



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Council


Date 1st March 2023

Report of Councillor Sarah Trotter
Chairman of the Employment
Committee

Pay Policy Statement 2023-24

Report Author

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Purpose of Report

It is a requirement of the Localism Act 2011 that the Council produces an annual pay policy statement. This statement summarises current policies and arrangements already in place relating to pay – as such the Pay Policy Statement is one of fact. The Pay Policy Statement is presented each year to Council as part of the budget setting and approval process.

Recommendations

It is recommended that Council:

- 1. Approves the Pay Policy Statement 2023-24**

Decision Information

Does the report contain any exempt or confidential information not for publication?

No

What are the relevant corporate priorities?

Growth and our economy
Housing that meets the needs of all residents
Healthy and strong communities
Clean and sustainable environment
High performing Council

Which wards are impacted?

All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The financial considerations of the Pay Policy Statement are incorporated into the budget setting proposals for 2023-24. Employee costs are the largest financial element of the budget and it is important that salary budgets and staffing resourcing requirements are kept under regular review.
Richard Wyles, Chief Finance Officer

Legal and Governance

- 1.2 The information in the Pay Policy Statement requires approval by Full Council in order that it can be published. This is a requirement under the Localism Act 2011.
- 1.3 The Council is required to produce and publish a pay policy statement for each financial year under Sections 38-39 of the Localism Act 2011. The Council must have regard to guidance issued by the Secretary of State under Section 40 of the Localism Act 2011.

Reviewed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

2. Background to the Report

- 2.1 The Council's Pay Policy Statement is reviewed annually to ensure that it accurately reflects the Council's position and is aligned with the outcomes and objectives of the Council's Corporate Plan.
- 2.2 A review of the Pay Policy Statement by the Employment Committee has been carried out to ensure compliance with the requirements of the Localism Act 2011.
- 2.3 The key changes include the updating of the posts included under the definition of officers covered by the Pay Policy Statement (paragraph 3.3).
- 2.4 National Minimum Wage and National Living Wage rates have been updated to reflect the increased rates that are effective from 1 April 2023 (paragraph 9.2).
- 2.5 The Pay Policy Statement refers to the collective agreement that the Council has in place for local cost of living pay awards and the fact that we determine these pay awards locally for all staff, based on this agreement.
- 2.6 The Pay Policy Statement details the Council's decision to adopt the Real Living Wage in March 2021 and sets out the pay increase arrangements for our lowest grade and a number of other lower grades which are impacted by the Real Living Wage increase. It also sets out that these pay increases are an alternative to the annual cost of living pay award and not in addition to.
- 2.7 The Real Living Wage rate has been updated to reflect the increased rate that is anticipated to be implemented in April 2023 (paragraph 7.6).
- 2.8 As a result of the Real Living Wage rate increase from April 2023 a further review of the lower grades will need to be carried out to ensure that sufficient differentiation between the grades is maintained.
- 2.9 The Pay Policy Statement makes reference under paragraph 7.10 to a review of pay and reward arrangements that is taking place. The scope of the pay review was agreed by the Employment Committee on 18th January 2023. This review is ongoing and focuses on the following key areas:
- The use of career grades to attract talent to the organisation and provide development opportunities and progression to develop and retain rising stars.
 - A review of the lower range of pay grades to ensure that there is clear differentiation between the grades, based on the 2022 Real Living Wage rate.
 - Analysis of similar roles across the organisation to identify any inconsistencies between pay grades.
 - Develop a consistent process for the benchmarking of roles, particularly those which are hard to recruit to.

- 2.10 The purpose of the review is to ensure that our approach to pay and reward supports the objectives of the People Strategy, to ensure that we can deliver “a flexible, innovative organisation” that has the “skills, resilience and motivation to deliver and achieve the Council’s objectives”.
- 2.11 The Pay Policy Statement 2023-24 was presented to the Employment Committee on 18th January 2023. The Committee recommended that the Pay Policy Statements 2023-24 be submitted to Full Council for approval.

3. Key Considerations

- 3.1 The recommendation is to meet a legislative requirement that the Council publishes an annual Pay Policy Statement.

4. Other Options Considered

- 4.1 It is a requirement that the Council publishes an annual Pay Policy Statement and no other options have been considered.

5. Reasons for the Recommendations

- 5.1 The reason for the recommendation is to meet a legislative requirement.

6. Background Papers

- 6.1 Pay Policy Statement 2022-23:
<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=26281&p=0>
- 6.2 Employee Handbook Secondment Factsheet
<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=24541&p=0>

7. Appendices

- 7.1 Appendix A – Draft Pay Policy Statement 2023-2024