

# HR Committee

17<sup>th</sup> February 2022



**Report of:** Director Workforce & Change

**Title:** The Council's Pay Policy Statement for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023

**Ward:** N/A

**Officer Presenting Report:** Mark Williams (Head of Human Resources)

**Contact Telephone Number:** 07795 446270

## Recommendation

That the Committee recommends to Full Council the Pay Policy Statement 2022/23 to take effect from 1 April 2022.

## Summary

The purpose of the report is to consider the Pay Policy Statement for 2022/23. 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:

- As at 31 December 2021, the pay ratio between the highest and lowest paid employee is 1:9.36. This is an improvement on the pay ratio on 31 December 2020 which was 1:9.45
- 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 to the Chief Executive, will be automatically applied to Chief Executive, Executive Directors and Directors as appropriate, subject to Full Council approval of the Pay Policy Statement on 15<sup>th</sup> March 2022.
- The Real Living Wage is £9.90 per hour (40p increase) with effect from 1st April 2022, which equates to a minimum salary of £19,100 (based on a full-time week of 37 hours. Reducing our top to lowest salary ratio to 8.98:1 based on current pay level.

## 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 pay for the Chief Executive, Executive Director and Director is set out in the Council's current 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. Currently, Full Council has delegated to the Human Resources Committee the discretion to determine whether national pay settlements should be awarded to the Chief Executive, Executive Directors and Directors. It is proposed that the Council Pay Policy is adjusted in relation to pay awards from 1 April 2022.

## Consultation

4. **Internal**  
The Deputy Mayor, Finance, Governance and Performance and the Chief Executive 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. Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives and the Joint Negotiating Committee (JNC) for Chief Officers. Current practice has been that the HR committee determines whether to apply a pay settlement locally. For all other Council staff groups the council applies pay settlements automatically. Given this and the fact that the Council supports national collective bargaining, it is recommended that the same arrangements should apply to the Chief Executive, Executive Directors and Directors and this is reflected in the proposed Pay Policy Statement. Also, all West of England Councils have confirmed they apply national pay settlements automatically to their Chief Officers and Chief Executives. All the English Core Cities adopt the same approach. It is proposed that any annual pay settlements are reported to the Human Resources Committee for information.
8. The terms and conditions of employment for the Chief Executive, Executive Directors and Directors within the scope of this pay policy statement are determined by the HR Committee in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers and the JNC for Local Authority Chief Officers

## Conditions of Service Handbook.

9. From 1st April 2022 pay of our lowest paid workers will be increased to the UK Living Wage (as set by the Living Wage Foundation). Increasing the rate will improve the attractiveness of the Council to younger people seeking entry level roles. The number of young people working in the organisation is likely to increase. Currently only 12.5% of the workforce are aged 29 or under.
10. The Real Living Wage will be increasing to £9.90 per hour (40p increase) with effect from 1st April 2022, which equates to a minimum salary of £19,100 (based on a full-time week of 37 hours).
11. The Council continuously reviews its pay offer to adapt to legislation changes and ensure we have a competitive offer to attract and retain the best talent. As a key priority in our Workforce Strategy, we will support our managers to develop and implement their workforce and succession plans, forecasting the type and number of roles, skills and pay needed for the future. We will also continue to remove any unfair barriers which staff may face and work to address the under-representation of staff groups, including senior roles.

### Proposal

12. That the Committee recommends to Full Council the Pay Policy Statement 2022/23 to take effect from 1st April 2022.

### Other Options Considered

13. None.

### Risk Assessment

16. Failure to pay in line with market rates is likely to hamper the Council's ability to retain and attract excellent leaders.

### 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 2022/23 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, 3 February 2022

### **Financial**

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

The pay policy sets out information regarding how pay is set for the Council. Generally pay increases are agreed as part of National negotiations of the National Joint Council, and assumptions on this are included in the budget as part of the annual budget setting process, so any increase in pay award is reflected in the budget each year. To fund the increase in costs the budget sets out how this is achieved through a range of savings, efficiencies and increases in funding.

Michael Pilcher (Chief Accountant), 8 February 2022

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

Not applicable

### **Land**

Not applicable.

### **Personnel**

**Appendices:**

A – Draft Pay Policy Statement 2022-23

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

**Background Papers:** None.