

# Employment Committee Addendum



Reigate & Banstead  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

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19 July 2019

## To the Members of the EMPLOYMENT COMMITTEE

**Councillors:** V. H. Lewanski (Chair),

M. A. Brunt

J. S. Bray

S. McKenna

C. M. Neame

### Substitutes

**Conservatives:**

**Residents Group:**

**Green Party:**

**Councillors:**

J. Paul, T. Schofield and R. S. Turner

R. J. Feeney, N. D. Harrison and R. Harper

J. C. S. Essex

For a meeting of the **EMPLOYMENT COMMITTEE** to be held on **MONDAY, 29 JULY 2019** at **7.00 pm** in the Front Committee Room - Town Hall, Reigate.

John Jory  
Chief Executive

**5. WORKFORCE DATA SUMMARY**

(Pages 5 - 22)

To consider an overview of the Council's workforce data – high level summary of the workforce profile relating to equalities, employee relations and key HR measures.

**6. ORGANISATIONAL DEVELOPMENT APPROACH**

(Pages 23 - 28)

To consider an overview of the draft approach for the Organisational Development Strategy. The Employment Committee is asked to consider and endorse this approach.

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# Agenda Item 5



<b>SIGNED OFF BY</b>	Head of Organisational Development
<b>AUTHOR</b>	Kate Brown, Head of Organisational Development
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<b>EMAIL</b>	Kate.Brown@reigate-banstead.gov.uk
<b>TO</b>	Employment Committee
<b>DATE</b>	Monday, 29 July 2019
<b>EXECUTIVE MEMBER</b>	Portfolio Holder for Corporate Direction and Governance

<b>KEY DECISION REQUIRED</b>	N
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Workforce Data Summary
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<b>RECOMMENDATIONS</b>
<ul style="list-style-type: none"> <li>(i) That the Employment Committee notes the Workforce Data summary provided</li> <li>(ii) The Employment Committee agrees that the data presented is the set of key data/HR measures to be reported to the Committee on a regular basis.</li> <li>(iii) That the Employee Demographic and Organisation Workforce Measures data to be reported annually, at the first Employment Committee meeting of the municipal year, with the exception of sickness and turnover data.</li> <li>(iv) That the sickness and turnover data is reported twice a year to the Committee, at the first Employment Committee meeting of the municipal year and again after six months.</li> </ul>

<b>EXECUTIVE SUMMARY</b>
<p>This report and annexes provides the Employment Committee with an overview of the Council's workforce data – high level summary of the workforce profile relating to equalities and employee relations and key HR measures. The data is provided in order to help the Employment Committee understand the make up of the organisation and key measures that give an indication of the organisation's health.</p>

# Agenda Item 5

## BACKGROUND

1. Following the recent Governance/Constitution review by the Governance Task Group, a number of recommendations were approved relating to changes relating to the Council's committees, including the Employment Committee.
2. The following was agreed by the Council –  
To ensure the Employment Committee makes a positive input to strategic recruitment and cultural development, the following roles and responsibilities be added to the terms of reference for the Employment Committee:
  - a. Oversight and engagement (with relevant Officers) in respect of the development of the Organisational Development Strategy – which includes the talent attraction/development/ retention strategy for staff and the Council's Management Structure.
  - b. Establishing a critical friend role in relation to ensuring the Organisational Development Strategy is on track and fit for purpose. This should include consultation around the annual Service and Financial Planning process and Pay Policy Statement.
  - c. That the application of a. and b. (above) be detailed in an annual work programme to be agreed at the start of each Municipal Year by the Employment Committee.
3. To help the Employment Committee fulfil its role, it is important that Members understand the make up of the organisation. The data provided in the Annex is to help with this understanding.

## KEY INFORMATION

### Workforce Summary

1. The Council needs to understand, plan and develop its workforce requirements for the future in order to provide excellent services to the community it serves and to support the Council's vision, aims and values.
2. To set some context and help the Employment Committee understand the makeup of the Council's workforce and key HR measures, overview/high level data has been compiled for the Employment Committee to consider and note. Please see the information outlined in Annex 1a and 1b.
3. The Employment Committee were provided with, and asked to note, the Workforce Summary report at the meeting on 20<sup>th</sup> June 2019. A brief discussion was held with the Committee on this date and a number of requests were made for additional data and/or slightly revised data. Therefore, the information provided in the Annexes has been updated following the Employment Committee meeting on 20<sup>th</sup> June.
4. The Employment Committee Members are asked to note this data and agree this is the set of key data to be reported to them on a regular basis.

It is recommended that the 'Employee Demographic' data is reported to the Employment Committee annually, at the first meeting of the Employment Committee of the new municipal year.

It is recommended that the Organisation Workforce Measures are reported to the

# Agenda Item 5

Employment Committee once a year, again at the first Employment Committee meeting of the new municipal year, with the exception of sickness and turnover data. It is recommended that days lost due to sickness absence (short term, long term and combined) and turnover is reported to the committee twice a year. The exact meetings are to be agreed – but it is suggested this is reported at the first Employment Committee meeting of the year to set context and again after six months.

## **CONSULTATION**

4. The Employment Committee were provided with the initial draft of the Workforce Summary data at the meeting of 20<sup>th</sup> June 2019. What is presented in the Annex of this report is a revised version of this document, taking on board comments and suggestions made at the previous meeting.

## **ANNEXES**

1. Workforce Summary Data
2. Gender Pay Gap Report

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## Workforce Data Summary

RBBC's workforce is key to the success of our organisation and service delivery, and therefore consideration of our employee demographics is essential to future workforce planning and organisational strategy.

In addition to employee demographics, we also capture and analyse data to help us measure the success of our people management strategies, policies and procedures.

