



Report of the Director of Human Resources to the meeting of the Council to be held on 7 March 2024

Subject:

Pay Policy Statement for 2024/25

Summary statement:

In accordance with the Localism Act 2011 Local Authorities are required to produce and publish a Pay Policy Statement for each financial year. The Pay Policy Statement must be approved by Full Council before publication. Full Council approved the 2023/24 Pay Policy Statement on 11 July 2023.

Equality & Diversity:

An Equality Impact Assessment is not required as the Pay Policy Statement does not include proposals for new or changing policies, services or functions.

Anne Lloyd
Director of Human Resources

Portfolio:

Corporate

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1 Sections 38 – 43 of the Localism Act 2011 require the Authority to produce a policy statement that covers a number of matters concerning the pay of the Authority's staff, principally its Chief Officers and the Authority's lowest paid employees.
- 1.2 This Pay Policy Statement for the year 1 April 2024 to 31 March 2025 has been produced taking into account the relevant requirements of the Localism Act 2011 and having regard to the statutory guidance issued by the then Department for Communities and Local Government (DCLG) in February 2012 and the supplementary guidance issued in February 2013 both entitled 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011' ("the Guidance") together with the Local Government Transparency Code 2015 where applicable.
- 1.3 Full Council approved the Pay Policy Statement for 2023/24 on 11 July 2023.
- 1.4 This report provides details of the Pay Policy Statement for the financial year 2024/25 (pay award pending).

2. BACKGROUND

- 2.1 Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement for each financial year.

- 2.2 The Pay Policy Statement must:

- Be produced annually in time for the start of each financial year and be approved by a resolution of Full Council (the power cannot be delegated).
- Be published which must include publication on the Council's website, as a minimum, as soon as is reasonably practicable after they are approved or amended.
- Set out the Authority's policies on a range of issues particularly relating to its chief officers and lowest paid employees.
- Be complied with.

The Guidance also states that:

- Full Council be offered the opportunity to vote on salary packages of £100k per annum or more in respect of new appointments and severance packages of £100k or more.

- 2.3 The Pay Policy Statement must set out the Authority's policy relating to:

- The level and elements of remuneration for each Chief Officer, which includes salary, any charges, fees or allowances, benefits in kind, bonuses, the use of

performance related pay, increases and additions to remuneration, remuneration on recruitment and the approach to the payment of Chief Officers ceasing to be employed by the Authority.

- The remuneration of the lowest paid employees in the workforce.
 - The relationship between the remuneration of Chief Officers and other employees.
 - The publication of and access to information relating to remuneration of Chief Officers.
- 2.4 The provisions of the Localism Act 2011 do not apply to employees of schools maintained by the Authority and therefore they are not within the scope of the Pay Policy Statement.
- 2.5 Chief Officers are defined in the Pay Policy Statement as the posts of Chief Executive, Strategic Directors, Directors, Deputy Directors and Assistant Directors.
- 2.6 The Pay Policy Statement must be approved by a resolution of the full Council before it comes into force.
- 2.7 The proposed **Pay Policy Statement for 2024/25** can be found at **Appendix 1**.
- 2.7.1 The pay multiple has been calculated based on the pay awards effective from 1 April 2023 with the 2024 pay award pending. The current value of the 'pay multiple' between the highest paid salary and the median earnings figure of the whole of the Council's workforce has decreased from **8:1 to 7.8:1**.

*NB. The pay multiple is **not** based on the lowest paid employee nor the simple average salary but it is based on the median earnings figure ie the 'mid-point'.*

- 2.7.2 The national pay award effective from 1 April 2024 is yet to be agreed and therefore the salaries quoted in the attached Pay Policy Statement are based on salary levels at 1 April 2023.
- 2.7.3 Revised salary bandings for the application of LGPS employee pension contribution rates are from 1 April 2024 in Appendix A of the Pay Policy Statement.

3. OTHER CONSIDERATIONS

- 3.1 The Council may, by resolution of the Full Council, amend this Pay Policy Statement during the course of the year to which it relates.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The highest paid salary in this Authority is £212,175 p.a. which is paid to the Chief Executive. The Authority recognises that the role of Chief Executive is to lead the Authority's workforce, has the greatest level of accountability and traditionally warrants the highest pay level in the Authority.

