

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Council	<b>REPORT NUMBER:</b> <b>MC/20/31</b>
<b>FROM:</b> Councillor Suzie Morley, Leader of the Council	<b>DATE OF MEETING:</b> 25 March 2021
<b>OFFICER:</b> Katherine Steel, Assistant Director, Corporate Resources	<b>KEY DECISION REF NO.</b> N/A

### PAY POLICY STATEMENT 2021/22 & GENDER PAY GAP

#### 1. PURPOSE OF REPORT

- 1.1 The Councils are required to produce a Pay Policy Statement for each financial year under Section 38 (1) of the Localism Act 2011. The Pay Policy Statement being recommended for adoption is attached at Appendix A. Babergh and Mid Suffolk District Councils have a single organisational structure with harmonised pay, grades, terms and conditions of service and have a single pay policy statement which covers both Councils. This report contains details of the Councils' 2021/22 pay policy statement for Councillors to consider and approve.
- 1.2 Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Councils are required to report on their gender pay gap. The report based on data as of 31st March 2020 has been prepared, and this, with accompanying narrative, will be published on both the Councils' websites under the transparency requirements. The date for reporting has been extended from 31<sup>st</sup> March 2021 to 31<sup>st</sup> October 2021 to take into account the impact of Covid.

As the two Councils are sovereign bodies, a report must be published for each Council, but the combined data is more relevant due to the workforce being fully integrated. This report does not have to be approved by Council, but when published will be available using the links for Babergh and for Mid Suffolk [Transparency Agenda » Babergh Mid Suffolk](#) and [Transparency Agenda » Babergh Mid Suffolk](#)

#### OPTIONS CONSIDERED

- 1.3 Approving the Councils' annual pay policy statement is a statutory requirement; therefore, no other options are appropriate in respect of this.
- 1.4 Publishing the Councils' gender pay gap is a statutory requirement; therefore, no other options are appropriate in respect of this.

<b>2.</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
2.1	That the proposed pay policy statement for 2021/22 as set out in section 4 be approved.
2.2	That publication of the Council's gender pay gap, as of 31 <sup>st</sup> March 2020, be noted.
	<b>REASON FOR DECISION</b>
2.3	To bring together all the relevant information to enable Councillors to approve the Council's pay policy statement for 2021/22. This must be formally approved by Full Council.

### **3. KEY INFORMATION**

- 3.1 The Localism Act 2011 and supporting guidance provides information and detail on the matters that must be included within this statutory pay policy. However, they also emphasise that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be formally approved by Full Council. The statement must be published on the Councils' websites, and when setting the terms and conditions of those in Chief Officer posts, the policy must be complied with.
- 3.2 In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees, but at the same time needs to recognise that it is public money.
- 3.3 This Pay Policy Statement includes a policy on:
- a) Level and elements of remuneration for each chief officer (for the Councils this is defined as Chief Executive, Strategic Director and Assistant Directors)
  - b) The remuneration of the Councils' lowest paid employees
  - c) The relationship between the remuneration of the Councils' chief officers and other officers
  - d) Other specific aspects of chief officers' remuneration, use of performance related pay and bonuses, termination payments and transparency.
- 3.4 No changes have been made to the policies within Appendix A. However as of 10<sup>th</sup> March 2021, the second Strategic Director vacant post has been removed from the Councils' structure and an additional Assistant Director post created. This new Assistant Director for Communities & Wellbeing is being shared with, and jointly funded by, the Councils and two Clinical Commissioning Groups. Recruitment to this post will commence at the end of March 2021.
- 3.5 Also, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Councils are required to report on their gender pay gap. The report based on data as of 31<sup>st</sup> March 2020 has been prepared, and this, with accompanying narrative, will be published on both the Councils' websites under the transparency requirements by 31<sup>st</sup> October 2021. This deadline has been extended from 31<sup>st</sup> March to 31<sup>st</sup> October to take into account Covid impact.

As the two Councils are sovereign bodies, it is a requirement to publish a report for each council, but the combined data is more relevant due to the workforce being fully integrated. This report does not have to be approved by Council, but when published will be available on our website.

#### **4. LINKS TO THE CORPORATE PLAN**

- 4.1 The Pay Policy Statement is one of a range of factors that support the attraction and retention of employees with the right skills, knowledge and experience to deliver the outcomes and outputs in the Joint Corporate Plan.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 An estimation of the financial impact of the NJC pay increases, effective 1 April 2021, have been built into the 2021/22 budgets.

#### **6. LEGAL IMPLICATIONS**

- 6.1 Under Section 38(1) of the Localism Act councils are required to produce an annual Pay Policy Statement that is approved by Council and published.

It should set out:

The remuneration of its chief officers

The remuneration of its lowest paid employees, and

The relationship between the remuneration of the Councils' chief officers and others

- 6.2 Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Councils are required to report on their gender pay gap.

#### **7. RISK MANAGEMENT**

- 7.1 This report is not directly linked with the Councils' Corporate / Significant Business Risks but they key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
If the salary ranges for the Chief Officers are set too low to attract suitable candidates or too high, then it could result in failure to recruit, or attract adverse publicity	Probable - 3	Bad - 3	Chief Officer pay (apart from the Chief Executive) was last reviewed ten years ago. We have been advised by an LGA pay consultant that the current senior manager pay levels are lower than similar councils. We will therefore need to keep this under review.
If the pay policy legal framework is not complied with, then it could make any appointments null and void.	Unlikely - 2	Bad - 3	Formal approval required and through annual reviews.

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If the pay policy is not applied fairly to all staff, then this could lead to equal pay claims which could also result in successful tribunal claims, leading to reputational damage and costs to the organisation.	Unlikely - 2	Bad - 3	HR involvement to ensure that policy is applied equally.

## **8. CONSULTATIONS**

- 8.1 The trade unions have been informed of the contents of the pay policy, but as there are no significant changes there is no requirement to consult.

## **9. EQUALITY ANALYSIS**

- 9.1 An EIA is not required for the pay policy as it is substantively the same as in previous years. An EIA will be carried out on any new pay and reward policy or process that is proposed.
- 9.2 The publication of the pay policy statement supports the Council in delivering its equality duty and links closely with the duty to publish workforce data such as the gender pay gap.

## **10. ENVIRONMENTAL IMPLICATIONS**

- 10.1 None.

## **11. APPENDICES**

<b>Title</b>	<b>Location</b>
Appendix A – Babergh and Mid Suffolk District Councils' Pay Policy Statement 2021/22	Attached