



PAPER B

Purpose: For Decision

Committee report

Committee	FULL COUNCIL
Date	16 MARCH 2016
Title	PAY POLICY
Report of	LEADER OF THE COUNCIL

EXECUTIVE SUMMARY

1. The Employment Committee at its meeting of 7 March 2016 considered and approved further proposed amendments to the council's current pay policy, previously approved by Full Council at its meeting of 1 April 2015, for the forthcoming period 1 April 2016 to 31 March 2017. This was to ensure that the pay policy reflected the changes made following completion of the job evaluation project and subsequent introduction of a new pay structure effective from 1 July 2015 with references to the old scales now being removed. Reference has also been included in the pay policy about the proposal to place a cap of £95,000 on the amount of money that certain public sector employees will be able to receive if they are made redundant as well as the government's draft regulations to implement plans for the recovery of public sector exit payments, where high earners return to the public sector within 12 months of receiving such a payment.
2. This report therefore recommends that Full Council accepts the recommendation from Employment Committee for its adoption with immediate effect.

BACKGROUND

3. The Localism Act 2011 at Chapter 20, part 1 and Chapter 8, sets out the requirement for the local authority to prepare a pay policy statement which is updated and approved each financial year. The Openness and Accountability in Local Pay: Guidance, under section 40 of the Localism Act also sets out the expected content of the document. The first statement was introduced with effect from 1 April 2012.
4. Since Full Council's meeting of 1 April 2015, further revisions to the pay policy document are proposed as set out below:
 - Paragraph 5.4 – minor changes to reflect the staff pay award.

- New paragraph 5.6 to cover the recovery of exit payments on return to any public sector body.
- Paragraph 5.10, 5.12 and 5.17 – minor updates to reflect the current mileage rates, increases in car parking charges and contribution rate pay bands for pensions.
- Section 8 relating to pay arrangements up to chief executive level and section 9 pay arrangements - chief officers; both updated to reflect the fact that the new pay structure was introduced on 1 July 2015 following the conclusion of the job evaluation project.
- Paragraph 9.4 - pay ratios and Appendix A of the pay policy updated to reflect the staff pay award.
- Appendix A of the pay policy – provides details on the current pay structure.
- Appendix C of the pay policy revised to reflect current number of permanent full time equivalent posts by grade.

STRATEGIC CONTEXT

5. The Localism Act 2011 sets out the statutory requirement for a local authority to establish publish and annually review a pay policy, which is approved by Full Council. Central government's transparency agenda also sets out clear expectations of local authorities to demonstrate their accountability to the local community. In addition, a key component of the council's pay policy is a commitment to equal pay for equal work for all employees and to seek to eliminate any bias in our pay systems. In order to maintain this commitment, a new pay structure was introduced last year following the job evaluation scheme review. The production and publication of the pay policy document clearly underpins the delivery of all council priorities.

CONSULTATION

6. No formal consultation is required for the pay policy as this is a document that contains all the necessary information on the council's terms and conditions of employment and addresses the statutory requirements of the Localism Act. Members of the Employment Committee considered the proposed amendments at their meeting of 7 March 2016, recommending to Full Council that the revised policy be adopted in readiness for approval by the required deadline of 1 April 2016. Further specific amendments as set out at paragraph 4 of this report are now recommended by Employment Committee for agreeing and subsequent consideration and adoption by Full Council.

FINANCIAL / BUDGET IMPLICATIONS

7. There are no direct budgetary implications arising from this report, although it is necessary to highlight that the pay policy will serve to ensure that any proposed changes to staffing are made within agreed budgetary parameters

and available resources. Benchmarking is a crucial element of ongoing monitoring and review to both demonstrate cost effectiveness against other like-for-like employers as well as to maintain competitiveness within the employment market so as to avoid recruitment and retention difficulties in key posts.

LEGAL IMPLICATIONS

8. Section 38 of the Localism Act sets out the statutory requirements of what is to be included within a pay policy statement each financial year. The statement must set out an authority's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. Section 39 sets out the requirement for a local authority's pay policy statement to be approved by a resolution of the authority (through Full Council) before it comes into force and this must be completed by 31 March immediately preceding the financial year to which it relates. This must be followed by publication on the authority's website.

EQUALITY AND DIVERSITY

9. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
10. In addition, the council is required to have due regard to its equality duties when making decisions, reviewing services, undertaking projects, developing and reviewing policies. An equality impact assessment was undertaken and offered for consideration by all relevant parties together with recognised trade unions as part of the consultation undertaken for policy introduction in 2012 and has been further reviewed as a component of these further policy revisions in order to ensure that it remains current. No issues were raised or identified as part of this process. Any changes to the terms and conditions of employment contained within the pay policy document will have an appropriate equality impact assessment undertaken at the time, together with consultation with recognised trade unions and other staff representatives prior to the amendment of the pay policy document.

OPTIONS

11. Option 1: To accept the Employment Committee's recommendation for the adoption of the updated pay policy statement for 2016/17.
12. Option 2: Not to accept the Employment Committee's recommendation for the adoption of the updated pay policy statement for 2016/17 and refer for further consideration.

RISK MANAGEMENT

13. The proposed pay policy statement revisions sets out a clear framework through which pay spending decisions are taken. There has and continues to be much media interest in council spending and there is the potential for considerable reputational damage should it not be possible for the council to justify its decision making processes with regards to pay. In addition, there is now a statutory requirement for the publication of a pay policy statement and a failure to do so within the required timescale of by no later than 1 April each year, could lead to potential prosecution and the resulting potential costs. However, it is also within the context of the council's commitment to public accountability and transparency in which it is considered that such a policy approach would serve to improve confidence in the council's governance arrangements.

EVALUATION

14. There is a continued legislative requirement under the Localism Act 2011 to establish and publish a pay policy statement which is approved by Full Council each year before the 31 March immediately preceding the year to which it relates. Further revisions have been made to reflect the up to date position with regards to the council's pay and reward arrangements. In addition to the statutory guidance, consideration has also been given to the inclusion of detail relating to pay and reward for the whole workforce to offer greater openness and transparency in pay related decisions.

RECOMMENDATION

15. Option 1: To accept the Employment Committee's recommendation for the adoption of the updated pay policy statement for 2016/17.

APPENDICES ATTACHED

16. [Appendix A](#): Pay Policy.

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