

HUMAN RESOURCES AND COUNCIL TAX COMMITTEE

23 FEBRUARY 2023

REPORT OF ASSISTANT DIRECTOR (PARTNERSHIPS)

A.2 PAY POLICY STATEMENT 2023/24

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present the Council's Pay Policy Statement for 2023/24.

EXECUTIVE SUMMARY

The Localism Act 2011 Section 38 (1) requires the Council to prepare a Pay Policy Statement each year. The Pay Policy Statement must articulate the Council's approach to a range of issues relating to the pay of its workforce, particularly its senior staff (*or 'Chief Officers'*) and its lowest paid employees.

The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer.
- A local authority's policy on the remuneration of its lowest-paid employees (*together with its definition of "lowest-paid employees" and its reasons for adopting that definition*).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

The Pay Policy Statement 2023/24 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. This framework is based on the principle of fairness and that rewards should be proportional to the weight of each role and each individual's performance. The framework also aims to ensure the ability of the Council to recruit talented individuals whilst ensuring value for money for the residents of Tendring.

The Conditions of Employment with Tendring District Council, including pay, in the main conform to those established for local government generally by the National Joint Committee (NJC). Agreements reached by the NJC are 'collective agreements'.

The HR & Council Tax Committee will recall that the Council worked with the East of England Local Government Association last year to carry out an independent review of our pay structure. This led to some options to support best use of the NJC pay spine in alignment with the employment market. These included, salary and benefits benchmarking, improved marketing of vacancies and employment offer and expanding our well-established "grow your own" ethos. These options are currently being considered as part of the Assistant Director change programme.

There is limited change reported in the 2023/24 Statement with the exception of the application of the agreed 2022/23 pay award. There are particular significant changes at the bottom end of the pay spine following agreement between National Employers and National Unions of an increase of £1,925 on all NJC pay points 1 and above (*a percentage increase of between 10.5% and 4.04% across the pay spine*).

Furthermore, as part of the 2022/23 pay award, the NJC has agreed that from 1 April 2023, Spinal Column Point (SCP) 1 will be permanently deleted from the NJC pay spine. Therefore, any employees currently placed on SCP 1 will be assimilated across to SCP 2 from this date.

The Committee should also note that work is underway to update the Council's Allowances Policy, specifically around out of hours responses to emergency incidents. This policy supplements the Pay Policy Statement, however, is not the subject of this report.

This Statement will be published on the Council's website following each review and approval by Full Council.

RECOMMENDATION(S)

It is recommended to Human Resources & Council Tax Committee that the Pay Policy Statement 2023/24, set out in Appendix A, be adopted.

REASON(S) FOR THE RECOMMENDATION(S)

In order to comply with the requirements of the Localism Act 2011, Section 38, (1) the Council must adopt and publish an annual Pay Policy Statement.

ALTERNATIVE OPTIONS CONSIDERED

There is no alternative option to consider, as this is a statutory requirement that the Council must comply with.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council's annual consideration and formal adoption of a Pay Policy Statement is part of the Council's governance framework and provides transparency for the residents of Tendring, therefore, contributing to the Corporate Plan 2020/24 priority requirement of 'strong finances and governance'.

The framework identified in the Pay Policy Statement aims to ensure the ability of the Council to recruit talented individuals, thus contributing to the Corporate Plan 2020/24 priority of 'delivering high quality services'.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Schedule 2 of Part 3 of the Constitution delegates to Full Council the preparation and approval of a Pay Policy Statement for the upcoming financial year in accordance with Chapter 8 of the Localism Act 2011.

Supplementary provisions relating to Statements

- (1) A relevant authority's Pay Policy Statement must be approved by a resolution of the authority before it comes into force.
- (2) Each Statement must be prepared and approved before the end of the 31 March immediately preceding the financial year to which it relates.
- (3) A relevant authority may by resolution amend its Pay Policy Statement (*including after the beginning of the financial year to which it relates*).
- (4) As soon as is reasonably practicable after approving or amending a Pay Policy Statement, the authority must publish the Statement or the amended Statement in such manner as it thinks fit (*which must include publication on the authority's website*).

FINANCE AND OTHER RESOURCE IMPLICATIONS

The Conditions of Employment with Tendring District Council in the main conform to those established for local government by the NJC, commonly known as the 'Green Book'. Agreements reached by the NJC are 'collective agreements' and if they are incorporated into employees' contracts of employment, then the changes take effect automatically.

The Pay Policy for 2023/24 provides updated information on the Council's pay spine and remuneration arrangements.

