

Cabinet

23 February 2022

Report title	Pay Policy Statement 2022 - 2023	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Paula Brookfield Governance and Equalities	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	David Pattison, Chief Operating Officer	
Originating service	Human Resources	
Accountable employee(s)	Laura Phillips Tel Email	Deputy Director People and Change 01902 558892 Laura.phillips@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Full Council	7 February 2022 2 March 2022

Recommendations for decision:

The Cabinet recommends that Council approves:

1. The Pay Policy Statement for 2022 - 2023.
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 National Joint Council (NJC) and Joint Negotiating Committee (JNC) Chief Officers and Chief Executives had not been agreed, at the time of writing the Pay Policy Statement.

2. That in the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These updated figures will continue to be paid until NJC reaches a settlement on pay for 2021.

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 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.
- 2.6 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.
- 2.7 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 is 9.39:1, this maintains the City of Wolverhampton Council’s pledge to have a pay ratio below 10:1.
- 2.8 The pay ratio has been impacted by the national NJC pay negotiations for local government employees annual pay award. As this has not yet been agreed the lowest earnings have remained static and the pay ratio has increased from 9.25:1 to 9.39:1.
- 2.9 Comparative data for this financial year is not yet available, however figures for last year show Birmingham as 10.29:1, Sandwell at 8:1 and Dudley at 10:1. Walsall Council report on the pay ratio between the highest pay and the median pay so would not be comparative.
- 2.10 The senior pay scale (appendix 2) sets out the grades that will be applied to senior managers in 2022 - 2023. 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 2022.
- 2.11 Senior managers pay was independently reviewed by West Midlands Employers (WME) in 2021. Posts have been evaluated using the Local Government Employer (LGE) Senior Job Evaluation scheme. The LGE scheme evaluates roles based on four criteria; knowledge requirement, creative thinking/policy direction, impact on people/organisation and responsibility for resources.
- 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 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 2022 - 2023 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 2022. This includes employees whose remuneration in the year 2021 – 2022 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 At the time of writing this report national negotiations are ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made and increase the projected deficit for 2022-2023 and future years. The Council's Medium Term Financial Strategy currently assumes a 2% pay award for 2022-2023.
[MH/31012022/O]

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/24012022/J]

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 quarterly and annual reports.

7.3 All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide and publish data on gender pay gap between male and female employees.

7.4 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 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.

9.0 Schedule of background papers

9.1 Gender Pay Gap Report 2022.

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