

# Cabinet

## 20 March 2024

<b>Report title</b>	Pay Policy Statement 2024-2025	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	Councillor Paula Brookfield Governance and Equalities	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable director</b>	David Pattison, Chief Operating Officer	
<b>Originating service</b>	People Services	
<b>Accountable employee(s)</b>	Laura Phillips Tel Email	Deputy Director People and Change 01902 558892 Laura.phillips@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board Full Council	5 March 2024 20 March 2024

### Recommendations for decision:

Cabinet recommends that Council approves:

1. The Pay Policy Statement for 2024-2025
2. The publication of the Pay Policy Statement in line with the requirements of the Localism Act 2011.

### Recommendation for noting:

The Cabinet recommends that Council notes:

1. That the national pay award for 2024-2025 has not been agreed, at the time of writing the Pay Policy Statement.

## **1.0 Purpose**

- 1.1 To refer to Council for approval the new Pay Policy and the publication of the Pay Policy.
- 1.2 This report has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011.

## **2.0 Background**

- 2.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”.
- 2.2 Section 38 of The Localism Act 2011 requires that each Council prepares an annual pay policy statement setting out the following:
  - a. The remuneration of its chief officers. In this context a ‘chief officer’ is defined as:
    - The head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
    - Its Monitoring Officer designated under section 5(1) of the act;
    - A statutory chief officer mentioned in section 2(6) of that Act;
    - A non-statutory chief officer mentioned in section 2(6) of that Act;
    - A deputy chief officer mentioned in section 2(8) of that Act.
  - 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.
- 2.3 It should be noted that provisions of the Act do not apply to the staff based in local authority schools.
- 2.4 Additionally the Act requires that the pay policy statement must set out the Council’s policies relating to:
  - a. The level and elements of remuneration for each chief officer covered by the Act
  - b. The 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 publication of, and access to, information relating to remuneration of chief officers.

- 2.5 The Localism Act requires that a local authority publish the pay policy statement “in such manner as they see fit. Section 38 (4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers. The requirements to publish a pay policy statement and details of senior pay have also been underpinned by the mandatory requirements in the Local Government Transparency Code 2015. Following approval the Pay Policy will be published on the City Council’s website.
- 2.6 The Act requires the Pay Policy statement to include the data confirming the relationship between the remuneration of its chief officers, and employees who are not chief officers. The City of Wolverhampton Council’s pay ratio has reduced over a number of years from 9.35:1 in 2018-19 to 8:1 in 2024-2025.
- 2.7 Comparative data for this financial year is not yet available, however figures for last year show, Sandwell at 8:1 and Dudley at 9:1. Walsall Council report on the pay ratio between the highest pay and the median pay so would not be comparative. Birmingham City Council have not published data for 2023-2024.
- 2.8 As a proactive employer we manage and mitigate the local and national recruitment and retention challenges via our strategic risk register, one of the actions taken is to ensure we continue to be an ‘employer of choice’ and have a competitive offer – we have therefore commissioned an independent review of pay, the outcome of this review will be presented to Cabinet for consideration.
- 2.9 The senior pay scale (appendix 2) sets out the grades that will be applied to senior managers in 2024-2025. The senior pay data (appendix 3) covers senior posts in line within the definitions in the guidance. Decisions on individual increments will not at this point have been taken, as these are subject to performance management criteria and will not take effect, if approved, until after 1 April 2024.
- 2.10 Senior Management posts are evaluated using the Local Government Employer (LGE) Senior Job Evaluation scheme, this is carried out by West Midlands Employers. The LGE scheme evaluates roles based on four criteria; knowledge requirement, creative thinking/policy direction, impact on people/organisation and responsibility for resources.
- 2.11 The Council’s senior leadership team, are required to work effectively to deliver the priorities of Council as well as dealing with the unprecedented ongoing challenges, whilst not losing our sense of ambition, or vision, for our City or our external reputation to reap benefits for our City.
- 2.12 Data on all senior salaries in 2023-2024 will be published on the City Council’s web site, following approval. Data relating to posts with salaries over £100,000 are available in appendix 4.
- 2.13 Data required by the Local Government Transparency Code 2015, will also be available by 31 March 2024. This includes employees whose remuneration in the year 2023 – 2024 was at least £50,000 in brackets of £5,000. This information is recorded by job title. For senior managers whose salaries are £150,000 or more a name must also be given. At City of Wolverhampton Council this applies to the Chief Executive, and as a result of

the recent JNC pay award this now includes Deputy Chief Executive and Executive Director of Pensions.

### **3.0 Evaluation of alternative options**

3.1 The authority is required to prepare and publish a Pay Policy in accordance with the Localism Act 2011.

### **4.0 Reasons for decision**

4.1 To ensure that the authority complies with the relevant legislation and best practice guidance.

### **5.0 Financial implications**

5.1 At the time of writing this report pay negotiations in respect of the pay award for 2024-2025 have not commenced. The Medium Term Financial Strategy approved by Council on 28 February 2024 currently assumes a 3% pay award for the next financial year. [GE/23022024/A]

### **6.0 Legal implications**

6.1 The preparation and approval of a senior pay policy statement is a requirement of section 38 of the Localism Act 2011. The Act prescribes information to be included in the statement, its manner of publication and the requirement for the Council to act in accordance with its approved Policy Statement.

6.2 In determining pay the Council will comply with all relevant employment legislation. The Council is also bound by collective agreements and contractual arrangements which cannot be unilaterally altered. Relevant legislation includes the Employment Rights Act 1996, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) (TUPE), Agency Workers Regulations 2010, and the Children & Families Act 2014.

6.3 The Council has taken steps to ensure there is no discrimination within its pay structures and that all pay differentials can be objectively justified. Where relevant, legislative obligation will supersede the approach and principles outlined in this statement, for example where terms and conditions are preserved as a result of contracts of employment transferring under TUPE. [TC/23022024/C]

### **7.0 Equality implications**

7.1 This report sets out the policies used to manage senior pay across the Council and the current relationship between the highest and the lowest salary levels. All posts are subject to Job Evaluation, as agreed by the Trade Unions in the signing of our collective agreement.

7.2 Data on pay and grading, gender and race pay gaps are reported in annual reports.

7.3 Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

## **8.0 All other implications**

8.1 There are no direct People Services implications arising from this report. Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

## **9.0 Schedule of background papers**

9.1 None

## **10.0 Appendices**

10.1 Appendix 1 - Pay Policy Statement.

10.2 Appendix 2 - Senior Management Pay Scale.

10.3 Appendix 3 - Pay Policy Data.

10.4 Appendix 4 - Current roles where pay range exceeds £100,000 per annum