

# HR Committee

17<sup>th</sup> January 2019



**Report of:** Director Workforce & Change

**Title:** The Council's Pay Policy Statement for the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

**Ward:** N/A

**Officer Presenting Report:** Mark Williams (Head of HR)

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## Recommendation

That the Committee recommends the Pay Policy Statement 2019/20 be approved by the Full Council.

## Summary

The purpose of the report is to consider the Pay Policy Statement for 2019/20. 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.

## The significant issues in the report are:

- The pay ranges for Executive Directors and Directors are proposed to remain at the 2018/19 levels. The pay of Executive Directors and Directors will be reviewed each year through this Pay Policy Statement.
- It is not proposed to apply a 2% cost of living pay award to the pay of Directors and Executive Directors for 2019/20.
- The Council has become an accredited Living Wage Employer.
- The Council has worked with the trade unions to reform its pay structure; a new pay spine has been agreed and will be implemented from 1st April 2019.



## 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 full Council by the HR Committee.
2. The current policy of the Council in respect of Executive Director and Director pay is set out in the Council's Pay Policy Statement which states:

*"The pay of Executive Directors and Directors will be reviewed each year through this Pay Policy Statement. The Council will be mindful of pay awards agreed by the Joint Negotiating Committee for Chief Executives of Local Authorities and the Joint Negotiating Committee for Chief Officers of Local Authorities.*

*Executive Director and Director terms and conditions are determined by the Human Resources Committee or other Committee as specified in the Council's Constitution and, unless otherwise agreed, will be in accordance with either the JNC for Local Authority Chief Executives or Chief Officers Handbook."*

3. Full Council has delegated to the Human Resources Committee the discretion to determine whether national pay settlements should be awarded to Executive Directors and Directors.

## Consultation

4. **Internal**  
Deputy Mayor and Head of Paid Service have been consulted on these proposals.
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. We have reviewed the pay of our Executive Directors and Directors against market rate amongst Core Cities.

Post	Lower Quartile	Median	Upper Quartile	BCC Bands
Chief Executive	£173,500	£185,000	£199,000	N/A
Executive Director	£126,000	£137,000	£149,000	£135,000 to £165,000
Director	£85,000	£98,000	£119,000	D2 £94,000 to £120,000 D1 £85,000 to £105,000

8. This information highlights that the current the pay ranges for Executive Directors and Directors continue to be competitive and it is proposed that they to remain at the 2018/19 levels. The pay of any Director that falls below the median market rate by more than 10% will be reviewed and a recommendation made to the HR Committee to move the individual's spot salary to reflect the changes in the market. Currently, no Directors pay is below the median market rate. Where a review highlights that the pay bands are no longer appropriate, this will require Full Council to approve changes to the Pay Policy Statement.
9. The Council became an accredited Living Wage Employer with effect from 5<sup>th</sup> November 2018. We ensure that all casual workers engaged directly by the Council are paid at least the Living Wage. We have set up our procurement procedures to ensure that we engage with contractors and potential contractors to encourage them, as far as possible, to also pay the Living Wage to people regularly working on our premises.
10. The Council has worked to reform its pay structure during 2018/19. The new national agreement seeks to address compression within the existing pay structure and alleviate pressures on pay differentials at the bottom of the structure. The new pay spine with effect from 1<sup>st</sup> April 2019 will take the UK Living Wage (as set by the Living Wage Foundation) as its starting point and will cover Bristol Grades 1 to 15. The new pay spine has been negotiated and agreed with the trade unions.

### **Proposal**

11. That the Committee recommends the Pay Policy Statement 2019/20 be approved by the Full Council.

### **Other Options Considered**

12. Applying JNC pay award of 2% for Executive Directors and Directors has considered. This has been rejected on the grounds that the pay ranges and salaries have recently been reviewed and benchmarking against the market rate indicates that the salaries (paragraph 7 above) are competitive. Further, there is no contractual obligation on the Council to implement national pay awards; it is a matter for the HR Committee to determine.

### **Risk Assessment**

16. 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**

- 17a) 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.

17b) An Equality Impact Assessment has not been completed as no major change to policy is proposed by this report.

## **Legal and Resource Implications**

### **Legal**

The Pay Policy Statement 2019/20 fulfils the legal requirement placed on the Council by s.38(1) of the Localism Act 2011 to produce an annual pay policy statement.

Husinara Jones, Solicitor/Team Leader, 4<sup>th</sup> January 2019

### **Financial**

#### **(a) Revenue**

Committee is recommended to adopt the Pay Policy Statement as appended to this report. The budget build for approval by full council will include assumptions relating to the cost of living wage and revised pay structure.

Kevin Lock, Finance Manager, 4<sup>th</sup> January 2019

#### **(b) Capital**

### **Land**

Not applicable.

## **Personnel**

The proposed Pay Policy is largely unchanged from 2018/19. Market data indicates that the existing salary ranges for JNC Chief Officers remain competitive. The Council will continue to pay no less than the real Living Wage to all of its staff.

James Brereton, People and Culture Manager, 8th January 2019

### **Appendices:**

A – Draft Pay Policy Statement

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

#### **Background Papers:**

None.