

COUNTY COUNCIL

Date of Meeting	Tuesday, 19 th November 2019
Report Subject	Amended Pay Policy Statement for 2019/20
Report Author	Chief Executive and Senior Manager, Human Resources and Organisational Development

EXECUTIVE SUMMARY

All local authorities are required to publish an annual Pay Policy Statement.

The Pay Policy presented within this report is an amended version of the seventh annual statement approved by Council in January 2019.

It has been necessary to update the pay policy to reflect the changes to pay for a large proportion of the workforce as a result of a pay modelling exercise undertaken to accommodate Year Two (2019) of the NJC pay agreement.

We are reporting the updated Annual Pay Policy earlier than usual as we expect no further changes.

RECOMMENDATIONS

1	That County Council approves the appended Updated Pay Policy Statement for 2019/20.
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REPORT DETAILS

1.00	PAY POLICY STATEMENTS
1.01	Under the Localism Act 2011 local authorities are required to publish an annual Pay Policy Statement. A Pay Policy Statement should include:

	<ul style="list-style-type: none"> • the local authority's policy on the level and elements of remuneration for each chief officer; • the policy on the remuneration of its lowest-paid employees - together with its definition of lowest-paid employees and the reasons for adopting that definition; • the policy on the relationship between the remuneration of its chief officers and other officers; and • the policy on other specific aspects of chief officers' remuneration such as recruitment, pay increases, the use of performance related pay and bonuses, termination payments, and pay transparency.
1.02	The Council's current Pay Policy Statement was approved by Council on 29 January 2019.
1.03	Year Two (2019) of the NJC pay agreement provided for the introduction of a 'new' pay spine with assimilation to newly created spinal column points. The agreement introduces far greater change than a simple cost of living monetary award. If the Council were to implement the second year of the two year NJC pay agreement as per the national model on a straight like for like 'read across' our pay model would be disrupted to such an extent that it would no longer meet our organisational design and pay policy principles, and might also be open to challenge on the grounds of gender inequality. Therefore, our pay model has been fundamentally reviewed to accommodate the national pay agreement.
1.04	<p>In January 2019 Cabinet invited the Chief Executive to conclude negotiations with the Trade Unions and agree and implement a revised pay model using his delegated powers provided that:-</p> <p>(a) the new pay model meets the of being legal and equitable, workable and sustainable, acceptable and affordable;</p> <p>(b) the new pay model passes an independent Equality Impact Assessment; and</p> <p>(c) the recurring base cost does not exceed the provision within the draft 2019/20 budget by a tolerance greater than 5%.</p> <p>Local agreement was reached on the preferred model in March 2019. The overall outcome of the new model, not only results in the implementation the new national pay spine provided for as part of the two year agreement, but achieves a smoothed pay spine, addresses pay parity and addresses the gap between our Greater London Provincial Council (GLPC) core pay and Hay senior pay scales.</p>
1.05	A copy of the agreed pay model is attached at Appendix B.
1.06	<p>The new pay model has passed the tests of being legal and equitable, workable and sustainable, acceptable and affordable.</p> <p>Initial communications to employees were circulated 19 March 2019. It has been agreed (and communicated) that the effective date of the new pay model is 1 April 2019. The target date for implementation date is July 2019, backdated to April 2019. Increments due on 1 April 2019 have since been applied.</p>

1.07	<p>An independent Equality Impact Assessment was commissioned which in summary found the amendments to the pay and grading structure to be a positive development that achieves the following:</p> <ul style="list-style-type: none"> • a better relationship between the pay arrangements of those covered by the NJC for local government services and Chief Officers • all grades consist of an equal number of increments • a narrowing of the overall gender pay gap in basic pay • a greater percentage increase in salary for female employees • no bias in terms of gender as a result of the proposed assimilation to grade.
1.08	<p>The specific sections of the pay policy which have been amended are as follows:</p> <p>Section 6 – Chief Officer salaries Section 7 – Increase in the remuneration of the lowest pay employees as at 1 April 2019, Section 8 – Salary sacrifice scheme Section 9 – Pay relativities within the Authority Section 11 –National Living Wage (NLW) and the introduction of the new pay model</p>
1.09	<p>Minor editorial changes may be made from time to time in-year. Any changes are not expected to depart from the overarching principles or the approach to remuneration.</p>

2.00	RESOURCE IMPLICATIONS
2.01	None as the Pay Policy Statement appended to this report is a description of existing arrangements.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Consultations took place with Chief Officers and their portfolio management teams.</p> <p>Consultations have also taken place and concluded with the recognised Trade Unions.</p>

4.00	RISK MANAGEMENT
4.01	The new pay model, has passed the tests of being legal and equitable, workable and sustainable, acceptable and affordable.

5.00	APPENDICES
5.01	Appendix A – Pay Policy Statement 2019/20 Appendix B – The New Pay Model

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Sharon Carney, Senior Manager, Human Resources and Organisational Development Telephone: 01352 702139 E-mail: Sharon.carney@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	As detailed in the attached Pay Policy Statement for 2019/20.