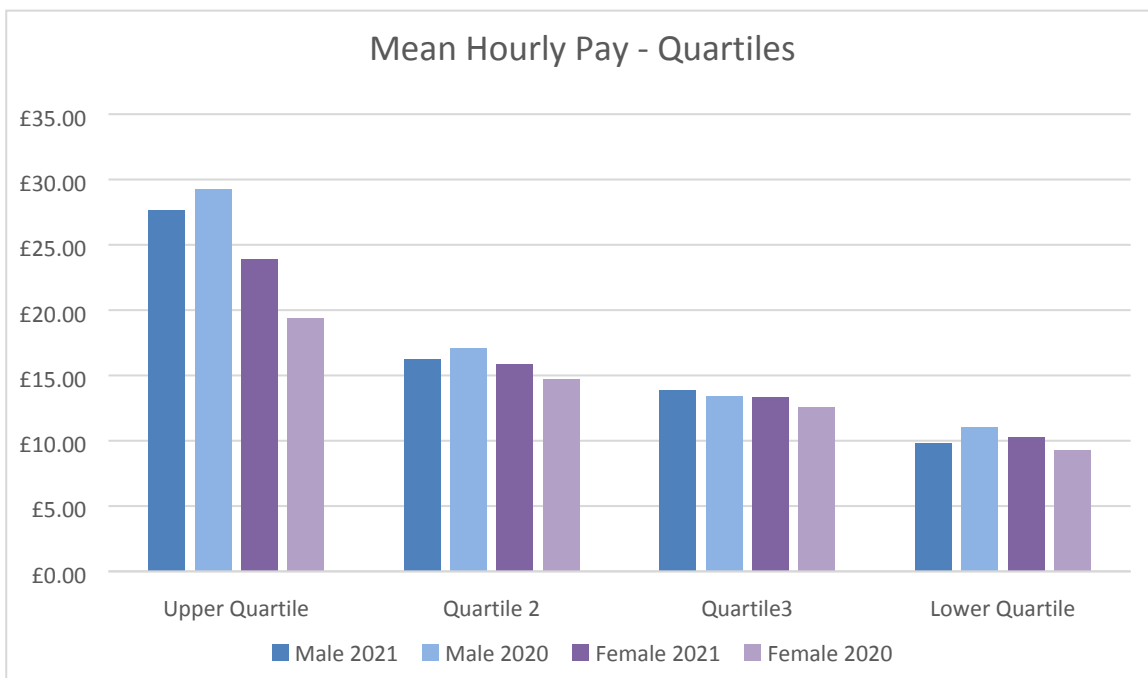
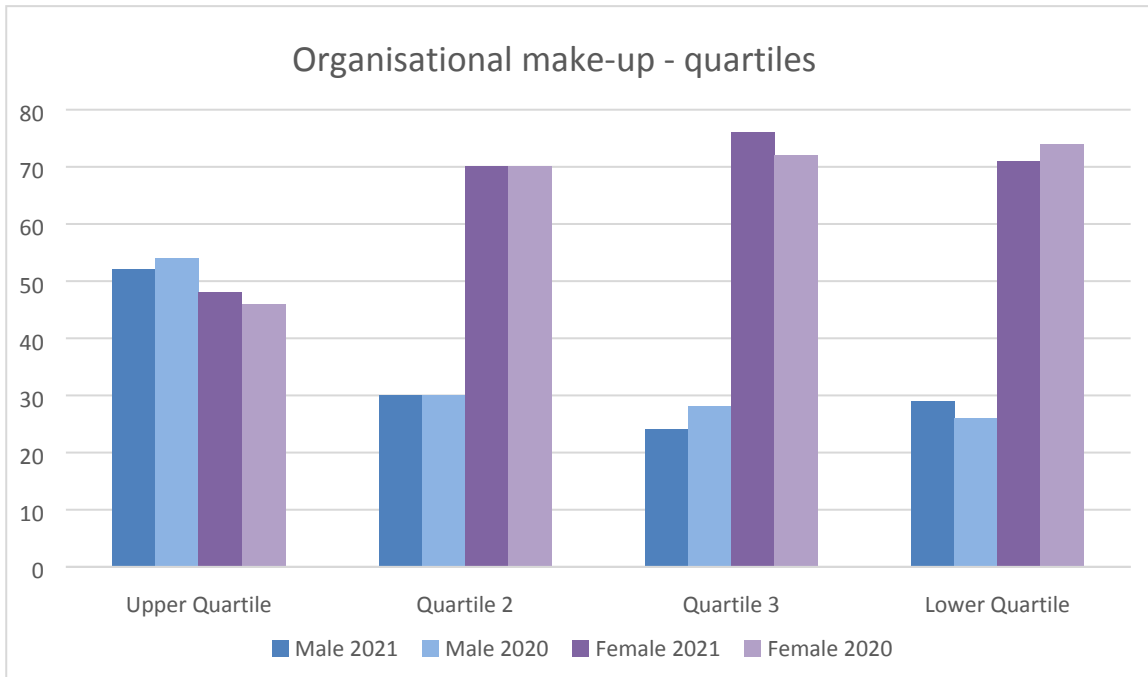
- 14.1 Woking Borough Council is required by law to publish an annual gender pay gap report. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all employers with 250 or more employees to publish a report based on its figures on a snap-shot date. For public authorities this snapshot date is 31st March. This is our fifth report.
- 14.2 This is the report for the snapshot date of 31st March 2021.
- 14.3 The Mean Gender Pay Gap is the difference between average hourly earnings of men and women. The Mean Gender Pay Gap for the Council is 19.76% (19.28% for 2020). The Median Gender Pay Gap is the mid-point in the range of hourly earnings of men and women, when arranged from the highest to lowest. The Median gender pay Gap for the Council is 13.63% (10.24% for 2020).
- 14.4 The Council's Pay structure and policies ensure all employees are paid equally for the same or equivalent work, regardless of their gender or any other characteristic protected under the Equality Act 2010. The analysis shows that the Council continues to have a gender pay gap. It should be noted that historically the largest pay gap has been within the top quartile of the organisation. This continues to be skewed by the fact that there are a significant number of males within the top 25 highest paid employees.
- 14.5 As outlined, this report is based on data produced on 31 March 2021. Since that date there have been significant changes to the Council's employee profile, in particular within the upper quartile. It is anticipated that these changes will have a positive impact on the Gender Pay Gap in the future.
- 14.6 In addition the Council has to depict pay quartiles by gender. The workforce is divided into four equal-sized groups based on hourly pay rates, with the Upper Quartile covering the highest paid 25% and the lower quartile containing the lowest paid 25%.

