

Report of the Director of Human Resources to the meeting of the Council to be held on 11 July 2023

Subject:

Pay Policy Statement for 2023/24

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 amended 2022/23 Pay Policy Statement on 13 December 2022. Local authorities may be resolution amend their pay policy, and must then publish the amended policy. Amendments to the Council's Pay Policy are required to provide for appointments and alterations to senior roles in the Council following job evaluation and benchmarking.

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 2023 to 31 March 2024 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 2022/23 on 15 March 2022 and updated Pay Policy Statements for 2022/23 on 12 July 2022, and 13 December 2022.
- 1.4 This report provides details of the Pay Policy Statement for the financial year 2023/24 which includes details of the pay award for Chief Officers.

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 pa 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 2023/24** can be found at **Appendix 1**.
- 2.7.1 The pay multiple has been calculated based on the pay awards effective from 1 April 2022 for NJC staff who's pay award is still pending, and with the exception of Chief Officers who's pay award has recently been agreed. 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 increased from **7.9:1 to 8:1. Upon approval of the salary and commencement of the new Chief Executive, this will change to 8.2:1 and will also need to be reviewed when the NJC pay award is agreed and implemented.**
- 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 2023 for Chief Officers has now been agreed and is reflected in the Pay Policy Statement, however the national pay award for all other staff is still pending and therefore these salaries quoted in the Pay Policy Statement are based on salary levels at 1 April 2022.
- 2.7.3 Revised salary bandings for the application of LGPS employee pension contribution rates are from 1 April 2023 in Appendix A of the Pay Policy Statement.
- 2.8 On 6 June 2023, the Executive Committee agreed the proposals for a Senior Management restructure. These changes are minimal and include, changes to some job titles, Health & Wellbeing becoming Department of Adult Social Care, and four teams moving from one department/service to another. Details of these changes are outlined below.

- Director Public Health and Public Health transfers from the Department of Adult Social Care (previously Health & Wellbeing) to the Office of the Chief Executive;
- Environmental Health transfers from Public Health to the Assistant Director Waste Management, Environmental Health and Fleet Services (Department of Place);
- Emergency Planning transfers from the Assistant Director Waste Management, Environmental Health and Fleet Services (Department of Place) to the Strategic Director Corporate Resources;
- Customer Services transfers from the Assistant Director Neighbourhoods and Customer Services (Department of Place) to the Assistant Director Revenues, Benefits and Customer Services (Department of Corporate Resources).

3. FULL COUNCIL CONSIDERATION

- 3.1 Full Council will consider this report and the proposed Pay Policy Statement at **Appendix 1** on Tuesday 11 July 2023.

4. OTHER CONSIDERATIONS

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

5. FINANCIAL & RESOURCE APPRAISAL

- 5.1 Following a successful recent recruitment process, a new Chief Executive has been appointed with a proposed starting salary of £205,000 (pay award pending). This is an increase of £5,529 pa from the previous Chief Executive's salary of £199,472.

6. RISK MANAGEMENT & GOVERNANCE ISSUES

- 6.1 On 23 February 2023, The National Employers agreed unanimously to make the following one-year (1 April 2023 to 31 March 2024), full and final offer to the unions representing the main local government NJC workforce:

- With effect from 1 April 2023, 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.
- With effect from 1 April 2023, an increase of 3.88 per cent 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).
- With effect from 1 April 2023, an increase of 3.88 per cent on all allowances.

This offer would achieve a bottom rate of pay of £11.59 per hour with effect from 1 April 2023 (which equates to a pay increase of 9.42 per cent for employees on spinal column pay point 2) and everyone on the NJC pay spine would receive a minimum 3.88 per cent pay increase.

This pay offer was more than the Authority had budgeted for and would add significant pressure to the Council's finances. The offer has been rejected by the Trade Unions who have lodged a pay claim for RPI (10.70 per cent) + 2.0 per cent on all pay points. The National Employers have rejected this claim and the Trade Unions are currently/proposing to ballot their members for industrial action. If Trade Union members vote for industrial action, strike action would cause the Council disruption to services and could have financial implications.

The pay offer of 3.5% for Chief Officers has been accepted and implemented effective from 1 April 2023.

7. LEGAL APPRAISAL

- 7.1 The Authority is under a statutory duty to prepare and publish a Pay Policy Statement for the financial year 2023/24 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.

8. OTHER IMPLICATIONS

8.1 SUSTAINABILITY IMPLICATIONS

Not applicable.

8.2 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable.

8.3 COMMUNITY SAFETY IMPLICATIONS

Not applicable.

8.4 HUMAN RIGHTS ACT

No implications arising from this report.

8.5 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.

8.6 WARD IMPLICATIONS

Not applicable.

8.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

Not applicable.

8.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

9. NOT FOR PUBLICATION DOCUMENTS

Not applicable

10. OPTIONS

- 10.1 The production and publication of a Pay Policy Statement is a statutory requirement under the Localism Act 2011 for the financial year 2023/24 and each subsequent financial year. By resolution of the full Council, the Council may amend this Pay Policy Statement during the course of the 2023/24 financial year.

11. RECOMMENDATIONS

- 11.1 That the Pay Policy Statement for the financial year 2023/24 as set out at Appendix 1 to this report, be approved.

12. APPENDICES

Appendix 1: Proposed Pay Policy Statement 2023/24.

13. 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