

POLICY & FINANCE COMMITTEE
21 FEBRUARY 2019

PAY POLICY STATEMENT 2019/20

1.0 Purpose of Report

1.1 To review the content of the 2019/20 Pay Policy Statement (which reflects the known position as at 31 January 2019) and subject to any necessary revisions recommend the same to Council for approval.

2.0 Background Information

2.1 In accordance with Section 38 (1) of the Localism Act 2011, Newark and Sherwood District Council along with all other English and Welsh local authorities were required to produce a Pay Policy Statement for 2012/13 and for each financial year thereafter. In complying with the duties in respect of pay accountability the Council must have regard to any guidance issued or approved by the Secretary of State in summary:

2.1.1 A Pay Policy Statement for a financial year must set out the authority's policies for the financial year relating to:

- the remuneration of the authority's lowest-paid employees (together with a definition of "lowest-paid employees") and the reasons for adopting that definition;
- the relationship between remuneration of Chief Officers and that of other officers (pay multiples); and
- the remuneration of Chief Officers.

2.1.2 The statement should also set out the authority's policies for the financial year relating to:

- a) the levels 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 each Chief Officer;
- e) the use of bonuses for each Chief Officer;
- 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.

2.1.3 The term 'remuneration' covers:

- a) the salary or the amount payable in the case of Chief Officers engaged by the authority under a contract for services;
- b) payments made by the authority to the Chief Officers for those services;
- c) any bonuses payable by the authority to Chief Officers;
- d) any charges, fees or allowances payable by the authority to Chief Officers;
- e) any benefits in kind to which the Chief Officers are entitled as a result of their office or employment;
- f) any increase in or enhancement of the Chief Officer's pension entitlement where the increase or enhancement is as a result of a resolution of the authority; and

g) any amounts payable by the authority to the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the authority other than amounts that may be payable by virtue of any enactment.

2.2 Existing legislation already required the Council to publish statements relating to certain elements of officer remuneration, details of which are set out below:

- regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 requires an authority to formulate, review and publish its policy on making discretionary payments on early termination of employment;
- regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 requires the Council to publish its policy on increasing an employee's total pension scheme membership and on awarding additional pension.

Appropriate links to published policies and information are included within the Pay Policy Statement.

2.3 The Transparency Code also carries specific legal requirements to publish pay multiples, a list of employees with remuneration above £50k (in brackets of £5k), names of employees earning in excess of £150k and a chart for the top 3 tiers of the organisation which includes details regarding levels of responsibility for people/budgets and services.

2.4 Guidance issued by the Department for Communities and Local Government (DCLG) during 2013/2014 set out the arrangements for approval of severance packages in excess of £100,000. The 2014/2015 pay policy statement adopted by the Council included arrangements for approving severance packages over £75,000 and arrangements for delegation regarding Settlement Agreements.

2.5 The DCLG also issued guidance during March 2015 regarding the use of severance agreements and 'off payroll' arrangements. Following receipt of the guidance the policy was updated to include a specific paragraph around the use of 'off payroll' arrangements.

3.0 Proposals

3.1 Update regarding Pay and Grading Arrangements 2019 for employees engaged on NJC terms and conditions of service

3.1.1 Members received an update in relation to costs associated with implementing the preferred pay and grading arrangements at their meeting in November to approve additions to the budget prior to the commencement of formal consultations/negotiations with the recognised Trades Unions.

3.1.2 Consultations/negotiations with the recognised Trades Unions commenced on the 6th December 2018. The Council have been in regular dialogue with the trades unions since that time. Official sign off regarding the proposals have now been received from Unison (8th January) and GMB (23rd January). The proposals represent the most cost effective solution for the Council. Details of the same will be included as a link in the revised PPS.

3.2 Summary of Changes to the 2019/20 Pay Policy Statement

3.2.1 A summary of the changes to the pay policy statement for 2019/20 are included below:

The statement has been updated to:

- include a link to the new pay and grading arrangements for officers engaged on NJC terms to reflect the nationally agreed scale points negotiated as part of the two year settlement (paragraph 3.1.2 refers);
- include amendments to the paragraph on Living Wage given that the Council will be paying an amount equivalent to the Living Wage (£9.00 agreed during November 2018) as part of its substantive pay and grading arrangements following implementation of the revised pay scale;
- reflect revisions to the management structure arising from the recent restructure.

3.2.2 Please note that the employers' side have not yet received requests from the Trades Union (TU) representing Chief Executives or Chief Officers engaged on JNC terms and therefore the salary scales for these posts are subject to amendment following the conclusion of negotiations around pay.

3.3 Legislative Updates

3.3.1 Members will recall having received updates in relation the Exit Payment Recovery Regulations and the Public Sector Exit Payment Cap in previous years. Further updates are awaited in respect of how and when these will be implemented and the Council will continue to monitor the position to ensure that the statement is updated as necessary once the final regulations/associated guidance documents are published.

3.4 Current Status

3.4.1 A copy of the full Pay Policy Statement including transitional arrangements has been appended to this report for review (refer to **Appendix A**). Members should note that where the appendices refer to links to other policy documents these will be included once the Pay Policy Statement is published on the Council's website. These policy documents can however be accessed by referring to the current Pay Policy Statement (on the Council's website) which contains the live links.

4.0 Equalities Implications

4.1 This policy has been developed with due regard and consideration for other policies, procedures and agreements currently in operation within the Council and follows the completion of an equality impact assessment, details of which are held in Human Resources. Given that the changes proposed to the policy are fairly minimal no adverse implications have been noted.

5.0 Impact on Budget/Policy Framework

5.1 The financial effects of the pay policy are reflected in the Council's budget to be presented to the Policy and Finance Committee on the 21st February 2019.

6.0 RECOMMENDATION

To review the content of the Pay Policy Statement for 2019/20 and subject, to any amendments, recommend the same to Council for approval.

Reasons for Recommendation

To comply with Section 38 (1) of the Localism Act 2011.

Background Papers

Localism Act 2011

The Code of Recommended Practice for Local Authorities on Data Transparency

Localism Act: Openness and accountability in local pay: Guidance under section 40 of the Localism Act. February 2012

Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act 2011 – Supplementary Guidance. February 2013

Local Government Transparency Code 2014

DCLG – Use of severance agreements and off payroll arrangements. March 2015

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