

<b>23 February 2022</b>		<b>ITEM: 11</b>
<b>Council</b>		
<b>Annual Pay Policy Statement 2022/23</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A	
<b>Report of:</b> Cllr Jack Duffin – 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<sup>st</sup> 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 draft Pay Policy Statement for 2022/23, attached at Appendix 1, sets out the position on 1 April 2022 and meets the requirements of the Act.

In accordance with the Council’s Human Resources Framework Collective Bargaining Agreement and the Pay Strategy and Pay Policy for Senior Managers the pay awards contained in this report, and the Pay Policy Statement, reflect those from the independent market assessments, conducted by Total Reward Projects Ltd in December 2021, and for apprentices and the National Living Wage the Government’s Budget Statement published on 27<sup>th</sup> October 2021.

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

**1.1 The Annual Pay Policy Statement 2022/23 is endorsed in line with the Council’s obligations under the Localism Act 2011.**

### **2. Introduction and Background**

2.1 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<sup>st</sup> 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.

2.2 This report seeks approval of the Council's Annual Pay Policy Statement for 2022/23; in particular, the elements of this statement which vary from, or are in addition to, those contained in last year's pay policy.

2.3 The Pay Policy is informed by the Human Resources Framework Collective Bargaining Agreement 2019 – 2023 and the Pay Strategy and Pay Policy for Assistant Director and Director Posts.

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

3.1 The outlook for pay settlements in 2022 is unpredictable due to the challenging backdrop of the post Covid economic recovery; the lifting of the public sector pay freeze and the unresolved Local Government pay negotiations for 2021.

3.2 The Chancellor announced a new National Minimum Wage of £9.50 in the October statement.

3.3 The forecast for pay settlements across the economy is difficult due to the turbulence but current expectations are for a median increase of around 2.5% in the private sector with the public sector seeing increases of around 2.0 – 2.5%.

3.4 The attached Pay Policy Statement (Appendix 1) and pay scales reflect the recommendation of the independent market assessment for both employees and Senior Managers and incorporate the new National Living Wage.

### **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 2022/23**

5.1 Under Thurrock's 2019 Human Resources Framework Collective Bargaining Agreement, the Council agreed to remove the historical annual 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 2022-2023 have not commenced. The current negotiations for 2021/22 have stalled and the Unions are currently balloting their members for strike action. The current expectation is that an agreement will not be reached before the 1<sup>st</sup> April 2022 for 2021/22 and could result in an agreement not being reached until late 2022/23 before negotiations start for 2022/23.

- 5.3 The independent pay review commissioned by the council recommends that, with effect from 1 April 2022, the council implements an increase of 2.5% for Bands A & B and 2.25% for Bands C to I.
- 5.4 The Government announced in the budget on 27<sup>th</sup> October 2021 that the public sector pay freeze was to be lifted for 2022/23. 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 2022/23

- 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 The independent market assessment recommends the council implement a 2.25% increase across the Senior Manager Pay Scales.
- 6.3 Senior Manager pay in Thurrock has not kept pace with the national awards:

Table 1 – Senior Manager Pay Awards

Year	National Award	Thurrock Award
2019/20	2.0%	2.0%
2020/21	2.75%	2.0%
2021/22	1.50%	0.0%
2022/23	<b>2.0%*</b>	2.25%
Total	8.25%	6.25%

\*Predicted based on independent pay report.

## 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 £9.50 per hour from the 1<sup>st</sup> April 2022.
- 7.2 The National Living Wage for workers aged 21-22 will be £9.18 per hour from the 1st April 2022.
- 7.3 The Thurrock Living Wage (TLW) will increase by 2.8% to £9.50 per hour in order to match the National Living Wage.

## 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 2: Apprenticeship rates for 2022/23

	Aged 23 and over	Aged 21-22	Aged 18 to 20	Aged under 18	Apprentice Rate
Rates from April 2022	£9.50	£9.18	£6.83	£4.81	£4.81

## 9. Senior Managers

- 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.
- 9.2 Section 12 of the Pay Policy Statement has been updated to ensure the appointment of senior officers reflects the requirements of the Council's Constitution and the Localism Act 2011.

## 10. Consultation with Local Trade Unions

- 10.1 The report and Pay Policy have been shared and discussed with the Council's recognised Trade Unions.

## 11. Implications

### 11.1 Financial

Implications verified by: **Sean Clark**  
**Corporate Director, Resources & Place Delivery**

There is £3.6m growth built into the Medium-Term Financial Strategy that covers the costs that arise from this Pay Policy. In addition, there is a further £1m to cover the costs of the increase in Employer's National Insurance.

Members are aware of the significant pressures that the revenue budget is under and any growth simply adds to those pressures and requires budget reductions elsewhere.

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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)

## 11.2 Legal

Implications verified by: **Mark Bowen**  
**Interim Deputy Monitoring Officer**

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 and standard protocols set by law and policy and therefore there are no diversity and equality implications arising.

## 11.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

No other significant implications have been identified.

## 12. Appendices

Appendix 1 – Pay Policy Statement 2022/23

### Report Author:

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