



City of Westminster

Audit and Performance Committee

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1. Executive Summary

The Council is required to publish its Pay Policy by 31st March every year.

The Pay Policy brings together all the Council's existing policies on pay and includes details in relation to all aspects of Chief Officer's remuneration, increases and additions to remuneration, bonuses, termination payments and remuneration on recruitment.

Although the Pay Policy was covered in the December meeting, further details were requested.

2. Background

The Committee has asked for additional information to give further context to the pay gap figures that have been released by the Council. The Committee have also sought reassurances that performance management, recruitment and career management procedures are in place.

3. Organisational Development and Pay Gaps

3.1. HR Policy & Procedures

The organisation has good quality and robust people management procedures and policies in place. Whilst acknowledging that the report into the Marble Arch Mound

concluded that this was an isolated case of circumvention of the checks and balances that the Council has in place, People Services have used the learning and opportunity following the Mound to reaffirm the importance of using and complying with the Council's approach in these matters. Ensuring regular one-to-one meetings and seasonal conversations are taking place is a key plank of the Council's Performance Development Framework.

3.2. Ensuring WCC workforce is representative of Westminster as a City

Planning is undertaken at directorate level to understand any impact of changes in legislation or service priorities. HR Business Partners work with senior teams to understand trends including turnover and recruitment and to plan for any foreseeable changes in numbers/type etc. of resources.

The workforce of Westminster is increasingly representative of the City as a whole. For example, the last information available shows WCC residents declaring as 60.2% White and 39.9% B.A.ME. Whereas 52.4% of WCC employees define themselves as White and 38.4% as B.A.ME (the remainder not declaring). The proportion of B.A.ME. staff in the Council has increased from 33% only 3 years ago. Work to ensure our workforce reflects our resident make up is ongoing and a constant focus.

In respect of gender, 47.3% of Westminster's resident population is female and 57.4% of Westminster City Council employees are female. This gender split is consistent with other local authorities with similar outsourced contracts (for example waste).

Career advancement is key to this happening; the most common approach is to advertise opportunities (new roles, vacancies, secondments) and interested applicants take part in an assessment process which starts with a formal expression of interest and concludes with an interview. Positive action, which ensures a diverse shortlist, is applicable to all band 4 and 5 roles and results of this are reported to the Executive Leadership Team each month. Staff on graduate or apprentice entry schemes coming to the end of their programme can apply for internal vacancies up to band 4 with a guarantee of an interview if they meet the job requirements. We don't have the systems in place to monitor individual career trajectories but do have a detailed recruitment guide, which strives to ensure equality of opportunity is evident.

In addition, how we understand and meet skills gaps happens in a number of ways which includes gathering business intelligence, scanning the external horizon and feedback from staff networks and champions groups. For example, in March 2020, we consulted with different parts of the organisation and identified a gap in existing and future needs in the fields of data analysis, project management, software engineering, digital marketing and data. We identified apprenticeships as an opportunity to fill this gap and were able to utilise the apprenticeship levy to fund the qualifications that employees would undertake. By taking a structured approach, with targets, a series of apprenticeship qualifications were made available to employees that would help them upskill, cross-skill and/or reskill and ultimately enhance their career prospects. Another example is in collaboration with the ABLE network we have offered Neuro Diversity Understood, Autism Awareness and Digital Accessibility training.

Management and leadership knowledge and/or skill gaps are improved either through our self-service access to e-learning courses on the career zone or set programmes such as Senior Leaders and Emerging Leaders programmes.

As part of our commitment to “Everyone has Talent”, WCC offers a range of support and tools to help employees take control of their careers. This broadly falls into a career zone, career and mentoring hub and our personal development framework.

