



## **EMPLOYMENT COMMITTEE – 15 SEPTEMBER 2022**

### **PAY POLICY STATEMENT 2023/24**

#### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

##### **Purpose of Report**

1. The purpose of this report is to seek approval for the submission of the Council's Pay Policy Statement for 2023/24, appended to this report, to the County Council for approval in December 2022.

##### **Policy Framework and Previous Decisions**

2. On 15 November 2011 the Localism Act received Royal Assent. Under Section 38 of the Act, local authorities in England and Wales are required to produce a Pay Policy Statement for each financial year which must be approved by the Full County Council.
3. This statement must set out the Council's policies in relation to:
  - i. The remuneration of its chief officers;
  - ii. The remuneration of its lowest-paid employees; and
  - iii. The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
4. For the purposes of this statement, remuneration includes basic salary, bonuses and other allowances or entitlements related to employment.
5. The Council is required to publish the Pay Policy Statement for 2023/24 on or before 1 April 2023.

##### **Background**

6. The proposed Pay Policy Statement attached sets out:
  - i. The Council's approach to job evaluation and grading of posts;
  - ii. Additional payments that employees are eligible to receive, such as night enhancement, overtime;
  - iii. The Council's pay multiple (the ratio between the highest paid employee and the median average salary of the Council's workforce, excluding schools but including ESPO) which is 1:7.70;
  - iv. That there is no distinction between chief officers and other employees in relation to pension entitlements and severance payments;
  - v. The Council's approach to the re-engagement of former employees.

9. The current pay structure for all employees up to and including Grade 17 covers the period from 1 April 2021 to 31 March 2022. A pay award covering the same period was also agreed for employees on Joint Negotiating Committee (JNC) terms and conditions for Chief Officers and Chief Executives. These conditions remain in place until further notice.
10. Following majority agreement on 28 February 2022, a pay award was implemented in March 2022 as follows:
  - i. With effect from 1 April 2021, an increase of 2.75 per cent on National Joint Council (NJC) pay point 1;
  - ii. With effect from 1 April 2021, an increase of 1.75 per cent on all NJC pay points 2 and above;
  - iii. Resumption of the outstanding work of the joint Term-Time Only review group. (This was established as part of the 2016-18 pay deal to undertake a joint review of term-time working to consider “an NJC approach to deliver fair, consistent and transparent contracts for school support staff and term-time only staff not employed in schools”. The review is taking much longer than originally anticipated due to the impact of the pandemic and the complex nature of the issues under discussion);
  - iv. Discussions on homeworking policies, mental health support and family friendly policies.
11. For Leicestershire County Council, this has meant that pay points 1 and 2 within grade 2 now receive the same hourly rate of pay of £9.50. A pay award of 1.75% was also made in respect of Chief Officers and Chief Executives and was also backdated to 1 April 2021.

### **The 2022/23 Pay Award**

12. On 6 June 2022, UNISON, GMB and Unite lodged their pay claim for:
  - i. A substantial increase with a minimum of £2,000 or the current rate of RPI (whichever is greater) on all pay points;
  - ii. A COVID-19 recognition payment;
  - iii. A national minimum agreement on homeworking policies for all councils and the introduction of a homeworking allowance;
  - iv. An urgent review of all mileage rates currently applying;
  - v. A review and update of NJC terms and conditions related to family leave and pay;
  - vi. A review of term-time only contracts and consideration of retainers;
  - vii. A reduction in the working week (without loss of pay) to 35 hours (34 in London);
  - viii. One additional day of annual leave.
13. In June, councils in each of the nine English regions, Wales and Northern Ireland were consulted at virtual pay consultation briefings. The pay briefings explained the difficult decisions faced by councils when considering their response to claims by the unions. First, there is the continuing challenge of how to deal with the proximity of the National Living Wage (NLW) on the bottom of the NJC pay spine, which, on current forecasts, could increase by almost 20 per cent by April 2024. Second, the backdrop

of the wider economic situation, rising inflation and particularly increases to fuel, food and energy that are impacting employees and employers. Councils were asked for their views on the affordability of options.

14. On 25 July, the National Employers made the following one-year (1 April 2022 to 31 March 2023) final offer to the unions representing the main local government NJC workforce:
  - i. With effect from 1 April 2022, an increase of £1,925 on all NJC pay points 1 and above;
  - ii. With effect from 1 April 2022, an increase of 4.04 per cent on all allowances (as listed in the 2021 NJC pay agreement circular dated 28 February 2022);
  - iii. With effect from 1 April 2023, an increase of one day to all employees' annual leave entitlement;
  - iv. With effect from 1 April 2023, the deletion of pay point 1 from the NJC pay spine.
15. For Leicestershire County Council, this offer would achieve a bottom rate of pay of £10.50 per hour with effect from 1 April 2022 (which equates to a pay increase of 10.50% for employees on pay point 2) and 2.24% at the top of grade 17. Work is ongoing to consider the implications of the deletion of pay point 2 from 1 April 2023.
16. The trade unions are currently consulting their membership on this pay offer. The timetable for consultation for individual unions varies and it is anticipated that an outcome will be known in October 2022.
17. A similar offer of £1,925 per pay point has been made to officers on Chief Officer (JNC) and Chief Executive terms and conditions. A request to permanently align pay awards across these negotiating bodies with NJC conditions has been rejected by the national employers.

### **Recommendation**

18. The Employment Committee is asked to:
  - a. Approve the Pay Policy Statement 2023/24 for submission to the County Council for approval at its meeting on 1 December 2022; and,
  - b. Note that, following agreement of the 2022/23 pay offer at national level, the 2022/23 pay structure incorporating the NJC 2022/23 pay award will be circulated to the Committee.

### **Background Papers**

None.

### **Circulation under Local Issues Alert**

None.

### **Equality and Human Rights Implications**

19. The grading of all posts in the Council, except Centrally Employed Teachers, is determined using the nationally recognised Hay Job Evaluation Scheme. This is in order to ensure that all posts are graded and therefore rewarded financially through a fair and non-discriminatory process, that there is consistency in treatment between posts and that the Council complies with equal pay legislation.

### **Appendices**

Appendix A - Pay Policy Statement 2023/24

### **Officer to Contact**

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