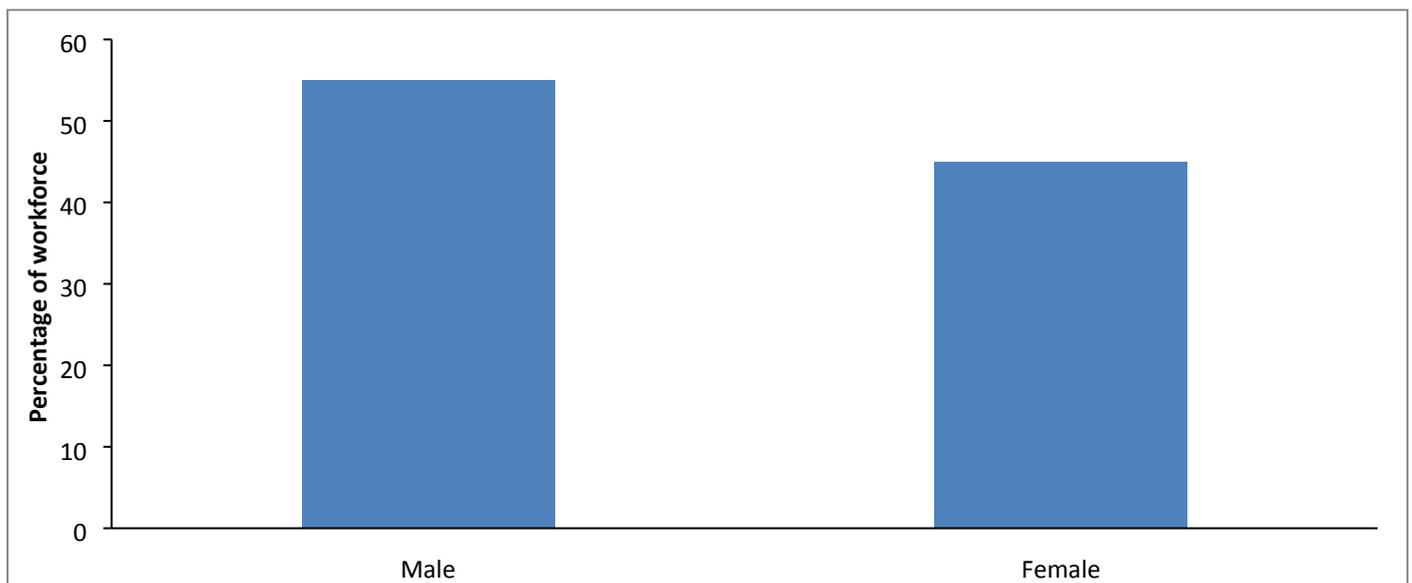
We use various methods to resource the work of the Council – permanent and fixed term employees (with full time and part time hours worked), workers (including casual workers), agency staff, contractors and ad hoc consultants. For the latter three groups of worker, we do not hold direct/personal data about these types of worker, as they are not directly employed by the Council. The information contained within this report therefore relates to directly employed staff.

As at 31<sup>st</sup> May 2019, the Council employee headcount total was 464.

## **Employee demographics**

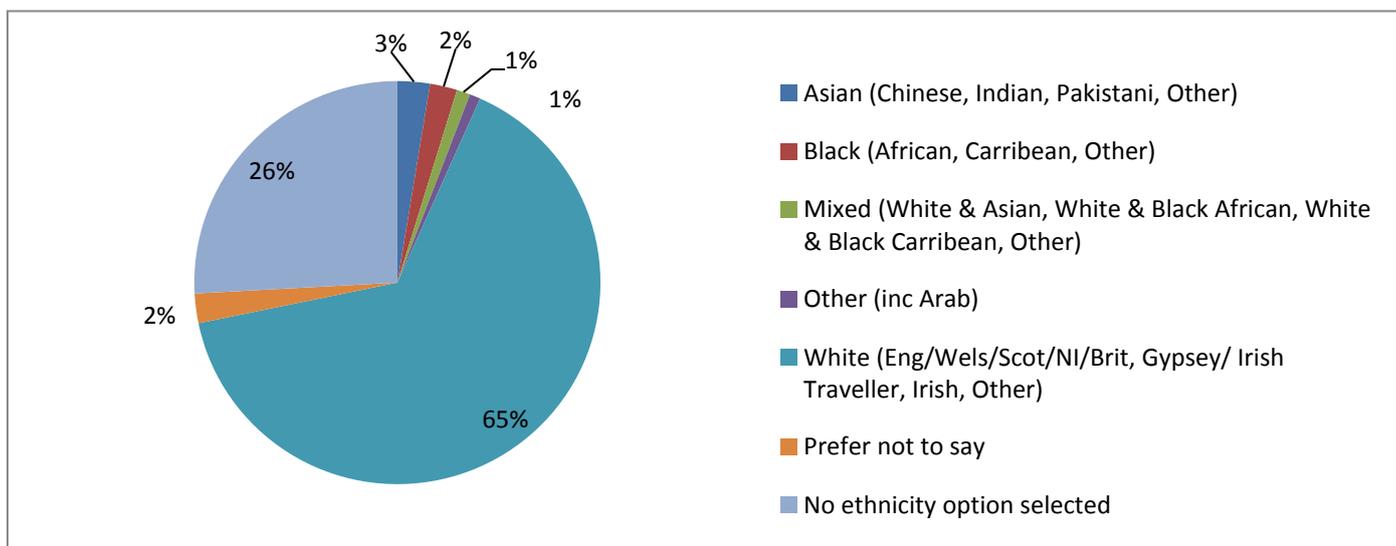
The information below reflects the make up of our organisation workforce, under some of the protected characteristics as defined by the Equality Act 2010. This information is correct as at 31 May 2019.

### Employee gender



The gender distribution of our workforce is 55% male, 45% female.