- **Career Zone:** To support employees in their career development, WCC launched a career development platform called **Career Zone** in May 2019. This platform provides all the tools required for employees to develop and advance their careers. Our **Career Assessment tools** include the PULSE self-assessment tool that assesses employees against The Westminster Way and provides them with a report indicating strengths, areas for development, and a career development plan of activities to address the development areas identified. The Pulse Assessment is the most popular tool used on the platform to date and the data shows that the development area that comes up consistently for employees is around Career Planning. There are thousands of modules to support career advancement including an Interview skills simulator and how to create a 60 second pitch. Since its launch, 965 employees have visited the Career Zone with many returning to the site after their first visit. Alongside the Career Zone we provide career development workshops on CV writing, Personal Branding and Interview skills as well as running 60 minute connect and learn sessions on Planning your Careers.
- **Coaching and Mentoring Hubs** provide staff with access to personalised and confidential 121 support.
- **Personal Development Framework (PDF)** offers an opportunity for staff to have developmental conversations with their people leaders including their career aspirations. The four seasonal conversations offer an opportunity to have these career conversations and reflect on the progress made during the year. ‘Create your own Future (7 Steps to career progression)’ is the most recent addition to our PDF workshops and targeted at people who are looking to progress their career, either within the team or elsewhere in the organisation. These tools are available to all staff and form part of our monthly newsletters and promotion campaigns to optimise their usage. We know from usage figures the most popular topics accessed by employees which also provides useful insight to future provision.

3.3 Apprenticeship scheme

The apprenticeship levy was introduced in 2017 and to date WCC has created 333 apprenticeships, a total that meets our public sector apprenticeship target as set by the government. A yearly breakdown is provided in the table below and as of 30 November 2021, we had 188 staff on an apprenticeship programme.

Year	Public Sector Target (2.3% of workforce as apprenticeships)	Number of Apprenticeships created
2017/18	47	39
2018/19	60	43
2019/20	92	108
2020/21	92	143
Total	291	333
Average	73	83

Apprenticeships offer us a great opportunity to support staff development and fill skills gaps, they have also enabled staff to access a range of development opportunities and qualifications. We currently offer Project Management, Data Analyst, Emerging Leaders (leadership development) and Coaching apprenticeships as part of an annual cohort intake which is in addition to the directorate specific apprenticeships such as social work and housing options that are available throughout the year. The majority of apprenticeships have been for staff upskilling, but we have also focussed on promoting apprenticeships as one of our entry schemes to join Westminster.

As an entry scheme, our apprenticeship programmes focus on hiring Westminster residents and or people who are underrepresented in our workforce. Over 60% of our last new hire cohort (14 apprentices) were Westminster residents. Since the pandemic and due to its disproportionate impact on young people we have redoubled our efforts to support young people into apprenticeships (especially Westminster residents). Our most recent programme, Tech Lions programme, was targeted towards placing young people aged between 18-24 years into digital apprenticeships and by September 2021, 8 young people were placed in digital roles across the organisation. We are also committed to hire 30 Kickstarters in the same age group (as part of the government funded scheme) earlier this year with a view that they would be offered apprenticeship roles following their 6 month placement and are committed to supporting this group to find longer term opportunities within the Council.

Our first rotational apprentice cohort (of 14 apprentices) that started in January 2020 are due to finish this month. Though most of them have found opportunities we are still supporting some apprentices and will be able to report on the apprentice retention rate in the next quarter.

3.4 B.A.ME pay gap calculations

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, mandatory gender pay reporting is required of all employers with over 250 employees from March 2018. The gender pay gap is a measure of the difference between men's and women's average earnings across the organisation. It is expressed as a % of men's earnings.

The gender pay gap data for Westminster City Council as at 31st March 2021 shows a mean gender pay gap of 10.1% and a median gender pay gap of 11.8%. The Council also publishes detail of its ethnicity pay gaps, showing the difference between Black, Asian and Multiple Ethnic (BAME) and White employees pay as a percentage of White employees' pay. For 2021 there is a mean BAME pay gap of 12.9% and a median BAME pay gap of 11.8%. The detail of this is shown in appendix 1.

