

COUNCIL

12 March 2018

PAY POLICY 2018-19

Report of the Chief Executive

Strategic Aim:	Sound Financial and Workforce Planning	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Resources (other than Finance and Communications)	
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Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Council:

1. Approves the updated Pay Policy for 2018-19
2. Notes that the policy reflects salary levels as at 2017-18 pending the outcome of national pay negotiations for 2018-19 and that the Pay Policy Statement will be updated once the outcome is known
3. Approves the proposal to put in place the provision to withhold pay increment progression until the employee satisfactorily completes their probation.

1 PURPOSE OF THE REPORT

- 1.1 Section 38 to 43 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year in relation to:

- The remuneration of the most senior employees (which the Act defines as the Head of Paid Service (Chief Executive), the Monitoring Officer, the Chief Officers (or Directors), and the Deputy Chief Officers (i.e. managers who report directly to a Director));
 - The remuneration of their lowest-paid employees; and
 - The relationship between the remuneration of the most senior employees and that of other employees.
- 1.2 The Secretary of State has produced guidance on the Act's provisions relating to openness and accountability in local pay, which local authorities must have regard to in preparing and approving their annual pay policy statements and the Council's statement takes full account of this guidance to date as well as the provisions of the Act.
- 1.3 The Council separately publishes data that it is required to do so under the Local Government Transparency Code 2014.

2 UPDATED POLICY FOR 2018-19

- 2.1 At the time of producing the 2018-2019 Pay Policy Statement, the Council was awaiting the outcome of national pay negotiations. At the time of writing, the most recent proposal submitted by National Employers to the Union side included a two year deal representing 1 April 2018 to 31 March 2020, comprising:
- 2.1.1 Year 1 - A flat rate percentage of 2% increase with some 'bottom loading' on lower spinal column points to continue to close the gap with the National Living Wage.
- 2.1.2 Year 2:
- A variation to the lower spinal column points (merging 12 points into 6 new points) in order to deal with the compacting of differentials at the lower end of the spine
 - 'Evening' out current random gaps between pay points and having even increments of 2% between existing points 6 and 28
 - A flat rate increase of 2% from the new point 23 onwards.
- 2.2 The Council will implement the pay award when advised for all affected staff, in accordance with the Council's pay scales being aligned to the National Joint Council for Local Government.
- 2.3 The tables and schedules within the Pay Policy Statement will therefore be updated to reflect corresponding amendments to:
- a) Para 3.2 Chief Executive Pay
 - b) Para 9.0 Pay Multipliers

c) Appendices – updated pay ranges for 2018-19

- 2.4 The Council has provision within the pay policy to withhold the annual April increment if the post holder is subject to formal capability or disciplinary. It is proposed that this be extended to include withholding incremental progression for employees who have had their probationary period extended pending further improvement and development to achieve standards and targets.
- 2.5 The use of Market Supplements have continued to be an effective tool, particularly within our Social Care teams (qualified social workers in Adult's and Children's) where national recruitment and retention challenges are well documented. Consequently we have seen a further reduction in the number of Agency/interim workers and a slowing down of our turnover as follows:
- Reduction by 50% in the number of agency cover in social care posts between 1 April 2017 and March 2018
 - Estimated turnover for 2017-18 of 15% compared to 18% for 2016-17.
- 2.6 Gender Pay Gap reporting legislation requires employers with 250 + employees to publish statutory calculations each year. The Gender Pay Gap is the difference between the average earnings of men and women, expressed relative to men's earnings. This is not to be confused with equal pay which is the right for men and women to be paid the same rate when doing the same or equivalent work. After the publication date (31 March 2018) we will be able to access comparator data to other local authorities and this will form part of our commentary to support our data which will be presented to Employment and Appeals Committee for further discussion later in the year.

3 CONSULTATION

- 3.1 There are no further consultation requirements in respect of the Pay Policy Statement. Consultation and negotiation takes places nationally with the National Employers and Trade Unions in respect of the national pay award for employees on National Joint Council terms and conditions of employment.

3.2 ALTERNATIVE OPTIONS

- 3.3 The Council is required to publish a Pay Policy in accordance with the Localism Act.
- 3.4 The Council adopts the national framework, terms and conditions and pay bargaining associated with the National Joint Council and we are therefore contractually required to implement the national pay award.

4 FINANCIAL IMPLICATIONS

- 4.1 Based on the assumption/proposal in paragraphs 2.1.1 and 2.1.2 the Council has undertaken some initial modelling to assess the financial impact. The

estimated cost for the Council for 2018/19 will be c. £370k of which £283k relates directly to the pay award and the remainder to the subsequent increase in national insurance and superannuation contributions. The budget for 2018/19 includes an amount to cover the estimated cost.

4.2 There are no other financial implications arising directly from this report.

5 LEGAL AND GOVERNANCE CONSIDERATIONS

5.1 The information in the Pay Policy statement requires approval by Full Council in order that it can be published. This is a requirement under the Localism Act.

5.2 The Council must have regard to the guidance issues by the Secretary of State under Section 40 of the Localism Act.

6 EQUALITY IMPACT ASSESSMENT

6.1 An Equality Impact Assessment (EqIA) has been completed. No adverse or other significant issues were found. A copy of the EqIA can be obtained from the report authors.

7 COMMUNITY SAFETY IMPLICATIONS

7.1 There are no Community Safety implications arising from this report.

8 HEALTH AND WELLBEING IMPLICATIONS

8.1 There are no Health and Wellbeing implications arising from this report.

9 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

9.1 A Pay Policy statement ensures the Council is compliant with the Localism Act but also that it has a clear framework and structure that describes how we pay our staff and the mechanisms we use – this ensures transparency and fairness.

10 BACKGROUND PAPERS

10.1 There are no additional background papers to the report.

11 APPENDICES

Appendix A – Pay Policy Statement 2018/19

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.