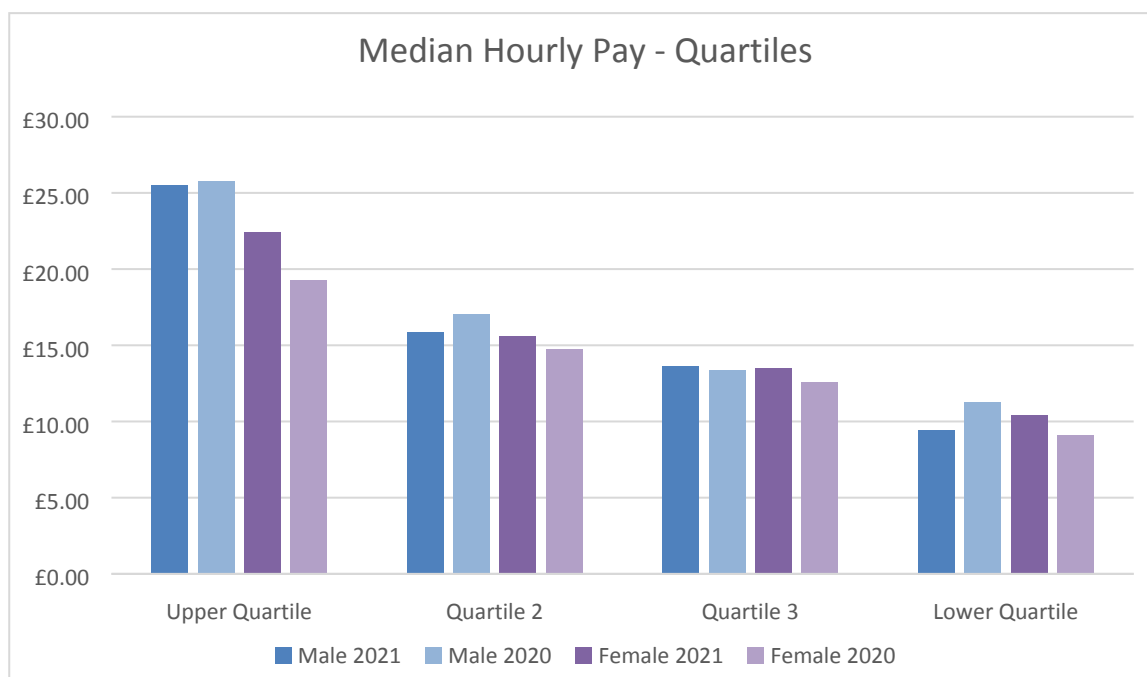
Pay Quartiles by Gender: (figures for 2020 in brackets)