When setting the remuneration for a new Chief Executive, the Authority compares the current salary of the post with comparable salaries for Chief Executives at councils of a similar size, type and location. Specialist advice will normally be sought on an appropriate starting salary.

- 4.2 The employer pension contribution rate has decreased from 16.8% to 16.5% for the 2024/25 financial year. This will reduce the pension strain cost to the Council.
- 4.3 Under the Local Government Pension Scheme Regulations, costs of managing local government pension schemes (including salary costs) must be charged to pension fund accounts and not to local authorities' general fund accounts. Under regulation 69 of the Local Government Pension Scheme Regulations 2013 every scheme employer (of which there are several hundred) must pay the administering authority (Bradford Council for the WYPF) a contribution towards the cost of the administration of the Fund, which includes salary costs.

5. RISK MANAGEMENT & GOVERNANCE ISSUES

- 5.1 Pay Policy Statement is based on the 2023/24 pay rates. The 2024/25 pay award is yet to be agreed. For context, the National Employers made the 2023/24 pay offer on 23 February 2023 and a this was agreed in November 2023 and implemented in December 2023 (backdated to 1 April 2023) for the NJC workforce. This full and final offer was an increase of £1,925 (pro rata for part-time employees) to be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive, and an increase of 3.88 per cent to be applied on all pay points above the maximum of the pay spine but graded below Chief Officer (in accordance with Green Book Part 2 Para 5.42).

The pay offer of 3.5% for Chief Officers was accepted in May 2023 (backdated to 1 April 2023) and implemented in June 2023.

The pay offer from National Employers for the 2024/25 pay period has yet to be announced. It is expected that this offer will not be accepted by the Trade Unions and they will ballot their members for acceptance and or industrial action on this offer.

Due to the current budget situation, any pay offer over the 4% budget provision, will cause the Council significant strain on finances.

6. LEGAL APPRAISAL

- 6.1 The Authority is under a statutory duty to prepare and publish a Pay Policy Statement for the financial year 2024/25 and each subsequent financial year pursuant to the requirements set out in sections 38-43 of the Localism Act 2011.

The Pay Policy Statement should be approved by a resolution of the Authority before it comes into force. The Authority must have regard to the Guidance referred to in this report in preparing and approving the Pay Policy Statement together with the provisions of the Local Government Transparency Code 2015 where applicable. Under S39(4) of the Localism Act 2011, the Council can amend its pay policy statement, including after the beginning of the financial year to which it relates.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

Not applicable.

7.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

Not applicable.

7.3 COMMUNITY SAFETY IMPLICATIONS

Not applicable.

7.4 HUMAN RIGHTS ACT

No implications arising from this report.

7.5 TRADE UNION

There is no formal requirement to consult about the Pay Policy Statement however it will be shared with the recognised Trade Unions for information.

The Pay Policy Statement brings together the Authority's existing policies which have been subject to consultation where required.

7.6 WARD IMPLICATIONS

Not applicable.

7.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

Not applicable.

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

8. NOT FOR PUBLICATION DOCUMENTS

Not applicable

9. OPTIONS

- 9.1 The production and publication of a Pay Policy Statement is a statutory requirement under the Localism Act 2011 for the financial year 2024/25 and each subsequent financial year. By resolution of the full Council, the Council may amend this Pay Policy Statement during the course of the 2024/25 financial year.

10. RECOMMENDATIONS

- 10.1 That the Pay Policy Statement for the financial year 2024/25 as set out at Appendix 1 to this report, be approved.

11. APPENDICES

Appendix 1: Proposed Pay Policy Statement 2024/25.

12. BACKGROUND DOCUMENTS

- Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011, February 2012. [Openness & Accountability in Local Pay - Feb 2012](#)
- Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 (Supplementary Guidance) February 2013. [Openness and Accountability in Local Pay - Feb 2013](#)
- Local government transparency code 2015
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/408386/150227_PUBLICATION_Final_LGTC_2015.pdf