

Approval of the Pay Policy Statement 2022/23

Date: 11th February 2022

Report of: Chief Officer Human Resources

Report to: General Purposes Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

This report details information around the Council's Annual Pay Policy Statement (Appendix A) which is statutorily required to be approved before 31st March each year by Full Council. The Council Plan that was launched for 2020-2025 included an updated People Strategy which keeps inclusion and wellbeing at the centre of our organisation plans. An important part of the People Strategy is our commitment for a fair and sustainable pay structure. This links directly to the Council implementing a minimum wage which seeks to mirror the Foundation Living Wage rate to ensure fair and sustainable pay for our low paid employees.

In addition, the report updates Members in relation to staff declarations of protected characteristics in the JNC cohort as well as providing comparative data in respect of regional median pay multiples.

Recommendations

General Purposes Committee is recommended to:

1. Note the contents of the Pay Policy Statement 2022/23 at Appendix A and the content as set out in Appendix B and
2. Recommend to Full Council that it:
 - a) Approves the Pay Policy Statement for the 2022/23 financial year as attached in Appendix A.
 - b) Delegates to the Chief Officer (HR), in consultation with the Chair of General Purposes Committee, the approval of an Addendum to Pay Policy Statement to include the updated pay multiple following the agreement of the 2022/23 pay award;
 - c) Note the Chief Officer (HR) has existing delegated authority to make any necessary adjustments to the Council's pay scales arising from nationally agreed pay awards.

Why is the proposal being put forward?

- 1 This report sets out the Pay Policy Statement for 2022/23. This is required under the Localism Act 2011 and must be annually approved by the Full Council before 31 March each year.

What impact will this proposal have?

Wards affected:

Have ward members been consulted?

Yes

No

- 2 Each Local Authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Localism Act do not seek to change this or to determine what decisions on pay should be taken. However, they require individual employing authorities to be clear about their own policies in relation to pay.
- 3 With effect from 1st April 2022 the Council will further increase its minimum pay rate to £9.90 equivalent to an annual salary of £19,099 which mirrors the Living Wage Foundation minimum rate. The national minimum rate of pay for apprentices aged 19 and below or in the first year of their apprenticeship is £4.81. All new starters in Leeds City Council including apprentices will receive a minimum of £9.90 per hour from 1st April 2022.
- 4 The pay multiple is the relationship between the median salary and the highest paid actual salary in the organisation, this is usually set out as part of the Pay Policy Statement. However, due to ongoing national negotiations on the Pay Claim for 2021/22 with the Trade Unions the pay multiple for 2022/23 cannot be calculated. Instead, and for the purposes of publishing the Pay Policy Statement the pay multiple has been calculated with the information currently available. This is by using the median salary in the organisation as at 30/11/2021 (£24,491) and the current salary of the Chief Executive, this has been calculated at 7.59:1.
- 5 In addition, the organisation produces a pay multiple with the highest paid and the lowest paid salary. Based on the implementation on the 1st April 2022 of £9.90 and the current salary of the Chief Executive, the pay multiple with the lowest paid is 9.73:1.
- 6 Once the pay award for 2022/23 has been agreed, the pay multiple can be calculated, and the Pay Policy Statement updated by way of an approved addendum. It is important to note it is likely the pay multiple will increase, as the authority has continued to implement pay increases for the lowest paid in line with the Living Wage Foundation rate pending agreement of the pay claim for 2022/23 so this will not change, but the Chief Executive's pay may increase following the national agreement of a pay award.
- 7 Members are also provided with details of the median pay multiple in other regional authorities and core cities for 2021/22 (where available) together with a comparison to the previous year at Appendix B.
- 8 The figure for employees at a senior level declaring their protected equality characteristics has increased to 72%. The percentage of staff declaring their protected equality characteristics across this council is 68%. For the purposes of this data, 'senior' level refers to those employed on Joint National Council (JNC) terms and conditions.
- 9 The mean hourly rate for women for 2021 is 4.9% lower than for men, this demonstrates a reduction in the mean gender pay gap of 1.1% since 2020. In addition, the median gender pay gap has also decreased. The median hourly rate for women for 2021 is 9.5% lower than for men, which demonstrates a reduction of 0.9%.

What consultation and engagement has taken place?

- 10 No formal consultation is required. In publishing a Pay Policy Statement, the Council is fulfilling our legislative requirements as set out in sections 38 of the Localism Act 2011.

What are the resource implications?

11 The Pay Policy Statement is a point of reference for the Council in assessing its chief officer management costs and its budget strategy.

What are the legal implications?

12 There is a statutory requirement for local authorities to approve their Pay Policy Statements before the end of the 31st March each year. To comply with this the intention is for the Full Council meeting on 23rd February 2022 to consider and approve the Pay Policy Statement for the 2022/23 financial year.

What are the key risks and how are they being managed?

13 The requirement to review the Pay Policy Statement annually will be met for 2022/23 when the Policy is considered by full council.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

14 This requirement to review the Pay Policy statement is a statutory requirement as set out in the Localism Act 2011.

Options, timescales and measuring success

What other options were considered?

15 No other options were considered, this is part of our statutory duty under the Localism Act 2011.

How will success be measured?

16 Though the Pay Policy Statement publication is part of our statutory duty, the organisation continues to monitor its Gender Pay Gap to ensure the average hourly earnings between males and females is not increasing.

17 In addition, the pay multiple published in the Pay Policy also helps the authority monitor the difference in those who are the chief executive and those who are the lowest remunerated in the workforce to ensure it is not increasing.

18 Furthermore, it is anticipated that in future years additional protected characteristic pay gaps will be required alongside the Gender Pay Gap, therefore HR are working to embed our People Strategy 2020-2025 to ensure inclusive recruitment and management practices so that Leeds City Council will achieve its aim to be the best place to work.

What is the timetable for implementation?

19 This statement needs to be approved by Full Council prior to 31st March 2022.

Appendices

20 Appendix A – Annual Pay Policy Statement

21 Appendix B – Comparison of other Local Authorities pay multiple

Background papers

22 N/A