



## **POLICY AND RESOURCES COMMITTEE**

**Wednesday, 16 March 2022**

<b>REPORT TITLE:</b>	<b>PAY POLICY STATEMENT 2022-2023</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

### **REPORT SUMMARY**

In line with the Localism Act 2011 (the Act), the purpose of the Council's Pay Policy Statement is to provide transparency with regard to the Council's approach to setting pay by identifying:

- The methods by which salaries of all employees are determined;
- The detail and level of the salary package of its most senior staff;
- The Head of Paid Service responsibility for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to Full Council.

The approval of the annual Pay Policy Statement is a key decision of the Council.

The Pay Policy Statement 2022-2023 supports the effective delivery of the Wirral Plan 2021-2026 by ensuring a fair and equitable approach to pay for all Council employees: Council's employees are here to help make the Council's ambitions a reality, to achieve the goals and priorities set out in the Wirral Plan.

### **RECOMMENDATION/S**

The Policy & Resources Committee is requested to recommend:

That Council approve the Pay Policy Statement for the financial year 2022/23.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 The Council is required by Section 38 of The Localism Act 2011 to prepare a Pay Policy Statement for each financial year. The Act requires that the Pay Policy Statement:
- Includes details in relation to all aspects of Chief Officer's remuneration, increases and additions to remuneration, bonuses, termination payments and remuneration upon recruitment.
  - Includes information about the relationship between the remuneration of its highest paid officers ('chief officers') and lowest paid employees.
  - Is published as soon as is reasonably practicable, after approval and/or amendment (which must include publication on the authority's website).
- 1.2 It is essential that the Council's approach to pay, as set out in this pay policy statement, is accessible for citizens and enables local taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and make best use of public funds.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 No other options were considered as the Pay Policy Statement is a requirement of the Localism Act 2011. There are a range of policies and discretions contained within the Pay Policy statement itself relating to pay and terms and conditions which are the most appropriate.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The draft Pay Policy Statement details the Council's current arrangements, using the definitions contained in the Localism Act and associated guidance.
- 3.2 The Localism Act also requires the Council to have regard to statutory guidance entitled 'Openness and accountability in local pay' under the Transparency Agenda.
- 3.3 **Key Changes**

The 2022/23 statement reflects key changes and updates that have occurred within the last financial year as follows:

#### **The Living Wage**

The Council is committed to paying the Foundation Living Wage. The current Foundation Living Wage rate is £9.50, implemented in the Council's pay scales effective 1 April 2021. A new Foundation Living Wage rate was announced by The Living Wage Foundation in November 2021. The new Living Wage rate is £9.90 per hour, an increase of 40p. This increased rate will be implemented on 1 April 2022.

### **Variations to pay grade**

On occasion the Council may need to take account of the external pay levels in the employment market in order to attract and retain employees with particular experience, skills and knowledge. Where necessary the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence. The Pay Policy Statement has been updated to ensure that a robust business case is produced and effective approval and governance arrangements are in place to agree any variations to pay grade.

### **Progression through pay grade**

An employee's progression through the increments of a particular pay grade is linked to length of service. The Pay Policy Statement has been updated to clarify the Council's policy for seasonal employees and application of pay increments.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The Council is committed to the Living Wage with implementation taking place on 1 April each year. The budget for salary, and associated oncosts are distributed across the directorates and informed by the Pay Policy.
- 4.2 An annual growth item is included within the Medium Term Financial Plan for increases in pay, the total value will vary depending on the establishment and the value of pay award agreed. For 2022/23 a total of £6.44m was included. This included a compound increase for 2021/22 pay increases as, following the Chancellors autumn statement in 2020 where he announced that all public sector pay increases, below a salary of £24,000 will be frozen. However, since this statement was made, the National Employers Association has been negotiating with trade unions to pay an increase in 2021/22. As this was not included in the budget for that year, there is a cumulative impact for 2022/23.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 Section 38 of the Localism Act 2011 requires the Council to prepare a Pay Policy Statement for each financial year by 31 March.
- 5.2 The Council remains bound by relevant employment (and other) legislation as the employer and any changes which may be proposed by the policy must bear in mind the requirements of such legislation.
- 5.3 The Council can amend the pay policy on an annual basis as required by the Act but may also amend the policy as needed to take into account changing legislative requirements.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are no resource implications.

## **7.0 RELEVANT RISKS**

- 7.1 The Council is required to prepare and approve its Pay Policy Statement by 31 March each year. The Council will be at risk of not meeting the requirements of The Localism Act 2011 if this is not achieved.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The Trade Unions have been consulted on the key updates and changes for the 2022/2023 Pay Policy. The Pay Policy Statement for 2022-2023 has been noted by the Trade Unions.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 The Council operates all pay arrangements within the requirements of the Equality Act 2010. All pay arrangements are regularly reviewed to identify any equality issues applicable to the workforce (see separate reports on this agenda).

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The content and recommendations contained within this report are expected to have no impact on emissions of greenhouse gases.

## **11.0 COMMUNITY WEALTH BUILDING IMPLICATIONS**

- 11.1 The Pay Policy Statement and the Council's commitment to the Foundation Living Wage will increase spend in the local economy: 76% of Council staff reside in Wirral.

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## **APPENDICES**

Appendix 1 Pay Policy Statement 2022-2023

## **BACKGROUND PAPERS**

The Localism Act 2011 and Guidance

The Local Government Transparency Code 2015  
The Accounts and Audit Regulations 2015

Pay Policy Statement 2021-2022

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Council</b>	22 March 2021
<b>Policy &amp; Resources Committee</b>	17 March 2021
<b>Council</b>	16 March 2020
<b>Employment &amp; Appointments Committee</b>	3 March 2020
<b>Council</b>	18 March 2019
<b>Employment &amp; Appointments Committee</b>	5 March 2019