

Committee: Council

Date: 6 March 2024

Wards: All

Subject: Approval of the Pay Policy Statement

Lead member: Councillor Billy Christie, Cabinet Member for Finance and Corporate Services

Lead Director: Polly Cziok, Executive Director Innovation and Change

Lead officers: Kathryn Withhams-Smith, Acting Head of HR;

Contact officers: Peter Andrews, Employee Relations, Pay and Rewards Manager

Recommendations:

1. That Council approves the Pay Policy Statement attached as Appendix A for 2024/25, agrees to its publication on the Council's website and authorises the Monitoring Officer to make any consequential changes to the Constitution
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Localism Act 2011 requires the Council to agree and publish a pay policy statement each year.
- 1.2 The existing pay policy statement for 2023/24 was approved by Council on 1 February 2023 and amended by Council on 17 May 2023.

2. DETAILS – PAY POLICY

- 2.1 The pay policy statement for the year 2023/2024, approved by Council, is currently published on the Council's website.
- 2.2 Council is required to prepare and approve the pay policy statement before the end of 31 March immediately preceding the year to which it relates each year.
- 2.3 The draft Pay Policy Statement for 2024/25 is attached at Appendix A, along with the pay gap figures as at 31 March 2023 at Appendices B and C. There are no substantive changes compared to the 23/24 policy. As well as making the changes agreed by Council in May 2023, the figures have been updated and wording has been amended to reflect the realignment of senior pay which will take effect from 1 April 2024.

3. ALTERNATIVE OPTIONS

- 3.1 Approval of a Pay Policy Statement each year is a statutory requirement.

4. CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 As there are no significant changes proposed, no consultation is required at this stage.

5. TIMETABLE

- 5.1 The Pay Policy Statement must be approved by Council before the end of 31 March immediately preceding the financial year to which it relates, and must as soon as reasonably practicable after approval publish the statement in such a manner as the Council thinks fit, which must include publication on the Council's website.

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1 The amendments to last year's version of the pay policy update the pay ratios to reflect the current position.

7. LEGAL AND STATUTORY IMPLICATIONS

- 7.1 Section 38(1) of the Localism Act 2011 requires the Council to prepare a Pay Policy Statement for each financial year. It must be approved by a resolution of the Council before 31 March each year before it comes into force, and it must be published in such manner as the Council thinks fit (which must include publication on the website). The most recent Pay Policy was approved by Full Council on 1 March 2023 and amended by Full Council on 17 May 2023.

- 7.2 Under section 38 of the Localism Act 2011 the Statement must include:

7.2.1 the Council's policies relating to the remuneration of its chief officers, and the remuneration of its lowest paid employees;

7.2.2 the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers;

7.2.3 the definition of "lowest paid employee" adopted by the Authority for the purpose of the Statement and the reasons for adopting that definition;

7.2.4 the Council's 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.

7.3 Section 40 of the Localism Act includes provision for the Secretary of State to issue guidance on the content and application of pay policy statements. Councils must have regard to this guidance in the exercise of their functions under the pay policy provisions. Initial Guidance under section 40 has been published and this was supplemented by further Guidance in February 2013. Best Value Guidance on Special Severance Payments has also been published in May 2022 under section 26 of the Local Government Act 1999. The Guidance is statutory guidance, and although it is not law, it is not mere advice, and the Council must consider it carefully and have cogent reasons if it wishes to depart from it. Failure to do so may result in any decision being challenged.

7.4 The Guidance states that Full Council should be given the opportunity to vote before salary packages for new appointments, or termination/severance payments of £100,000 or more are agreed. This is consistent with the Council's pay policy statement which states the following:

7.4.1 Full Council shall be offered the opportunity to vote on any offer of employment being made where the proposed salary package exceeds £100,000.

7.4.2 Full Council shall be offered the opportunity to vote on any termination/severance payment, the value of which is £100,000 or more.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 The intention of the pay policy measures in the Localism Act is to improve transparency of decision making and pay accountability, particularly in relation to higher earners in the organisation.

9. CRIME AND DISORDER IMPLICATIONS

9.1.1 None

10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1 None

11. APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix A – draft pay policy statement for 2024/25.
- Appendix B – statutory gender pay gap publication figures for 2022/23
- Appendix C – statutory BAME pay gap publication figures for 2022/23

12. BACKGROUND PAPERS

None