

Title of report: Pay Policy Statement 2023-2024

Meeting: Council

Meeting date: Friday 10 February 2023

Report by: Chairperson of Employment Panel

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To approve the pay policy statement 2023-2024 for publication.

Recommendation(s)

That:

- a) **The pay policy statement in Appendix A is approved for publication.**

Alternative options

1. There are no alternatives to the recommendation; the annual approval by Council of the pay policy and publication of the pay policy statement is a statutory requirement as stated in the Localism Act 2011. This provides transparency on the council's approach to pay and remuneration relationship for the highest and lowest earners. The statement does not itself make any policy changes, but provides a summary of those policies already in place.
2. It is open to the Council to determine any changes it wishes to make to the statement to improve transparency, having regard to the statutory guidance issued by the Department for Levelling Up, Housing and Communities and Local Government.

Key considerations

3. The Localism Act 2011 places an obligation on the council to produce an annual pay policy statement for each financial year and for this statement to be approved by Full Council before the start of the financial year to which it relates.
4. The statement must set out the council's policies relating to:
 - a) The remuneration of its chief officers
 - b) The remuneration of its lowest paid employees; and
 - c) The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
5. The statement must include the council's definition of 'lowest paid employees' and the reason for adopting that definition.
6. The statement must include policies relating to:
 - a) The level and elements of remuneration for each chief officer
 - b) Remuneration of chief officers on recruitment
 - c) Increases and additions to remuneration for each chief officer
 - d) The use of performance related pay for chief officers
 - e) The use of bonuses for chief officers
 - f) The approach to the payment of chief officers on their ceasing to hold office under, or to be employed by the authority; and
 - g) The publication of and access to information relating to remuneration of chief officers
7. The statement draws together factual material and provides a summary of the current pay policies of the council.

The ratio between the council's lowest paid staff and the chief executive's salary is included in the statement. For 2022/23 this ratio is 1:7.79 which is the lower than the previous year of 1:8.68. This is caused by the pay award for Chief Executive's being proportionately lower than the pay award for all other staff.. A comparison of the pay ratios published for similar or neighbouring local authorities is below and this shows the council's ratio to be amongst the lowest.

 - a) Powys County Council, 1:7.70
 - b) Sandwell Council, 1:8
 - c) Bristol City Council, 1:9.36
 - d) Dudley MBC, 1:10
 - e) Birmingham City Council, 1:10.29 (2021/22 figure)
 - f) Oxfordshire County Council, 1:10.37
 - g) Worcestershire County Council, 1:10.98 (2021/22 figure)
 - h) Staffordshire County Council, 1:12
8. All posts, whether chief officer or not, have their level of remuneration established through assessment by a nationally recognised and independent job evaluation scheme. Council must approve any new salary packages, or severance payments, exceeding £100,000.
9. In approving its statement, Council must have regard to any guidance issued by the Secretary of State. This has been taken into consideration in the development of the statement.

Community impact

10. By complying with the legal requirement placed on it, the council continues to ensure that the resources available are used in the most effective way and there is a transparency in how public money is used. This contributes to the corporate plan priority to secure better services, quality of life and value for money.
11. By publishing this statement the council is demonstrating the code of corporate governance principles of implementing good practices in transparency, reporting and audit to deliver effective accountability, and behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Environmental Impact

12. Whilst this decision will have minimal environmental impact, consideration has been made to minimise waste and resource use in line with the council's environmental policy.

Equality duty

13. 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.
 - d) 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.
14. The pay policy statement clearly sets out that pay levels are set in line with equality legislation.

Resource implications

15. There are no costs arising directly from this report.

Legal implications

16. Councils have a legal duty to prepare a pay policy document annually under section 38 of the Localism Act 2011, in the form and with the information outlined in section 38. The attached appendix to this report complies with and discharges this duty

Risk management

17. The risks identified with the pay policy statement are detailed below.

Risk / opportunity	Mitigation
Failure to approve and publish a statement will result in non-compliance with a statutory requirement	Arrangements are in place to ensure the statement is published following Council's full approval

Consultees

18. Employment Panel have been consulted and recommended a number of changes which have been included in this statement. The summary of changes are as follows:

- Define spot salaries for the Chief Executive and corporate directors
- Include a narrative to the data represented in the staff distribution graph
- Include vacant posts in the table listing levels and remunerations of chief officers and link to senior management structure
- Identify that SCP 1 in the salary structure is not used
- It was requested that the gender pay gap figures to be updated with 2022 data before council publication, and a review of the organisations used as a comparator. However, the gender pay gap figure is not available at this time but will be produced in the Equality in employment workforce analysis report and will be shared with Employment Panel when prepared.

Appendices

None

Background papers

None identified.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	Sarah Buffrey	Date 03/01/2023
Finance	Louise Devlin	Date 21/12/2022
Legal	Francis Fernandes	Date 20/12/2022
Communications	Click or tap here to enter text.	Date Click or tap to enter a date.
Equality Duty	Carol Trachonitis	Date 25/07/2022
Procurement	Click or tap here to enter text.	Date Click or tap to enter a date.
Risk	Click or tap here to enter text.	Date Click or tap to enter a date.

Approved by Tracey Sampson Date 30/01/2023