

TITLE OF REPORT: HR EQUALITIES AND RETENTION UPDATE

REPORT OF THE CORPORATE MANAGER HUMAN RESOURCES

1. SUMMARY

- 1.1 To update JSCC on the current position with regard to the Council's retention rate, and Equal Pay Audit 2009/2010.

2. FORWARD PLAN

- 2.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

3. BACKGROUND

- 3.1 Equalities and the retention of staff are projects contained in the People Strategy. This report is to update JSCC on progress with equalities and retention in relation to our employees and progress on our equalities action plan.
- 3.2 This Report will cover leavers from the Council during the period 1st April 2009 to 31st March 2010, look at the reasons for leaving and identify any retention issues that need to be addressed.
- 3.3 The Report also looks at the outcome of the Equal Pay Audit carried out in late 2009, early 2010. (attached as Appendix 1)

4. RETENTION UPDATE

- 4.1 The turnover figure for the period 1st April 2009 to 31st March 2010 was 10.22%. As a benchmark, the median average annual turnover per authority is 11.% (taken from the 2009 Local Government Workforce Survey.) This is slightly higher than for 2008/2009 (8.57%) but we had become concerned that turnover had fallen too low so a small increase is welcome.
- 4.2 42 people (not including Play Scheme Workers on short term contracts) left the Council in the period April 2009 to March 2010. Of these almost half (19) were voluntary resignations for new jobs or relocation and 19% (8) were due to reaching the end of their fixed term contract. The remainder were for retirement both at and prior to normal retirement age (14%), dismissals (4.8%), ill health (7%), redundancy (7%) and a TUPE transfer (2.4%).

- 4.3 12% of leavers (5 people) were from ethnic minority groups and 2.4% (1 person) had a declared disability. The former figure reflects closely the current overall percentage of ethnic minority staff in the workforce (11%) and the latter is less than half the percentage figure of those who have declared a disability (5.62%)
- 4.4 The age group of leavers was spread across the full age range of employees. Only 1 leaver was under 25, 15 were between 25 and 44 and 26 were over 45. The largest number of leavers (10) was in the 55 to 64 years age band. The lowest number of leavers was in the under 25 age range.
- 4.5 29% of leavers were in the grades ranging from 1 to 3. 36% were in the grade ranges of 4 to 6. 26% in the range of 7 to 9 and 9% were in the range of grades 10 to 13, with one leaver at grade13, a retirement.
- 4.6 The number of male (38%) and female leavers (62%) more or less reflects the overall make up of the organisation which is 35% male and 65% female.
- 4.7 The overall turnover rate remains low and no problems about retention have been identified from the leaver data.
- 4.8 For voluntary resignations exit questionnaires and or exit interviews are routinely carried out to establish clear reasons for leaving.

5. EQUALITIES PERFORMANCE

We are maintaining our performance indicators BV11a, b and c, BV16a and 17a.

- α BV 11a - top 5% of earners that are women is currently at 22.42%
- α BV 11b - top 5% of earners that are disabled is at 16.82%,
- α BV 11c - top 5% of earners that are from ethnic minority groups remains at 0%.
- α BV16a - Percentage of employees with a disability is 5.62%, 0.16% under target.
- α BV17a - Percentage of employees from an ethnic minority group is 7.33%, just below the target at 7.7%. We are still improving our levels of ethnic minority employees and are aspiring through succession planning to make progress against this.

6. EQUALITIES DATA

- 6.1 We collect equalities data from our employees and potential employees through the recruitment process. We also periodically request updates from all employees, however a significant number of staff choose not to provide the information.
- 6.2 Under the specific public sector duties of Gender Equality, Race Equality and Disability Equality we now collect a broader range of equalities information and data. Last summer we wrote to all staff where there were gaps in equalities data. Information was returned in over 50% of cases and data held on current employees was dramatically improved.

- 6.3 The Equal Pay Audit (see Item 7 below) however showed that there are still significant gaps in data relating to disability, religion and sexuality so it is planned to repeat the exercise in the near future for those for whom no information is held. Where an employee has declined to give the information their file will be marked accordingly and a different letter issued asking them to reconsider this decision.
- 6.4 Once the data is returned, we will review the success of the letters and follow up with further information to individuals via direct telephone calls, face to face meetings etc. to see if we can encourage them to provide the equalities data and provide assurances regarding confidentiality and proper use and storage of data.