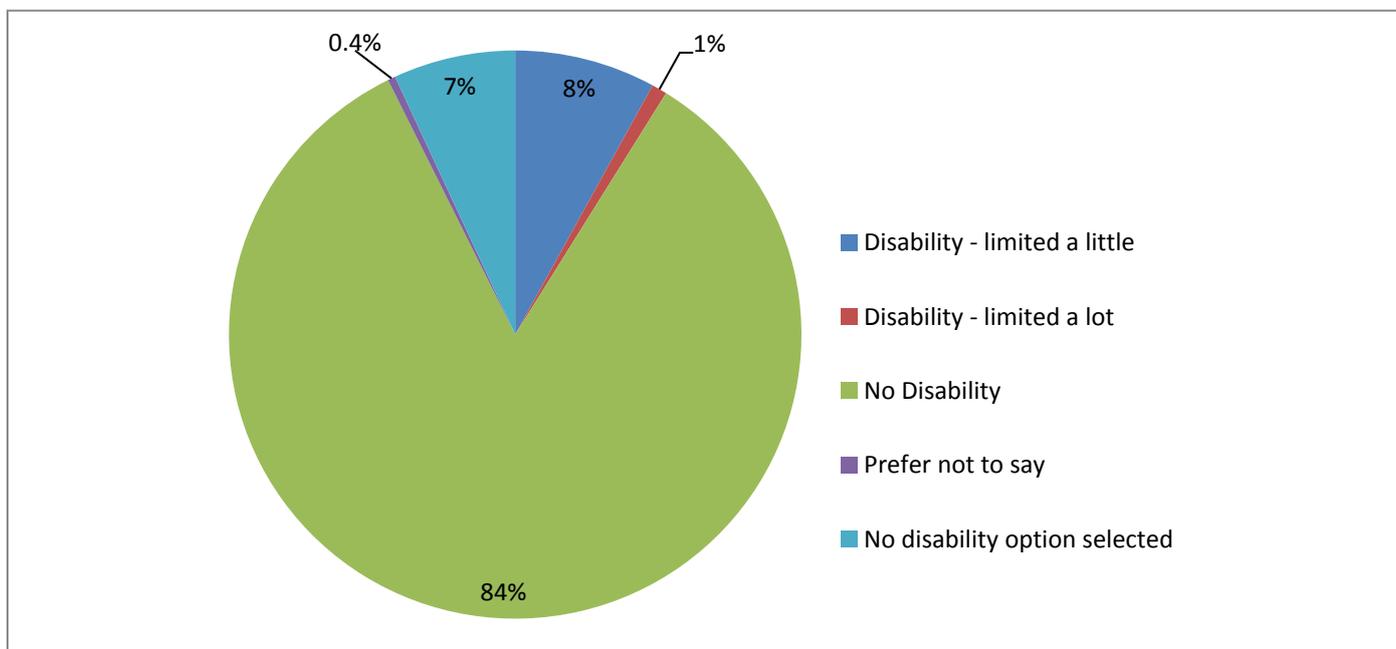
## Employee ethnicity



The ethnicity of our workforce is more diverse than the RBBC resident population. After 'White', the second largest ethnic group in the borough is 'Asian' (5.1% of the population), which is also our workforce's second largest ethnic group at 3% of the workforce. The above highlights that there is approximately a quarter of the workforce who have not declared their ethnicity. The data has been routinely captured at the recruitment stage/new starters since at least 2012. It is likely therefore that where we are missing this data, it is for longer serving members of staff. Employees will be encouraged to confidentially provide this to Human Resources, along with other missing equalities data, so that greater analysis of our workforce makeup can be performed in the future.

## Employee's with a disability

(as per definition under the Equality Act 2010)

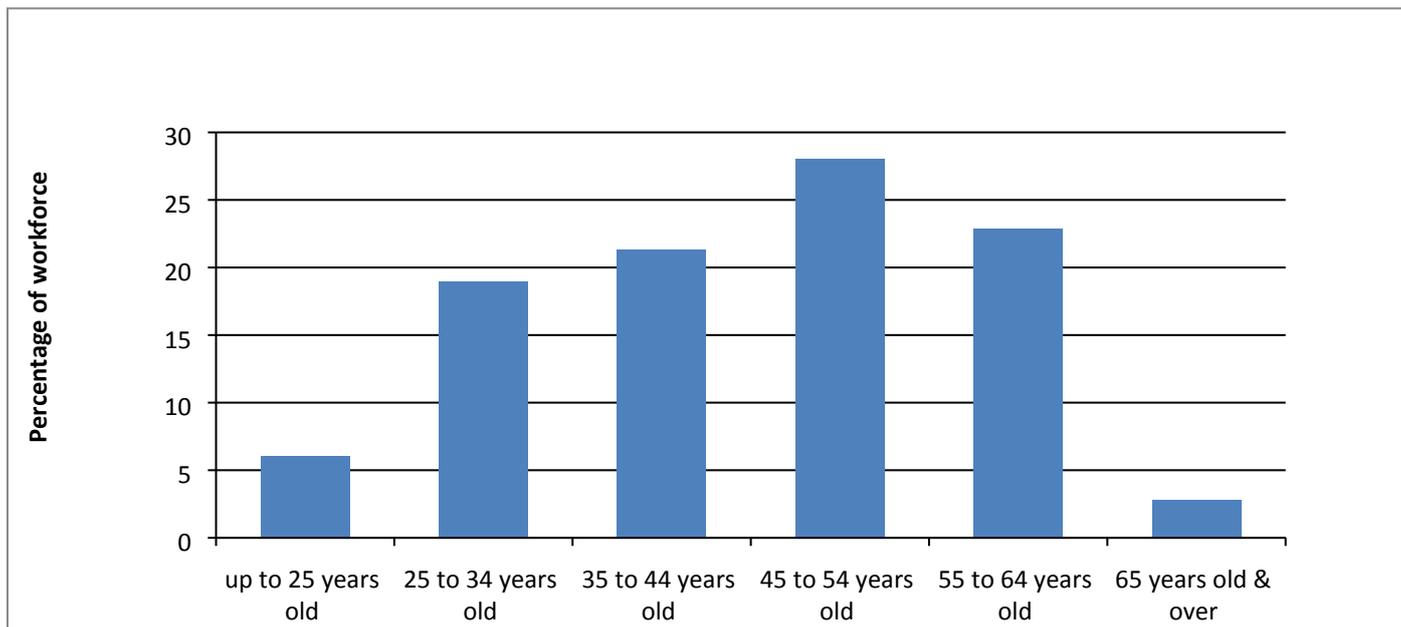


Where an employee deems they have a condition which affects their ability to perform 'normal day to day activities' for a period of 12 months or more, this is classed as a disability under the Equality Act. For the purposes of our workforce data, we ask employees to self declare this, and specify if they feel their disability limits them 'a little' or limits them 'a lot'.

Not all employees who select either of these two options choose to provide any further declarations about their disability. Where an employee or a manager feel that greater support can be provided to keep them in work, and /or working at the performance level required, we will discuss, assess and put in place

reasonable adjustments (physical, policy or procedural) to aid this and where appropriate, we will also seek external occupational health advice on how we can support our disabled employees in their roles.

