

HR Committee

16th January 2020



Report of: Director Workforce & Change

Title: The Council's Pay Policy Statement for the period 1st April 2020 to 31st March 2021

Ward: N/A

Officer Presenting Report: Mark Williams (Head of HR)

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Recommendation

That the Committee recommends the Pay Policy Statement 2020/21 be approved by the Full Council.

Summary

The purpose of the report is to consider the Pay Policy Statement for 2020/21. 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 2019/20 levels. The Human Resources Committee will be asked to consider the implications of any national pay settlements affecting the workgroup when it is known.
- The Council has worked to further reform its pay structure during 2019/20. From 1st April 2020 apprentice pay will be increased to the UK Living Wage (as set by the Living Wage Foundation) for apprentices over 18 years old and over, 80% of the UK Living Wage for apprentices under 18 years old.
- Pay on the commencement of employment for Executive Directors and Directors Pay will now be set by the Selection Committee where it is over 10% above of the minimum of the range. - Requests for increases in pay for Directors and Executive Directors during their employment will continue to be considered by the Human Resources Committee and the pay policy now makes it clear that any proposals brought to the committee will include the advice and recommendations of both the Head of Paid Service and Director: Workforce and Change.

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 salary for Executive Director and Director roles 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."

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, Finance, Governance and Performance and the 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 accordance 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 the current market rate amongst Core Cities.

Post	Lower Quartile	Median	Upper Quartile	BCC Bands
Chief Executive	£180,000	£185,000	£203,000	N/A
Executive Director	£135,000	£138,000	£159,000	£135,000 to £165,000
Director	£88,000	£110,000	£123,000	D2 £94,000 to £120,000 D1 £85,000 to £105,000

8. The pay of the Council's Executive Directors and Directors is graded using the Hay methodology and the salaries are informed by market data. The above 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 2019/20 levels. However, there is a requirement to take into account any national pay settlements agreed by the Joint Negotiating Committee for Chief Executives of Local Authorities and the Joint Negotiating Committee for Chief Officers of Local Authorities. The outcome of the 2020/21 negotiations is not yet known. This committee will be asked to consider the implications of any national pay settlement when it is known.
9. The Council has worked to further reform its pay structure during 2019/20. From 1st April 2020 apprentice pay will be increased to the UK Living Wage (as set by the Living Wage Foundation) for apprentices over 18 years old and over, 80% of the UK Living Wage for apprentices under 18 years old. Increasing the rate will improve the attractiveness of the Council to younger people seeking apprenticeship roles. The number of young people working in the organisation is likely to increase. Currently only 3.72% of the workforce are aged 24 or under. Using apprenticeships will help to ensure that we are developing the skills we need for the future, to grow our economy in ways that also support our city.
10. The starting salary of new Executive Directors and Directors will now be agreed by the Selection Committee and request for increases in pay during employment will require agreement from the HR Committee following a recommendation from the Head of Paid Service and Director: Workforce and Change.

Proposal

11. That the Committee recommends the Pay Policy Statement 2020/21 be approved by the Full Council.

Other Options Considered

12. None.

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 2020/21 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, 3rd January 2020

Financial

(a) Revenue

No impact on Revenue is planned.

It is proposed that the pay ranges for Executive Directors and Directors are maintained at 2019/20 levels. Consequently this will have no impact on Revenue.

It is proposed that from 1st April 2020 apprentice pay is increased to the UK Living Wage (as set by the Living Wage Foundation) for apprentices of 18 years old and over, and to 80% of the UK Living Wage for apprentices under 18 years old. This increase is not expected to impact Revenue since it is to be contained within existing budgets (for example by reviewing vacant roles within the services and identifying those which might be appropriately filled by apprentices).

The implications of any national pay settlement affecting the workgroup as a whole will be assessed when the pay settlement is known.

Jemma Prince, Finance Business Partner, 3rd January 2020

(b) Capital

Land

Not applicable.

Personnel

The proposed Pay Policy is largely unchanged from 2019/20. 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.

Mark Williams, Head of HR, 3rd January 2020

Appendices:

A – Draft Pay Policy Statement

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.