There was a request at the last committee to provide more detail on how the pay gap is calculated and to provide some more detail.

The ethnicity pay gap is calculated using two different measures, the mean and the median. It is the difference between B.A.ME employees and White employees pay as a percentage of White employees pay. There is a statutory requirement to report on the mean and median for the gender pay gap and we have used the same exact methods to calculate the gender pay gap and the ethnicity pay gap.

The median value is particularly useful when looking at a large dataset which has extreme values, however when used along with the mean (percentages and hourly rates) they both give us an indication about the skew of the data while keeping the data in a straightforward format.

There is no significant difference in the functions/teams that B.A.ME staff are in when compared to White staff. There is some overrepresentation in Housing, Family Services and Economy which are three of the lower paying services within the Council. City Highways, Place Shaping and Town Planning, and Community Services have an overrepresentation of White Staff. Two of these are also lower paying services within the Council.

The gap does not apply equally to all groups covered within the B.A.ME characteristic as shown in the tables below.

Ethnicity Mean Pay Gap by Ethnic Origin

Ethnic Origin	No. of staff	Pay Gap 2020 (%)	Pay Gap 2021 (%)	Difference
Arab	20	31.3%	34.1%	+2.8%
Bangladeshi	75	20.2%	18.9%	-1.3%
Black African	224	21.4%	16.5%	-4.9%
Black Caribbean	204	14.8%	12.8%	-2.0%
Chinese	23	16.7%	15.3%	-1.4%
Indian	121	8.0%	1.6%	-6.4%
Mixed Asian	19	13.2%	1.2%	-12.0%
Mixed Caribbean	41	20.0%	15.0%	-5.0%
Mixed Other	48	27.8%	13.4%	-14.4%
No data provided	35	7.4%	13.1%	+5.7%
Other Asian	53	16.8%	14.3%	-2.5%
Other Black	59	19.9%	20.3%	+0.4%
Other Ethnicity	41	9.0%	7.7%	-1.3%
Pakistani	111	10.1%	1.8%	-8.3%
Prefer not to say	138	17.9%	24.0%	+6.1%
White (all)	1434	n/a	n/a	n/a

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Ethnicity Median Pay Gap by Ethnic Origin

Ethnic Origin	No. of staff	2020 Pay Gap (%)	2021 Pay Gap (%)	Difference
Arab	20	23.6%	30.8%	+7.2%
Bangladeshi	75	20.5%	20.4%	-0.1%
Black African	224	17.6%	15.5%	-2.1%
Black Caribbean	204	14.1%	11.8%	-2.3%
Chinese	23	19.0%	9.3%	-9.7%
Indian	121	6.8%	-0.4%	-7.2%
Mixed Asian	19	6.8%	0.0%	-6.8%
Mixed Caribbean	41	17.6%	18.5%	+0.9%
Mixed Other	48	19.1%	9.3%	-9.8%
No data provided	35	9.9%	11.8%	+1.9%
Other Asian	53	11.8%	17.6%	+5.8%
Other Black	59	17.0%	16.5%	-0.5%
Other Ethnicity	41	13.6%	17.6%	+4.0%
Pakistani	111	6.8%	6.8%	0%
Prefer not to say	138	23.4%	27.6%	+4.2%
White (all)	1434	n/a	n/a	n/a

