

# Cabinet

## 17 March 2021

<b>Report title</b>	Pay Policy Statement 2021 - 2022	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	Councillor Paula Brookfield Governance	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All Wards	
<b>Accountable director</b>	David Pattison, Director of Governance	
<b>Originating service</b>	Human Resources	
<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  Council	4 March 2021  31 March 2021

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### Recommendations for decision:

The Cabinet recommends that Council:

1. Approves the Pay Policy Statement for 2021 - 2022.
2. Approves 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 National Joint Council (NJC) and Joint Negotiating Committee (JNC) Chief Officers and Chief Executives has not yet been agreed.

## 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 The City of Wolverhampton Council is committed to delivering the best possible services for local people – and dealing with the things that matter - by having a diverse, talented and stable workforce. Effective leadership is vital to this and the council has worked hard in recent years to attract and retain the best talent.
- 2.2 Despite senior management budget reductions of £2.8 million over the last decade, averaging around £300,000 a year over the last three senior management restructures, the council has continued to focus on services and in supporting city residents and businesses through a global pandemic. Fairness and inclusivity underpins all activities and organisational policies and the Council has made significant progress to reduce pay gaps as highlighted in the report below.
- 2.3 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”.
- 2.4 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.

- 2.5 It should be noted that provisions of the Act do not apply to the staff based in local authority schools.
- 2.6 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.
- 2.7 The Localism Act requires that a local authority publish the pay policy statement "in such manner as they see fit which must include publication on the authority's website". In addition, 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.
- 2.8 The requirements to publish a pay policy statement and details of senior pay have been underpinned by the mandatory requirements in the Local Government Transparency Code 2015. The City of Wolverhampton Council will publish the relevant data sets under the transparency code on the Wolverhampton data share site following the approval of the Pay Policy.
- 2.9 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 Councils pay ratio is 9.25:1, this maintains the City of Wolverhampton Council's pledge to have a pay ratio below 10:1.
- 2.10 As previously stated fairness and inclusivity underpins all council priorities. This is why the council has made significant efforts in recent years and now has one of the lowest pay gap ratios in the West Midlands region in terms of the difference between the council's highest and lowest salaries and median and lowest salaries. This is based on the latest data available from each local authorities website at the time of this report and detailed in the table below.

Local Authority	Lowest to highest ratio	Median to Highest Ratio
Wolverhampton	<b>9.25:1</b> (statement 2021/22 for pay as of March 2021)	<b>6.1:1</b> (statement 2021/22 for pay as of March 2021)
Birmingham	<b>10.2:1</b> (statement 2020/21 for pay as of April 2019)	<b>7.59:1</b> (statement 2020/21 for pay as of April 2019)
Coventry	<b>11.1:1</b>	<b>7.38:1</b>

	(statement 2018/19 for 2018/19)	(statement 2018/19 for 2018/19)
Dudley	<b>11:1</b> (statement 2018 for pay as of April 2017)	<b>8:1</b> (statement 2018 for pay as of April 2017)
Sandwell	<b>8:1</b> (statement 2020 for the period 1 Feb 2019 to 31 Jan 2020)	<b>6:1</b> (statement 2020 for the period 1 Feb 2019 to 31 Jan 2020)
Solihull	<b>8.6:1</b> (Statement 2020 for the pay as of April 2019)	<b>5.5:1</b> (Statement 2020 for the pay as of April 2019)
Walsall	Not available	<b>7:1</b> (statement 2020/21 for pay as of 31 October 2019)

- 2.11 The senior pay scale (appendix 2) sets out the grades that will be applied to senior managers in 2021 - 2022. 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 2021.
- 2.12 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 Covid 19 has created, whilst not losing our sense of ambition, or vision, for our City or our external reputation to reap benefits for our City.
- 2.13 Data on all senior salaries in 2021 – 2022 will be published on the Wolverhampton data share site at <http://data.wolverhampton.gov.uk/View/employees/senior-salaries-wcc> and on the City Council's web site, following approval. Data relating to posts with salaries over £100,000 are available in appendix 4.
- 2.14 Data required by the Local Government Transparency Code 2015, will also be available by 31 March 2021. This includes employees whose remuneration in the year 2020 - 2021 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 would only apply to the Chief Executive.

### **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 As outlined in section 7 of the Pay Policy (appendix 1) the costs of payments in recognition of election responsibilities are met from Central Government.

5.2 The financial implications of the pay policy have been reflected in the Council's 2021-2022 Final Budget.  
[MH/04032021/R]

## **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.  
[JB/03032021/I]

## **7.0 All other 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 quarterly and annual reports.

7.3 There are no direct human resources 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.

## **8.0 Schedule of background papers**

8.1 None

## **9.0 Appendices**

9.1 Appendix 1 - Pay Policy Statement.

9.2 Appendix 2 - Senior Management Pay Scale.

9.3 Appendix 3 - Pay Policy Data.

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