



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission 1 February 2024

Wards affected: All wards

Pay Policy Statement 2024/25

Report of Director Corporate & Streetscene Services.

1. Purpose of report

1.1 To present for approval the proposed HBBC Pay Policy Statement for 2024/25.

2. Recommendation

2.1 That Council note the continued positive reduction in the pay gap between the top and median average earner to 4.26:1 compared to the previous year which was 4.82:1.

2.2 Note the positive reduction in the gender pay gap which was 3.1% on 31 March 2023 (previously reported on 31 March 2022 as 3.3%).

2.2 That the HBBC Pay Policy Statement for 2024/25 be approved.

3. Background to the report

3.1 Section 38 of the Localism Act 2011 requires local authorities in England and Wales to produce a Pay Policy Statement for each financial year, which must be approved by Council. The act requires local authorities to prepare pay policy statements setting out the authority's own policies regarding the remuneration of its staff, particularly its senior staff (or 'chief officers') and its lowest paid employees.

3.2 The legislation provides that the pay policy statement must set out the council's policies for the financial year relating to:

- The remuneration of its chief officers
 - The remuneration of its lowest paid employees
 - The relationship between the remuneration of its chief officers and its employees who are not chief officers
- 3.3 The Council is required to publish the Pay Policy Statement for 2024/25 on or before 1 April 2024.

Summary of the statement

- 3.4 The Pay Policy Statement **Appendix A** sets out:
- a. The council's approach to job evaluation and grading of posts
 - b. Additional payments
 - c. The 'pay multiple' - the ratio between the highest paid salary and the median average salary of the Council's workforce, the ratio between the highest paid salary and the median average salary of the Council's workforce is 4.26:1 (last year this was 4.82:1). The multiplier is monitored each year and the gap between the top earner and the median average earner has positively reduced compared to this time last year.
 - d. That there is no distinction between chief officers and other employees in relation to pension entitlements and severance payments
 - e. The council's approach to the re-engagement of former senior employees.

The 2023/24 Pay Award

- 3.5 As highlighted in 3.4(c) the pay gap between the top and median average earner has continued to positively reduce over the last two years. This is because of the repeated cash pay award, which ensures that the council's lowest pay point would be above the national living wage for April 2024. The award of a cash value of £1,925 for every employee regardless of their grade, represents in real terms, an increase of 3.5% for the top earner whereas the median earner received the higher award of 7%.
- 3.6 For staff below senior management level, annual pay awards are negotiated at a national level by the National Joint Council (NJC) which represent the Employers side and the Trade Unions. The pay award for 2023/24 was agreed in November 2023 (backdated to April 2023), comprised a cash increase of £1,925 per annum on each pay point including Grades 1-10 and an increase of 3.88% for those staff on Grade 11 and Heads of Service. The pay award is reflected in the statement and appendices.
- 3.7 The pay award for Chief Officers and Chief Executives, negotiated by the Joint Negotiating Committee for Chief Officers and Chief Executives (JNC) is also agreed, with the award comprising an increase of 3.5%.
- 3.8 At the time of writing the report, negotiations have not yet started to discuss the cost of living pay award for 2024/25 (the period of this Pay Policy).

Local Government Transparency Code

3.9 Local authorities are also required under the Local Government Transparency Code 2015 to publish data required under the regulations and this is set out within the pay policy statement to meet the requirements of the code. The code requires councils to publish:

- An organisation chart covering staff in the top three levels of the organisation
- Information about senior employees whose salary is above £50,000 in addition to that already required under the Accounts and Audit (England) Regulations 2015
- The council has interpreted 'senior employees' as those employed on the top three tiers of the council: Chief Executive, Director and Heads of Service including Service Managers
- The pay multiple (as defined in 3.4)

4.0 Gender Pay Gap Reporting

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 introduced gender pay gap reporting, which is a requirement for employers with more than 250 employees at a snapshot date of 31 March each year. Employers should publish specific figures about their gender pay gap on their own website and on the government's online reporting service, in particular:

- The mean and median gender pay gap
- The mean and median bonus
- The proportion of males and females receiving a bonus payment and
- The proportion of males and females in each quartile pay band

On 31 March 2023 the council's gender pay gap was 3.1% (3.3% on 31 March 2022). The pay gap reported is extremely positive given that it has decreased compared to the previous year and that it is significantly lower than other public sector employers who have reported a mean pay gap of 14.9% and the private sector reporting 17.8% (Office for National Statistics (ONS) 2021).

The average mean hourly rate for female employees on 31 March 2023 is £15.45 which is lower compared to male employees which is £15.95. This is a difference of 50 pence per hour. The calculation is set out below:

$$0.50/£15.95 \times 100 = \text{a gap of } 3.1\%$$

The gender pay gap should be published no later than 31 March 2024.

4. Exemptions in accordance with the Access to Information procedure rules

4.1 The report to be taken in open session.

5. Financial implications [DW]

5.1 None.

6. Legal implications [MR]

6.1 Set out in the report.

7. Corporate Plan implications

7.1 The publication of the Pay Policy Statement ensures transparency and accountability and is a legal requirement.

8. Consultation

8.1 All pay decisions, at national, have undergone full consultation with the recognised trade unions.

9. Risk implications

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

None.

10. Knowing your community – equality and rural implications

10.1 By publishing the Pay Policy Statement will ensure greater transparency in regard to how pay is determined thus ensuring accountability to citizens within the borough. The pay policy statement also sets out how the authority, through its robust pay policy, endeavours not to discriminate against any groups of staff within the protected characteristics as contained within the Equality Act 2010.

11. Climate implications

11.1 N/A

12. Corporate implications

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers:

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