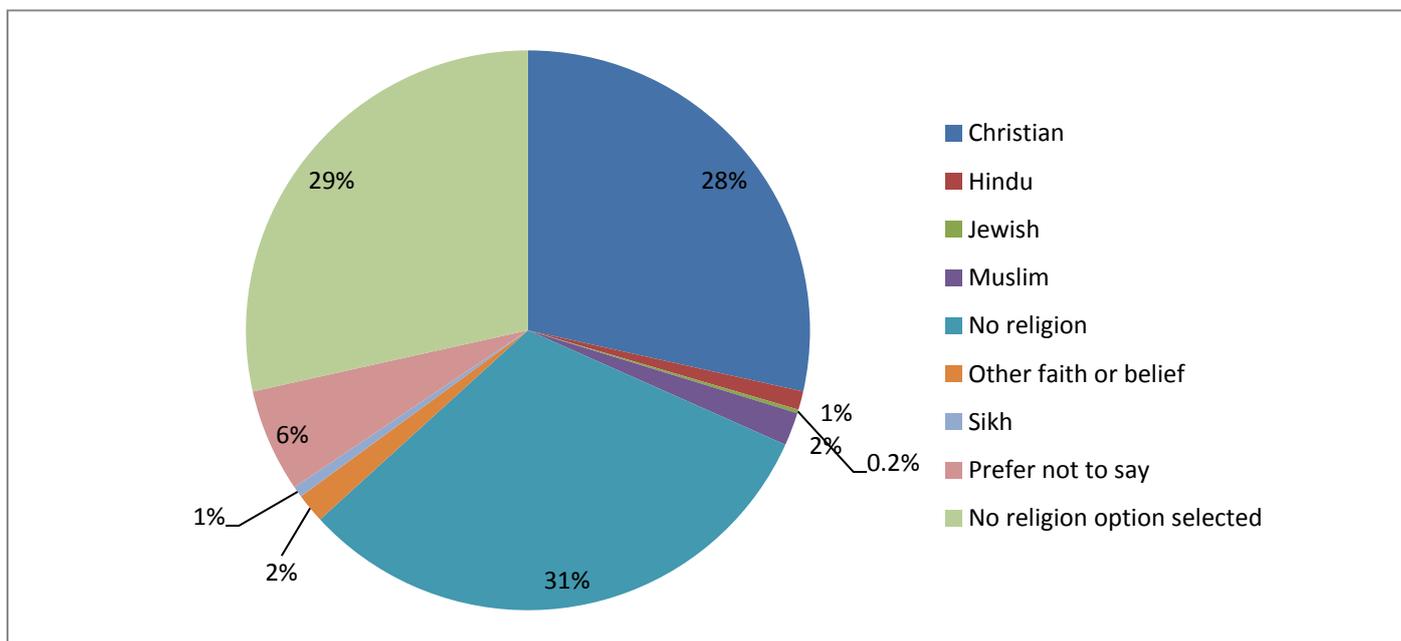
### Employee age



The age profile of the workforce is fairly evenly distributed across middle most age brackets. The UK's state pensionable age is broadly speaking 65 but this is increasing to 66 for all men and women by April 2020 (then to 67 by 2029 with a further rise to 68 due between 2037 and 2039). As you would expect to see given the current state pension age, we have very few employees remaining in the workforce who are aged '65 years old and over'. 17% of the borough's residents are 65 years old and over.

This information is reviewed in more detail at a team level with managers on an annual basis, to aid succession and workforce planning.

### Employee religion or belief



## Other protected characteristics

Data is collected from our workforce on a further 4 equalities protected characteristics; sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership. It is completely voluntary for employees to provide us with this information, and therefore we do not have a significant amount of data in these categories. Employees will be encouraged to confidentially provide this to Human Resources, so that greater analysis of our workforce makeup can be performed in the future.

## Frequency of reporting – employee demographics

It is proposed that the Employee Demographic data outlined above is presented to the Employment Committee every year, at the first Employment Committee meeting of the new municipal year.

## **Organisation workforce measures**

On a regular basis, we collate data on a number of indicators to help us assess the organisation's health of workforce stability, performance and effectiveness of people management policy & procedures.

The information shown below is a cumulative total figure for the financial year of 1 April 2018 to 31 March 2019.

### Employee sickness absence

<b>Average number of sick days per employee (calculated by the number of days absence divided by the average Full-Time-Equivalent for the period)</b>				
<b>Year</b>	<b>Quarter (rolling year)</b>	<b>Short-term sickness days (up to and including 20 days)</b>	<b>Long-term (21 days and over)</b>	<b>Total (Short-term and Long- term)</b>
<b>2016-17</b>	<b>Q1 (1.7.15 - 30.6.16)</b>	5.23	6.33	11.56
	<b>Q2 (1.10.15 - 30.9.16)</b>	5.01	6.52	11.53
	<b>Q3 (1.1.16 - 31.12.16)</b>	4.89	6.58	11.47
	<b>Q4 (1.4.16 - 31.3.17)</b>	4.54	5.74	10.28
<b>2017-18</b>	<b>Q1 (1.7.16 - 30.6.17)</b>	4.89	5.17	10.06
	<b>Q2 (1.10.16 - 30.9.17)</b>	4.82	4.86	9.68
	<b>Q3 (1.1.17 - 31.12.17)</b>	4.81	4.77	9.58
	<b>Q4 (1.4.17 - 31.3.18)</b>	4.79	5.28	10.08
<b>2018-19</b>	<b>Q1 (1.7.17 - 30.6.18)</b>	4.46	4.33	8.78
	<b>Q2 (1.10.17 - 30.9.18)</b>	4.16	4.13	8.29
	<b>Q3 (1.1.18 - 31.12.18)</b>	4.27	4.12	8.34
	<b>Q4 (1.4.18 - 31.3.19)</b>	4.81	4.05	8.87

Following comments made at the Employment Committee meeting on 20<sup>th</sup> June 2019, the sickness data provided has been presented in a slightly different format and includes a breakdown of short term, long term and then total average days lost due to sickness absence.

The data above is displayed per quarter but is based on a rolling year, working backwards from that quarter – as the dates displayed in the second column above show.

The average number of days lost to sickness absence has reduced by just over 2.69 working days per person, since 2016. The current average for the last financial year (ending 31<sup>st</sup> March 2019) of 8.87 days sickness absence per year per employee (inclusive of periods of long term sickness lasting 21 working days or more), is broadly comparable to other public sector organisations (8.4 days) according to the Chartered Institute of Personnel & Development's 'Health and Wellbeing at work report' April 2019. The HR team are working with the Projects and Performance team to be able to report in more detail on how we compare with other district and borough councils, particularly our neighbouring authorities.

Current financial year data (Quarter 1 rolling year), is being collated now and will be presented at a later Employment Committee meeting (see below regarding suggested reporting frequency).

It is recommended that sickness data is shared with the Employment Committee twice yearly, in terms of a high level overview of short term, long term and combined sickness days lost. Operationally, HR will of course continue to monitor and support managers in the application of the sickness policy and procedure, as well as flagging any unusual or unexpected trends to the Management Team for relevant action to be taken. The Portfolio Holder for Corporate Direction and Governance and Chair of the Employment Committee will also be consulted in the case of unusual or unexpected sickness issues (raising of exceptional circumstances).

### Employee turnover (attrition)

RBBC's voluntary (resignation) employee turnover rate has remained steady at an average of 12% of the workforce for the past few years. It is felt this is a comfortable and healthy turnover rate at a time when unemployment is low, and provides us the opportunity to regularly review our workforce, skills and experience requirements.

The 2018 XpertHR 'Labour Turnover Rates Survey' gave the 2017 average voluntary resignation turnover rate in for the Public Sector of 12.9%. The same for the Private Sector was shown to be 19.7%. The 2019 survey report (showing 2018 figures) unfortunately does not break down the public sector voluntary resignation turnover rate for comparison purposes. The survey does show that for all combined sectors, the voluntary turnover rate is 14.6%.

Again, HR are working with our Projects and Performance colleagues on how best to compare our data with other public sector organisations with the intension of being able to compare our voluntary resignation rate as well as our combined voluntary and non-voluntary resignation rate.

