



Purpose: For Decision

Committee report

Committee	FULL COUNCIL
Date	20 JANUARY 2021
Title	PAY POLICY
Report of	CABINET MEMBER FOR CORPORATE RESOURCES

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 2021 to 31 March 2022.
2. Full Council is now being asked to approve the revised pay policy for the period 2021/22, prior to its publication. The amendments since the last pay policy are as follows:
 - a) 5.4 - Explanation that the pay award for 2021-2022 has not yet been agreed nationally so the pay within the pay policy reflects the application of a pay award of 2.75% that has been paid as of April 2020.
 - b) 5.12 - There is an amendment to reflect the changes the changes in charges for car parking at work from January 2021.
 - c) 5.17 - Amendments to employee contribution bands to the Local Government Pension Scheme.
 - d) 6.5 - Updates clarifying the new learning and development hub which is the new system of learning within the council.
 - e) 9.1 - updated to provide the new pay ratios and gender pay gap information, which is the difference between male and female pay which needs to be reported annually.

- f) 11.2 - showing updates to severance payments following legislative changes.
 - g) Appendix A -showing the current pay rates following the nationally agreed pay inflation.
 - h) Appendix F of the pay policy has been revised to reflect the make-up of the workforce showing the 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. The council in line with their statutory requirements has undertaken an annual review since its introduction. The document provides a comprehensive overview of all the relevant terms and conditions applied to pay and remuneration and ensures that there is transparency in our approach. The council's current pay policy approved by Full Council at its meeting of 26 February 2020 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.

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 will be 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.
 - a) To adopt the pay policy as drafted
 - b) 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 and other aspects of remuneration. 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 to the pay policy since the last one was approved in March 2020 and the staff pay is in line with the nationally agreed pay award. The council continues to operate within the parameters set out by its contents and as such it is not considered that there are any identifiable risks to the council in its undertaking?

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 2020 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. As stated above, the 2021 pay award has not yet been agreed nationally. This is a well-established policy and is reviewed and refreshed in line with legislative requirements on an annual basis to ensure it remains fit for purpose and is updated with any changes that have taken place. It provides a solid and transparent framework through which the council can undertake its decision making with regards to the pay and remuneration of its workforce.

RECOMMENDATION

- a) That the pay policy is adopted as drafted.

APPENDICES ATTACHED

Draft 2021 Pay policy is attached as Appendix A.

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