

<b>Report title</b>	<b>Pay Policy Statement</b>
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<b>Department</b>	Human Resources and Organisational Development
<b>Exempt?</b>	No
<b>Exemption type</b>	Not applicable
<b>Reasons for exemption</b>	Not applicable

**Purpose of report:**

**To recommend to full Council**

**Synopsis of report:**

**The Pay Policy Statement is the annual statement for the financial year 2024/25 as required by the Localism Act (2011). The purpose of this statement is to provide transparency about how Runnymede Borough Council uses public funds to pay staff. It is a statement of existing policy rather than a pay strategy.**

**Recommendation(s):**

**To recommend to full Council that the Annual Pay Policy Statement 2024/25 as appended to the report be approved.**

## **1. Context and background of report**

- 1.1 Section 38 of the Localism Act (2011) introduced the requirement for all Councils to prepare a Pay Policy Statement for the following financial year setting out how the Council approached the setting of local pay. It was designed to increase accountability, transparency, and fairness by publishing this annual statement on each Council's external website by 31 March of each year to enable the local community to view it.
- 1.2 In addition, Pay Policy Statements are intended to ensure that policies in relation to the pay and reward of the most senior staff are set out clearly in the context of the pay of the wider workforce. This is why the relationship between the most senior executives' pay and the mean and average salaries of the wider workforce are set out as pay ratios. The ratios between the pay of senior staff and lower paid staff have gradually lessened over recent years as is reflected in the ratios between this year and last year

## **2. Report and, where applicable, options considered and recommended**

- 2.1 The Annual Pay Policy Statement for the financial year 2024/25 is attached. There

are a few features to note in this year's statement. The introduction of the National Living Wage on 1 April 2016 has had the effect of eroding away Scales 1,2 and 3 of the pay structure in past years. The National Living Wage, which now applies to those aged 23 and over rises from £10.42 per hour to £11.44 per hour w.e.f. 1st April 2024.

- 2.2 This means that the minimum annual salary rises from £20,707 to £22,071. The effect of this rise is to increase the base annual salary of 45 permanent and 34 casual employees to the new level of the National Living Wage. To address the impact of the increases to the National Living Wage, a proposed re-modelling of the lower end of the pay structure is being designed and will be contained in a separate future report to this committee.
- 2.3 Runnymede has a local pay approach, but we compete for staff with other authorities and employers. At present the jobs market is an extremely competitive one for employers, particularly in areas of skills shortage. Filling certain types of professional and other roles remain a problem.
- 2.4 The Council's overall policies on pay have not altered since last year's Pay Policy Statement except for the proposed re-modelling of the lower end of the pay structure, previously referred to, and the proposed cost of living pay increase for this year in response to the high level of inflation, which is the subject of a separate report to the committee.
- 2.5 This Pay Policy is written for the financial year ahead, but the pay data is based on the current year. Under the Localism Act 'Chief Officer' and 'Deputy Chief Officer' roles are defined simply by reporting direct to either the Chief Executive or statutory or non-statutory 'Chief Officers' excluding those defined as having 'support roles'.
- 2.6 Since the Council deleted the tier of Chief Officer roles this means that roles reporting to the Assistant Chief Executive and to the Corporate Heads are now classed as Deputy Chief Officers. Corporate Heads (who are in fact enhanced Heads of Service) are classed as 'Chief Officers' where they report to the Chief Executive under the interpretation of the Act. Consequently, more roles feature in this statement as Chief Officer or 'Deputy Chief Officers' who in fact are either Corporate Heads, Business Centre managers, section heads or in some cases individual post-holders because of the Council's flat structure. However legally we need to set it out this way. It does not mean that all these post-holders fulfil the roles of a Chief or Deputy Chief Officer at Runnymede.

### **3. Policy framework implications**

- 3.1 Human Resources keeps market pay under review for professional roles where there is a skills shortage and is reviewing some benefits to make us more attractive to potential applicants and assist in retention.

### **4 Resource implications/Value for Money**

- 4.1 Ensuring the Council has a competitive Pay Policy is essential to ensure that we can adequately workforce plan, recruit and retain our workforce to deliver for the local community. Without it the Council may experience excessive usage of more expensive resourcing solutions and not be able to ensure the correct standards and quality our communities deserve and expect.

## **5. Legal implications**

- 5.1 By virtue of section 38 Localism Act 2011, a local authority must prepare a Pay Policy Statement for each financial year. The Pay Policy Statement must set out the authority's policies for the financial year relating to: -
- (a) the remuneration of its Chief Officers;
  - (b) the remuneration of its lowest paid employees; and
  - (c) the remuneration of its employees who are not Chief Officers.
- 5.2 The Pay Policy Statement must state –
- (a) the definition of “lowest paid employees” adopted by the local authority for the purposes of the statement; and
  - (b) the authority's reasons for adopting that definition.
- 5.3 The Pay Policy Statement must include the authority'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 the remuneration of Chief Officers.
- 5.4 A Pay Policy Statement may also set out the authority's policies for the financial year relating to the other terms and conditions applying to the authority's Chief Officers. A local authority must, when preparing a Pay Policy Statement, have regard to any guidance issued or approved by the Secretary of State.

## **6. Equality implications**

- 6.1 The Council will be publishing its gender pay gap for the sixth year in April. The Council may need to consider what new actions it may wish to take to improve its position on gender pay. An equality Impact Assessment will be completed for the remodelling of the Salary Scales due the legal requirement to implement the National Living Wage with effect from 1<sup>st</sup> April 2024.

## **7. Environmental/Sustainability/Biodiversity implications**

- 7.1 Not applicable

## **8. Risk Implications**

- 8.1 Failure to recommend the Pay Policy Statement to Full Council would leave the authority at risk of being in breach of the Localism Act 2011.

## **9. Other implications**

- 9.1 Not applicable

## **10. Timetable for Implementation**

- 10.1 The Pay Policy Statement must be approved by full Council before the year to which it relates. If approved, this report will therefore be submitted to full Council on 29 February 2024.

## **11. Conclusions**

- 11.1 The Pay Policy Statement is the annual statement for the financial year 2024/25 as required by the Localism Act (2011). The purpose of this statement is to provide transparency about how Runnymede Borough Council uses public funds to pay staff. It is a statement of existing policy rather than a pay strategy and is recommended to be approved and presented to Full Council.

## **12. Background papers**

Not Applicable

## **13. Appendices**

- Annual Pay Policy Statement 2024/25