### Recruitment advertising

In the 2018-19 financial year, RBBC launched 73 job advertising campaigns to recruit to a combination of newly created and existing roles which had become vacant. The majority of these campaigns were successfully managed in-house, though external support was sought in the case of particularly niche or hard to fill roles.

Although there is an improved job market in the private sector (against whom we compete for many commercially skilled and experienced candidates), we continue to be able to attract good quality candidates in the main.

We continue to explore our recruitment approach and techniques, as well as our on-boarding and induction practices as part of a wider 'Talent Attraction' programme of work, to improve candidate experience and seek more efficient and effective recruitment practices.

The collection, analysis and use of data to inform these changes will be key and will include regular review by HR and managers of the success of recruitment campaigns and practices using metric such as the time to hire, cost to hire, and success of new employee/ performance.

### Employee relations

In the 2018-19 year, formal professional HR advice and support was provided to managers in 63 separate employee relations cases. This comprised of:

Type of ER case	Number
Disciplinary investigation cases & disciplinary action	9
Performance management	2
Sickness absence management	52

This does not include professional HR advice given to managers on employee relations matters that were resolved informally, nor HR support provided to managers in connection to service performance improvements, restructures, or recognised Trade Union relationship management.

### Gender pay gap

Only 14% of organisations required to report Gender Pay Gap (GPG) figures in the UK have a 'negative' GPG (one that is in favour of women) and RBBC is one of those few organisations.

Our 2017 mean GPG was -4.5% which means that our female employees' mean hourly rate was 4.5% higher than that of our male employees. This increased to a gap of -6.9% in 2018.

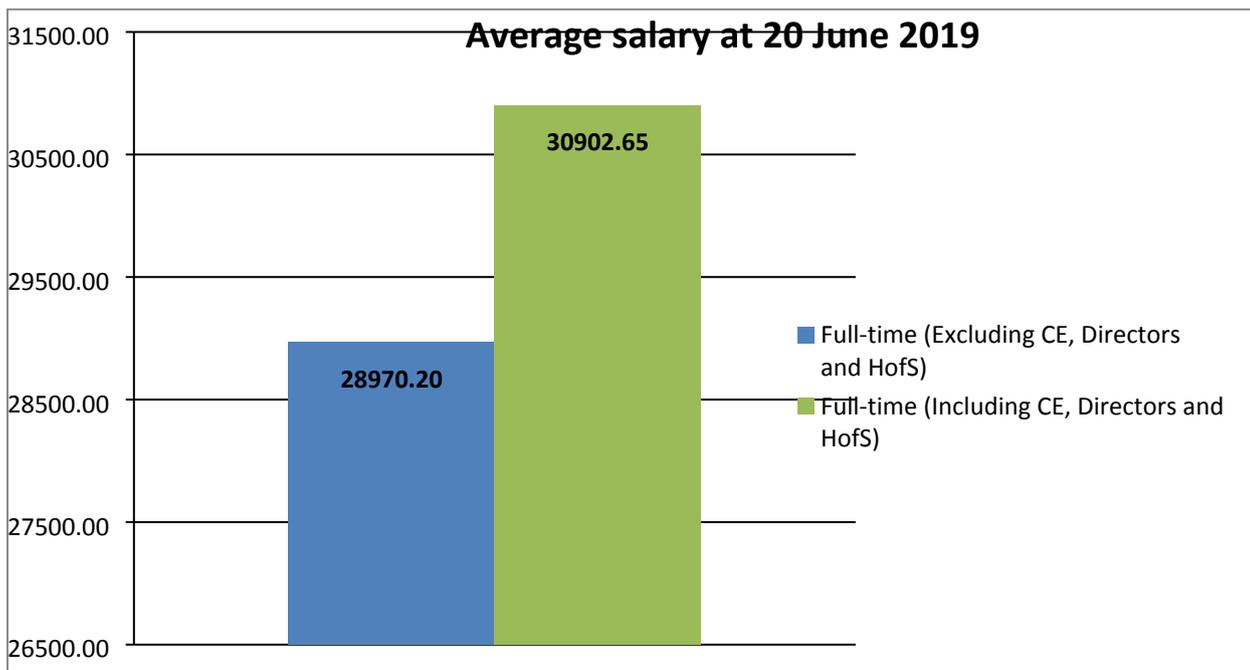
In other words, on average (rounded up to the nearest penny), female employees earned £1.05 for every £1 earned by our male employees in 2017, and £1.07 for every £1 earned by our male employees in 2018.

This is calculated by adding up all the hourly rates of male employees, and then dividing it by the number of male employees, and then doing the same for female employees.

Gender pay gap is reported annually, based on snapshot data at the previous 31<sup>st</sup> March date. The HR team is currently working on our pay gap data for 2019/20 reporting and we will report this to the Committee once the analysis is complete.

Further detail on RBBC's GPG statistics can be found on the attached GPG report (also on the Council's website - [http://www.reigate-banstead.gov.uk/download/downloads/id/4226/gender\\_pay\\_gap\\_-\\_31\\_march\\_2017.pdf](http://www.reigate-banstead.gov.uk/download/downloads/id/4226/gender_pay_gap_-_31_march_2017.pdf)).

## Average salary – at June 2019



The Council's average pay is displayed above in two ways –

- 1) All staff (excluding casual workers); and
- 2) All staff (excluding casual workers) and excluding our 'Wider Management Team' (the Chief Executive, Directors and Heads of Service).

This data is based on gross full time salary, excluding on-costs (e.g. employer pension contributions).

The Council has committed, via its Annual Pay Policy for 2019/20 and through pay negotiations with the recognised Trade Unions, to pay the Real Living Wage (RLW) as a minimum to all employees and workers (currently this RLW rate is £9 per hour). Our incremental pay scales minimum point already met the RLW rate meaning the majority of our workforce was being paid above this level. However, our apprentice workers (and casual workers too), are paid an hourly rate of pay and for most this was below the RLW. Their hourly rate was therefore increased to £9 per hour from 1<sup>st</sup> April 2019. The average salary data above has taken into account the increase in the hourly rate for apprentices.

Although the average salary of employees in the Council are broadly competitive with the national UK salary average of £29,668 (based on 2018 annual ONS data), affordability indexes demonstrate the average salary is still below what is required for a single salary earner to afford a mortgage on a modest property (one bedroom apartment) in the Borough.

## Frequency of reporting – organisation workforce measures

It is recommended that for the majority of the data presented above under the organisation workforce measures heading be reported to the Employment Committee annually – at the first meeting of the new municipal year. This is in order to set the context and help the Committee's understanding of the workforce and the "organisation's health".

It is recommended there are two exceptions to the annual reporting – for sickness data reporting and turnover reporting. For the average days lost due to sickness (short term, long term and combined) and turnover in the organisation, it is recommended the Employment Committee receives this data twice a year.

