

HR Committee

19th October 2017



Report of: Interim Service Director Human Resources

Title: The Council's Pay Policy Statement for the period 15th November 2017 to 31st March 2019

Ward: N/A

Officer Presenting Report: Jacquie McGeachie

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Recommendation

That the Committee determines the pay policy questions identified in the Korn Ferry Hay Group review and recommends an amended Pay Policy Statement to the Full Council.

Summary

The Localism Act 2011 requires local authorities to agree and publish a pay policy statement annually before the start of the financial year to which the statement relates. Any amendments must also be approved by the Full Council.

The significant issues in the report are:

- A new management structure is being proposed to meet the requirement agreed by full Council in February 2017 to reduce costs by £600k in 2017/18 and by a further £1m in 2018/19.
- An independent review of pay by Korn Ferry Hay Group has been commissioned in order to ensure that jobs at the top 3 levels of the organisation are paid sufficiently to recruit and retain effective leaders and managers.
- The evidence/advice from Korn Ferry Hay Group suggests amendments to the Council's Pay Policy Statement are needed and some policy questions need to be determined.

Policy

1. The Localism Act 2011 requires local authorities (the Full Council) to agree and publish a pay policy statement annually before the start of the financial year to which the statement relates. It is recommended to the Full Council by the HR Committee.
2. Any amendments to the pay policy statement are also recommended by the HR Committee for approval by the Full Council.
3. The Council's current Pay Policy Statement covers the period up to 31st March 2018.

Consultation

4. **Internal**
The Mayor.
Affected jobholders and trade unions are being consulted as part of consultation on the proposed management structure.
5. **External**
None required.

Context

6. The Pay Policy Statement explains the Council pay policies for its highest and lowest-paid employees. It is written and published in line with the Localism Act 2011 and guidance issued by the Secretary of State.
7. A new management structure is being proposed to meet the requirement to reduce costs by £600k in 2017/18 and by a further £1m in 2018/19.
8. An independent review of pay by Korn Ferry Hay Group has been commissioned in order to ensure that jobs at the top 3 levels of the organisation are paid sufficiently to recruit and retain effective leaders and managers.
9. The evidence/advice from Korn Ferry Hay Group suggests amendments to the Council's Pay Policy Statement are needed, and an updated version is attached at Appendix B.
10. The Committee is asked to determine a number of pay policy questions identified in the Korn Ferry Hay Group review:
 - 10.1. The level at which pay is set in relation to the market.
 - 10.2. Whether to use pay ranges or spot salaries.
 - 10.3. If pay ranges are used, how individuals are placed and progressed within the range.
 - 10.4. In relation to job size, whether to use narrow or broader ranges.
 - 10.5. Whether to introduce a level of variable pay as part of the overall salary package, and if so the level (eg, 5, 10 or 20%).

Proposal

11. That the Committee determines the pay policy questions identified in the Korn Ferry Hay Group review and recommends an amended Pay Policy Statement to the Full Council.

Other Options Considered

12. None.

Risk Assessment

13. Failure to pay in line with market rates is likely to hamper the Council's ability to recruit and retain effective leaders and managers.

Public Sector Equality Duties

- 14a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
 - i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - tackle prejudice; and
 - promote understanding.
- 14b) An Equality Impact Assessment has not been completed because the Council's senior management is currently subject to review and the jobholders to whom the new pay ranges will apply is unknown pending a selection process.

Legal and Resource Implications

Legal

“This report fulfils the legal requirement placed on the Council by s.38(1) of the Localism Act 2011 to produce an annual pay policy statement.”

Advice provided by Husinara Jones (Senior Practitioner (Solicitor)), 10th October 2017.

Financial

(a) Revenue

“Finance work closely with HR to ensure that the published senior management savings are delivered using the latest data available. Other changes such as the proposed reforms to the Bristol Grade 1-15 due by 1st April 2019 will be factored into the Medium Term Financial Plan when details become available and the appropriate authorisation is given.”

(b) Capital

“None”

Advice provided by Kevin Lock (Finance Manager), 11th October 2017.

Land

Not applicable.

Personnel

“There are no personnel implications arising from the report as it is a matter for Full Council to determine the pay of Chief and Deputy Chief Officers. It should be noted that it is proposed that there are two levels of Director role and the level of each particular role will be independently evaluated.”

Advice provided by Mark Williams (HR Business Partner), 10th October 2017.

Appendices:

A – Korn Ferry Hay Group Pay Review

B – Draft Pay Policy Statement

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.