

<p><u>THE LEADER OF THE COUNCIL</u></p> <p><u>COUNCILLOR PHIL DAVIES</u></p>	<p><u>COUNCIL</u></p> <p>MONDAY 19 MARCH 2018</p> <p><u>PAY POLICY 2018/2019</u></p>
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Councillor Phil Davies, The Leader of The Council, , said:

“The Pay Policy Statement 2018/19 – if agreed – demonstrates our commitment to the Foundation Living Wage and on ensuring our Pay Policy is fair, equitable and sustainable.”

REPORT SUMMARY

The Localism Act 2011 sets out the requirements for Councils to determine and publish annual pay policy statements. The requirements of The Localism Act include:

- The Pay Policy Statement to be approved by Full Council, in advance of the financial year to which it relates.
- The Pay Policy Statement to be published on the Council website.

The Pay Policy Statement is required to set out the Council’s policies relating to the following:

- Chief Officer Remuneration, including salary, allowances, and enhancements at termination.
- Remuneration of its lowest paid employees.
- The relationship between Chief Officer Remuneration and that of other employees.

RECOMMENDATION/S

Council are asked to:

- Agree the introduction of the revised National Living Wage rate of £8.75 per hour, effective from 1 April 2018.
- Approve the Pay Policy Statement for the financial year 2018/19.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

The Council is required by Section 38 of The Localism Act 2011 to prepare a Pay Policy Statement for each financial year.

2.0 OTHER OPTIONS CONSIDERED

No other options were considered as the Pay Policy Statement is a requirement of the Localism Act 2011.

3.0 BACKGROUND INFORMATION

The draft pay policy statement takes into account the LGA and ALACE guidance issued to Local Authority Chief Executives, and the statement details the Council's current arrangements, using the definitions contained in the Act and associated guidance.

The Act also requires the Council to have regard to statutory guidance entitled 'Openness and accountability in local pay' under the Transparency Agenda. The original guidance was published in 2012, with updated guidance published in February 2013, which stated that the pay policy statement should set out the Council's position in relation to the opportunity, under these arrangements, for full council or a meeting of Members to vote in respect of appointments to posts with salary packages over £100,000 and severance packages over the same amount. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment.

The draft pay policy makes reference to this and highlights that full Council has reserved powers in respect of defined posts (the head of paid service, s.151 officer, monitoring officer, returning officer and electoral registration officer) and that, for reasons of accountability, transparency and practicality, chief officer and deputy chief officer appointments are delegated to the Employment and Appointments Committee under the Council's Constitution.

Key Changes

The 2018/19 statement reflects key changes and updates that have occurred within the last financial year as follows:

The Living Wage

A new Foundation Living Wage rate was announced by The Living Wage Foundation on 1 November 2017. The new Living Wage rate is £8.75 per hour, an increase of 30p.

The introduction of the new Living Wage rate has implications for the Council's pay grades as follows:

- Band A, SCP10 will increase to the Living Wage rate of £8.75.
- Band B, SCP11 will increase from £8.54 to £8.81.
- Band C will include two SCP's: SCP13 will increase from £8.70 to £8.87; and SCP14 will increase from £8.85 to £8.94.

The salary rates detailed above will be subject to review in respect of the pending NJC pay award negotiations.

4.0 FINANCIAL IMPLICATIONS

The cost of implementing the Living Wage rate (effective 1 April 2018) and adjustment to the Council's pay grades as detailed above is approximately £46,900 including on-costs. This will be built into departmental budgets under the provision for pay growth.

5.0 LEGAL IMPLICATIONS

Section 38 of the Localism Act 2011 requires the Council to prepare a pay policy statement for each financial year which sets out the following matters:-

- The Council's policies for the financial year relating to: (a) the remuneration of its chief officers; (b) the remuneration of its lowest-paid employees; and (c) the relationship between the remuneration of those chief officers, and the remuneration of its employees who are not chief officers.
- The definition of "lowest-paid employees" adopted by the Council for the purposes of the statement, and the Council's reasons for adopting that definition.
- The statement must include the Council's policies relating to: (a) the level and elements of remuneration for each chief officer; (b) remuneration of chief officers on recruitment; (c) increases and additions to remuneration for each chief officer; (d) the use of performance-related pay for chief officers; (e) the use of bonuses for chief officers; (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority; and (g) the publication of and access to information relating to remuneration of chief officers.

The term 'chief officer' is defined by section 43(2) of the Localism Act 2011 and for these purposes includes the statutory chief officers, non-statutory chief officers and deputy chief officers as listed within that Act.

The Council's pay policy statement may also set out its policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

When preparing and adopting its pay policy statement, the Council must have regard to guidance issued by the Secretary of State under section 40

of the Localism Act 2011. The Secretary of State has issued two sets of guidance. The first, issued in February 2012, is entitled “Openness and Accountability in Local Pay”. The second, supplementary guidance was published in February 2013. Reference is made to the requirements of the guidance in the body of the paper.

The guidance makes it clear that neither the pay accountability provisions in the Localism Act 2011 nor the guidance are intended to –

- supersede the Council’s existing responsibilities and duties which it has as an employer;
- remove the Council’s autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers; or
- determine the Council’s policies or decisions on pay.

The Council remains bound by relevant employment (and other) legislation as the employer and any changes which may be proposed by the policy must bear in mind the requirements of such legislation.

A purpose of the Act and guidance is to require that the Members’ role in ensuring that the remuneration, particularly that of the most senior staff, is appropriate and commensurate with their responsibility.

The Council can amend the pay policy on an annual basis as required by the Act but may also amend the policy as needed to take into account changing legislative requirements.

When considering its pay policy statement, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don’t (the public sector equality duty). A proportionate equality analysis is referenced below in order to support consideration of these matters.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

There are not any resource implications arising from this report.

7.0 RELEVANT RISKS

The Council is required to prepare and approve its Pay Policy Statement 2018/19 before 31 March 2018. The Council will be at risk of not meeting the requirements of The Localism Act 2011 if this is not achieved.

8.0 ENGAGEMENT/CONSULTATION

The Trade Unions have been consulted on the key updates and changes for the 2018/19 Pay Policy.

9.0 EQUALITY IMPLICATIONS

The EIA is available at:

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017>

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APPENDICES

Appendix One: The Pay Policy Statement 2018-19

REFERENCE MATERIAL

N/A

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Council	20 March 2017
Council	14 March 2016
Council	12 March 2015
Council	10 March 2014
Council	5 March 2013
Council	1 March 2012