The exact meetings are to be agreed but it is recommended that these sets of data are reported at the first Employment Committee meeting of the year to set context and again after six months.

As previously mentioned, the Portfolio Holder for Corporate Direction and Governance and Chair of the Employment Committee will also be consulted in the case of unusual or unexpected issues (raising of exceptional circumstances) occurring within the organisation, including sickness absence concerns.

# Gender Pay Gap Report 2018

The below represents the picture for Reigate & Banstead Borough Council as at 31 March 2018. Read the report narrative for further information.

Key: ● women ● men - gap in favour of women + gap in favour of men

## RBBC gender pay gap

Mean pay gap  
**-6.9%**  
 -4.46% in 2017

Median pay gap  
**-18.9%**  
 -16% in 2017

## Employee gender distribution

**45%**  
 44% in 2017



**55%**  
 56% in 2017

## Proportion of women and men in each quartile pay band



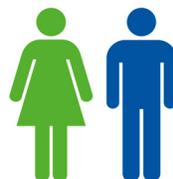
## Bonus gender pay gap

Mean bonus pay gap  
**-23.2%**  
 -61.4% in 2017

Median bonus pay gap  
**-51%**  
 1.3% in 2017

## Bonus gender distribution

**23.3%**  
 25% in 2017  
 of women  
 received a bonus



**41.9%**  
 42.5% in 2017  
 of men  
 received a bonus

# Gender Pay Gap Report

## Comparison between 31 March 2017 and 31 March 2018

The law requires organisations with 250 or more employees to publish the previous year's Gender Pay Gap (GPG) information each March.

The information provided in this report is based on a snapshot of employee data on 31 March 2017, and again on 31 March 2018. It compares the two years' data and provides context to the figures, by describing factors that may have contributed to our GPG.

### Our organisation

The Council is made up of multiple business areas and teams – from Finance and Building Control to Parking and Greenspaces - and our employees have a vast range of professional backgrounds and expertise. In order to attract and retain high performing employees, we ensure that our roles are graded at competitive salary levels with those of other private and public sector employers.

For more information on the variety of work we undertake, and to view our payscales and pay policy statement, visit our website: [www.reigate-banstead.gov.uk](http://www.reigate-banstead.gov.uk).

### Our approach to pay and remuneration

We have a strong, fair and equitable framework for determining the pay and remuneration of employees, built into employee terms and conditions of employment. Changes to these terms and conditions must be made in consultation with two recognised Unions and the Staff Association, with approval sought in line with our Constitution and Scheme of Delegation.

To minimise the likelihood of gender bias in how we apply pay and remuneration, the following structured mechanisms are in place. These are documented in our Pay Policy Statement, which is reviewed and published annually on our website.

- Job evaluation, and routine examination of external pay rates (benchmarking) to determine minimum and maximum levels of pay for a role (grading process),
- Structured incremental payscales,
- Performance related pay schemes,
- Clear criteria, process and procedure to approve an honorarium bonus payment.

### Employee gender distribution

On 31 March 2017, 208 out of 474 members of our workforce were women, approximately 44%. Of this, three of the nine Senior Management Team members were female.

This has remained relatively static as on 31 March 2018, 219 of 479 were women, approximately 45%. At this time, four of the nine Senior Management Team members were female.

### What is the Gender Pay Gap?

This is a high level snapshot of pay within an organisation and shows the difference in the



average pay between all men and all women in a workforce. It compares the average hourly rate of a male employee with the average hourly rate of a female employee, irrespective of the type of role being performed.

Figures preceded by a positive indicator (+) demonstrate higher male earnings, and figures preceded by a negative indicator (-) demonstrate higher female earnings.

If a workforce has a particularly large GPG, the supplementary calculations may help to identify the cause of the gap and prompt a review to address this.

## Gender pay not equal pay

The Gender Pay Gap is a different concept to equal pay. Equal pay is a more specific legal concept that deals with the pay differences between men and women carrying out jobs with comparable duties or value to an organisation. Men and women in comparable jobs are normally entitled to the same pay unless an employer can show differences in pay are justified.

A GPG does not mean that there is an equal pay problem, although it may be a trigger for further investigation about the reasons why the gap exists.

## Our Gender Pay Gap

There are two different calculations; the mean and the median GPG.

### Mean Gender Pay Gap

This is the figure that is commonly discussed in the media.

It is calculated by adding up all the hourly rates of male employees, and then dividing it by the number of male employees, and then doing the same for female employees.

Our 2017 mean GPG was -4.5% which means that our female employees' mean hourly rate was 4.5% higher than that of our male employees. This increased to a gap of -6.9% in 2018.

In other words, on average (rounded up to the nearest penny), female employees earned £1.05 for every £1 earned by our male employees in 2017, and £1.07 for every £1 earned by our male employees in 2018.

### Median Gender Pay Gap

This figure is calculated by ranking all male employees from the highest paid to the lowest paid, then taking the hourly rate of the person in the middle. The same is then done for female employees. The median GPG is the difference between the female employees' median hourly rate (the middle paid woman) and male employees' median hourly rate (the middle paid man).

Our 2017 median GPG was -15.6% which means that our female employees' median hourly rate in 2017 was 15.6% higher than that of our male employees. This increased to a gap of -18.9% in 2018.

In other words, when comparing the median hourly rates, our female employees earned on



average (rounded up to the nearest penny), £1.16 for every £1 earned by our male employees in 2017, and £1.19 for every £1 earned by our male employees in 2018.

## Why we have a Gender Pay Gap

It is important to remember that the GPG is not an indicator of an equal pay issue, and given our current organisational makeup a small gap in favour of women is what we'd expect to see.

Our gap in favour of female employees reflects that a greater number of our female employees occupy roles which demand a higher salary level than our male employees. These salaries are determined (graded) by job evaluation and/or external market salary benchmarking, as outlined above in the 'our approach to pay and remuneration' section.

There are several departments within the Council which attract salaries on the lower end of our payscales, and these are also male dominated professions (such as Refuse & Recycling, Street Sweeping and Greenspaces). This is a key factor in our GPG as it lowers the average male employee hourly rate, affecting both the mean and median figures. Further examination is provided in the 'pay by quartiles' section below.

Our mean and median GPGs have increased slightly between 2017 and 2018. This is a result of the salaries for several roles having been adjusted to better reflect external market salaries, and the roles with the higher increases happened to be occupied by female employees.

## Pay by quartiles

Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay, and indicating the percentage of women and men in each group.

Our figures show that the roles within our lower and lower middle pay quartiles tend to be occupied predominantly by men, whereas the gender balance is more even in the upper middle and upper pay quartiles. Given our organisational makeup we'd expect to see this.

For instance, in 2017 134 employees (29% of our workforce) – of which 127 were men - worked in our Refuse & Recycling, Greenspaces and Street Sweeping teams.

