



City of Westminster Cabinet Member Report

Decision Maker:	Cllr Nickie Aiken, The Leader of the Council Cabinet Member for People Services
Date:	30 November 2018
Classification:	General Release
Title:	Parental Policies Review 2018-19
Wards Affected:	All
City for All Summary	Improve our parental pay in line with our ambition to be an employer of choice for working parents.
Key Decision:	Key Decision
Financial Summary:	The change to the Parental Policy is anticipated to increase pay costs by £1.3m per annum.
Report of:	Lee Witham, Director of People Services Contact Details: lwitham1@westminster.gov.uk , x3224

1. Executive Summary

- 1.1 This paper seeks the Leader's approval and authorisation to launch a new improved parental policy on 1 January 2019.
- 1.2 The Council has benchmarked its current offer against a number of organisations. The Executive Leadership Team (ELT) recommends that the Council takes its own approach to what feels the right level of maternity pay.
- 1.3 The additional costs should be balanced against the hidden costs of recruitment and training that is a consequence of the turnover generated by our current approach. The benefits will be felt immediately by our employees and we would market these proactively to publicise Westminster City Council as one of the most modern and progressive employers of women and families in London.
- 1.4 The imminent transfer of HR and payroll services to Hampshire County Council will necessitate a phased implementation. Parents will receive appropriate monthly pay

from April 2019. Lump sum payments will be made from January 2019 to backdate the appropriate amounts due.

2. Recommendations

2.1 That the Leader of the Council is recommended to approve the following:

1. to enhance the maternity pay to 26 weeks full pay, followed by 26 weeks half pay.
2. to make the new pay allowance available under the Shared Parental Leave policy so that partners can also access it.
3. that parents of babies born at or before 37 weeks be entitled to receive an extra week's leave and pay for every week their premature baby spends in hospital before their due date as part of the 'Smallest Things' campaign.
4. All employees will be entitled to reasonable, fully paid time off for antenatal care, pre-adoption and adoption order interviews.
5. that the scheme be launched on 1 January 2019 and be backdated to 1 April 2018.
6. that backdating will apply to current employees only and will ensure those that have recently returned from maternity leave are included.

3. Reasons for Decision

- 3.1 This proposal improves the levels of benefits and pay for parents on maternity/parental leave.
- 3.2 In line with our diversity agenda, this benefit would be made available to all employees regardless of their gender. The enhanced pay allowance will be available under the adoption leave and shared parental leave schemes.

4. Background, including Policy Context

- 4.1 One of our key people priorities is diversity and we have committed to close our gender pay gap. Our current approach to maternity pay is poor and does not attract or retain working parents. We pay the minimum amounts possible under the national agreements with Trade Unions and we pay less than our former tri –borough London partners.
- 4.2 This proposal dramatically improves our maternity pay to be one of the best in London. It also offers the same benefits to the partner if they are the primary carer. This will be a big step towards making us the employer of choice of working parents.

5. Financial Implications

- 5.1 The change to the Parental Policy is anticipated to **increase pay costs by £1.3m per annum.**
- 5.2 This is an estimate based on an average salary of £36k. The cost may vary based on uptake and actual salary. We are unable to estimate the cost implications from the uptake of shared parental leave, additional leave for premature birth and extra time off for antenatal/adoption appointments.

Below is a comparison of current and proposed Parental policy:

Current Westminster approach: 6 weeks of 90% of salary, followed by 12 weeks of 50% of salary plus Statutory Maternity Pay (SMP) of £145.18.

- In 2017/18 this equated to £12,653 for an average employee taking their full entitlement.
- 67 women took maternity leave in 17/18 with a cost to WCC of £383K including NI and Employer pension contribution. This equates to £5,716 per employee.

New Proposed approach: 26 weeks full pay followed by 26 weeks half pay.

- This equates to £26,896 for an average employee taking their full entitlement.
- Based on 67 parents the occupational cost to WCC is £1.7m including NI and Employer pension contribution. This equates to £25,367 per employee.

6. Legal Implications

- 6.1 As this proposal provides rights in excess of statutory entitlements and because it improves on current contractual rights, there are no adverse legal implications.

7. Staffing Implications

None

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Lee Witham, lwitham1@westminster.gov.uk , x3224

BACKGROUND PAPERS:

None

For completion by the **Cabinet Member** for People Services

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: _____

State nature of interest if any
.....

(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Parental Policies Review 2018-19** and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for People Services

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of People Services, Chief Operating Officer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it

will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.