

Part A

**Report to:** Council

**Date of meeting:** Thursday, 16 March 2023

**Report author:** Interim Executive Head of Human Resources

**Title:** Council Pay Policy Statement 2023

**1.0 Summary**

- 1.1 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. The Pay Policy Statement for 2023/24 is attached at Appendix 1.
- 1.2 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.
- 1.3 The Localism Act 2011 requires the council to publish its position by 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.
- 1.4 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 1:3.6. 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.

1.5 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 1:5.7, which, is considerably lower. Including apprenticeship posts, the lowest pay in use by Watford Borough Council is within Band 4 paying £12.93 per hour (not including Local Weighting). Excluding apprenticeship posts, the lowest earnings in the Council are also £12.93 per hour (not including Local Weighting) giving a ratio with the highest paid officer of 1:5.7. This is above the real living wage of £10.90 per hour for 2022/23.

## 2.0 Risks

### 2.1

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

## 3.0 Recommendations

3.1 That Council approve the Council Pay Policy Statement for 2023/24 attached at Appendix 1.

### Further information:

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**Report approved by:** Lee Pound

## 4.0 Implications

### 4.1 Financial

4.1.1 The Shared Director of Finance comments that there are no financial implications.

## 4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Group Head of Democracy and Governance comments that it is a legal requirement for council to consider, approve and publish its pay policy annually preceding the financial year to which it relates.

## 4.3 **Equalities, Human Rights and Data Protection**

4.3.1 There are no implications.

## **Appendices**

Appendix A - Council Pay Policy Statement - 01 April 2023

## **Background papers**

No papers were used in the preparation of this report.