A male dominated workforce is common in these fields of work and they sit within the lower and lower middle pay quartiles. This trend of male dominated roles in the lower and middle pay quartiles continues to be the case in 2018.

We're comfortable that the salaries for these roles are comparable to external market rates for these professions.

The gender distribution in our pay quartiles does not cause us concern or indicate there is an issue to be addressed, however we will continue to monitor it for longer term trends.

## Our Bonus Pay Gap

Firstly, for our 2017 GPG data return – submitted in March 2018 - we reported a mean bonus pay gap of +5% and a median bonus pay gap of +3.7%, both in favour of men. Since we



published that information we have established that how we had interpreted the guidance for calculating those figures was incorrect. We have therefore revised those figures and the correct ones are below and in this report's infographic.

## Bonus schemes

A number of different types of bonus are taken into consideration in calculating this gap.

We operate two performance related pay and bonus schemes.

- All employees are entitled to an incremental pay increase within their payscale after demonstration of high level or outstanding performance in the previous year.
- A bonus (a percentage of the salary, dependent on level of performance) may be payable in addition to, or instead of, an incremental increase if an employee is at the top of their payscale. We call this a 'top of bar', 'top of grade' or 'appraisal bonus' payment.
- A separate senior manager performance related pay scheme exists, which follows the same principles as above, but with higher percentage bonuses available.

In addition;

- A bonus payment may also be awarded for exceptional work or responsibilities outside of any employee's normal role. We call this an 'honorary payment'.
- A notional payment ('Christmas weekends') is made to those in the Refuse & Recycling team (approximately 35 employees) who work three weekends over the Christmas and New Year period, outside of their contracted week. 100% of this group are male employees, as is common in this field of work.

The latter has particularly skewed the percentage gender split of the workforce that has received bonus payments in both 2017 and 2018.

## Mean Bonus Pay Gap

This figure is calculated by adding up all the bonus payments of male employees, and then dividing it by the number of male employees who received a bonus. The same calculation is then done for female employees. The mean bonus pay gap is the difference between the female bonus value and the male bonus value. Our mean bonus pay gap has reduced from -61.39% in 2017 to -23.24% in 2018, but remains in favour of women.

## Median Bonus Pay Gap

This figure is calculated by ranking all male employees who received a bonus payment, from the highest value to lowest value, then taking the bonus value of the person in the middle. The same calculation is then done for female employees. The median bonus pay gap is the difference between the female employees' bonus value (the middle woman) and male employees' bonus value (the middle man).

There has been a significant change in the median bonus pay gap from +1.26% in favour of men in 2017, to -51.01% in favour of women in 2018.



In part this is due to four fewer men receiving a bonus payment in 2018. Although this is a small headcount number, due to the size of our workforce it has a big impact.

When examining the detail of the 2018 median, the mid-point female employee who received a bonus received £76 more than the mid-point male employee who received a bonus.

### Bonus gender distribution

Our 2018 bonus gender distribution data shows that 23.3% of women received a bonus, compared to 41.9% of men,

If we removed from the 2018 calculation the 35 male employees in the Refuse and Recycling team who receive the 'Christmas weekend' bonus, the percentage of employees who received a bonus payment would reduce to 29.07% of men and 23.26% of women – a more even distribution. This demonstrates that the volume of men receiving the 'Christmas weekend' bonus plays a significant part in skewing the distribution of bonus payments towards men.

The mean bonus pay gap also reduces to +8.69% (or £67.48) in favour of men in this revised hypothetical circumstance.

These bonus pay gap figures do not cause us concern, as we are confident that bonuses are applied fairly and equitable in line with our published policy and procedures, and performance related bonuses in particular (which are the reason for the majority of the bonuses) are accessible and applied consistently, regardless of gender.

### Conclusions

Our gender pay figures do not cause us concern as we are confident that we understand the variables which have caused them, namely the variety of roles attracting diverse salary ranges, and significantly higher numbers of men in some departments.

However, further examination will be carried out to identify the potential root causes of the trend for office roles to be held by a greater proportion of women, and physical manual roles to be held by a significantly higher proportion of men.

We will also look at the potential work we can undertake to attempt to bring a better gender balance into roles and teams, and therefore pay quartiles.

John Jory  
Chief Executive

Kate Brown  
Head of Organisational Development

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<b>SIGNED OFF BY</b>	Chief Executive
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<b>EMAIL</b>	Kate.Brown@reigate-banstead.gov.uk
<b>TO</b>	Employment Committee
<b>DATE</b>	Monday, 29 July 2019
<b>EXECUTIVE MEMBER</b>	Portfolio Holder for Corporate Direction and Governance

<b>KEY DECISION REQUIRED</b>	N
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Organisational Development Approach
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<b>RECOMMENDATIONS</b>
(i) <b>That the Employment Committee endorses the presented approach to Organisational Development.</b>
<b>REASONS FOR RECOMMENDATIONS</b>
Endorsing the approach to Organisational Development will help us shape our culture, develop our leaders and ensure we are the best organisation we can be, with the best people, skilled to deliver our ambitious Corporate Plan priorities.
<b>EXECUTIVE SUMMARY</b>
This report and annex provides the Employment Committee with an overview of what Organisational Development is and why it is key to help deliver the Council's ambitions. Outlined within this report is the suggested approach that the Council takes towards Organisational Development in terms of developing its Great People.

<b>BACKGROUND</b>
1. Following the recent Governance/Constitution review by the Governance Task Group, a number of recommendations were approved relating to changes relating to the

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Council's committees, including the Employment Committee.

2. The following was agreed by the Council –

To ensure the Employment Committee makes a positive input to strategic recruitment and cultural development, the following roles and responsibilities be added to the terms of reference for the Employment Committee:

- a. Oversight and engagement (with relevant Officers) in respect of the development of the Organisational Development Strategy – which includes the talent attraction/development/ retention strategy for staff and the Council's Management Structure.
- b. Establishing a critical friend role in relation to ensuring the Organisational Development Strategy is on track and fit for purpose. This should include consultation around the annual Service and Financial Planning process and Pay Policy Statement.
- c. That the application of a. and b. (above) be detailed in an annual work programme to be agreed at the start of each Municipal Year by the Employment Committee.