There is limited change reported in the 2023/24 Statement with the exception of the application of the agreed 2022/23 pay award. There are particular significant changes at the bottom end of the pay spine following agreement between National Employers and National Unions of an increase of £1,925 on all NJC pay points 1 and above (*a percentage increase of between 10.5% and 4.04% across the pay spine*).

At the time of writing, the position regarding the pay award for 2023/24 remains outstanding between National Employers and National Unions.

USE OF RESOURCES AND VALUE FOR MONEY

External Audit expect the following matters to be demonstrated in the Council's decision making:

- A) *Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;*
- B) *Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and*
- C) *Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.*

As such, set out in this section the relevant facts for the proposal set out in this report.

The following are submitted in respect of the indicated use of resources and value for money indicators:

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>Tendring District Council recognises in the context of managing public resources, remuneration at all levels needs to be of an adequate level in order to secure and retain high quality employees dedicated to the service of the public, whilst ensuring value for money to the public purse.</p> <p>The primary aim of the Pay Policy is to set a framework to attract, retain and motivate staff to ensure the organisation can perform at its best.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>Publication of the annual Pay Policy Statement is a statutory requirement for the authority. In line with the Localism Act 2011 section 38 (1), this must be approved by Full Council and published on the Council's website.</p> <p>The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015.</p> <p>The Council's annual Statement of Accounts is published on the authority's website this includes a detailed analysis of the pay, benefits and pension entitlements for Chief Officers.</p> <p>Our transparency pages also include a full list of monthly salaries information across all pay bands.</p>
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p>As a major employer in the district, the Council's ambition is to contribute to building a more prosperous local community by modelling good employment practice, including ensuring fairness in the way that it pays and rewards its existing and future employees.</p>
MILESTONES AND DELIVERY	
<p>(a) Human Resources & Council Tax Committee 23 February 2023 (b) Full Council 2 March 2023 (c) Publication to TDC Website 3 March 2023</p>	
ASSOCIATED RISKS AND MITIGATION	
<p>By not adopting the Council's Pay Policy Statement 2023/24, the Council would be in breach of legislation thereby risking reputational damage.</p> <p>The Council would also not be able to comply with Section 41 of the Localism Act 2011 (<i>requirement for determinations relating to terms and conditions of Chief Officers to comply with Pay Policy Statement</i>) in appointing officers on such reasonable terms and conditions as the authority thinks fit.</p>	

OUTCOME OF CONSULTATION AND ENGAGEMENT

Full consultation has taken place with the local Unison Branch Executive and they are supportive of the proposed statement for 2023/24 and its adoption.

EQUALITIES

The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society.

In line with the Public Sector Equality Duty, public bodies such as the Council must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

The Council is committed to being an inclusive employer in all of its people policies and practices.

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation.

The Council ensures its pay structures and all pay differentials can be objectively justified through the use of the NJC job evaluation mechanism (*with the exception of Chief Officer remuneration*) which directly determines the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

Since 2018, the Council has been required to publish mandatory gender pay gap reporting in order to meet the requirements of the Equality Act 2010 (*Specific Duties and Public Authorities*) Regulations 2017.

Data for the 2023/24 reporting period shows the following:

- At an organisational level, male and female employees represent 43% and 57% respectively.
- Each reporting quartile is broadly representative of the overall staff ratio for the organisation, within a tolerance of 3%.
- There is no material disparity at each pay level within the organisation, when viewed within the context of the UK average (*ONS October 2021*).

The Council's pay gap will continue to be subject to review and if any substantial gaps are identified as the Council interprets data, a suitable action plan will be prepared.

SOCIAL VALUE CONSIDERATIONS

The Council aims to lead by example as a major local employer. This includes following recognised best practice and keeping up to date with legislation.

Examples of this include being a Disability Confident Leader and an Employer Recognition Scheme Gold Award holder; both of these commit the authority to being an advocate in these areas.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

This report has no direct implication on the Council's aspiration to be net zero by 2030.	
OTHER RELEVANT IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	N/A
Health Inequalities	N/A
Area or Ward affected	None directly.
ANY OTHER RELEVANT INFORMATION	
None	

PART 3 – SUPPORTING INFORMATION

BACKGROUND
The Localism Act 2011 required this Council to produce a Pay Policy Statement by 31 March 2012 and every subsequent financial year thereafter.
PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
Full Council adopted the Pay Policy Statement for 2022/23 at its meeting on 25 January 2022.
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
Chief Officer Structure Chart.

APPENDICES
Appendix – Pay Policy Statement 2023/24.

REPORT CONTACT OFFICER(S)	
<i>Include here the Name, Job Title and Email/Telephone details of the person(s) who wrote the report and who can answer questions on the content.</i>	
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