

Annual Pay Policy Statement - 2022/23 (Human Resources – Fiona Skene)

Synopsis of report:

This report explains the Council's approach to pay. The Annual Pay Policy Statement is required under the Localism Act (2011) and is designed to provide transparency for the public on how the Council approaches pay. It is a statement of existing policy rather than a pay strategy. After consideration by the Corporate Management Committee, the Pay Policy Statement needs to be considered by Full Council in March 2022 before being placed on the Council's external website.

Recommendation:

To recommend to full Council on 3rd March 2022 that the Pay Policy Statement 2022/23 at Appendix 'A' attached be approved.

1. Context 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 executive's 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 has gradually lessened over recent years as is reflected in the ratios between this year and last year.

2. Report

- 2.1 The Annual Pay Policy Statement for the financial year 2022/23 is at Appendix 'A' attached. There are a few particular 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 Scale 1 and 2 of the pay structure. The National Living Wage which now applies to those aged 23 and over rises from £8.91 per hour to £9.50 per hour w.e.f. 6th April 2022. This means that the minimum annual salary rises from £17,189 to £18,327. This means that Grade 3 on the pay structure ceases to exist and moves all those on Grade 3 up to the minimum of Grade 4. The effect of this rise is to increase the base annual salary of 14 permanent and 52 casual employees to the new level of the National Living Wage. This suggests we will in due course have to re-model the bottom end of the pay structure. This project is in HR's workplan.
- 2.2 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 roles remains a problem, although this temporarily lessened due to the pandemic.
- 2.3 The Council's overall policies on pay have not altered since last year's Pay Policy Statement. 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 Chief Officers. 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.

2.4 In other aspects the main pay policies have not altered from last year.

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 in order to make us more attractive to potential applicants and assist in retention.

4. Equality Implications

4.1 The Council will be publishing its gender pay gap for the fourth year in April. The Council may need to consider what new actions it may wish to take to improve its position on gender pay.

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.

(To recommend to Full Council on 3 March 2022)

Background Papers

None stated