

| | |
|-----------------------------|---|
| TITLE | Annual Pay Policy Statement 2022-23 |
| FOR CONSIDERATION BY | Council on 22 July 2022 |
| WARD | None Specific |
| LEAD OFFICER | Barbara Batchelor, HR Service Excellence Lead |

OUTCOME / BENEFITS TO THE COMMUNITY

Compliance with s38 of the Localism Act 2011.

RECOMMENDATION

That Council approve the Annual Pay Policy Statement for 2022-23, 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 Pay Policy Statement enables residents to understand the Council's pay policy for senior staff and how it relates to the salaries of the lowest paid. It provides transparency and enables residents to assess whether salaries paid represent value for money

The Annual Pay Policy Statement is for your review and approval and reflects the Council's pay arrangements as at 1 April 2022.

Background

The Localism Act (2011) 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.

The Hutton Review of Fair Pay in the public sector, published in March 2011, made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and highest paid in the public sector. The review recommended that the public sector should publish, track and explain their pay multiples over time.

The relationship between the remuneration of the chief officers and other officers is expressed as a pay ratio, or pay multiple, of X:1. The Council is required to report on the relationship between the highest paid individual and the lowest paid and on the relationship between the highest paid individual and the median for all employees. A ratio of 8:1 would mean that the highest paid individual earns 8 times more than the lowest paid individual. The larger the number, the greater the disparity between the highest and lowest paid individuals. If all salaries are ranked in order from the highest to the lowest, the median salary is the midway point. Excludes Casuals, Agency, Consultants/Supplier, Kickstart placements and Students.

| Ratio | 2021 | 2022 |
|-----------------|---------|---------|
| Highest:Lowest | 8.1 : 1 | 8.1 : 1 |
| Highest: Median | 4.8 : 1 | 4.7 : 1 |

A new baseline of data was established last year, so it is not possible to include comparisons with previous years. There are no significant differences in the pay ratio data from 2021 to 2022.

The Hutton Review issued revised implementation guidance in 2021 regarding fair pay disclosures, which requires the disclosure by public sector entities of top to median, lower quartile and upper quartile staff pay multiples (ratios) and to monitor them over time. The table at 5.4.1 of the Pay Policy statement shows the relationship between the highest paid individual to the person on the lower quartile (25th percentile) of the Council's pay range, the median (middle), and the person on the upper quartile (75th percentile) of the Council's pay range. Quartiles and percentiles are calculated by arranging all the employees in order from the lowest to the highest paid and dividing into 4 equal groups for quartiles, or 100 for percentiles. This is the first year that this data has been reported in the Pay Policy Statement.

Conclusion

Members are requested to approve the Pay Policy Statement for 2022/23 as attached at Appendix A.

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 2022-23

| | |
|----------------------------------|--|
| Contact Barbara Batchelor | Service Human Resources |
| Telephone No | Email Barbara.batchelor@wokingham.gov.uk |

This page is intentionally left blank