

COUNCIL MEETING – 27TH FEBRUARY 2025

AGENDA ITEM NO. 6 (6)

PAY POLICY STATEMENT, GENDER PAY GAP AND ETHNICITY PAY GAP

A report from the meeting of the Corporate Governance, Audit and Standards Committee held on 29th January, 2025.

SUMMARY:

Under the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year. The statement requires a recommendation to Council for the period covering 2025/26.

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the council are also required to publish gender pay gap calculations annually based on a data as at 31 March 2024. In addition, the Council is reporting on its ethnicity pay gap for the first time. This information is for noting.

RECOMMENDATIONS:

- (1) The Council is recommended to agree the Pay Policy Statement for 2025/26 as set out in Appendix A.
- (2) The Gender Pay Gap and Ethnicity Pay Gap calculations 2024 are for noting.

1. BACKGROUND & INTRODUCTION

- 1.1 Under the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year. The Council's pay policy statement for 2025/26 is set out in **Appendix A**.
- 1.2 The Act requires that taxpayers can access information about how public money is spent on their behalf. It translates this into a requirement for improved transparency over both senior council officer pay and that of the lowest paid employees. To support this, the Act requires publication of an annual pay policy statement.
- 1.3 The Act sets out specific information that must be included in the Pay Policy Statement as follows:
 - the pay framework, level and elements of remuneration for Chief Officers
 - the pay framework and remuneration of the 'lowest paid' employees

- the relationship between the remuneration of the Chief Officer and other officers
- other policies relating to specific aspects and elements of remuneration such as pay increases, other allowances or payments, pension and termination payments.

1.4 Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the council are also required to publish gender pay gap calculations annually. The Council's Gender Pay Gap Report is set out in **Appendix B**.

1.5 Currently there is no legal requirement for organisations to calculate and publish an annual ethnicity pay gap report. However, the Council has decided to voluntarily publish an annual Ethnicity Pay Gap Report and develop an action plan to address any unjustifiable disparities between different ethnic groups which is set out in **Appendix C**.

2. THE PAY POLICY STATEMENT

2.1 The Pay Policy Statement contains two main components. It sets out the framework within which pay is determined in Rushmoor Borough Council and it provides an analysis comparing the remuneration of the Chief Executive with other employees of the authority.

2.2 The comparisons included within the paper look at the ratio between the Chief Executive and the full-time equivalent salary for a permanent member of staff employed in the lowest grade within the structure. The ratio for 2025/26 is 1:5.74.

2.3 The second ratio included within the analysis, looks at the relationship between the median remuneration of all staff compared to the Chief Executive. The ratio for 2025/26 is 1:3.3.

2.4 The recommendation of the Hutton Report (2010) is that public sector organisations should comply with a maximum multiple of 1:20. Rushmoor is well within this multiple.

2.5 The Pay Policy Statement is forward looking and based on pay as anticipated for the following financial year.

3. THE GENDER PAY GAP

3.1 The Equality Act requires the publication of the Council's Gender Pay Gap (mean and median values), Gender Bonus Gap (mean and median values), proportion of men and women receiving bonuses, proportion of men and woman in each quartile of the organisations pay structure. The council does not pay Bonus payments and therefore there is nothing to report in those categories.

- 3.2 The mean gender pay gap equates to 12.75 % with the female average salary being lower than the male average salary. The gap has increased from 12.69% in the previous year.
- 3.3 The median gender pay gap equates to 9.84% with the female median rate being lower than the male median rate. The gap has increased slightly from 9.52% reported in the previous year.
- 3.4 The proportion of men and women in each quartile has changed slightly with a notable increase in the number of women in the upper quartile.
- 3.5 The Gender Pay gap is reported retrospectively as at the 31 March in any year.
- 3.6 As the calculations are percentages and the number of senior employees at the Council relatively small, a change in gender of any senior role can have a significant impact on the gender pay gap calculation. A range of activities have been undertaken to encourage female employees to consider senior roles. Female members of ELT hosted a 'Women in Leadership session' which was well attended and provided insightful information for female colleagues in particular. In line with the People Strategy and Service Plan the Council will continue to promote secondments, cross council project working, encourage the personal development of employees, and those with the potential to progress into senior roles and continue to encourage flexible working, to facilitate positive shifts in the Council's gender pay gap.

