

Agenda Item 24.

TITLE	Annual Pay Policy Statement 2021
FOR CONSIDERATION BY	Council on 22 July 2021
WARD	None Specific
LEAD OFFICER	Director, Communities, Insight and Change - Keeley Clements

OUTCOME / BENEFITS TO THE COMMUNITY

Compliance with s38 of the Localism Act 2011.

RECOMMENDATION

That Council approve the Annual Pay Policy Statement for 2021, as recommended by Personnel Board.

SUMMARY OF REPORT

Pay Policy Statement

Under sections 38 to 43 of the Localism Act 2011 we are required to prepare, approve by Full Council and publish on the Council's website a pay policy statement each financial year.

The Annual Pay Policy Statement is for your review and approval and reflects the Council's pay arrangements as at 1 April 2021.

Background

The Localism Act brings together strands of increasing accountability, transparency and fairness in the setting of local pay and requires authorities to produce a pay policy statement for each financial year.

The statement should include the:

- policy on the level and elements of remuneration for each chief officer
- policy on the remuneration of its lowest paid
- policy on the relationship between the remuneration of its chief officers and other officers
- policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

For 2021, we have undertaken a rebase-lining exercise to ensure that we are underpinning our pay policy statement with data that best enables a robust and accurate comparison in pay regarding the remuneration of our officers. As such, salary data throughout the pay policy statement is measured against the Full Time Equivalent Salary (FTE).

FTE Salary as salary is a unit to measure employees that makes them comparable although they may work different hours per week. For example: The FTE salary of someone who receives £15000 per annum for 22.5 hours would be £25000.

This enables a more accurate and meaningful comparison of salary data between our highest and lowest paid officers and calculation of our mean and median salary points.

For ease, the following table reflects the key data reported in the pay policy statement for 2021/22:

FTE Salary Data	2021/22
Highest Paid	£150,000
Lowest Paid	£18,562
Mean	£34,302
Median	£31,346
Ratio Highest to Lowest	8.1:1
Ratio Highest to Median	4.8:1

Mean Salary is calculating the average of all salaries by adding up all of the salaries and dividing them by the total number of salaries. Excludes Casuals, Agency, Consultant/Supplier, Kickstart placements and Students.

Median Salary is the midway point of all the salaries in the local authority. Excludes Casuals, Agency, Consultants/Supplier, Kickstart placements and Students.

The Pay Multiple is the relationship between the rate of pay for the lowest paid and senior manager post, including chief officers, and the relationship between the highest paid officer and the median (full time equivalent earnings) and is expressed as a ratio X:1

Analysis of Issues

Due to the new baselining of data used to support the pay policy statement for 2021, the comparative data to 2020/21 data would not be an accurate comparator.

However, it is clear that the gap between the highest paid officer and the lowest paid officer is narrowing due to the higher increases at the bottom end of the pay-scales as a result of National Minimum Wage increases.

Changes in the mean are as a result of:

- Recruitment and retention movement during the year
- COVID Response and Recovery requirements
- Organisational Structural Changes
- Commercial Contract Arrangements/Partnerships

The figures remain static at the point of publication as negotiations are ongoing at a national level with regard to the cost-of-living increase for 2021-2022.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

Other financial information relevant to the Recommendation/Decision
None

Cross-Council Implications
None

Public Sector Equality Duty
Not required as this is a statutory report on current data.

List of Background Papers
Attachment 1 – Pay Policy Statement 2021

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