

Cabinet

22 February 2017



Title	Pay Policy Statement for 2017-18		
Purpose of the report	To make a recommendation to Council		
Report Author	Debbie O'Sullivan, Human Resources Manager		
Cabinet Member	Councillor Tony Mitchell	Confidential	No
Corporate Priority	This item is not in the current list of Corporate priorities but still requires a Cabinet decision		
Recommendations	The Cabinet is asked to recommend to Council that: 1. the Pay Policy Statement for 2017-18 is approved; and 2. the amendments to the Pensions Policy Statement are approved.		
Reason for Recommendation	Pay Policy Statement must be agreed by full Council and be published by 31 March each year. The Pensions Policy Statement is an appendix to the Pay Policy Statement		

1. Key issues

- 1.1 Local authorities are required to publish an annual pay policy statement to increase transparency regarding the use of public funds to pay council staff. This requirement was set out in the Localism Act 2011 with guidance on items to be included issued by the Secretary of State for Communities and Local Government.
- 1.2 Pay Policy Statements must be agreed by full Council and be published by 31 March each year to apply to pay decisions during the next financial year.
- 1.3 The Pay Policy Statement must set out the Council's policies on a range of issues relating to the pay of its workforce, particularly its senior staff and the lowest paid employees. The statement must set out the policies for the financial year relating to:
 - Remuneration of its Chief Officers
 - Remuneration of its lowest paid employees
 - The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers

- The publication of and access to information relating to remuneration of Chief Officers.
- 1.4 The term 'Chief Officer' in this context is as set out in the Local Government and Housing Act 1989 ('the Act') and includes
- The Head of Paid Service (the Chief Executive)
 - The Monitoring Officer
 - Statutory and non-statutory Chief Officers under section 2 of the Act
 - A deputy Chief Officer mentioned in section 2 of the Act

This is a wider definition than is usually understood by the term: in other contexts the term Chief Officer at Spelthorne is used to mean posts on Management Team (Chief Executive and Deputy Chief Executives only).

- 1.5 It is up to the Council to determine who its lowest paid employees are but they must give reasons as to why they have defined them as such. At Spelthorne the lowest paid employees are those in jobs paid at the lowest grade.

- 1.6 The term 'remuneration' is defined as follows:

- The Chief Officer's salary
- Any bonuses payable
- Any charges, fees or allowances payable by the Council to the Chief Officer
- Any benefits in kind to which the Chief Officer is entitled as a result of their office or employment
- Any increase in or enhancement of the Chief Officer's pension entitlement where the increase or enhancement is as a result of the resolution of the Council
- Any amounts payable by the Council to the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the Council other than amounts that may be payable by virtue of any enactment.

- 1.7 The statement must be approved by a resolution of Council before it comes into force. It can be amended by resolution after the financial year is underway but, if it is amended, it must be published on the Council's website.

- 1.8 The 2016/17 Pay Policy Statement reflects Spelthorne's current arrangement of applying the national pay awards as agreed by the National Joint Council for Local Government Services. For the 2017/18 Pay Policy Statement it is understood consideration is being given to reinstating the Spelthorne Pay Award and the following amendment to clauses 3.2, 3.6 and 4.4 is suggested to reflect this:

Pay awards are considered annually for staff. Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies (the JNC for Chief Executives for the Chief Executive, the JNC for Chief Officers for Deputy Chief Executives, Group Heads and Deputy Group Heads, the NJC for Local Authorities Services for all other staff).

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Award above the national pay award. A national pay award was agreed for 2016/17 and 2017/18 which will apply.

- 1.9 It is suggested that for 2017/18 any Spelthorne Pay Award takes into account the increases over 1% for scale points 6 to 17 (3.4% to 1.3%) and to maintain internal relativities, a Spelthorne Pay Award is not applied to these scale points for 2017/18 save where the percentage increase is less than the headline national pay award plus any Spelthorne Pay Award.
- 1.10 It is proposed that from 2018/19 onwards Spelthorne moves to local pay with future pay awards being no less than the headline national pay award with flexibility to be cognisant of the overall pay bill rather than individual percentages. Therefore, this may not include adjustments that are nationally agreed for specific scale points, for example, for the National Living Wage. This is to cover all staff including senior staff on JNC terms.
- 1.11 It is proposed to adopt the process of consult then determine with pay becoming a continuous agenda item on the Chief Executive/UNISON meetings. This would be applicable for any Spelthorne Pay Award that is applied in 2017/18. To allow for this process any Spelthorne Pay Award above the 2017/18 national pay award may need to be backdated to April 2017.
- 1.12 The 2018/19 Pay Policy will require further amendment to reflect clauses 1.10 and 1.11 above.
- 1.13 Appendix 3 of the Pay Policy Statement, the Pensions Policy Statement requires amendment to reflect the new structure following the TaSF restructure. The following amendment is suggested to Regulation 30 (6) Flexible retirement – delegation amended to:
- Management Team for cases up to **Group Head** *remove “Head of Service 1 (i.e. heads of service whose personal salary range does not extend to the maximum of the head of service salary scale).”*
- The Cabinet for members of Management Team *remove “and heads of service above salary level Head of Service 1 (i.e. those heads of service whose personal salary range extends to the maximum of the head of service salary scale).”*
- 1.14 It is suggested that clause 3.5 of the Pay Policy Statement be amended to incorporate market supplements
- 1.13 There has been no further guidance from the Secretary of State this financial year.

2. Options analysis and proposal

- 2.1 The draft Pay Policy Statement for 2017/18 is in the **Appendix**. It is proposed that the Council resolves to approve the Pay Policy Statement for 2017/18.
- 2.2 No options as the Pay Policy Statement for 2017/18 must be published by 31 March 2017.

3. Financial implications

- 3.1 No direct financial implications. All pay decisions in the year must be in accordance with the published pay policy statement.

4. Other considerations

- 4.1 Spelthorne is required to approve and publish a pay policy statement annually. The Council is an individual employer in its own right and has autonomy on pay elements that are appropriate to local circumstances. The provisions in the Localism Act and the guidance do not seek to change this or to determine what decisions on pay should be taken or what policies individual employing authorities should have in place. Rather, the provisions require that authorities are more open about their own local policies and how their local decisions are made.
- 4.2 Arrangements for pay and employment must comply with relevant UK employment legislation, the Council's agreed Standing Orders, policies, procedures and arrangements, staff terms and conditions of employment and the regulations of the Local Government Pension Scheme. Arrangements for compensation for loss of office must comply with the Council's Discretionary Payments Policy.
- 4.3 It is anticipated (LGA Advisory Bulletin dated November 2016) that the statutory exit payments reforms will be implemented in Spring 2017. Spelthorne must comply with these regulations within the Council's Discretionary Payments Policy.
- 4.4 The matters contained in the Pay Policy Statement include arrangements which are part of the contractual terms and conditions of employment, which cannot be changed without prior consultation.
- 4.5 Since February 2015 there is also a requirement to publish other information on senior salaries/posts following the government's publication of the Local Government Transparency Code 2014. This information is published on the council's website alongside the Pay Policy Statement and is updated annually.

5. Timetable for implementation

- 5.1 The Pay Policy Statement for the 2017/18 financial year must be agreed by Council by 31 March 2017 and be published on the website. All pay decisions in the year will be in accordance with the published pay policy statement and any agreed amendments.

Background papers: There are none.

Appendices:

Pay Policy Statement 2017/18

Appendix to the Pay Policy Statement – Discretionary Compensation Policy

Appendix to the Pay Policy Statement – Pensions Policy