7. EQUAL PAY AUDIT 2009/2010

- 7.1 Following the implementation of the single status agreement regular equal pay audits have been carried out as they are considered to be an important element of ensuring that the pay and reward package is being applied fairly. The audit is carried out by a working group consisted of a representative from HR and volunteers from the Union.
- 7.2 The review covered the main areas where inequalities are likely to exist. The review of NHDC data has been undertaken using; grade, gender, age, ethnic group, disability, religion and sexuality, with the last three categories being analysed for the first time. Analysis has also been carried out for full time and part time employees for basic pay. The Audit also explored Market Forces Payments, Additional Responsibility Pay, Starting Pay, Protected Pay, Attendance at Evening Meeting Allowances, Shift and Standby payments, night and weekend working enhancements and Lease Car Users.
- 7.3 The Equal Pay Audit 2009/2010 Report was presented to the Staff Consultation Forum on 5th May 2010. The outcomes from the Review showed that overall we are satisfied that there are no significant inequalities. In a large number of examples the minority groups are earning the same or more than the comparison group.
- 7.4 High number of female workers are a feature of Local Government ranging from a half to 3 quarters of the workforce and North Herts District Council is no different with 65% of the workforce being women. Nationally around 46% of local government female workers are part- time. Part-time working is an excellent means of balancing work and the responsibilities of childcare. It should not be forgotten that part time working is regarded as flexible working.
- 7.5 The trend still is that women tend to be the main child carer and this is the main contributor to the demand for part- time work.
- 7.6 In carrying out an equal pay review it is important to remember that not all people want senior, professional or managerial roles, However at North Herts District Council we are committed to developing all our staff. We signed the skills pledge in 2008 and have been delivering that pledge since then. We support staff training in professional qualifications and managerial qualifications through ILM3 and ILM5.

- 7.7 We have delivered on our actions from our last equal pay audit by reducing market forces payments and reducing the number of male staff in particular starting above the bottom of the pay scale. Following our pay review, the 2005 staff survey showed an increase in satisfaction with basic pay of 15%. In 2010 that satisfaction level remains almost just the same and has only fallen by 0.5% in 5 years.

The Report is attached as Appendix 1

8. LEGAL IMPLICATIONS

- 8.1 Equalities monitoring and Equalities in the workplace are supported by the following, non-exhaustive, list of legislation and regulations.

Equal Pay Act 1970

Race Relations Act 1976

Sex Discrimination Act 1975

Disability Discrimination Act 1995 and 2005

Public Interest at Work Act 1998

Human Rights Act 1998

Race Relations Amendment Act 2000

Gender Recognition Act 2004

Civil Partnership Act 2004

Equality Act 2006

Employment Equality (sexual orientation) Regulations. 2003

Employment Equality (religion or belief) Regulations. 2003

Employment Equality (sex discrimination) Regulations. 2005

Employment Equality (Age) Regulations 2006

Code of Practice on Racial Equality in Employment Nov 2005

Public Sector Equality Duties - Race (2002), Disability (2006), Gender (2007)

- 8.2 As can be seen from the above list the Council needs to be aware of, and take account of, a large amount of legislation which affect this area.
- 8.3 The provisions of the Equalities Act 2010 which are intended to consolidate, harmonise and strengthen existing discrimination legislation are due to take effect from the Autumn of this year with additional public sector duties coming into force from April 2011. As a consequence we will be reviewing our policies to ensure consistency with the new combined discrimination provisions, checking we can meet the employment data reporting duties, reviewing our recruitment processes and considering any necessary training requirements.

9. FINANCIAL AND RISK IMPLICATIONS

- 9.1 All actions mentioned in the report can be accommodated from within existing budgets.
- 9.2 Delivery of the People Strategy is key to reducing some of the risks identified under the Council's Top Risks of Workforce Planning and Organisational Development. These Risks are reviewed on a regular basis

10. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

- 10.1 The HR Implications are outlined in the body of the report.

11. RECOMMENDATIONS

11.1 JSCC to note the update on retention and equal pay audit.

12. APPENDICES

Appendix 1 – Equal Pay Audit 2009/2010 - Report

13. CONTACT OFFICERS

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APPENDIX 1

EQUAL PAY AUDIT 2009/2010 – REPORT TO THE STAFF CONSULTATION FORUM APRIL 2010

1.0 Background

Following the implementation of the single status agreement, the Pay Review of 2004 and the equal-pay audits of 2005 and 2007, another equal-pay audit has been carried out late 2009 early 2010. The Hay job evaluation scheme is proven to be a robust scheme in relation to equalities. Regular equal pay audits are an important element of ensuring that the pay and reward package is being applied fairly.