4. THE ETHNICITY PAY GAP

- 4.1 Whilst it is currently not mandatory to provide a yearly ethnicity pay gap report we have decided this year to voluntarily provide a report to demonstrate our commitment to equality, diversity and inclusion in the Council and, as we have a gap, set a baseline for improvement.
- 4.2 The ethnicity pay gap is calculated by comparing the average pay of our White employees with that of our employees from the Black and Minority Ethnic groups (BAME).
- 4.3 The mean ethnicity pay gap equates to 12.7% with the non-white average salary being lower than the white average salary.
- 4.4 The median ethnicity pay gap equates to 5.3% with the non-white median rate being lower than the white median rate.
- 4.5 The Ethnicity Pay gap will be reported retrospectively as at the 31 March in any year.
- 4.6 Given the ethnicity pay gap the Council will now consider how we can address this as part of our commitment to be a more inclusive organisation. This could include looking at our culture, reviewing our recruitment and development

policies and considering the way we work to encourage a more diverse and inclusive workforce from the local community and beyond. In particular we will focus on how we advertise and promote roles at the Council, consider how we promote an in-house work experience programme as part of the Council's Young Peoples' Plan and review our secondment/development opportunities

CHAIRMAN OF CORPORATE GOVERNANCE,
AUDIT AND STANDARDS COMMITTEE

BACKGROUND DOCUMENTS:

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act Supplementary Guidance
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf

Rushmoor Borough Council
Pay Policy Statement for the Financial Year 2025-2026

1. Purpose and Definitions

- 1.1 The purpose of this pay policy statement is to set out Rushmoor Borough Council's (RBC's) policies relating to the pay of its workforce for the financial year 2025 - 26, in particular:
- a) the remuneration of its Chief Officers
 - b) the remuneration of its "lowest paid employees"
 - c) the relationship between
 - the remuneration of its Chief Officers
 - the remuneration of its employees who are not Chief Officers

Definitions

- 1.2 For the purpose of this pay policy statement, the following definitions will apply: -

"Chief Officer" refers to the following roles within RBC:

- Chief Executive, as Head of Paid Service
- Assistant Chief Executive
- Executive Directors
- Executive Heads of Service
- Heads of Service

The **"lowest paid employees"** refers to permanent or fixed-term staff employed at Grade 1 of the pay scale. Grade 1 is the lowest grade.

An **"employee who is not a Chief Officer"** refers to all permanent or fixed-term staff who are not within the "Chief Officer" group above, including the "lowest paid permanent employees" i.e., staff on Grade 1.

2. Remuneration of the "lowest paid employees" and "all other employees who are not Chief Officers"

Pay framework

- 2.1 Pay for the "lowest paid employees" and "all other employees who are not Chief Officers" is determined by the National Joint Council for Local Government Services and in line with the council's Pay and Reward Policy.

- 2.2 Not included in the definitions referred to above, there is a small and fluctuating number of 'casual' staff, some of whom receive lower salaries in accordance with minimum wage legislation.
- 2.3 The employment of casual staff recognises the need to have a small team of trained and available workers who can be deployed at short notice to assist with seasonal and emergency requirements. This approach enables the organisation to have an efficient and economic response to workload demands but without the need to incur unnecessary costs or to rely upon employment agencies. The use of casual contracts is regularly reviewed and staff engaged in this way are encouraged to apply for permanent roles when they become available.
- 2.4 The only other group employed by the Council who are excluded from the pay comparison data are apprentices. The apprentices are employed for a designated period during which time they are provided with on and off job training alongside the opportunity to gain valuable experience within a working environment. For this reason, the salary comparison would not be relevant.
- 2.5 The Pay and Reward Policy was last updated in 2023. The policy is in line with national guidance, with the grade for each role being determined by a consistent job evaluation process.
- 2.6 The Council's grading structure is based on the NJC terms and conditions using the national spinal column points with the addition of a number of spinal column points at the top of the scale. There are 9 Employee and Manager grades (1 – 7, Service Manager and Corporate Manager) and 4 Chief Officer grades (Head of Service, Executive Head of Service, Executive Director and Chief Executive) in the pay framework, grade 1 being the lowest and Chief Executive being the highest. Each employee is allocated a grade based on the job evaluation of their role.
- 2.7 Each grade has a number of incremental steps and employees can progress along the salary range to the maximum of their grade, subject to assessment of their performance.
- 2.8 Pay awards for those staff up to and including Corporate Manager are determined directly from the negotiations held between the Local Government Employers and the recognised Trades Unions under the NJC agreement. Pay Awards at Chief Officer level are determined by the negotiations held between Local Government Employers and recognised Trade Unions under the JNC for Chief Officers and similarly the pay awards for the Chief Executive is negotiated nationally with ALACE (Association of Local Authority Chief Executives).
- 2.9 The NJC negotiated pay award for 2024/25 was £1,290 for grades up to and including NJC SCP 43. For grades above, including Chief Officers and Chief Executive an increase of 2.5% was awarded.

