

<b>24 February 2021</b>		<b>ITEM: 11</b>
<b>Council</b>		
<b>Annual Pay Policy Statement 2021/22</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A	
<b>Report of:</b> Cllr Deborah Huelin – Portfolio Holder for Central Services and Communities		
<b>Accountable Director:</b> Jackie Hinchliffe – Director of HR, OD & Transformation		
<b>This report is public</b>		

## **Executive Summary**

The Localism Act 2011 requires the Council to publish an annual Pay Policy Statement for chief officers. This must be approved by Council by 31 March each year. Like many other local authorities, Thurrock's statement includes a pay policy for all categories of employees which reflects existing employment terms and conditions.

The Council's Collective Agreement enables the Council to come to a locally agreed decision with the recognised Trade Unions, taking into account the National Joint Council for Local Government (NJC) pay settlement; the annual independent market assessment; budget availability and the UK Living Wage.

Pay for Senior Managers is governed by the Pay Strategy and Pay Policy for Assistant Director and Director Posts agreed in 2009 and determined by the annual independent market assessment. This is an employment contractual requirement which the Council is required to adhere to. The assessment this year recommends a pay freeze in the pay clusters for senior management pay. This is reflective of the senior salaries in the sector.

Recommendations contained in this report reflect those from the independent market assessments conducted by Total Reward Projects Ltd in December 2020 and, for apprentices, the Government's Pay Review Statement published in 25 November 2020.

### **1. Recommendation(s)**

#### **1.1 The Annual Pay Policy Statement 2021/22 is agreed in line with the Council's obligations under the Localism Act 2011, the Collective Agreement, the recommendations by the independent market**

**assessment and the output of the pay review project (as agreed by General Services Committee on 8 October 2018).**

- 1.2 In line with the Chancellor's statement apply an increase of £250 to each pay point up to and including pay point 17 (top of band C), subject to reaching agreement with the Trade Unions on phase 2 of the pay review.**

## **2. Introduction and Background**

- 2.1 This report seeks approval of the Council's Annual Pay Policy Statement for 2021/22; in particular, the elements of this statement which vary from, or are in addition to, those contained in last year's pay policy.
- 2.2 The proposed policy attached at Appendix 1 was supported by Directors Board on 13 January 2021.

## **3. Issues, Options and Analysis of Options**

- 3.1 The 2019 pay policy statement implemented the recommendations of the pay review project commissioned by Council in 2018. The 2006 single status agreement (and associated pay structure) was replaced with a new Collective Bargaining Agreement signed by the Director of HR, OD & Transformation (under powers delegated by General Services Committee on 8 October 2018) and the three recognised trade unions.
- 3.2 As part of the new agreement the Council introduced a new pay structure for staff that removes overlapping grades and is being phased in over a period of 4 years. Once fully implemented the new scales limit the number of incremental points in each grade in line with the Equalities and Human Rights Commission guidance on having no more than 5 increments (6 points within each grade). The new pay structure benefits staff in many ways, increasing salaries through the removal of legroom, increasing maximum salaries and seeing considerable investment across the workforce.
- 3.3 The pay scales included at Appendix 3 of the proposed Pay Policy Statement reflect year three of this agreement, with a bottom rate of £9.24 per hour.
- 3.4 The Chancellor's pay review on the 25 November 2020 recommended an increase to all salaries under £24,000 of £250. Although Local Government is not bound by the Chancellors announcement it is proposed the Council apply the increase to reward our lowest paid staff. To avoid differentiation within a grade this would apply to pay points 1 to 17 as well as the Thurrock Living Wage. There are around 1080 employees currently below scale point 17, the cost to implement is £300,000. This is proposed to Council subject to reaching agreement with the Trade Unions on Phase 2 of the Pay Review and rationalising and modernising the Council's allowances to repay the £800k investment that was brought forward as part of Phase 1. This option is shown as a revised table at the end of the report.

#### **4. Independent Pay Reviews**

- 4.1 The Council's Collective Agreement and Pay Strategy and Pay Policy for Senior Managers incorporate an independent market assessment to determine appropriate pay increases. This approach ensures pay levels continue to be fair, transparent and represent good value.

#### **5. Pay Award for Employees 2021/22**

- 5.1 Under Thurrock's 2019 Human Resources Framework Collective Bargaining Agreement, the Council agreed to remove the historical link to National Joint Council for Local Government (NJC) pay rates and for the pay rates to be determined via "a locally agreed decision with reference to the National Negotiating Committee (NJC) recommendations, an independent pay review (commissioned annually by the Council), budget availability and the UK Living Wage".
- 5.2 Pay negotiations between the NJC and trade unions for 2021-2022 have not commenced, the current expectation is that an agreement will not be reached before the implementation date of 1 April 2021 and negotiations could result in an agreement not being reached until late 2021.
- 5.3 The independent pay review commissioned by the council recommends that, with effect from 1 April 2021, the council implements a pay freeze for its current pay scales for employees in pay bands A to I.
- 5.4 The Government in its Pay Review on the 25 November recommended a pay freeze for all public sector employees except NHS Staff. Local Government pay is negotiated separately from the public agencies covered by the Government's statement and the local Collective Agreement provides for no detriment across the lifetime of the agreement.

#### **6. Pay Award for Senior Management 2021/22**

- 6.1 In accordance with the Pay Strategy and Pay Policy for Senior Managers the Council has undertaken an annual independent market assessment of senior management pay.
- 6.2 This recommends a pay freeze in all the pay clusters for senior management pay.