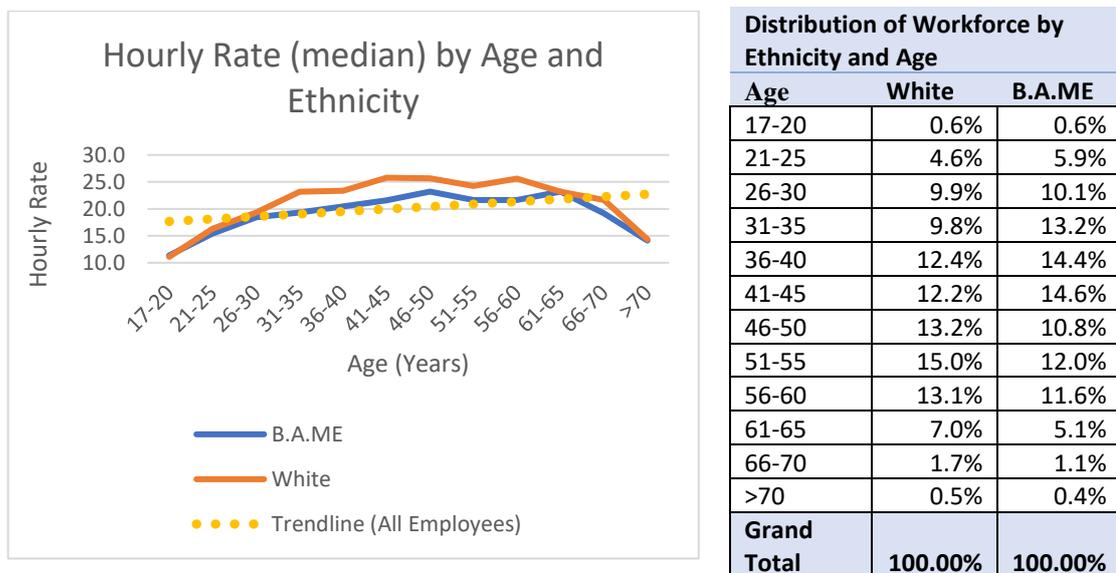
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We are continuing to embed the actions taken in 2020/1 and have set new transformational actions for 2021/22 which includes:

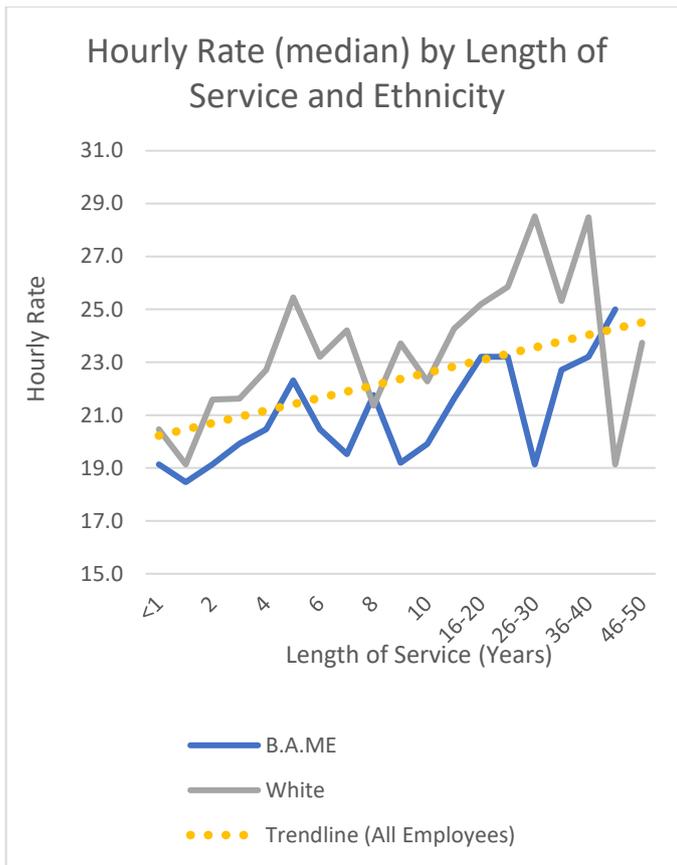
- Appointment of Vercida as our Diversity & Inclusion strategic partner to help us deliver our ambitious 3-year action plan which includes actions to reduce our pay gaps.
- Monthly reporting and scrutiny on our Positive Action which includes recruitment of all Band 4+ posts.
- Newly formed Pay Gap Taskforce made up of staff across the organisation who have been selected based on their capability and commitment in driving forward this agenda to make a meaningful step change.

