

Report of Chief Officer Human Resources

Report to General Purposes Committee

Date: 1st February 2021

Subject: Approval of the 2021/22 Pay Policy Statement

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- This paper sets out the Pay Policy Statement for 2021/22. This is required under the Localism Act 2011 and must be annually approved by the Full Council before 31 March 2021.

2. Best Council Plan implications (see the [latest version of the Best Council Plan](#))

- A refreshed Council Plan was launched for 2020-2025 which included an updated People Strategy. This keeps inclusion and wellbeing at the centre of our plans and we continue to use our annual staff survey to gain valuable feedback that helps us improve the overall experience at work for our employees.
- 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.

3. Resource implications

- The financial implications of this Pay Policy Statement are incorporated into the 2021/22 revenue budget.

Recommendations

The General Purposes Committee are asked to recommend to Full Council:-

- a) Consideration and approval of the Pay Policy Statement for the 2021/22 financial year as attached in appendix A.
- b) That any in year requirement to amend the Annual Pay Policy Statement as a consequence of changes to Council Policies is reported to the General Purposes Committee to recommend to Full Council for approval.
- c) Delegation to the Chief Officer (HR) of any necessary adjustments to the Council's pay scales arising from nationally agreed pay awards.

1. Purpose of this report

- 1.1 The purpose of this report is to seek Members' views on the Pay Policy Statement-2021/22 and for the Committee to make recommendations to Full Council to approve the changes before the start of the 2021/22 financial year.

2. Background information

- 2.1 Local Authorities are required under section 38 of the Localism Act 2011 to prepare an Annual Pay Policy Statement. The statement must articulate the Council's policy towards the pay of its most senior staff and relationships with the pay of the rest of the workforce. The provisions of the Act do not apply to the employees of Local Authority schools.
- 2.2 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. Main issues

- 3.1 With effect from 1st April 2021 the Council will further increase its minimum pay rate to £9.50 equivalent to an annual salary of £18,328 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 £4.15. All new starters in Leeds City Council including apprentices will receive a minimum of £9.50 per hour.
- 3.2 The pay multiple is the relationship between the median salary and the highest paid actual salary in the organisation, in Leeds as at December 2020 the ratio between the Chief Executive's voluntary reduced salary and median pay is 7.87:1
- 3.3 The median pay multiple in other regional authorities and core cities for 2020/21 (where available) and compared to the previous year's median pay multiple can be seen in the table at Appendix B which shows a comparison with other regional authorities.

- 3.4 The figure for employees at a senior level declaring their protected equality characteristics remains the same at 67%. The percentage of staff declaring their protected equality characteristics across this council is 66%.
- 3.5 The mean hourly rate for women for 2020 has slightly increased by 0.1% from 2019. This means for 2020 the women's mean hourly rate is currently 6% lower than for men.
- 3.6 The change to the median figure can be explained by an increase of women represented in our top quartile and lower middle quartile of our workforce. The latter has risen from 55.1% to 59.2%. However the impact on the median is as a result of a slight simultaneous increase in males represented in the upper middle and lower quartiles.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 No formal consultation is required. In publishing a Pay Policy Statement we are fulfilling our legislative requirements as set out in sections 38 – 40 of the Localism Act 2011.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 Analysis carried out on declaration of protected equality characteristics is included at 3.4.

4.3 Council policies and the Best Council Plan

- 4.3.1 In 2020 a refreshed People Strategy was launched as an addition to the Best Council Plan 2020-2025, this demonstrates our commitment to creating a representative organisation with an inclusive culture.
- 4.3.2 Our People Strategy specifically commits to having a fair and sustainable pay structure in the Council. This can be demonstrated through our implementation from 1st April 2021 of £9.50 as the council's minimum hourly rate which mirrors the Living Wage Foundation's recommended minimum rate of pay. The changes will have a positive impact on in-work poverty, particularly for women, those under 25 and part-time workers.

Climate Emergency

- 4.3.3 There is no direct impact on the climate emergency.

4.4 Resources, procurement and value for money

- 4.4.1 The Pay Policy Statement is a point of reference for the Council in assessing its senior management costs and its budget strategy.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There is a statutory requirement for local authorities to approve their Pay Policies before the end of the 31st March each year. To comply with this the intention would be to submit the Pay Policy for approval to the Full Council meeting on 24th February 2021.

4.6 Risk management

- 4.6.1 The requirement to review the Pay Policy Statement annually will be met for 2020/21 when the Policy is considered by full council.

5. Conclusions

- 5.1 All Councils are legally obliged to prepare and publish on an annual basis, a Pay Policy Statement. The proposed policy is intended to meet this requirement.

6. Recommendations

The General Purposes Committee are asked to recommend to Full Council:

- 6.1 Consideration and approval of the Pay Policy Statement for the 2021/22 financial year as attached in Appendix A.
- 6.2 That any in year requirement to amend the Annual Pay Policy Statement as a consequence of changes to Council Policies is reported to the General Purposes Committee to recommend to Full Council for approval.
- 6.3 Delegation to the Chief Officer (HR) of any necessary adjustments to the Council's pay scales arising from nationally agreed pay awards.

7. Background documents¹

- 7.1 Appendix A - Pay Policy Statement 2021/22
- 7.2 Appendix B – Comparison of Other Local Authorities

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix B

Comparison - Median Pay Multiples for median salary and the highest paid declared in 2020/21 Pay Policy Statements

Where the information is available, the following are the median pay multiples for the local authorities named in the table below.

Local Authority	2019/20 median pay multiplier
Leeds	7.59:1
Calderdale	6.11:1
Wakefield	7.42:1
Birmingham	7.59:1
Bristol	5.89:1
Cardiff	7:1
Manchester	7.86:1
Nottingham	8:1