According to figures produced by the Local Government Association the following are the current demographics for local government:

- Around three quarters of the workforce are female apart from the shire districts where just over half the workforce are female.
- There has been a modest increase in local government employees under the age of 24 over the last 10 years, but it is still not quite 6%, and a dip in those in the 30-40 age bracket compared to the wider population. The number of employees aged over 55 has increased but only consistent with the wider shift in the population. 79.9% of the workforce are over the age of 35.
- Around 8% of the local government workforce are Black, Asian and Minority Ethnicity. The figure rises to 36% in the London Boroughs.
- Almost 15% of the local government workforce are DDA disabled or work limiting disabled. This is in line with other sectors of the public sector but approximately 2% higher than the whole economy or the private sector.
- Just over 47% of local government staff are full time with male full time staff representing 18.5% of the workforce and female full time staff making up 28.7%. Male part time staff constitute 6.4% of the workforce and female part time staff over 46%.

The current gender pay gap in the public sector is 11.6% for full-timers, 18.3% for part-timers and 21% per cent for all employees, compared with the private sector, where the gap was 20.8% for full-timers, 0.4% for part-timers and 28.8% for all employees.

2.0 Equal Pay Audit at NHDC

The equal pay audit working group consisted of a representative from HR and volunteers from the Union.

The review covered the main areas where inequalities are likely to exist. The review of NHDC data has been undertaken using; grade, gender, age, ethnic group, disability, religion and sexuality, with the last three categories being analysed for the first time. Analysis has also been carried out for full time and part time employees for basic pay. We have also explored Market Forces payments, Additional Responsibility Pay, Starting Pay, Protected Pay, Attendance at Evening Meeting Allowances, Shift and Standby payments, night and weekend working enhancements and Lease Car Users.

3.0 Conclusions

The main conclusions for each group analysed are summarised below by group heading. Where the figures used in the analysis indicated a difference of 3% or more this was taken to be significant.

3.1 Gender

65% of Council Staff are women and 35% are men. The % of female staff has dropped slightly from 67.5% at the last Audit but is still above the average for shire districts although it is below the average for local government as a whole.

89% of men work fulltime and make up 31% of the workforce. 54% of women work full time and constitute 35% of the workforce. Part time workers make up 34% of the workforce. These figures vary significantly from the averages across local government.

Comparisons between men and women in full time positions are very evenly spread across Grades 3-10 with 5 Grades showing men earning more and 5 Grades with women earning more but in no case is the difference more than 3%. In Grades 13 and 15 full time women are earning more than full time men with the most significant difference being at Grade 15 where women are earning 20% more than men but with only a very few members of staff at this Grade the sample is very small. These figures are in significant contrast to those for the whole local government sector.

In grades up to Grade 8 there are more women than men but above this there are more men than women in each grade. 74% of women are below Grade 8 compared with 30% of men. Until there is significant turnover at the more senior levels this is unlikely to change but the steps currently being undertaken to develop staff in all groups and the Council's continuing strong support of accreditation to such bodies as Investors in People underlines its commitment to increasing the number of women in more senior roles.

In comparing part time women against both full time women and full time men there are some large differentials in certain grades but these are split in favour between the two groups with 3 differentials being in favour of the full time staff and 2 in favour of part time women. The proportion of part time men (4%) is low compared with the proportion of part time women (30%) with no comparators in 9 grades. However the figures show that there are part time staff in all but the lowest and the highest 3 grades.

The number of women in the top 5% of earners at the Council is monitored by BVPI 11a and currently stands at 22.42%

As the figures show gender pay differences are both greater and less than their comparators it would indicate that there is no discrimination on the basis of gender.

3.2 Age

The most significant figures with regard to the age profile of those who work at the Council are that 80% of staff are aged between 35 and 64 and almost 58% of staff are aged between 35 and 54.

There is a reasonable spread of ages across all grades above the age of 25 but only 3.2% of the workforce are under 26. Further work will need to be done to target employing more people in the under 26 age groups and it is hoped the skills pledge and the introduction of the apprenticeship scheme (including an apprentice in HR) will help to redress this issue. Further work will also need to be undertaken to consolidate and promote the working beyond age 65 policy to retain more people over retirement age.

