



Classification	Item No.
Open	

<b>Meeting:</b>	<b>CORPORATE CORE MANAGEMENT TEAM JOINT EXECUTIVE TEAM HR PORTFOLIO CORPORATE JCC HUMAN RESOURCES AND APPEALS PANEL COUNCIL</b>
<b>Meeting date:</b>	<b>28<sup>th</sup> January 2021 1<sup>st</sup> February 2021 1<sup>st</sup> February 2021 11<sup>th</sup> February 2021 25<sup>th</sup> February 2021 17<sup>th</sup> March 2021</b>
<b>Title of report:</b>	<b>PAY POLICY STATEMENT</b>
<b>Report by:</b>	<b>Councillor Rafiq – Human Resources</b>
<b>Decision Type:</b>	<b>Council</b>
<b>Ward(s) to which report relates</b>	

### **Executive Summary:**

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.

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.

## **Recommendation(s)**

### **That:**

The Localism Act requires that pay policy statements and any amendments to them are considered by a meeting of full Council.

The attached Pay Policy Statement [2021-2022], at Appendix A, has been drafted to ensure compliance with the Act and it is put before the Council for approval.

### **Key considerations**

#### **1. 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 (2020-21) was approved at the meeting of Council held on 18<sup>TH</sup> March 2020.

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.

1.10 The reduction (improvement) from 7.55% last year to 3.73% this year in the Council's mean gender pay gap figure 20/21 shows significant improvement and data will be analysed in detail. This could be as a result of:

- A raise in the overall average earnings for females due to the bottom loading of the local government pay award wef 010420.
- A general trend of an increase in females towards the higher pay per hour brackets resulting in more females occupying higher hourly rated jobs.

1.11 The median (mid-point) pay multiple result has worsened slightly this year and an analysis of the data will be carried out. This could be due to a decrease in the number of women in the middle two quartiles of the pay spine and the increase in men.

1.12 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. The proposal**

2.1 The updated Pay Policy Statement: 2021-2022, which is attached, has been drafted to ensure compliance with the Localism Act and it is put before the Council for approval.

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### **Community impact/links with Community Strategy**

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#### **Equality Impact and considerations:**

*Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

<b>Equality Analysis</b>	 EA Pay Policy Statement 2021.docx <i>Please see attached</i>
This is a report of fact – we carry out equality monitoring across all equality characteristics and produce an annual gender pay gap report.	

*\*Please note: Approval of a cabinet report is paused when the ‘Equality/Diversity implications’ section is left blank and approval will only be considered when this section is completed.*

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### **Assessment of Risk:**

The following risks apply to the decision:

<b>Risk / opportunity</b>	<b>Mitigation</b>

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### **Consultation:**

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### **Legal Implications:**

*To be completed by the Council’s Monitoring Officer*

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.

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### **Financial Implications:**

*To be completed by the Council’s Section 151 Officer*

This report outlines the Council’s Pay Policy as required by the Localism Act.

The report is a statement of fact.  
All pay costs are provided for and fully funded within the Council's approved budget.

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**Background papers:**



Pay Policy  
Statement 2021-2022.

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning