



Purpose: For Decision

# Committee report

Committee	<b>FULL COUNCIL</b>
Date	<b>18 JANUARY 2023</b>
Title	<b>PAY POLICY</b>
Report of	<b>CABINET MEMBER FOR CLIMATE CHANGE, ENVIRONMENT, HERITAGE, HUMAN RESOURCES AND LEGAL AND DEMOCRATIC SERVICES</b>

---

## EXECUTIVE SUMMARY

1. The pay policy is updated on an annual basis to reflect any changes in the pay and conditions of Council staff. The purpose of the policy is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of our workforce and in doing so will also meet the requirements of Section 38 of The Localism Act 2011, which requires local authorities to publish a pay policy statement and must be adopted by Full Council by 31 March each year immediately preceding the financial year to which it relates. This policy sets out the council's approach to the pay of its workforce for the financial year 1 April 2023 to 31 March 2024.

Full Council is therefore being asked to approve the updated pay policy for the period 2023/24, prior to its publication. The main amendments since the last pay policy are as follows:

- a) Appendix A has been updated to show the 2022-23 pay grades.
- b) Explanation that the pay award for 2023-2024 has not yet been agreed nationally so the pay within the pay policy reflects the application of a pay award of 1 April 2022-1 April 2023.
- c) 5.15: change to annual leave.
- d) 5.16: amendment to public holiday.
- e) 5.17: annual update to employee contribution bands to the Local Government Pension Scheme.
- f) 8.2: pay progression clarity
- g) 8.4: premium payment allowance increase
- h) 9:4: updated to provide the new pay ratios and gender pay gap information, which is the difference between male and female pay which needs to be reported annually.

- i) Appendix F of the pay policy has been revised to reflect the make-up of the workforce showing the current number of permanent full-time equivalent posts by grade.

## RECOMMENDATION

That Full Council approve the updated pay policy as drafted for the period 1 April 2023 – 31 March 2024.

## BACKGROUND

2. The Localism Act 2011 sets out the requirement to publish a pay policy each year. The council in line with their statutory requirements has undertaken an annual review since its introduction. The document provides a comprehensive overview of all the relevant terms and conditions applied to pay and remuneration and ensures that there is transparency in our approach. The council's current pay policy approved by Full Council at its meeting in January 2022 has been updated to reflect changes in the council's arrangements during the intervening period. The proposed amendments have been included in the revised document shown at Appendix 1 to this paper.

## CORPORATE PRIORITIES AND STRATEGIC CONTEXT

3. The Localism Act 2011 sets out the statutory requirement for a local authority to establish publish and annually review a pay policy, which is approved by Full Council. Central government's transparency agenda also sets out clear expectations of local authorities to demonstrate their accountability to the local community. In addition, a key component of the council's pay policy is a commitment to equal pay for equal work for all employees and to seek to eliminate any bias in our pay systems. The production and publication of the pay policy document clearly underpins the delivery of all council priorities. The pay policy falls within the council's vision priority to keep the council solvent and take all the measures we can to improve its financial position.
4. Within the [Corporate Plan 2021 – 2025](#) there are key areas of activity that will be our main areas of focus for the lifetime of this plan which will need to be central to everything we do as a council.
5. Responding to climate change and enhancing the biosphere

The Pay policy directly supports the societal elements of shaping a more sustainable Island life through supporting the principles of gender equality, consideration of the living wage, reduced inequalities and decent work and economic growth for persons living and working within the IW Biosphere.

6. In respect of the Climate and Environment Strategy, the Pay policy supports reducing the number of unnecessary work journeys by car and paying to park at work bases which encourages active travel alternatives (walking and cycling) and the use of public transport.

### Economic Recovery and Reducing Poverty

7. The Government has established the principle that local government should not be a minimum wage employer and therefore the lowest rate of pay in local government has always been higher than the national living wage to enable employees to receive a reasonable wage for the responsibilities they undertake and fulfil their financial responsibilities.

## Impact on Young People and Future Generations

8. The decisions the Council makes now, not only affect current residents, but may have long term impacts, both positive and negative, on young people and future generations. These impacts may not immediately be apparent or may not emerge for a number of years or decades. Impacts will be interrelated across the various domains of young people's lives from housing, employment or training, health and the environment. The salaries set now will have a positive impact on employees of the future.