#### **7. The National Living Wage (formally the National Minimum Wage)**

- 7.1 The National Living Wage – the legal, minimum wage for workers aged over 22 will be £8.91 per hour from the 1 April 2021.
- 7.2 The National Living Wage above will have no effect on pay as it is below the lowest pay point.

## 8. Apprentices

- 8.1 The pay for Council apprentices is the National Living Wage appropriate to their age from the start of employment. This was agreed in the 2018/19 pay policy statement, as an increase from paying apprentices the lower apprentice rate for the first six months of their employment.
- 8.2 It is proposed to continue this approach to apprentices, increasing the rates in line with the rates as shown in Table 1 below.

Table 1: Apprenticeship rates for 2021/22

	Aged 23 and over	Aged 21-22	Aged 18 to 20	Aged under 18	Apprentice Rate
Rates from April 2020	£8.91	£8.36	£6.56	£4.62	£4.30

## 9. Senior Manager Pay and Responsibilities

- 9.1 Following the introduction of the Government's code of practice for transparency in 2014<sup>1</sup>, the Council will continue to publish specific details of senior managers' pay and responsibilities.

## 10. Consultation with Local Trade Unions

- 10.1 Negotiations with the Council's recognised trade unions began in May 2018 for each part of the pay review project. In October 2018, General Services Committee agreed to delegate authority to negotiate a new collective agreement with Trade Unions to the Director of HR, OD & Transformation in consultation with the Portfolio Holder for Central Services. This was signed by all parties in May 2019.
- 10.2 The recommendation in the report have been shared with our recognised Trade Unions.

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<sup>1</sup> 'Local Government Transparency Code 2014' published by DCLG: 1  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/360711/Local\\_Government\\_Transparency\\_Code\\_2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf)

## **11. Implications**

### **11.1 Financial**

Implications verified by: **Sean Clark**  
**Corporate Director of Finance, Property & Governance**

The budget papers considered by Cabinet on 13 January 2021 and Corporate Overview and Scrutiny on 21 January 2021 includes a provision for incremental progression for those staff that are not at the top of their grade and have performed to the required level and growth that will meet the increases set out within this report.

### **11.2 Legal**

Implications verified by: **Paul Field**  
**Solicitor, Senior Employment Lawyer. Law & Governance**

In setting out the proposal in this paper, due consideration has been given to:

- Equality Act requirements and compliance.
- The requirement under the Localism Act for transparency over the Council's approach to pay.
- Recent high profile equal pay cases successfully brought against councils. ((e.g. Birmingham City Council v Abdulla & others, Armstrong v Glasgow City Council amongst others).

Sections 38 to 43 of the Localism Act 2011 require Councils to prepare a Pay Policy Statement for each financial year and the Secretary of State, pursuant to section 40, has issued both the original Pay Accountability Guidance in February 2012 and a supplementary guidance in February 2013. The content of this report and the recommendations comply with the Councils responsibilities in this regard.

### **11.3 Diversity and Equality**

Implications verified by: **Becky Lee**  
**Team Manager – Community Development and Equalities**

This pay statement implements the recommendations approved by General Services Committee and standard protocols set by law and policy and therefore there are no diversity and equality implications arising. The increase to pay above apprentice pay rates will have a positive impact.

#### **11.4 Other implications**

No other significant implications have been identified.

#### **12. Appendices**

Appendix 1 – Pay Policy Statement 2021/22

#### **Report Author:**

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Strategic Lead Pay and Operations

HR, OD & Transformation

**Option to increase all salaries below £24,000 by £250 as recommended in the Chancellor's pay review**

Grade	Pay Point	2020/21 rate per hour		2020/21 salary	
I	54		£39.91		£76,992
	53		£38.74		£74,748
	52		£34.40		£72,564
	51		£36.39		£70,437
	50		£35.44		£68,370
	49		£34.40		£66,363
H	48	£33.39			£64,416
	47	£32.41			£62,526
	46	£31.46			£60,696
	45	£30.54			£58,923
	44	£29.65			£57,213
	43	£28.80			£55,557
G	42		£27.97		£53,964
	41		£27.15		£52,371
	40		£26.35		£50,835
	39		£25.58		£49,359
	38		£24.85		£47,943
	37		£24.11		£46,524
F/G	36	£23.41	£23.41		£45,168
F	35		£22.74		£43,869
	34		£22.07		£42,570
	33		£21.42		£41,328
	32		£20.81		£40,149
	31		£20.20		£38,967
	30		£19.62		£37,845
E/F	29	£19.03	£19.03		£36,723
E	28		£18.48		£35,661
	27		£17.93		£34,599
	26		£17.41		£33,594
	25		£16.89		£32,592
	24		£16.40		£31,647
D/E	23	£15.91	£15.91		£30,702
D	22		£15.45		£29,817
	21		£14.99		£28,929
	20		£14.57		£28,104
	19		£14.14		£27,279
	18		£13.74		£26,511
C/D	17	£13.47	£13.47		£25,993
C	16		£13.07		£25,225
	15		£12.71		£24,517
	14		£12.34		£23,809
	13		£12.10		£23,335
B	12	£11.85			£22,864
	11	£11.61			£22,390
	10	£11.39			£21,976
	9	£11.18			£21,565
	8	£10.96			£21,151
	7	£10.75			£20,737
A/B	6	£10.54	£10.54		£20,326
A	5		£10.32		£19,912
	4		£10.11		£19,498
	3		£9.92		£19,144
	2		£9.74		£18,790
	1		£9.56		£18,436
TLW	TLW	£9.37			£18,082