Quartile	Male	Female	Description
Upper	52% (54%)	48% (45%)	Includes all employees whose standard hourly rate places them above the upper quartile
Quartile 2	30% (30%)	70% (70%)	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
Quartile 3	24% (28%)	76% (72%)	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
Lower	29% (26%)	71% (74%)	Includes all employees whose standard hourly rate places them at or below the lower quartile

- 14.7 The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

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Difference between men and women

Quartile	Mean hourly rate - male	Mean hourly rate - female	Mean gender pay gap	Median hourly rate - male	Median hourly rate - female	Median gender pay gap
Upper	£27.68 (£29.27)	£23.94 (£19.36)	13.51% (33.86%)	£25.47 (£25.77)	£22.38 (£19.24)	12.13% (25.34%)
Quartile 2	£16.25 (£17.09)	£15.90 (£14.73)	2.15% (13.81%)	£15.85 (£17.02)	£15.57 (£14.71)	1.78% (13.57%)
Quartile 3	£13.89 (£13.45)	£13.31 (£12.61)	4.17% (6.25%)	£13.61 (£13.36)	£13.46 (£12.57)	1.10% (5.91%)
Lower	£9.79 (£11.03)	£10.24 (£9.30)	-4.6% (15.68%)	£9.39 (£11.24)	£10.40 (£9.07)	-10.76% (19.31%)

(Figures for 2020 in brackets)

14.8 Across the UK as a whole, men are more likely than women to be in senior roles, especially very senior roles at the top of organisations. Generally women are more likely than men to be in front-line roles at the lower end of the organisation. This is reflected in the picture for the Council, where all but the top quartile is predominately female. Although the balance in the top quartile is improving and this trend is likely to continue. The Council's pay policy has focused on raising the level of pay for the lowest grades, to ensure that the roles are valued and paid the living wage, set by the Living Wage Foundation.

How we compare

14.9 The pattern from the UK economy as a whole is reflected in the figures found in our upper quartile where men are more likely to be in senior roles. Women are more likely to have had breaks from work that have affected their career progression, for example to bring up children.

14.10 The mean gender pay gap for the UK for 2021 was 15.4% according to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures (a slight increase from 14.9% in 2020, but is still down from 17.4% in 2019). For Local Government the mean gender pay gap was 5.1% (5.9% for 2020) and the median gender pay gap was 3.3% (4.3% for 2020).

How we are addressing the pay gap

14.11 Woking Borough Council is actively committed to reducing our gender pay gap and has developed an Action Plan which covers 5 key areas.

- Pay and Performance – to ensure the Council adheres to its equal pay principles and pays/rewards fairly across the gender spectrum. HR will continue to analyse current pay levels and pay on recruitment to ensure fairness and consistency.
- Recruitment and Promotion – that recruiters/managers are clear on non-discriminatory practices and unconscious bias through regular reminders and training opportunities.
- Training and Development – there is equality of opportunity in terms of access to networking and training/development events. Create and develop opportunities for women specifically and seek out their views on leadership opportunities via focus groups.
- Flexible and Part-time Working – alternative working patterns are actively supported and promoted via recruitment activities.

Evidence base

14.12 Detailed analysis of the salary structure, including levels, pay grade and working hours has been carried out and no significant issues were identified indicating our pay arrangements are rational, fair and transparent. The exercise will be repeated every three years. We have carried out analysis of recruitment statistics, applications for promotion and analysis of PDR's and pay reviews. Again, no issues were identified.

Recruitment

14.13 We aim to recruit from the widest possible talent pool. We will look at whether we can improve this, including looking at language used in adverts. Our application process is blind and has no personal details available for shortlisting. HR carry out spot-checks on shortlisting to ensure no bias is taking place. Managers are trained on how to recruit using competency-based interview techniques that aim to avoid unconscious bias; ensuring all managers are consistent and competent in recruitment.