3.3 Ethnic Group

89% of staff are White British. The next biggest ethnic group is Asian or Asian British with 2.9% of staff. BVPI 17a measures the % of ethnic minority employees and currently stands at 7.33% which is slightly below our target of 7.7%. The figure is also slightly below that of local government as a whole.

4.7% of staff have not stated their ethnic group. This has almost halved since 2007 but further work needs to be done to encourage disclosure of this information as this remains a significant % of the workforce.

The biggest differential is between Asian or Asian British and Mixed at Grade 6 where the differential is 11.14% and the second, 11.05% is between White British and Asian or Asian British at Grade 3. The very small number in the latter group however can have a disproportionate effect on the differentials.

In a number of Grades there are significant differentials between White British and Asian or Asian British but as the total number of Asian or Asian British staff is only 2.9% the numbers in each grade where there is a comparator are very small with a consequently disproportionate effect on the differentials. All but one of the Grade comparisons between White British and Black or Black British are in favour of the Black or Black British Category. The pay of Mixed race staff shows both greater and lesser pay differences with their White British comparators and there is no difference in pay between Mixed, and Black or Black British Staff at Grade 7 or between Mixed and Asian or Asian British at Grade 9. The small numbers of such staff in each grade however make it difficult to draw any firm conclusions.

The numbers of non White British staff seem to be spread across the grades although there are none of these groups above grade 13. Until there is turnover at senior levels this is unlikely to change however steps will be taken through succession planning to coach and develop staff in all groups that have the potential to progress.

3.4 Disability

61.5% of staff are not disabled. BVPI 16a shows that 5.62% of the workforce is disabled which is 0.16% under target and significantly below the average for local government as a whole. However 16.82% of the top 5% of earners are disabled and disabled staff are represented at 10 of the 16 grades, with the highest number of disabled staff (30%) being at Grade 4.

The important figures in this analysis are however that 6.1% of staff declined to specify and no information is held on 27.7% of the workforce. This shows that more work needs to be done to encourage those staff to provide the relevant information.

In the 10 Grades where direct comparisons could be made, in 6 cases disabled staff earned more than their non disabled comparators and in one case the salaries were equal. Where disabled staff earned more than their non disabled comparators, the difference was more than 3% in all but one Grade. In comparing full time not disabled staff with full time disabled staff, the only two differentials larger than 3% were in the favour of the disabled staff. In comparing part time not disabled staff with part time disabled staff, all three differentials above 3% were in favour of disabled staff. These figures would indicate that there is no pay discrimination against disabled staff.

3.5 Religion

53.9% of staff are Christian and 11.5% of staff belong to a religion other than Christian. Again the very large proportion of staff (32%) which did not specify a religion or for which no information is held shows that more work needs to be done to encourage those to provide the relevant information. Reassurance also needs to be provided regarding the confidentiality of information given and the purposes for which it is to be used.

At Grade 6 comparisons can be made across all the groups but Agnostic and these show both greater and lesser differences although the Muslim salary figure seems consistently low. This however can be explained by the short service and small number in this group.

The differentials in many of the comparisons shown seem large but given the very small numbers in most groups it is hard to know how significant these differentials really are. More complete data for the whole workforce will help to determine this.

3.6 Sexuality

62.7% of staff are Heterosexual and less than 1% have stated that they are Gay, Lesbian or Bisexual. As with disability and religion the very large proportion of staff (31.6%) for which no information is held and the significant proportion who declined to specify (4.7%) is of concern. Again more work needs to be done to encourage those to provide the relevant information and to give reassurance regarding the confidentiality of information given and the purposes for which it is to be used.

In the comparisons between the Heterosexual and the Gay, Lesbian and Bisexual groups, there are differentials of over 3% in favour of the Gay and Lesbian members of staff and only a small difference (1.69%) between the Heterosexual and Bisexual groups. The very small number in each of the non Heterosexual groups however make it difficult to determine how significant these figures really are.

3.7 Starting Pay and Allowances

3.7.1 Additional Responsibility Pay

This is currently being received by 2.7% of staff. Of the 11 members of staff who receive the allowance, 9 are female and 2 are male. This represents 3.4% of the total female staff and 1.4% of the male staff.

This contrasts with the position in 2007 when 26 staff received this allowance of which 12 (9% of the total male staff) were male and 14 (5% of the total female staff) were female.

3.7.2 Market Forces Payments

Currently this payment is given to 3 members of staff (0.74% of the total workforce), 2 female and 1 male. These figures have shown a significant improvement since 2007 when 8 members of staff received these payments, 6 male and 2 female. This can be attributed to the continued need for a robust case for such payments to be made under the provisions of the Market Forces Policy.