- Working with each Director, the taskforce is focusing on areas of the business with a median Pay Gap above 10%, with teams of more than 20 staff and will identify actions to reduce the pay gap.
- Working with each directorate to ensure the moderation of starting salaries for teams with pay gaps above 10%
- Beginning the process to review the Pay & Reward Policy to ensure equity and enable long term pay gap reduction.
- Holding Senior leaders to account and sharing best practice through regular conversations with the Chief Executive.
- Exploring a new senior talent programme linked to secondment opportunities to increase career progression and opportunity for all.

B.A.ME staff tend to be younger than White staff at the Council. There is a positive correlation between age and pay (shown by dotted line in graph below). This is one of the reasons for the pay gap even though when comparing the same age groups, there is still a gap between B.A.ME and White staff, particularly between the ages of 30 and 60.



White staff tend to have longer length of service than B.A.ME staff. There is a positive correlation between age and pay (shown by dotted line in graph below). Even though White staff do still tend to earn more than B.A.ME staff when length of service is considered, length of service is one of the reasons for the pay gap.



Distribution of Workforce by Ethnicity and Length of Service		
Length of Service	White	B.A.ME
<1	11.6%	16.9%
1	8.2%	12.0%
2	10.7%	9.2%
3	5.5%	6.6%
4	5.4%	4.6%
5	4.2%	3.4%
6	3.2%	2.6%
7	1.8%	1.6%
8	1.4%	1.6%
9	1.7%	1.4%
10	8.9%	12.4%
11-15	13.6%	11.1%
16-20	10.9%	9.6%
21-25	4.5%	3.7%
26-30	3.5%	1.1%
31-35	3.4%	1.4%
36-40	0.8%	0.5%
41-45	0.3%	0.1%
46-50	0.1%	0.0%
Grand Total	100.00%	100.00%

The higher proportion of B.A.ME staff that are younger and have shorter length of service do account for some of the pay gaps, however as the graphs above show, there are still pay gaps even after these factors are considered. B.A.ME staff tend to be in lower grades than White staff and tend to join on lower pay. The gap is closing though and the continued increase in the proportion of our B.A.ME senior leaders means that we are hopeful that this gap will reduce in the near future.

3.5 Disability Pay Gaps 2021

11.8% of all staff have declared a disability.

Mean pay gap 4.2% (4.2% in 2020)

Median pay gap 3.0% (0.3% in 2020)

4. Fixed Term, Permanent and TACs (Temporary, Agency and Contractors)

Please find below the proportions of staff that are classed as fixed term, permanent and temporary, agency and contractors.

Employment Type	Staff Numbers	Proportion of Workforce
Fixed Term	436	15%
Permanent	2209	77%
Temporary, Agency and Contractors	231	8%
Total	2876	100%

The day rates for individual contractors' range as detailed below.

Day Rate (£'s)	Count
0-100	23
100-200	96
200-300	57
300-400	17
400-500	17
500-600	11
600-700	3
700-800	1
800-900	2
900-1000	2
1000-1100	0
1100-1200	0
1200-1300	2
Total	231

Many of the higher earning TACs (above £600) are in F&R however there is one in Adult Social Care and one in Innovation & Change as well. The Adult Social Care TAC is funded through Public Health, is Bi Borough and is carrying out vaccine related work.

The F&R and I&C TACs are working in various programmes. One has a key role in Digital and Innovation Transformation. Two are working on the Corporate Property Capital Programme and are helping to deliver savings for the Council. The others are working in IT roles in order to develop the Councils IT systems, improve workplace technology and work towards disaggregation.

It's important to note though that the overall cost of TACs has drastically gone down. The below chart shows weekly average bills compared to last year (** the graph includes forecasting for the last 4 months of 21/22*) and they are generally around a third lower than they were this time last year.

