



Full Council Report

ISLE OF WIGHT COUNCIL

Meeting	FULL COUNCIL
Date	28 FEBRUARY 2024
Title	PAY POLICY
Report of	CABINET MEMBER FOR CHILDREN'S SERVICES, EDUCATION AND CORPORATE FUNCTIONS

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 2024 to 31 March 2025.
2. Full Council is therefore being asked to approve the updated pay policy for the period 2024/25, prior to its publication. The main amendments since the last pay policy are as follows:
 - Premium payments (page 15 of the proposed policy). These have increased by 3.8 percent in line with the 2023 pay award as follows:
 - Sleep in allowance: to be set to £43.63 from 01/04/2023 increasing by 3.88 percent from £42.
 - Standby Allowance: was to be set to £19.11 from 01/04/2023 in line with grade 10 increment C hourly amount with the pay award but the proposal in this paper is to increase the standby allowance to the national rate of £32.11 per session as set out in paragraph 13 below.
 - Separate call-out allowance for adult mental health practitioner (AMHP): currently at £85 per session, increased for the 22/23 award by 4.04 percent to £88.44, then further increased for the 23/24 award by 3.88 percent to £91.87.
 - Adverse working: Currently £105 increasing by 3.88 percent to £109.08.

- New rates of pay for 2023 (page 24 of the proposed policy)
- annual update to employee contribution bands to the Local Government Pension Scheme for 2023 (paragraph 5.17 of the proposed policy)
- Proposal to enable Director approval for current employee's increment to be amended (paragraph 8.2 of the proposed policy)
- Proposal for increment variation in career graded posts (paragraph 8.2 of the proposed policy)
- Clarity in relation to allowances for night workers (paragraph 8.42 of the proposed policy)
- Gender pay gap figures (paragraph 9.5 of the proposed policy) 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.
- Appendix A has been updated to show the 2023-24 pay grades.
- 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 2024 – 31 March 2025.

Background

3. The Localism Act 2011 at Chapter 20, part 1 and Chapter 8, 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 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 2023 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

4. 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.

5. 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.

Responding to climate change and enhancing the biosphere

6. 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.
7. 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

8. Most council employees are also island residents the annual pay policy confirming green book pay for staff therefore contributes to reducing the numbers of residents, and especially children, who are living in poverty (particularly those living in absolute poverty) and also enables skills development.

Impact on Young People and Future Generations

9. 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. It should also be noted that the Council encourages the use of apprenticeships. They're embedded as part of the organisations culture, contributing to succession planning, developing and retaining the current workforce and growing the workforce of the future. Apprenticeship opportunities bring new skills into the Council, attracting a more diverse workforce and helping to develop the skills of local people.

Corporate Aims

10. 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 2023 national pay award was only agreed in November 2023 and staff were back paid until April 2023 in their December pay packets. The 2024-25 pay has not yet been nationally agreed and national

discussions are only just starting between the Employer side and the recognised trade unions.

11. 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 as set out in the key strategic planning document [Corporate Plan 2021 - 2025](#).

Consultation

12. There have been extensive discussions this year with the council's recognised trade unions particularly in relation to standby allowances. 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.
13. Unison 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. Unison state that there have been particularly strong recent representations from members of the adult social care team, the homelessness Team and from environmental officers 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 the quite significant periods during which they are on call. The only groups undertaking this on a regular basis are some Adult Social Care staff; some members of the Homelessness Team; Environment Officers; and some members of the Communications Team. This paper proposes an increase to £32.81 per session from £19.11 per session. This equates to the national rate. No additional budget will be required as this will be paid for by directorates from staffing savings.

Financial / Budget Implications

14. The Council put aside 3% for 2023-2024 pay increases and the nationally agreed pay award for all staff was an annual increase in pay of £1,925 pro rata for each member of staff up to Grade 13 and a 3.88 % thereafter, has not been budgeted for and therefore is a significant additional cost to the council. This also negatively impacts on school budgets. There is also an increase to allowances of 3.88%. The pay policy for 2024 reflects the current pay for 2023-24 as confirmed above. As confirmed above, following strong representation from Unison, it is proposed that standby allowances should be increased from the current rate of £19.11 per standby session to the NJC national rate of £32.81 per session. The additional money for this will come from within existing staffing budgets and will not require additional budget funding.

Legal Implications

15. 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) before it comes into force, and this must be completed by 31 March immediately preceding the financial year to which it relates. This must be followed by publication on the authority's website.

Equality and Diversity

16. 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.
17. 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.
18. 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 2023.
19. 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 2022 as employees are paid monthly. The bonus period covers the period 1 of April 2021 to the 31 of March 2022.

Property Implications

20. There are no property implications for this report

Options

Option 1: To adopt the pay policy as drafted.

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

Risk Management

21. 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.

22. 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 now a statutory requirement for the publication of a pay policy statement and a failure to do so within the required timescale could lead to potential prosecution and the resulting potential costs. 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.
23. This pay policy has only minor proposed changes since the last one was approved in January 2023 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

24. 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.
25. 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 2023 was subject to national negotiation with provision having been determined as part of the budget setting process. It is therefore affordable and there are no risks associated with the option. As stated above, the 2024 pay award has not yet been 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 staff.

Appendices Attached

Appendix 1- proposed pay policy 2024.

Appendix 2- Gender pay gap data published March 2022.

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