## Corporate Aims

9. The pay policy is the mechanism by which the council's terms and conditions are published and formally adopted by Full Council. The pay policy usually reflects the current pay rather than the new pay due to delays in national agreements. This is the case again this year as the 2022 national pay award was only agreed in October 2022 and staff were back paid until April 2022 in their November pay packets. The 2023-24 pay has not yet been nationally agreed and national discussions are only just starting between the Employer side and the recognised trade unions.
10. This aligns with the Council's corporate plan priority to keep the Island solvent and take all the measures we can to improve the financial position of the council.

## CONSULTATION

11. The draft report this year has no substantial changes, but proposed amendments have been shared for consideration with the council's recognised trade unions. No formal consultation is required for the pay policy as this is a document that contains all the necessary information on the council's terms and conditions of employment and addresses the statutory requirements of the Localism Act.
12. Unison has made written submissions this year citing mounting frustration about the level of recompense for the use of private cars when on Council duty. They believe that the current rate of 45p per mile is inadequate given the massive hike in fuel prices over the recent period. They have confirmed that several other councils have introduced an increase per mile on a temporary basis until the end of the current financial year in March 2023 and that the Isle of Wight Health Trust also moved to a 56p per mile rate several months ago.
13. Whilst knowledge of this local increase is inevitably contributing to a scenario in which staff frustration with the Isle of Wight Councils (IWC) approach continues to grow, the Council is a separate employer and its mileage rates have always reflected His Majesty's Revenue and Customs's (HMRC) published mileage rates. Unison are proposing an immediate increase to 56p per mile (to be reviewed again on 1 April 2023).
14. There is mounting pressure nationally to increase these rates, at which point, the IWC rates are likely to increase accordingly. It should also be noted that staff are encouraged to use Council cars and mileage costs are not then applicable.
15. The recommendation is to not accept unison's proposal due to the current challenging financial climate.
16. Unison also proposed an increase in Standby Rates on what they perceive to be the inadequacy of the existing Standby Payment which is currently set at the hourly rate for Grade 10c (i.e., £17.11 per session up to 31 March and increased to £18.11 from 1 April 2022). They state that there are comparatively few council employees who are required to be on Standby duty so that any increase is likely to be relatively inexpensive overall. Unison are proposing an increase to £42 per session (in line with sleep in rates) with appropriate enhancements to be paid in relation to any hours actually worked when called out.

17. Unison stated that there have been particularly strong recent representations from some staff who increasingly consider that the current level of standby payment represents a particularly poor reward given the way in which their lives essentially have to be put on hold for quite significant periods during which they are on call. There are obviously differences in the pattern of standby required by individual work sections, with some employees having to be available for six hours on each Saturday and Sunday every five weeks and with others standing by for the whole of a week (on weekdays between 6.00 p.m. and 8.00 a.m. and then for the whole of a weekend) at least once every two months. Unison believes that a review of this situation is long overdue, with consideration needing to be given to a combination of retainer payments for staff on standby rotas; an improved standby rate; and enhancements for unsocial hours/weekends being paid when employees are actually called out. Unison proposed a return to the terms set out in the National Green Book conditions of service (i.e. double time and time off in lieu for all Bank Holidays and not just 25 and 26 December) with time and a half for Saturday working and double time for Sundays
18. The current terms and conditions including all of these allowances were put in place in 2012 after extensive consultation and a dismissal and re- engagement process. Staff were also given additional annual leave which is significantly more than many other local authorities. Due to budgetary constraints, the above proposals were not approved by the corporate management team.

#### FINANCIAL / BUDGET IMPLICATIONS

19. The Council put aside 2 per cent for 2022-2023 pay increases and the nationally agreed pay award for all staff including the Chief Executive is an annual increase in pay of £1,925 pro rata for each member of staff has not been budgeted for and therefore is a significant additional cost to the council. This also affects school budgets. The pay award also increased the annual leave allowance by 1 day (pro rata) increasing the overall allowance to 32 days. This has been implemented from January 2023. The pay policy for 2023 reflects the current pay for 2022-23 as confirmed above.

