

Title of Report	Pay Policy Statement 2024/2025
For Consideration By	Corporate Committee
Meeting Date	12th December 2023
Classification	Open
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Dawn Carter McDonald, Interim Chief Executive

1. **Introduction**

- 1.1. The Localism Act 2011 requires the Council to publish an annual pay policy statement setting out its policies relating to the:
- remuneration of its chief officers (including details of pay elements, pay increases, salary on recruitment, and payments on termination);
 - remuneration of its lowest-paid employees; and
 - the relationship between the remuneration of chief officers and employees who are not chief officers.
- 1.2. The attached draft statement updates the 2023/24 statement which was approved by Council. The 2024/25 statement must be approved by a resolution of the Council before 31 March 2024.

2. **Recommendations**

- 2.1. **Corporate Committee is recommended to agree the Pay Policy 2024/2025 and recommend Council to approve it.**

3. **The 2024/2025 Pay Policy Statement**

- 3.1. There have been no substantive changes to this policy. The statement details current pay practice, and no new policy principles are being introduced.
- 3.2. The legal requirements to publish a pay policy are broadly drawn and there is considerable discretion over the amount of information that authorities choose to disclose. In preparation of the statement, account has been taken of the guidance *Openness and accountability in local pay: Guidance under section 40 of the Localism Act* and the subsequent supplementary guidance

both published by the Department for Communities and Local Government (DCLG), now the Department for Levelling Up, Housing and Communities. Account has also been taken of guidance issued by the JNC for Chief Executives.

3.3. The Council will be bound by the approved Pay Policy Statement, which can only be amended by Council resolution, and the Policy has been drafted to provide sufficient flexibility to enable practical implementation within the year.

3.4. Both the NJC for Chief Executives and the (former) DCLG in their Code of Recommended Practice promote the use of a 'pay multiple' (the relationship between the Chief Executive's salary and the median salary) as the most effective way to present the relationship between chief officers and employees who are not chief officers. The Council agrees and the statement includes the calculation and tracking of this pay multiple. It should be noted that actual salaries and other payments made to some officers are required to be published in the Annual Statement of Accounts, and this is done also.

4. Benchmarking with other Councils

4.1. This year's report includes benchmarking information with a selection of Boroughs that neighbour Hackney or are considered comparable. This is attached as Appendix 2. In summary:

	Chief Exec Pay (Basic Salary Actual)	Total Pay (Total Package Actual)	Pay multiple (based on median)
Hackney:	£196,323	£202,692	5.12
Average of sample:	£216,777	£219,015	6.1
Range of sample - salary:	£194,864 - £281,442		
Range of sample - pay multiple (median):	5.0 - 8.9		
Source:	Infinitats (London Councils HR Metrics Benchmarking service) - with the exception of Waltham Forest, where data has been taken from their pay policy statement. All data is a snapshot as at 31.3.2023		
Boroughs included in the sample:	Camden; Haringey; Islington; Lambeth; Newham; Southwark; Richmond/Wandsworth; Tower Hamlets; Waltham Forest; Westminster.		
Pay Multiple:	The pay multiple is the ratio between the Chief Executive's pay and the median pay for employees in Hackney. All salaries are arranged from higher to lower pay and the middle salary is selected as the median.		

5. **Comments of the Group Director, Finance**

- 5.1. As per section 3 of this report, the Localism Act 2011 requires the Council to publish an annual pay statement for Chief Officer Pay. The pay multiples have been prepared based on the Local Government Association’s Transparency Code.
- 5.2. The Council faces considerable challenges in implementing the nationally negotiated pay deal for 2023/24 which has averaged around 6%, surpassing the initially budgeted 4% for 2023/24. The Medium-Term Financial Plan (MTFP) has accommodated a 3% pay award for 2024/25.
- 5.3. The remuneration of the workforce constitutes a substantial portion of the Council's overall expenditure and needs to be managed within the available resources.

6. **Comments of the Director of Legal, Democratic and Electoral Services**

- 6.1. S38(1) of the Localism Act 2011 requires the Council to prepare a pay policy statement for 2024/25.
- 6.2. In accordance with Part Two, Article 4.7 (o) of the Council's Constitution, responsibility for approval of the Council's Pay Policy Statement for Chief Officers for 2024/2025 is a function of Full Council.
- 6.3. Under Part Two, Article 9 of the Council’s Constitution, Full Council has the authority to establish Committees to help perform its functions.
- 6.4. Article 9.5 provides that the Corporate Committee is responsible for maintaining oversight of the Council's Regulatory, planning, election and human resources functions, as well as other functions not specifically allocated to full Council or another committee.
- 6.5. The Pay Policy Statement at Appendix 1 meets the requirements of the Localism Act 2011 and approval of the Pay Policy Statement is to be undertaken as described in recommendation 2 above.

Appendices

- Appendix 1 - Hackney Pay Policy Statement - 2024/25
- Appendix 2 - Pay Multiple benchmarking

Background documents

None

Report Author	Sandra Farquharson, Director HR & Organisational Development London Borough of Hackney
----------------------	----------------------------------------------------------------------------------------------

	sandra.farquharson@hackney.gov.uk
Comments for the Group Director of Finance and Corporate Resources prepared by	Mizanur Rahman Chief Accountant, Finance and Resources Directorate mizanur.rahman@hackney.gov.uk Tel. 020 8356 4347
Comments for the Director of Legal, Democratic and Electoral Services prepared by	Juliet Babb Team Leader (Employment) juliet.babb@hackney.gov.uk Tel. 020 8356 6183