



## Committee report

Committee	<b>FULL COUNCIL</b>
Date	<b>16 JANUARY 2018</b>
Title	<b>PAY POLICY</b>
Report of	<b>DEPURY LEADER AND CABINET MEMBER FOR RESOURCES</b>

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### EXECUTIVE SUMMARY

1. The pay policy is updated on an annual basis to reflect any changes in the pay and conditions of Council staff. The purpose of the policy is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of our workforce and in doing so will also meet the requirements of Section 38 of The Localism Act 2011, which requires local authorities to publish a pay policy statement which has to be adopted by Full Council by 31 March each year immediately preceding the financial year to which it relates. This policy sets out the council's approach to the pay of its workforce for the financial year 1 April 2019 to 31 March 2020.
  
2. The council's current pay policy, approved by Full Council at its meeting of 24 March 2018 has been updated to reflect changes in the council's arrangements during the intervening period. The proposed amendments have been included in the revised document shown at Appendix A to this report. Full Council is now being asked to approve the revised pay policy for the period 2019/20, prior to its publication. The amendments since the last pay policy are as follows:
  - a. 3.1- clarity regarding the Living Wage Foundation
  - b. 5.4-explanation that the pay award has been set nationally for 2019- 2020 but the reflection of this in the 2019-2020 Council pay grades are being discussed with the Unions but have not been finalised at the time of this report.
  - c. 5.11-Clarity of when mileage claims can be made in line with agile working.
  - d. 5.12- There is an amendment to reflect the change in parking at County Hall from next February to a maximum of four hours.
  - e. 5.14- there is an amendment to confirm that the re-engagement policy has been updated to allow limited re-engagement in extenuating circumstances.
  - f. 6.1-there is an amendment to confirm that tax free childcare is now in force.
  - g. 9.1-provides the new pay ratios
  - h. Appendix A will be updated as soon as possible to provide the revised pay

scales in accordance with the national pay award and consultation with the recognised unions is ongoing and likely to be agreed in principle shortly pending a collective agreement.

- i. Appendix F of the pay policy has been revised to reflect current number of permanent full time equivalent posts by grade.
3. The outcome of the recommendation will be to support the pay policy as drafted.

## BACKGROUND

4. The Localism Act 2011 at Chapter 20, part 1 and Chapter 8, sets out the requirement to publish a pay policy each year.

## 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. The production and publication of the pay policy document clearly underpins the delivery of all council priorities.

## CONSULTATION

6. The draft report this year has no substantial changes but proposed amendments have been made available for consideration by the council's recognised trade unions. 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.

## 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 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. Under the Equality Act 2010 we are required to have due regard to our 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 This revised pay policy does not negatively impact on any protected characteristic and there are no substantive changes since the last pay policy and therefore no further equality impact has been drafted.

## OPTIONS

11. (i) To adopt the pay policy as drafted
- (ii) To reject the pay policy as drafted and refer back to officers for further consideration.

## RISK MANAGEMENT

12. The proposed revised pay policy statement sets out a clear framework through which pay spending decisions are taken. The proposed revisions serve to ensure that all relevant aspects of terms and conditions are up to date and accurate for the public record. All changes to terms and conditions are subject to formal procedural processes and after due consultation with the council's recognised trade unions. There are no substantive changes to any terms and conditions proposed within this report.
13. 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 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 serves to improve confidence in the council's governance arrangements.

14. This pay policy has no substantial changes since the last one approved in March 2018 and the staff pay is in line with the nationally agreed pay award. There are therefore not believed to be any significant risks.

### EVALUATION

15. 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.
16. The pay policy can be adopted as drafted or rejected. There is no significant change from the previous version; the pay award for 2019 was agreed nationally as part of a two year pay award which the Council were aware of and therefore could budget for last year. It is therefore affordable and there are no risks associated with the option.

### RECOMMENDATION

17. That the pay policy is adopted as drafted.

### APPENDICES ATTACHED

18. [Draft 2019 Pay policy is attached as Appendix A.](#)

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