

# REPORT FOR DECISION

<b>REPORT TO:</b>	<b>CORPORATE CORE MANAGEMENT TEAM JOINT EXECUTIVE TEAM HR PORTFOLIO CORPORATE JCC</b>
<b>DECISION OF:</b>	<b>HUMAN RESOURCES AND APPEALS PANEL COUNCIL</b>
<b>DATE:</b>	<b>4<sup>th</sup> February 2020 10<sup>th</sup> February 2020 10<sup>th</sup> February 2020 12<sup>th</sup> February 2020 27<sup>th</sup> February 2020 18<sup>th</sup> March 2020</b>
<b>SUBJECT:</b>	<b>PAY POLICY STATEMENT</b>
<b>REPORT FROM:</b>	<b>LYNNE RIDSDALE DEPUTY CHIEF EXECUTIVE  COUNCILLOR DAVID JONES LEADER OF THE COUNCIL</b>
<b>CONTACT OFFICER:</b>	<b>CAROLINE SCHOFIELD STRATEGIC LEAD – HUMAN RESOURCES</b>
<b>TYPE OF DECISION:</b>	<b>COUNCIL DECISION</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	The Paper is within the public domain
<b>SUMMARY:</b>	<p>Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy Statement for each financial year since 2012/13.</p> <p>The purpose of the Pay Policy Statement is to provide transparency in respect of the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying; the methods by which salaries of all employees are determined; the detail and level of remuneration of its most senior staff; and the agreed decision making arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.</p>

<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p>The Localism Act requires that pay policy statements and any amendments to them are considered by a meeting of full Council.</p> <p>The attached Pay Policy Statement [2020-2021], at Appendix A, has been drafted to ensure compliance with the Act and it is put before the Council for approval.</p>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	<p>Do the proposals accord with the Policy Framework? Yes</p>
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	<p>This report outlines the Council's Pay Policy as required by the Localism Act.</p> <p>The report is a statement of fact.</p> <p>All pay costs are provided for and fully funded within the Council's approved budget.</p>
<b>Statement by Deputy Chief Executive Corporate Core:</b>	<p>The attached Pay Policy Statement (2020-2021) has been drafted to ensure compliance with the Localism Act. There are no additional resource implications arising from the report.</p>
<b>Equality/Diversity implications:</b>	<p>Yes</p> <p>The purpose of the Pay Policy Statement is to provide transparency in respect of the Council's approach to setting the pay of its employees. Pay and grading decisions are based on the application of agreed Job Evaluation Schemes which are designed to eliminate discrimination.</p>
<b>Considered by Monitoring Officer:</b>	<p>Yes JH</p> <p>Section 38 of the Localism Act 2011 sets out that the Council must prepare and approve a pay policy statement for each financial year before 31 March each year. This must then be published as soon as is reasonably practicable following approval.</p>
<b>Wards Affected:</b>	All Wards
<b>Scrutiny Interest:</b>	Internal Scrutiny Committee

**TRACKING/PROCESS****DIRECTOR: Exec. Director of Resources**

Chief Executive/ Corporate Leadership Team	Executive Member/Chair	Ward Members	Partners
√	√ <b>HR Portfolio</b>		
Scrutiny Committee	Committee	Council	
	√ <b>HRA</b>	√	

**1.0 BACKGROUND**

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that.
- 1.2 Guidance issued by the Department for Communities and Local Government states that the purpose of the Pay Policy Statement is to address the Government's issues with "top end pay" and some of the recommendations set out in the "Hutton review of Fair Pay in the Public Sector Report".
- 1.3 The Act requires Councils to prepare Pay Policy Statements which detail their policy on a range of issues relating to the pay of its employees; in particular, its senior staff ("Chief Officers") and its lowest paid employees.
- 1.4 The provisions do not apply to local authority school employees and neither do they change any existing responsibilities or duties under relevant Employment Legislation. However, all employees are included within the pay ratio calculations.
- 1.5 The Pay Policy Statement must be prepared for each financial year starting with 2012-2013. The Statement must be approved by full Council and then be published, at least, on the Council's web-site. This is to ensure transparency, so that local tax payers can take an informed view of whether local decisions and all aspects of remuneration are fair.
- 1.6 The Council's existing Pay Policy Statement (2019-20) was approved at the meeting of Council held on 10<sup>th</sup> April 2019.
- 1.7 The matters that must be included in the statutory pay policy statement are:
- The local authority's policy on the level and elements of remuneration for each chief officer;
  - The local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
  - The local authority's policy on the relationship between the remuneration of its chief officers and other officers;
  - The local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.
- 1.8 The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.

- 1.9 The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying;
- the methods by which salaries of all employees are determined;
  - the detail and level of remuneration of its most senior staff i.e. 'Chief Officers', as defined by the relevant legislation;
  - the Committee(s) responsible for ensuring the provisions set out in the Pay Policy Statement are applied consistently throughout the Council and recommending any amendments to the full Council.

## **2.0 PROGRESS**

- 2.1 As part of the Council's strategic objectives to secure control and reduce the Chief Officer Pay bill a number of restructures over the last year have resulted in an overall reduction of 2 FTE which is an overall saving including on-costs of £179,935.
- 2.2 The reduction (improvement) in the Council's median gender pay gap figure this year is a result of:
- Female shift into the £8-£10 per hour majority in 2019 (630), up from 485 in the £6-£8 per hour majority last year
  - This raises the overall average earnings for females
  - This last 12 months has seen a general trend of an increase towards the higher pay per hour brackets, for example 215 females are now earning £12-£14 per hour compared to 203 in 2018
  - There is a large jump from 83 females last year earning £18-£20 per hour to 158 this year which equates to a 200% increase in a single year
  - All of these changes increase the overall median as there are now more females occupying higher hourly rated jobs, therefore the median (which is mid-way) has increased
- 2.3 The median pay multiple result has also improved this year due to the reasons in 2.2. Generally females in the middle of the pay spine have earned more overall which is resulting in an equalization of the pay gap where the majority of employees are.
- 2.4 Although the mean gender pay gap figure this year shows a very slight increase (worse position), this doesn't reflect the true changes outlined above for the majority of female employees. It is purely down to the fact that the majority of females have increased their hourly rates, therefore the difference between those females and the lowest female earners has increased in terms of the gap. This has resulted in the average pay gap figure worsening.

## **3.0 DECISION:**

- 3.1 The updated Pay Policy Statement: 2020-2021, which is attached at Appendix A, has been drafted to ensure compliance with the Localism Act and it is put before the Council for approval.

**List of Background Papers:-**

- 1. DCLG Guidance (2011): Openness and accountability in local pay**
- 2. DCLG Supplementary Guidance (February 2013): Openness and accountability in local pay - Guidance under section 40 of the Localism Act 2011**

**Contact Details:-**

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