

Part A

Report to:	Full Council
Date of meeting:	19 July 2022
Report author:	Executive Head of Human Resources and Organisational Development
Title:	Updated Council Pay Policy Statement 2022

1.0 Summary

1.1 Council approved the Watford Borough Council's Pay Policy Statement on 15 March 2022. Since that time, a new senior management structure has been put in place and this report updates the information previously provided and agreed, taking account of the restructure.

2.0 Detail

2.1 The Council's success relies on the talent and contribution of its workforce enabling and ensuring it meets its objectives. The Council's Pay Policy Statement seeks to ensure the Council is able to attract, recruit, retain and engage the right people in order to achieve this.

2.2 The Pay Policy Statement pulls together all the elements that make up the Council's financial reward practices. It provides assurances of our consistency, fairness and transparency and gives clarity to all our stakeholders about how and what our people are rewarded for. It defines the level and elements of remuneration for Chief Officers in accordance with the requirements of section 38(1) of the Localism Act 2011.

2.3 The Localism Act 2011 requires the Council to publish its position on 1 April each year in relation to specific areas of chief officers pay as follows: - remuneration levels, all other payments, incremental progression, performance related pay, bonus payments, redundancy, severance/ compensation, and retirement payments, and the Council's policy on the re-engagement of chief officers. In the event that a council wishes to change these during the course of the year to which the Pay Policy Statement relates the statement must be revised and approved by a full council meeting.

2.4 Cabinet approved a restructure of senior management in the Council at its meeting on 13 June 2022 and the Chief Officer Pay Panel on 20 June 2022 and Functions Committee on 14 June 2022 agreed changes to the pay scales for Chief and Deputy Chief Officers. In order to be able to implement those changes a revised Pay Policy Statement needs to be agreed and published. This report therefore seeks Council approval to a revised Pay Policy Statement for 2022/23.

2.5 The recommendation of the Hutton Report into "Fair Pay in the Public Sector" as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation should be published. This is set out in Section 18 of the Pay Policy Statement, which shows the ratio to be 1:3.7. The Council does not have a

policy on maintaining or reaching a specific pay multiple but is conscious of the need to ensure that the salary of the highest paid employee is not excessive but is consistent with the needs of the Council as expressed in this policy statement.

2.6 The Hutton report raised concerns about multiples in the order of 1:20 or higher between the lowest and highest paid employees in local authorities. The Council's current lowest to highest ratio, including apprenticeships, is 1:6.5, which, is considerably lower. Including apprenticeship posts, the lowest pay in use by Watford Borough Council is within Band 4 paying £11.93 per hour excluding LW. This is above the real living wage of £9.90 per hour for 2021/22.

3.0 Risks

3.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Council does not fulfil requirements of Localism Act 2011 in publishing the pay policy	Localism Act not complied with	The Council Pay Policy Statement is published	treat	2

4.0 Recommendations

4.1 That Council approve the updated Council Pay Policy Statement for 2022/23.

Further information:

For further information on this report please contact: Terry Baldwin, Executive Head of Human Resources and Organisational Development: telephone extension: 8133 email: terry.baldwin@watford.gov.uk

Report approved by: Terry Baldwin

5.0 Implications

5.1 Financial

5.1.1 The Shared Director of Finance comments that the financial implications of the Pay Policy are already built into the Revenue Budget.

5.2 **Legal Issues** (Monitoring Officer)

5.2.1 The Group Head of Democracy and Governance comments:-

As stated in the body of the report the changes to senior management structure and the revised pay grades can only be implemented if council approves a revised Pay Policy Statement for this financial year.

5.3 **Equalities, Human Rights and Data Protection**

5.3.1 There are no implications.

Appendices

Appendix A - Council Pay Policy Statement - 01 August 2022