

# HR Committee

17<sup>th</sup> February 2022



**Report of:** Director of Workforce and Change

**Title:** Chief Officer and Chief Executive Pay Award 2021/22

**Ward:** N/A

**Officer Presenting Report:** Mark Williams, Head of Human Resources

**Contact Telephone Number:** 07795 446270

## Recommendation

It is recommended that the committee:-

- i) approves the application of the 2021-22 Chief Executives National Pay Agreement which will uplift the pay and pay band of the Chief Executive by 1.5% with effect from 1 April 2021.
- ii) authorises the Head of Human Resources to implement national pay settlement for 2021/22 for Chief Officers to Executive Directors and Directors when it is agreed between the employers and trade unions nationally; and
- iii) requests that the Head of Human Resources provides a report to this committee when the national pay settlement for Chief Officers is known, including information on the costs to the Council and any other associated matters.

## Summary

This report seeks the committee's approval to apply the national pay award for the Chief Executive and delegates authority to implement the Chief Officers pay settlement for, Executive Directors and Directors with effect from 1 April 2021 once it is agreed nationally.

## The significant issues in the report are:

- JNC Chief Executive and Chief Officers terms and conditions are determined by the Human Resources Committee.
- The committee is required to consider the implications of the JNC Chief Executive and JNC Chief Officers pay settlements and determine whether to apply the 2021/22 pay settlement locally.
- It is proposed that the individual pay and pay ranges of the Chief Executive is uplifted by 1.5% and the, Executive Directors and Directors pay is uplifted when the JNC pay award is agreed at a national level between the employers and trade unions with effect from 1 April 2021.
- If the council does not implement the pay settlements, the job holders and/or their trade union representatives will have the right to make further representations to the committee.

## Policy

1. 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. There will be no change to the ranges quoted in paragraph 3b above before 1<sup>st</sup> April 2021.*

*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."*

2. 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. The accompanying report to Full Council when the Pay Policy Statement was approved in March 2021 stated:-

*".....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 2021/22 negotiations is not yet known. The HR Committee will be asked to consider the implications of any national pay settlement when it is known".*

## Consultation

### 3. Internal

Deputy Mayor for Finance, Performance and Governance and Chief Executive.

### 4. External

None.

## Context

### Pay arrangements

5. The current pay and terms and conditions for Senior Executives were introduced on 15th November 2017. The pay band for the Chief Executive was introduced with effect from 1 April 2021 following approval by Full Council in March 2021. The arrangements introduced pay bands which are graded using the Korn Ferry Hay Group Job Evaluation Scheme. In addition, the new pay bands
6. All JNC Chief Officers are on 'spot' salaries within a pay range, which are currently as follows:

Current			
Post	Min	Mid	Max
Chief Executive	£171,500	£177,000	182,500
Executive Director	£138,713	£154,125	£169,538
Director Level 2	£96,585	£109,943	£122,300
Director Level 1	£87,338	£97,613	£107,888

Proposed 1 <sup>st</sup> April 2021			
Post	Min	Mid	Max
Chief Executive	£174,073	£179,655	£185,238

### Annual pay settlements

It is currently a matter for this committee to determine whether a national pay settlement should be applied locally for the Chief Executive, Executive Directors and Directors. The committee last considered whether a national pay settlement should be applied locally in September 2020. The committee approved the application of the national pay settlement which was 2.75% in 2020.

7. This committee is currently required to determine whether or not to adopt the national pay settlements to the Chief Executive, Executive Directors and Directors for April 2021. Agreement to up lift the pay of Chief Executives by 1.5% was agreed nationally on 3 February 2022. The Chief Executive's salary is the minimum point of the pay band and the application of the pay settlement will increase the job holders salary from £171,500 to £174,073 per annum.
8. Although the pay settlement has not been agreed in relation to Chief Officers (Executive Directors and Directors), the Employers made a final offer of 1.5% which is the same as agreed for Chief Executives. It is recommended that the committee approves the application of the pay settlement to Chief Officers when it is confirmed. The JNCs includes national trade union representatives and employer representatives. Councillors represent the employer side. They are appointed by the Local Government Association. The pay offer for Chief Officers has not yet been agreed as the trade unions are balloting their members in other work groups in local government on Industrial Action.
9. 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 and Chief Officers. This approach has

been recommended for the annual pay policy statement for 2022/23 being considered at this meeting. 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.

## **Proposal**

**10.** It is recommended that the Committee:

- i) approves the application of the 2021-22 Chief Executives National Pay Agreement which will uplift the pay and pay band of the Chief Executive by 1.5% with effect from 1 April 2021.
- ii) authorises the Head of Human Resources to implement national pay settlement for 2021/22 for Chief Officers to Executive Directors and Directors when it is agreed between the employers and trade unions nationally; and
- iii) requests that the Head of Human Resources provides a report to this committee when the national pay settlement for Chief Officers is known, including information on the costs to the Council and any other associated matters.

## **Other Options Considered**

**11.** Not apply JNC pay awards to the Chief Executive, Executive Directors and Directors. This has been discounted for the reasons set out in paragraph 9 above.

## **Risk Assessment**

**12.** There is a risk that if the pay increases are not applied, affected jobholders will argue that they should receive the national pay settlement. In these circumstances, the council will have to demonstrate it has a good and reasonable basis not to apply the pay settlement. In the absence of a reasonable basis for not applying the pay increases, the job holders and/or their trade union representatives will have the right to make further representations to the committee in respect of the reasons for its decision.

## **Public Sector Equality Duties**

- 13a.** 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.

**13b.** The recommendations proposed in this report will not have an adverse or disproportionate impact on any protected group.

## **Legal and Resource Implications**

### **Legal**

It is within the Terms of Reference of the Human Resources Committee to determine whether to apply the JNC pay awards for 2021/22.

Advice provided by Husinara Jones Team Leader/Solicitor 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.

Advice provided by Michael Pilcher (Chief Accountant) 8 February 2022

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

Not applicable.

Advice provided by

### **Land**

Not applicable.

### **Personnel**

The HR Implications are set out in the report.

**Appendices:**

- A JNC Chief Executives pay agreement 2021-22
- B JNC circular regarding pay award for Chief Officers – current pay offer

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

**Background Papers:**

None.