2.10 The analysis used for this report draws upon the pay rates as expected at 1st April 2025.

2.11 The remuneration of the “lowest paid employees” includes the following elements:

- Salary
- Any allowance or other contractual payments in connection with their role

Salary

2.12 Each “lowest paid permanent employee” is paid within the salary range for Grade 1. Details of the Council’s grades and salary ranges are available on the website. The normal starting salary for new employees will be at the entry point for the grade. However, at the appointing managers discretion, based on their assessment of skills and experience employees may commence at a higher-grade point.

Other payments and allowances

2.13 Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Pay and Reward Policy. In a small number of roles where significant recruitment difficulties are experienced, a market supplement is paid. Market supplements are reviewed every three years to ensure they are still required. Further details of such allowances and payments are available on request.

Progression within the salary scale

2.14 The Council has a performance management and development review scheme in place. This embraces a number of elements including a joint review of performance, sharing organisational/team goals and agreeing future plans. Progression through the incremental scale appropriate to the grade is dependent upon performance being assessed as satisfactory by the staff member’s line manager.

2.15 In exceptional cases where staff members have consistently delivered exceptional performance, more than one incremental point may be awarded, with the approval of the relevant Chief Officer.

Pension

2.16 All Rushmoor Borough Council staff are eligible to join the Local Government Pension Scheme. There is automatic enrolment procedure in place to encourage membership of the scheme.

Severance Payments

- 2.17 Any severance payments will be in line with the Council's adopted policies on Organisational Change and MARS (Mutually Agreed Resignation Scheme). Further details are available on request.

3. Remuneration of Chief Officers

Pay framework

- 3.1 "Chief Officers" refers to the Chief Executive, Assistant Chief Executive, Executive Directors, Executive Head of Service and Heads of Service.
- 3.2 As set out above this group of "Chief Officers" are paid on locally determined pay scales outside of the NJC agreement. These pay scales were created by extending the NJC spinal column points, in the financial year 2024/25 the pay award for all Chief Officers was agreed at an increase of 2.5% on the base salary.

Progression within the salary scale

- 3.3 Progression through the incremental scale appropriate to the grade is dependent upon performance being judged as satisfactory or higher at the end of the review year.

Pension

- 3.4 All employees are eligible to join the Local Government Pension Scheme, but the value of these benefits has been excluded from the figures used for pay comparison purposes.

Severance Payments

- 3.5 Any severance payments will be in line with the Council's policy for Organisational Change or MARS scheme and further details are available on request.
- 3.6 Salaries of all the Council's Chief Officers are published on the council's website in line with statutory requirements. The Accounts and Audit Regulations 2015 (Statutory Instrument 2015/234) 2 3 (A&A regs) require local authorities to publish the following information about staff whose annual remuneration is at least £50,000:
- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
 - details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
 - employees whose salaries are £150,000 or more must be identified by name.

4. Other allowances or payments

- 4.1 Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Council's Pay and Reward policy.
- 4.2 The Chief Executive is appointed by the Council to act as the Returning Officer at the election of councillors for the Borough and as acting Returning Officer at Parliamentary Elections. The additional fees associated with these functions will be paid in accordance with those set nationally or locally through the Hampshire and Isle of Wight Elections Fees Working Party.
- 4.3 Within the fees structure for elections, provision is made for payments to staff for specific duties. These payments are also made in accordance with nationally set rates or locally through the Hampshire and Isle of Wight Election Fees Working Party. Details are available on request. Further details of such allowances and payments are available on request.

