

Employment and Appointments Committee

5 March 2019

REPORT TITLE	PAY POLICY STATEMENT 2019-2020
REPORT OF	DIRECTOR OF CHANGE AND ORGANISATIONAL DESIGN

1.0 REPORT SUMMARY

- 1.1 In line with the Localism Act 2011 (the Act), the purpose of the Council's Pay Policy is to provide transparency with regard to the Council's approach to setting pay by identifying:
- The methods by which salaries of all employees are determined;
 - The detail and level of the salary package of its most senior staff;
 - The Head of Paid Service responsibility for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to Full Council.

2.0 RECOMMENDATION/S

- 2.1 The Employment and Appointments Committee are asked to:
- Agree the introduction of the National Joint Council (NJC) redesigned pay spine which includes the National Living Wage rate of £9 per hour, effective from 1 April 2019.
 - Recommend the approval of the Pay Policy Statement for the financial year 2019/20 to Full Council.

3.0 REASON/S FOR RECOMMENDATION/S

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

4.0 OTHER OPTIONS CONSIDERED

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

5.0 BACKGROUND INFORMATION

- 5.1 The draft pay policy statement details the Council's current arrangements, using the definitions contained in the Localism Act and associated guidance.
- 5.2 The Act also requires the Council to have regard to statutory guidance entitled 'Openness and accountability in local pay' under the Transparency Agenda.

5.3 **Key Changes**

The 2019/20 statement reflects key changes and updates that have occurred within the last financial year as follows:

5.4 **The Living Wage**

A new Foundation Living Wage rate was announced by The Living Wage Foundation on 1 November 2018. The new Living Wage rate is £9 per hour, an increase of 25p.

5.5 The Council uses the National Joint Council (NJC) nationally negotiated pay spine as the basis for its pay structure. This has been redesigned with effect from 1 April 2019. The Council has assimilated the redesigned spinal points in consultation with the trade unions.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The cost of implementing the redesigned pay spine (effective 1 April 2019) and associated assimilation is approximately £3.2M including on-costs. This will be built into departmental budgets under the provision for pay growth.

7.0 **LEGAL IMPLICATIONS**

7.1 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.

7.2 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.

7.3 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.

- 7.4 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.
- 7.5 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.
- 7.6 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.
- 7.7 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.

8.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 8.1 None.

9.0 RELEVANT RISKS

- 9.1 The Council is required to prepare and approve its Pay Policy Statement 2019/2020 before 31 March 2019. The Council will be at risk of not meeting the requirements of The Localism Act 2011 if this is not achieved.

10.0 ENGAGEMENT/CONSULTATION

- 10.1 The Trade Unions have been consulted on the key updates and changes for the 2019/2020 Pay Policy.

11.0 EQUALITY IMPLICATIONS

- 11.1 The Council operates all pay arrangements within the requirements of the Equality Act 2010. All pay arrangements are regularly reviewed and assessed to identify any equality issues (See separate reports on this agenda). A specific EIA was produced and shared with trade unions relating to the implementation of NJC pay award for 2019/20.

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APPENDICES

- 1) The Pay Policy Statement 2019-2020