Flexible working

14.14 The pandemic has had a huge impact on the way the Council works and delivers services. Following the lockdown periods a hybrid work style was introduced to enable employees to effectively manage their health and wellbeing and work-life balance. The pros and cons of the new way of working will need to be closely monitored to ensure a mutual balance between employees fulfilling their jobs in the manner expected by the organisation whilst also enabling them to be mindful of their health and wellbeing and ensuring a good work life balance. This is also likely to have an impact on the other flexible working options available and this will be monitored by HR.

Development

14.15 We are committed to offering advancement opportunities and training to all employees, including Management Development, coaching and mentoring for those moving into senior positions. We will look at the Performance Review process and ensure it is robust and fit for purpose and that we are able to identify from within our current workforce those employees who have the potential to grow into more senior roles. We will offer training, support and development opportunities to those employees including coaching and mentoring both within and outside of our organisation. We will also gather qualitative data through a consultation exercise across the organisation to identify the barriers (and the drivers) for women employees.

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Ethnicity Pay Gap

14.16 The Government has consulted on whether organisation should collect and publish information on its Ethnicity Pay Gap and we are awaiting the outcome. The Council has been calculating its Ethnicity Pay Gap since 2019.

14.17 The Ethnicity Pay Gap figures for 2021 are:

White British	342 employees / 76% (361 employees / 76.32% - 2020)
Other Ethnicity	99 employees / 22% (110 employees / 23.26% - 2020)
Not known/prefer not to say	7 employees / 2% (2 employees / 0.42% - 2020)
Mean hourly rate (White British)	£17.09 (£16.33 – 2020)
Mean hourly rate (other ethnicity)	£14.54 (£13.54 – 2020)
Mean ethnicity pay gap	14.92% (17.09% - 2020)
Median hourly rate (White British)	£14.85 (£14.44 – 2020)
Median hourly rate (other ethnicity)	£13.61 (£13.16 – 2020)
Median ethnicity pay gap	8.35% (8.86% - 2020)

Pay Quartiles by ethnicity

Quartile	White British	Other ethnicity	Not known	Description
Upper	88.4% (88.99%)	11.6% (11.01%)		Includes all employees whose standard hourly rate places them above the upper quartile
Quartile 2	79.46% (81.51%)	18.75% (16.81%)	1.79% (1.68%)	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
Quartile 3	65.18% (61.34%)	32.14% (38.66%)		Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
Lower	72.32% (72.81%)	25.89% (27.19%)	1.79%	Includes all employees whose standard hourly rate places them at or below the lower quartile

(Figures for 2020 in brackets)

Quartile	Mean hourly rate – White British	Mean hourly rate – other ethnicity	Mean ethnicity pay gap	Median hourly rate – White British	Median hourly rate – other ethnicity	Median ethnicity pay gap
Upper	£26.30 (£25.08)	£22.65 (£21.83)	13.87% (12.95%)	£24.40 (£23.46)	£21.45 (£20.76)	12.09% (11.51%)
Quartile 2	£16.08 (£16.32)	£15.76 (£16.49)	1.99% (-1.04%)	£14.34 (£16.75)	£15.45 (£17.71)	-7.74% (-5.73%)
Quartile 3	£13.36 (£12.81)	£13.71 (£12.85)	-2.62% (-0.87%)	£13.49 (£12.94)	£13.61 (£13.16)	-0.88% (-1.7%)
Lower	£10.28 (£9.70)	£9.73 (£9.90)	5.35% (-2.06%)	£9.86 (£9.50)	£9.69 (£9.50)	1.72% (0%)

(Figures for 2020 in brackets)

15.0 Implications

Financial

15.1 To foster a transparent pay and reward framework which is accountable and managed appropriately.

Human Resource/Training and Development

15.2 Ensure compliance with current legislation and brief managers appropriately.

Community Safety

15.3 There are no community safety implications arising from this report.

Risk Management

15.4 There are no risk management implications arising from this report.

Sustainability

15.5 There are no sustainability implications arising from this report.

Equalities

15.6 To ensure the Council continues to comply with Equal Pay legislation.

Safeguarding

15.7 This policy complies with Safeguarding requirements.

16.0 Conclusions

16.1 The Council is invited to approve the Pay Policy Statement for the financial year 2021/22 and in so doing comply with the provisions of the Localism Act 2011.

16.2 The Council is invited note the gender pay gap data based on the snap-shot date of 31 March 2021 and in doing so comply with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

16.3 The Council is also invited note the ethnicity pay gap data.

REPORT ENDS