5. The relationship between remuneration of highest and lowest paid employees of the Council.

- 5.1 There are a number of different ways of presenting this information to provide a rounded picture of pay comparisons within the organisation. The lowest, median and highest FTE salaries as at 1st April 2025 are as follows:

Lowest: £23,656

Median £41,511

Highest £135,792

- 5.2 By taking the salary of those permanently appointed employees paid on the lowest grade of the council's pay structure and comparing this with the Chief Executive a pay ratio of **1:5.74** emerges. This is a slight reduction on the previous year's ratio which was 1:5.9
- 5.3 The Hutton Report (2010) that looked at the relationship between pay levels in the public sector recommended that organisations should comply with a maximum pay multiple of **1:20**. Rushmoor is well below that ratio.
- 5.4 An alternative approach is to compare the Chief Executive's salary against the median salary. This equates to a ratio of **1:3.3** which is a slight reduction on the previous years ratio which was 1:3.5.

6. Conclusion

- 6.1 There has been no significant movement over the last 12 months. These results indicate that there is no cause for concern regarding the ratio between the pay rates for staff and the Chief Executive.

APPENDIX B

Rushmoor Borough Council Gender Pay Gap Report 2024

1. BACKGROUND

- 1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, requires employers with 250 or more employees to publish statutory gender pay gap calculations annually. This includes the following:
- Gender pay gap (mean and median values)
 - Gender bonus gap (mean and median values)
 - Proportion of men and women receiving bonuses
 - Proportion of men and women in each quartile of the organisation's pay structure.
- 1.2 The Council is required to publish this data on its website and the governments dedicated page for Gender Pay Gap reporting - <https://gender-pay-gap.service.gov.uk>. The report must be published by 30th March 2025.
- 1.3 The legislation requires the organisation to choose a 'snapshot' date and base the Gender Pay Report on all relevant employees employed at that date. Rushmoor Borough Council's Gender Pay Gap is based on analysis of data as at 31st March in a year. This years calculations are based on data as at 31st March 2024.
- 1.4 Using a common calculation formula, organisations can determine whether there is a difference in pay for its male employees when considered against its female employees. The calculation takes account of all allowances paid to staff as recommended under the regulations, but excludes all overtime pay, whether at flat or enhanced rates.
- 1.5 This exercise provides organisations with an opportunity to consider whether they have a gap in the average pay rates for male and female employees and allows the organisation to consider how that has occurred and to put in place actions to address this. The difference between the pay rates for male and female employees is referred to as the 'Gender Pay Gap'.

2. RUSHMOOR DATA

- 2.1 Based on the data snapshot date of 31st March 2024, there were 258 permanent employees and 30 casual employees included in the data. Therefore, the total number of 288 employees has been used for the data source for this years calculation.

- 2.2 The gender breakdown of Rushmoor's workforce is 186 female employees (65%) and 102 male employees (35%).

Average Pay Calculations:

- 2.3 The average female hourly rate is £19.51 per hour. The average male hourly rate is £22.36 per hour. This means that on average male employees within Rushmoor Borough Council earn £2.85 per hour more than female employees. The calculation method that is used to calculate Gender Pay Gap is as follows:

$$\frac{(\text{£highest rate}) - (\text{£lowest rate})}{\text{£highest rate}} \times 100 = \text{Gender Pay Gap \%}$$

For Rushmoor Borough Council the following applies:

$$\frac{\text{£22.36 (male average)} - \text{£19.51 (female average)}}{\text{£22.36}} \times 100 = 12.75 \%$$

12.75 % difference between male salaries and female salaries

This equates to a 12.75 % difference (or 'gap') in pay rates, with the female average salary being lower than the male average salary.

Comparison with 2023 data:

- 2.4 In 2023, the average female hourly rate was £18.43 per hour and the average male hourly rate was £21.11 per hour.

This equated to a percentage difference of 12.69%, with the average female salary being lower than the male average salary.

The difference / gap has increased from the previous year.

Median Pay Calculations:

- The female median hourly rate is £19.34 per hour.
- The male median hourly rate is also £21.45 per hour.
- Using the above method, the difference in median wages is:

$$\frac{\text{£21.45} - \text{£19.34}}{\text{£21.45}} \times 100 = 9.84 \%$$

Comparison with 2023 data:

- 2.5 In 2023, the median female hourly rate was £18.34 per hour and the median male hourly rate was £20.27. This year we see an increase in both of these figures. The gap has increased from 9.52% to 9.84%

- 2.6 **Distribution of male & female employees within Rushmoor Borough Council across 4 quartiles:**

