

Full Council

17th March 2022



Report of: Human Resources Committee

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

Ward: N/A

Officer Presenting Report: Councillor Tim Wye (Chair of Human Resources Committee)

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Recommendation

That the full Council approves the Pay Policy Statement for 2022/23.

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:

- 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.
- The Pay Policy Statement includes a new provision which states that the pay of the highest paid employee should be no more than 10 times that of the lowest full time equivalent paid employee.
- In line with practice in other Councils, the Pay Policy Statement for 2022/23 enables 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 to be automatically applied to Chief Executive, Executive Directors and Directors as appropriate.
- 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).

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.

Consultation

2. **Internal**
Not applicable.
3. **External**
None required.

Context

4. 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.
5. The Pay Policy Statement includes a new provision which states that the pay of the highest paid employee should be no more than 10 times that of the lowest full time equivalent paid employee. This is considered by the HR Committee to be an important addition to our Policy which enshrines as policy requirement the maintenance of a pay ratio of 1:10. The HR Committee will review this annually.
6. 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 staff groups the Council applies pay settlements automatically. Given this and the fact that the Council supports national collective bargaining, the HR Committee recommend that the same arrangements should apply to the Chief Executive, Executive Directors and Directors. This is reflected in the proposed Pay Policy Statement. For information, all West of England councils have confirmed they apply national pay settlements automatically to their chief officers and chief executives. Core Cities in England adopt the same approach. Annual pay settlements will be reported to the Human Resources Committee for information so there is appropriate oversight.
7. 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.
8. 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).
9. The Council aims to 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

10. That full Council approves the Pay Policy Statement for 2022/23.

Other Options Considered

11. 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 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, 15 March 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

The proposed Pay Policy is largely unchanged from 2021/22. The Pay Policy will ensure we are paying in line with markets rates and will support Council ability to retain effective leaders and managers. The Council will continue to pay no less than the real Living Wage to all of its staff.

Mark Williams, Head of HR, 25 February 2022

Appendices:

A – Draft Pay Policy Statement

B – Draft Minutes of HR Committee - 17 February 2022

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.