#### LEGAL IMPLICATIONS

20. Section 38 of the Localism Act sets out the statutory requirements of what is to be included within a pay policy statement each financial year. The statement must set out an authority's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. Section 39 sets out the requirement for a local authority's pay policy statement to be approved by a resolution of the authority (through Full Council) by 31 March immediately preceding the financial year to which it relates. This must be followed by publication on the authority's website. The authority must have regard to the statutory guidance 'openness and accountability in local pay' issued by the Secretary of State, when performing the function of adopting and revising the policy.

#### EQUALITY AND DIVERSITY

21. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
22. Under the Equality Act 2010 we are required to have due regard to our equality duties when making decisions, reviewing services, undertaking projects, developing and reviewing policies. An equality impact assessment was undertaken and offered for consideration by all relevant parties together with recognised trade unions as part of the consultation undertaken for policy introduction in 2012. This revised pay policy does not negatively impact on any protected

characteristic and there are no substantive changes since the last pay policy and therefore no further equality impact has been drafted.

23. From 2017, Gender Pay Gap Legislation requires any organisation that has 250 or more employees to publish a report showing how large the pay gap is between male and female employees. The pay gap is the difference between the average (mean or median) earnings of men and women, expressed as the percentage of women's earnings compared to men's earnings. The gender pay gap data within the report was published in March 2022.
24. This report is based on those who were employed on the 31 of March 2021. The pay period used for the calculation of pay was the month of March 2021 as employees are paid monthly. The bonus period covers the period 1 of April 2020 to the 31 of March 2021.

## OPTIONS

Option 1: To adopt the pay policy as drafted and attached as Appendix 1.

Option 2: Reject the pay policy as drafted and refer back for further consideration.

## RISK MANAGEMENT

25. The proposed revised pay policy statement sets out a clear framework through which pay spending decisions are taken. The proposed revisions serve to ensure that all relevant aspects of terms and conditions are up to date and accurate for the public record. All changes to terms and conditions are subject to formal procedural processes and after due consultation with the council's recognised trade unions. There are no substantive changes to any terms and conditions proposed within this report.
26. There has and continues to be much media interest in council spending and there is the potential for considerable reputational damage should it not be possible for the council to justify its decision-making processes with regards to pay and other aspects of remuneration. In addition, there is a statutory requirement to publish a pay policy by 31 March 2023. However, it is also within the context of the council's commitment to public accountability and transparency in which it is considered that such a policy approach serves to improve confidence in the council's governance arrangements.
27. This pay policy has no substantial changes to the pay policy since the last one was approved in January 2022 [ITEM 6a - Full Council report post call over- pay policy 05.01.pdf \(modern.gov.co.uk\)](#) and the staff pay is in line with the nationally agreed pay award. The council continues to operate within the parameters set out by its contents and as such it is not considered that there are any identifiable risks to the council in its undertaking.

## EVALUATION

28. There is a continued legislative requirement under the Localism Act 2011 to establish and publish a pay policy statement which is approved by Full Council each year before the 31 March immediately preceding the year to which it relates. Further revisions have been made to reflect the up-to-date position with regards to the council's pay and reward arrangements. In addition to the statutory guidance, consideration has also been given to the inclusion of detail relating to pay and reward for the whole workforce to offer greater openness and transparency in pay related decisions.
29. The pay policy can be adopted as drafted or rejected. There are no significant changes proposed to the current version. The annual pay award for 2022-2023 was subject to national negotiation with provision now having been determined as part of the budget setting process. As stated above, the 2021-2022 pay award was retrospectively agreed as part of the national collective bargaining process. This is a well-established policy and is reviewed and refreshed in

line with legislative requirements on an annual basis to ensure it remains fit for purpose and is updated with any changes that have taken place. It provides a solid and transparent framework through which the council can undertake its decision making with regards to the pay and remuneration of its

### APPENDICES ATTACHED

Appendix 1- proposed pay policy 2023.

### BACKGROUND PAPERS

Gender pay gap data published March 2022.

[Directorate of "\[type Directorate name\]" \(iow.gov.uk\)](#)

Contact Point: Judy Mason, Strategic Manager of Human Resources, ☎ 821000 e-mail [judy.mason@iow.gov.uk](mailto:judy.mason@iow.gov.uk)

*Sharon Betts, Director for Corporate Services*

*Cllr Jonathan Bacon  
Cabinet Member for Climate Change, Environment,  
Heritage, Human Resources and Legal and Democratic  
Services*