	Total Count	Female Actual	Male Actual	Female %	Male %
Quartile 1 – Lower	72	51	21	71% <i>(69%)</i>	29% <i>(31%)</i>
Quartile 2 - Mid Lower	72	50	22	69% <i>(69%)</i>	31% <i>(31%)</i>
Quartile 3 - Mid Upper	72	49	23	68% <i>(61%)</i>	32% <i>(39%)</i>
Quartile – Upper	72	36	36	50% <i>(47%)</i>	50% <i>(53%)</i>
Total Workforce	288	186	102	65% <i>(62%)</i>	35% <i>(38%)</i>

*(*figures shown in italics are the % figures for 2023 to enable easier comparison).*

Bonus Pay:

- 2.7 Rushmoor Borough Council does not have payments such as performance related pay, one off incentive payments for recruitment and retention or monetary payments for long service awards, therefore within the guidelines for Gender Pay Gap reporting there are no payments within the “bonus” categorisation.
- 2.8 No bonuses were paid in Rushmoor Borough Council during this period, so there is no pay gap to report in relation to bonus payments.

3. CONCLUSION

- 3.1 At Rushmoor Borough Council the average difference (or ‘gap’) in pay rates between male and female salaries has increased from 12.69% to 12.75%. As last year both the median female hourly rate and the median male hourly rate has increased and the median gap has increased from 9.52% to 9.84%

How we are continuing to reduce the gender pay gap

- 3.2 The Council’s People Strategy sets out a range of actions that supports the ongoing reduction of the gap. This includes promoting secondments, cross council project working and the development of employees with the potential to progress into senior roles. The Council will continue to actively promote learning and development opportunities, including working with external partners, to encourage knowledge sharing and personal development. All staff have access to virtual, live and interactive learning and development modules. The Council will continue to actively support work/life balance including part time working, hybrid working, working compressed hours and job shares and there is the opportunity to purchase additional annual leave.

Rushmoor Borough Council Ethnicity Pay Gap Report 2024

1. BACKGROUND

1.1 Whilst there is currently no legal requirement for ethnicity pay gap reporting we have decided this year to voluntarily provide a report to demonstrate our commitment to equality, diversity and inclusion in the Council and provide measures to close the gap as appropriately.

1.2 The Ethnicity Pay Gap data includes the following:

- Ethnicity pay gap (mean and median values)
- Proportion of men and women in each quartile of the organisation’s pay structure

2. RUSHMOOR DATA

2.1 Based on the data snapshot date of 31st March 2024, a total number of 231 employees have been included in the data source (which includes permanent and casual employees) for this year’s calculation. ***Please note that there were 20 employees not included in this report as they chose not to share their ethnicity.***

Mean Ethnicity Pay Gap

2.2 To calculate the mean pay gap, we add together all the hourly pay rates that people from Black, Asian, mixed race or other ethnic (BAME) groups received. We divide the total by the number of people from these groups in our workforce. We then repeat this calculation for white people. The difference between these figures is the mean ethnicity pay gap.

	White	Black, Asian, mixed race, other	Pay Gap
Mean hourly rate	£22.31	£19.48	12.7%

Median Ethnicity Pay Gap

2.3 To calculate the median pay gap, we first rank all our people by their hourly pay. We identify what the person in the middle of the pay range for employees from Black, Asian, mixed race or other ethnic groups received. Then we compare it with what the person in the middle of our white population pay range received. The difference between these figures is the median ethnicity pay gap.

	White	Black, Asian, mixed race, other (BAME)	Pay Gap
Median hourly rate	£20.43	£19.34	5.3%

Pay Quartiles

Each pay quartile represents a quarter or 25% of our total workforce ranked by pay:

	Number		%	
	White	Black, Asian, mixed race, other (BAME)	White	Black, Asian, mixed race, other
Upper quartile	55	2	96.5%	3.5%
Upper – middle quartile	52	6	89.7%	10.3%
Lower – middle quartile	55	3	94.8%	5.2%
Lower quartile	51	7	87.9%	12.1%

3 CONCLUSION

- 3.1 At Rushmoor Borough Council the average difference (or 'gap') in pay rates between White and BAME groups is **12.7%** and the median gap between White and BAME groups is **5.3%**.
- 3.2 Given the pay gap we now need to consider how we can address this as part of our commitment to be a more inclusive organisation, including looking at our culture, recruitment and development policies and the way we work to encourage a more diverse and inclusive workforce from the local community and beyond. In particular we will focus on how we advertise and promote roles at the Council, consider how we promote an in-house work experience programme as part of the Council's Young Peoples' Plan and review our secondment/development opportunities.

