

REPORT TITLE: ORGANISATIONAL DEVELOPMENT PERFORMANCE
MONITORING Q3 2018/19

4 MARCH 2019

REPORT OF PORTFOLIO HOLDER: CLLR GODFREY – PORTFOLIO HOLDER
FOR PROFESSIONAL SERVICES

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WARD(S): ALL

PURPOSE

The report sets out by way of a range of performance measures, information relating to the human resources of the Council, including an update covering the second quarter of 2018/19 against sickness absence and staff turnover.

It also sets out Winchester City Council's Gender Pay Gap (GPG) data as at 31 March 2018.

RECOMMENDATIONS:

1. That the content of the report be noted.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The need to manage and monitor the staff resources at the Council is essential in delivering front line services to the residents of the District and achieving the outcomes as set out in the Council Strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial implications arising from this report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

4 WORKFORCE IMPLICATIONS

- 4.1 This report presents monitoring data relating to the workforce of the Council including sickness absence, staff turnover and numbers of new starters and leavers. Increased or excessive staff sickness can have an impact on the Council to be able to deliver effective front line services and deliver the projects and actions that are included in the Council Strategy and Service Plans.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 The importance of maintaining a positive relationship with the recognised trade union is acknowledged and quarterly meetings now take place to ensure that regular communication takes place in addition to those meetings to discuss specific issues when the need arises.
- 6.2 The Chief Executive has established regular all-staff briefings where matters of interest or significance are discussed.
- 6.3 There are no matters in this report which have required specific consultation.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The data contained in this report is sufficiently redacted to ensure that individuals cannot be identified. A Data Protection impact Assessment is therefore not required.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>	n/a	n/a
<i>Community Support</i>	n/a	n/a
<i>Timescales</i>	n/a	n/a
<i>Project capacity</i>	n/a	n/a
<i>Financial / VfM</i>	Regular monitoring of staff costs ensures that actual expenditure is kept within budget. Any exceptional staffing requirement incurring additional expenditure has to be supported by a business case and is subject to senior management approval.	Efficient use of staff resources across the organisation ensures that the Council is providing value for money.
<i>Legal</i>	n/a	n/a
<i>Innovation</i>	n/a	n/a
<i>Reputation – risk of comparatively high levels of sickness</i> <i>Poor rationale for staff leaving</i>	Regular management and reporting of sickness levels enable management to take action to reduce sickness Mandatory exit interviews to enable action to be taken from leaving staff's feedback	Close management and comparatively lower levels of sickness enhances reputation of the Council with stakeholders Improve employment offer through feedback. Enable greater opportunities through reasons for leaving.

11 SUPPORTING INFORMATION:

- 11.1 This report provides in Appendix 1, performance information for the human resources of the Council to the end of the third quarter of 2018/2019 by way of a range of key performance measures.
- Progress against the six strategic priorities as set out in the Employee Strategy was set out in a report considered by Personnel Committee on 22 November 2018 (PER316 refers). That report highlighted the following achievements to date:

Regular All Staff Briefings hosted by Chief Executive and Directors to improve staff engagement

- Regular meetings with Unison to discuss key issues
- Introduction of a health care cash plan – this has been taken up by 169 employees
- Introduction of an employee discount scheme promoting increased participation in a wide range of leisure pursuits (70+ members to date)
- Bespoke Leadership Development programme for Senior and Middle Managers
- Complete refurbishment of City Offices. This was a key issue from the 2016 employee survey.
- Established corporate values through engagement with all staff at All Staff Briefing followed by focus groups

11.2 In addition, the following will be introduced from April 2019:

- a) Implementation of new pay structure (report PER318 refers)
- b) Increase in annual leave provision to encourage greater work-life balance (report PER318 refers)
- c) Staff able to buy additional Annual Leave
- d) Extension and enhancement of current flexible working practises
- e) An on-line employee benefits platform together with associated private car leasing options, childcare vouchers and employee discounts and the facility to host/promote local discounts and offers
- f) The ability to use salary sacrifice for additional voluntary contributions into a pension scheme.

Staff Establishment

11.3 The following table provides information covering the reasons for staff leaving during the last four quarterly periods:

Reason for leaving	Jan – Mar 2018	Apr – Jun 2018	Jul – Sep 2018	Oct – Dec 2018
End of Temporary/ Fixed Term Contract	1	5	3	2
Resignation – public sector appointment	6	3	7	7
Resignation – private sector	1	7	5	3

Reason for leaving	Jan – Mar 2018	Apr – Jun 2018	Jul – Sep 2018	Oct – Dec 2018
appointment				
Resignation – other	5	5	8	9
Retirement	1	2	2	1
Redundancy	0	0	0	0
Not disclosed	2	0	1	1
TOTAL	16	22	26	23

