

Full Council

19th March 2019



Report of: Human Resources Committee

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

Ward: N/A

Member Presenting Report: Councillor Jon Wellington (Chair of Human Resources Committee)

Recommendation

That full Council adopts the Pay Policy Statement for 2019/20.

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.

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. Any amendments to the pay policy statement are recommended by the HR Committee for approval by full Council. The HR Committee considered the proposed Pay Policy for 2019/20 at its meeting on 17th January 2019.

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. 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. Currently, no Directors pay is below the median market rate. The pay of Executive Directors and Directors will be reviewed each year through this Pay Policy Statement. It is therefore not proposed to apply a 2% cost of living pay award to the pay of Directors and Executive Directors for 2019/20.
8. For the period covered by this statement the Council's top earner will be on a salary of up to £165,000 and the lowest-paid person will be on a salary of at least £17,364. The Council's top to lowest salary ratio will reduce from 9.77:1 as at 31st December 2018 to 9.50:1 by 1st April 2019.
9. The Council became an accredited Living Wage Employer with effect from 5th 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. A new pay spine is being put in place with effect from 1st April 2019 takes account of the UK Living Wage (as set by the Living Wage Foundation) as its starting point and covers Bristol Grades 1 to 15. The new pay spine has been negotiated and agreed with the trade unions.

Proposal

11. That full Council adopts the Pay Policy Statement for 2019/20.

Other Options Considered

12. Applying JNC pay award of 2% for Executive Directors and Directors was 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.

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

14. a) 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.

14. b) 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, 1st March 2019

Financial

(a) Revenue

Full Council is recommended to adopt the Pay Policy Statement as appended to this report. The budget build approved by Full Council included assumptions relating to the cost of becoming a Living wage Employer and the revised pay structure.

Kevin Lock, Finance Manager, 4th March 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, 3rd March 2019

Appendices:

A – Draft Pay Policy Statement

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None.