## KEY INFORMATION

### Organisational Development Strategy

1. Organisational Development is a new, explicit function area for the Council. The "Head of Organisational Development" position was created as part of the organisational structure review in the summer of 2018.
2. What is Organisational Development (OD)? One way of defining OD is as a systematic approach **to improving organisational effectiveness** – one that aligns strategy, people and processes.
3. OD can enable an organisation to be ready for the future by taking steps which create an environment that allows employees to understand, embody and deliver the organisation's objectives.
4. OD involves both "hard" issues – strategy, policies, structures and systems – and "soft" issues those that develop appropriate skills, behaviours, attitudes, culture and a style of leadership that will enable organisations to deliver optimum performance.
5. The Head of Organisational Development has drafted a suggested approach for OD at the Council (see Annex 1), which has Employee Engagement as the key outcome. Great People = Engaged People. The approach or strategy is represented in a diagram form at this stage on one page. It has the outcome of Engaged People in the centre, with enablers (i.e. what helps make people engaged at work), in the boxes around the centre.
6. Research shows that organisations with high levels of employee engagement are more efficient and effective and that highly engaged employees:
  - are more **customer focused**, find they are more **creative** at work, and **take less time off sick**;
  - care about the future of their organisation and put in **greater effort** to help it meet

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its objectives;

- feel proud of the organisation they work for and are inspired to **do their best** and **motivated** to deliver the organisation's objectives.
  - This approach to OD will help shape our culture, develop our leaders and ensure we are the best organisation we can be, with the best people, skilled to deliver our ambitious Corporate Plan priorities.
  - Engaged organisations have strong and authentic values, with clear evidence of trust and fairness based on mutual respect, where two-way promises and commitments – between employers and employees – are understood and fulfilled.
7. If the Employment Committee support and endorse the approach, officers will scope and develop explicit programmes and/or projects to deliver this agenda, engaging with the Portfolio Holder for Corporate Direction and Governance accordingly as well as providing updates to the Employment Committee as work progresses.
  8. It should be noted that this OD approach needs to sit alongside our new Reigate & Banstead 2025 objectives – it is key to develop and improve the organisation in order to deliver our ambitions. It is therefore envisaged that this approach runs to 2025 (and beyond following any reviews).
  9. Any OD programmes/projects will be reported to the officer Organisation Board and activity managed and monitored accordingly. In turn, regular updates on project progress will be provided to Members via the Organisational Panel meetings.
  10. It is suggested that initial next steps will include some 'baselining' activity – i.e. checking in with staff to get their views on the organisation, what is working well, what in their view would make working at RBBC better, how they perceive leaders and managers in the organisation, their individual motivation levels and ultimately how engaged they currently feel at work. It is suggested that a combination of engagement methods are utilised to compile baseline data including running a staff survey and data gathering through team meetings run by Heads of Service. There will be a mix of quantitative and qualitative data obtained during this baselining exercise.
  11. Also suggested as part of this baselining exercise is 'organisation re-visioning' – for all staff to consider and input into our organisation values and behaviours – what is important to who we are, our core organisational values. We need to review and make sure our vision, values and behaviours are still understood and accepted through the organisation.
  12. Analysis of the baseline data will inevitably influence how we prioritise our OD work – listening to the views of staff in the organisation and where it is practicable address the issues raised.
  13. Each OD project will have its success measures but in terms of overall success measures for the OD approach, we would continue to measure and expect to see lower/healthy turnover rate, lower/stable sickness levels, fewer employee relation issues, productivity increases, higher motivation amongst staff and engagement scores (should we choose regularly measure this with the workforce) increase.
  14. Measurement of success is difficult though as many benefits are intangible/unquantifiable – it is around influencing our organisational culture. Consider that 'Employee Engagement' is about:

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- our employees feeling pride and loyalty working for us, being a great advocate of the organisation to our clients, users and customers, going the extra mile to finish a piece of work, loving coming to work.
- drawing on our employees' knowledge and ideas to improve our services, and be innovative about how we work.
- drawing out a deeper commitment from our employees so fewer leave us, sick absence reduces, accident rates decline, conflicts and grievances go down, productivity increases (can be measured – as outlined above).
- organisation actions that are consistent with the organisation's values. It is about kept promises, or an explanation why they cannot be kept.
- influencing our Employer Brand – helping us attract talent.

15. The Employment Committee are asked to consider this information and the approach outlined in the Annex, to be discussed further at the Committee meeting on 29<sup>th</sup> July 2019.

## **CONSULTATION**

3. The Head of Organisational Development has engaged with the Chief Executive, Directors and Heads of Service about the suggested OD approach. At the recent Management Team Away Day on 15<sup>th</sup> May, collective senior officer agreement and support was given to progress OD at the Council in this way.
4. Very high level conversations have taken place with the Leader about this suggested approach/outcome focusing on 'Engaged People' and conversations have started with the Portfolio Holder for Corporate Direction and Governance.
5. The Employment Committee were given the draft approach at the meeting of 20<sup>th</sup> June when they were asked to note the approach, to be discussed at a later date (this meeting of 29<sup>th</sup> July 2019).

## **ANNEXES**

1. Organisational Development Approach Diagram

## Great Leadership

Great leaders who are **visible, empowering & authentic**

Provide **clarity, direction, create safe environment, create trust**

**Strong strategic narrative** – our **purpose**. Strong communication to organisation – our history, where we are now and where we are going (our future)

## Commitment to Employee Wellbeing

- **Healthy & inclusive** workforce
- **Physical, mental, financial wellbeing**
- **Great workplace** – the best work environment to help employees thrive

## Great Communication – Employee Voice

- **Open communication and 2-way**
- Employees kept informed and able to **feedback**
- Right questions asked, we **listen** to what people say and we **act** on what we hear. Employees are central to the solution, have genuine influence.
- Tools/methods are - **easy, mobile, employee generated** content and feedback

## (Talent Development) Excellent Employee Development

- Long term view of all **employees' value**
- We **invest in employees'** development & employees 'own' their development too

## Great Teamwork

- Effective **co-operation** and **collaboration** between different directorates/teams
- **Clear goals** - team and organisation
- **Team recognition**

**“Great People” =  
Engaged People**

## Great/Fair Compensation

- **Fair pay** structures and job/market analysis
- **Fair reward and recognition** structures – individual and team potential

## Great/Engaging Managers

- **Care** about employees, keep them **informed, trust** them and **encourage** upwards performance
- **Focus** on employees, give employees **scope**, treat employees as individuals, **coach** and **stretch** them – bring “you” to job
- Equipping managers to engage, to “be themselves” - authentic
- Managers **collaborate** with and **support** their peers as well as their teams
- Managers who **translate the strategic narrative** to their teams and help their staff establish **role clarity, autonomy**, ensure there is enough **challenge** in roles and set realistic expectations re **achievement**

## Clear, Accessible Employment Policies/Practices

- Including performance management - appraisals, pay/reward/benefits, equal opportunities, family friendly/work life balance, corporate social responsibility – volunteering?
- Diversity, inclusivity

## Organisation Integrity

- The organisation is **‘keeping it real!’**
- **Values & behaviours** reflected day to day, from the top Leaders down through the organisation.
- **No say – do gap**. Promises made / kept or explanation given.

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