Attendance and Staff Sickness

- 11.4 Staff sickness continues to be monitored very closely with detailed reports made available to managers after the end of each month. Additional temporary resource has been engaged within the HR team to support managers in addressing sickness absence in their teams.
- 11.5 The data at Appendix 1 shows that the sickness absence rate has risen to 8.5 days lost per FTE and is marginally higher than the national average sickness absence across all English district councils (8.1 days lost per FTE). It is also noted that the number of those who have had no sickness has remained the same; therefore the increase in sickness is directly related to a small number of long term sickness cases which the HR team continue to address.
- 11.6 One of main increases in staff sickness by type is in respect of personal (i.e. non-work related stress) which remains double the amount of absence due to work related stress. The Council continues to support staff regardless of the cause of stress related absence. By comparison, work related stress is attributed to the same amount of sickness absence as colds/coughs.
- 11.7 The Council continues to use an Occupational Health supplier to provide advice to managers and employees. This service, combined with the continued provision of a free at point of access counselling service and a further provision of counselling service through the health care cash plan, contribute to the effective management of staff absence. There are examples across the workforce where additional counselling sessions have been provided which have facilitated a successful return to work.
- 11.8 The Council has appointed University Hospital Southampton NHS Foundation Trust as the new provider of Occupational Health Services with effect from 1 February 2019. They were appointed as they demonstrated more focused pro-active health prevention, better management of complex cases and a significant improvement in the quality of reports provided to managers. The sample reports from the successful supplier included recommendations for pro-active actions the employee could take to improve their health and well-being as well as reasonable adjustments support for the employer to consider.

Gender Pay Gap (GPG) Reporting

- 11.9 From April 2017, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, employers with 250 or more employees are required to publish statutory gender pay gap calculations every year. The gender pay gap is the difference between the average earnings of men and women.
- 11.10 Tackling the GPG is a key priority for the Government. It has been estimated that tackling gender pay inequalities could boost the UK economy by an extra £150 million by 2025. The Government has committed to closing the gender pay gap within a generation.
- 11.11 The causes of the gender pay gap are complex and often long-standing. Increased pay transparency will help to ensure the causes of societal and workplace pay inequalities are exposed and understood, remedies identified and prioritised, progress monitored and good practise exemplified.
- 11.12 The six key metrics employers are required to calculate and publish are:
- the % difference in the mean hourly pay of ‘full-pay’* men and women
 - the % difference in the median hourly pay of ‘full-pay’* men and women
 - the % difference in the mean bonus pay received by all ‘relevant’** men and women in the 12 months up to and including the snapshot date
 - the % difference in the median bonus pay received by all ‘relevant’** men and women in the 12 months up to and including the snapshot date
 - proportion of men and women receiving a bonus payment
 - proportion of men and women in each pay quartile
- *‘full-pay’ relevant employee = only includes employees receiving their full pay for the reference period and excludes employees paid at a reduced or ‘nil’ rate as a result of being on ‘leave’ e.g. maternity, sickness absence*
- **‘relevant’ employee = includes employees on full pay and on reduced or nil pay as a result of being on leave e.g. maternity, sickness absence*
- 11.13 The mean and median GPG figures are expressed as a percentage of men’s earnings where a positive figure indicates that women earn less than men and a negative figure indicates that women earn more than men.
- 11.13 This is the second year employers have had to report their GPG. Winchester City Council’s GPG metrics for 31 March 2017 and 31 March 2018 are shown in Appendix 2 (using the format agreed for publishing 2017 GPG data on the Council’s public website).

- 11.14 Whilst the Council's 2018 GPG has widened when compared to 2017 figures, a mean GPG of 13.4% and median GPG of 11.1% continue to be below the national average (17.5% and 19.0% respectively). This is a positive outcome and a positive reflection of WCC's inclusive and flexible employment culture and working practises.
- 11.16 However, closer analysis of the GPG data show this is more likely to be the result of timing rather than a more concerning trend towards increased gender inequality. At the point of reporting, analysis of the gender balance across the quartiles compared to 2017 showed a general increase in the proportion of women to men in the lower quartiles (lower (lowest paid quartile), lower middle and upper middle) but the reverse in the upper quartile (highest paid quartile) where the proportion of men to women had increased. The proportion of men to women had particularly increased across the Winchester Management Grades (Scales 10 – Chief Executive).
- 11.19 The GPG is a 'snapshot' of an organisation's gender pay gap position at a particular moment in time and typically reflects past/current trends rather than the future gender position of an organisation. As such, a different snapshot date could quite possibly produce different figures e.g. where the positive effects of a campaign to improve gender representation are not realised until after the reporting date.
- 11.20 Had the 2018 snapshot date been just one month later, pending appointments would have been made which would have addressed a temporary gender imbalance at the Council's most senior grades, resulting from the senior management review, and see an increased representation of women at the most senior grades.
- 11.21 Other contributory factors include a slight increase in the ratio of women compared to men working part-time and the gender distribution of additional pay elements.
- 11.22 Whilst WCC's flexible working policy applies to all employees, it can particularly attract a higher proportion of women wishing to combine work with caring responsibilities. One of the trends identified by wider GPG analysis is that the responsibility of childcare still falls disproportionately upon women and that consequently women are more likely to work part-time than men and in lower paid roles.
- 11.23 As identified in the 2017 GPG reporting, the gender distribution of allowances/ additional payments, salary sacrifice payments and GPG calculations for mid-month starters & pay changes have a contributory impact on pay and GPG when combined with other factors (e.g. the lower pay of a part-time female worker who sacrifices a proportion of their salary for childcare vouchers compared to the higher pay of a part-time male worker at the same pay point working the same hours who is not part of a salary sacrifice scheme, or, the higher pay of a full-time male receiving allowances

compared to the lower salary of a full-time female worker at the same pay point who does not receive any allowances).