3.7.3 Starting Pay

In the past year there have been 37 new starters, 23 female (62%) and 14 male (38%). 3 new starters (2 male and 1 female) started above the bottom of the relevant scale, 8.1%. This represents a significant drop since the previous Equal Pay Review which showed 52 new starters joined the Council above the bottom of the relevant scale. The reminder regarding equal pay on the Starting Pay Justification Form appears to be encouraging consideration of this.

Of those starting above the bottom of the scale 67% have been male and 33% female but as the total number is only 3 these figures are distorted by the very small numbers.

3.7.4 Protected Pay

Currently 4 members of staff receive this, 3 female and 1 male. This represents 0.98% of total staff.

1 member of staff receiving protected pay is at Grade 11 and is male. The other 3 members of staff are at grade 4 and are female. All those receiving protected pay work in the same department.

The fact that the numbers receiving protected pay are so small and are all in one department indicates that this measure was used in response to a particular situation and the practice of giving protected pay is not widespread in the Council.

3.7.5 Attendance at Evening Meetings Allowances

38 members of staff claimed this allowance in the past year, 25 male and 13 female constituting 9.34% of all staff. All members of staff claiming this allowance are in Grades 6-12. Grade 11 has the highest number of staff (11) claiming this allowance of which 9 are male and 2 female. At grades 10 and 12 more females (6) claimed the allowance than men (4) but at all other grades fewer female staff claimed the allowance than male.

3.7.6 Shift Allowance

Currently 2 members of staff receive shift allowance. Both are male and are at Grade 2. This represents 0.5% of all staff.

3.7.7 Night and Weekend Enhancements

4.18% (17) of staff receive night enhancements, all are female and are at Grade 3 in the Careline operation.

8.6% (35) staff receive weekend enhancements, 25 female and 10 male. All members of staff claiming this allowance are in Grades 2-4. Grade 3 has the highest number of staff (27) claiming this allowance of which 5 are male and 27 female. At all grades more females than males claimed this allowance. All those claiming this allowance work in the Careline, Visitor Services and Civil Enforcement areas of the Council.

3.7.8 Standby Payments

Standby payments were received by 31 (7.6%) members of staff in the past year. 14 or 45% of these were female and 17 or 55% were male. All members of staff claiming this allowance are in Grades 6-13. Grade 10 has the highest number of staff (10) claiming this allowance of which 8 are male and 2 female. At all grades up to 9 more females than males claimed this allowance. At Grades 10 - 13 more males claimed than females.

5 Members of IT staff receive disturbance allowance. This is a flat rate payment of 4 hours per week at SCP 101 regardless of grade. All those who receive this allowance are male and are in grades 5, 8, 9 and 11.

3.7.9 Lease Cars or Allowances

13.5% (55) members of staff receive lease cars or allowances, 40% are female (22) and 60% (33) are male.

All members of staff receiving this allowance are in grades 11-16. Grade 11 has the highest number of staff (31) receiving this allowance of which 17 are male and 14 female. At all grades more males than females received this allowance.

This benefit is seen as important in the recruitment and retention of good quality higher graded professional staff.

Summary of outcomes

Overall we are satisfied that there are no significant inequalities. In a large number of examples the minority groups are earning the same or more than the comparison group. We have identified we still need to do more to collect equalities data and reassure our staff that this data is confidential.

High number of female workers are a feature of Local Government ranging from a half to 3 quarters of the workforce and North Herts District Council is no different with 65% of the workforce being women. Nationally around 46% of LG female workers are part-time. Part-time working is an excellent means of balancing work and the responsibilities of childcare. It should not be forgotten that Part Time working is regarded as flexible working.

The trend still is that women tend to be the main child carer and this is the main contributor to the demand for part-time work.

In carrying out an equal pay review it is important to remember that not all people want senior, professional or managerial roles, However at North Herts District Council we are committed to developing all our staff. We signed the skills pledge in 2008 and have been delivering that pledge since then. We support staff training in professional qualifications and managerial qualifications through ILM3 and ILM5.

We have delivered on our actions from our last equal pay audit by reducing market forces payments and reducing the number of male staff in particular starting above the bottom of the pay scale. Following our pay review, the 2005 staff survey showed an increase in satisfaction with basic pay of 15%. In 2010 that satisfaction level remains almost just the same and has only fallen by 0.5% in 5 years.