- 11.24 The Council's GPG figures position us positively when compared to the national picture, however the Council is not complacent and will continue to monitor and review reward and employment practises to ensure equal and fair treatment and opportunity for all existing and prospective employees across all aspects of employment and at all stages of the employment lifecycle.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

- PER317 Organisational Development Performance Monitoring Q2 2018/19, 22 November 2018
- PER313 Gender Pay Gap Report as at 31 March 2017, 12 March 2018
- PER304 Employee Strategy, 23 November 2017

Other Background Documents:-

None.

APPENDICES:

- Appendix 1 Organisational Development Performance Measure Q3 2018/19
- Appendix 2 Gender Pay Gap as at 31 March 2018

Organisational Development Performance Measures

Quarterly Performance Monitoring – Q3 2018/19 update

Performance Indicator	2017/18 Data			2018/19			Direction of Travel
	Q2	Q3	Q4	Q1	Q2	Q3	
Establishment & Staff Profile							
Actual number of Full-Time Equivalent (FTE) in post	441.08	439.15	440.5	442.6	440.5	423.2	↓
Total Authority headcount:	496	494	492	498	489	478	↓
- Full Time	358	363	376	370	376	361	↓
- Part Time	138	131	116	128	113	117	↑
Turnover – Number of leavers as a percentage of headcount	5.70%	4.22%	3.25%	4.44%	5.26%	4.76%	↓
Number of actual leavers:	28	21	16	22	26	23	↓
- Full Time	21	15	9	17	15	19	↑
- Part Time	7	6	7	5	11	4	↓
Number of appointments to vacant posts:	22	34	27	33	21	30	↑
- Internal appointment	8	13	10	8	9	10	↑
- External appointment	14	21	17	25	12	20	↑
Attendance & Sickness							
Average Sickness per member of staff (days) – rolling year	6.5	6.9	6.4	6.8	7.7	8.5	↑
Number of employees with no sickness absence (rolling 12 months)	179	171	192	200	192	193	↑
Percentage of employees with no sickness absence (rolling 12 months)	37.0%	35.0%	39%	40%	39%	40%	↑
Total number of days sickness (quarterly)	592	771	855	886	1,133	1,231	↓



Performance Indicator	2017/18 Data			2018/19			Direction of Travel
	Q2	Q3	Q4	Q1	Q2	Q3	
Sickness days by reason (top 5) – rolling 12 month period							
- Infections, including cold & flu	540	474	527	563	518	498	⇩
- Stomach, Liver, kidney & digestion	245	385	360	366	340	320	⇩
- Stress/ Depression - personal	544	412	520	777	783	963	⇩
- Stress/ Depression – work related	127	263	286	438	497	499	⇩
- Eye, ear, nose & mouth/ dental	52	349	310	260	226	195	⇩

Winchester City Council gender pay gap comparison 2017 & 2018





From April 2017, employers with 250 or more employees are required to publish information each year to show the difference in average pay between their male and female employees.

Winchester City Council's gender pay and workforce profile data as at 31 March 2018 and 31 March 2017 is shown below.



Workforce by gender

			
2018	40%	60%	Just under two thirds of the Council's workforce are female and just over a third are male
2017	40%	60%	Just under two thirds of the Council's workforce are female and just over a third are male

Full and part-time gender ratios



	Full-time gender ratio		Part-time gender ratio		
					
2018	1.1	1	1	7	A greater proportion of females at the council work part-time than males
2017	1.1	1	1	6	A greater proportion of females at the council work part-time than males

Mean (average) hourly pay gap

				
2018	Hourly pay	£16.80	£14.55	On average male employees at the Council earn £2.25 per hour more than female employees
	Pay gap	13.4% (National pay gap 17.5%*)		
2017	Hourly pay	£16.36	£14.33	On average male employees at the Council earn £2.03 per hour more than female employees
	Pay gap	12.4% (National pay gap 17.4%*)		

* Office for National Statistics

Median (middle) hourly pay gap

				
2018	Hourly pay	£15.62	£13.89	On average male employees at the Council earn £1.73 per hour more than female employees
	Pay gap	11.1% (National pay gap 19.0%*)		
2017	Hourly pay	£14.83	£13.75	On average male employees at the Council earn £1.08 per hour more than female employees
	Pay gap	7.28% (National pay gap 18.4%*)		

* Office for National Statistics

Bonus pay

The Council does not operate performance related pay or a bonus scheme therefore there is no bonus pay gap for 2018 and 2017

Mean bonus pay gap 0%	0% women received a bonus
Median bonus pay gap 0%	0% men received a bonus

Proportion of men & women in each quartile (by hourly pay)

The data below shows the proportion of male and female employees in each quartile ranked from highest to lowest by hourly rate. Quartiles divide the workforce into 4 equal parts (each quartile is made up of 25% of the workforce)

