

BOROUGH OF TELFORD & WREKIN**PERSONNEL COMMITTEE - 11 FEBRUARY 2016
COUNCIL – 3 MARCH 2016****PUBLICATION OF THE COUNCIL'S PAY POLICY STATEMENT****REPORT OF ASSISTANT DIRECTOR: FINANCE & HUMAN RESOURCES****1. PURPOSE**

- 1.1 To agree the content of the Council's updated Pay Policy 2016/17, required for publication by the Localism Act 2011.

2. RECOMMENDATIONS

That the Personnel Committee:

- 2.1 Agrees the content of the Council's Pay Policy Statement for publication on the Council's website on 1st April 2016 and recommends its acceptance at Full Council on 3rd March 2016.**
- 2.2 Delegates authority to the Assistant Director: Finance & Human Resources, in consultation with the Leader of the Council, to amend the Statement as necessary in line with any statute or further national guidance that may be issued following the meeting of the Committee or changes to negotiated pay rates during the period of the Policy Statement.**
- 2.3 Authorises the payment of the equivalent of the statutory National Living Wage with effect from 1st April 2016 to all employees, regardless of age, except those employed under an apprentice training contract, if the national pay award is not settled by this date.**

3. PREVIOUS MINUTES

Personnel Committee: PEB-31 (13 February 2012), PEB-8 (19 February 2013), PEB-4 (10 February 2014) and PEB-8 (22 January 2015)

Full Council: 92(i) (1 March 2012), 77(i)(l) (7 March 2013), 78 (27 February 2014) and 59 (i) (m) (5th March 2015).

4. BACKGROUND

- 4.1 The Localism Act 2011 requires local authorities to produce an annual Pay Policy Statement. The Act requires the Statement to detail the Council's policies in respect of remuneration at various tiers within the Council. The Act does not apply to local authority schools.

4.2 The purpose of these provisions is to provide transparency with regard to the Council's approach to setting the pay of its employees by determining:

- The methods by which pay is determined.
- The detail and level of remuneration of its most senior staff
- The Committees responsible for ensuring consistent application of the provisions set out in the Statement.

4.3 The Council's Pay Policy Statement details

- pay negotiation bodies,
- initial allocation of pay points.
- lowest paid employees and the ratio comparison with the highest paid officers.
- Senior management remuneration.
- the recruitment of chief officers
- additions to chief officers pay
- termination payments
- where accountability and responsibility lies.

4.4 The National Employers has made a final two-year pay offer to the Trade Union Side covering 2016-18. The NJC pay offer was for a headline increase of 1% on 1st April 2016 and a further 1% on the 1st April 2017. In addition, the National Employers have offered a higher percentage increase to those on lower pay points due in part to the introduction of the National Living Wage on 1st April 2016. The pay offer would lift all employees, regardless of age, except those employed under an apprentice training contract, above the National Living Wage with effect from 1st April 2016. Two of the three unions have decided to consult with their members on this pay offer. In the absence of the NJC reaching a pay agreement to be implemented in time for 1st April 2016, councils have been advised to make preparations for eligible employees, over the age of 25, to receive at least the National Living Wage.

It is proposed that, if final agreement on the pay award has not been reached by 1st April 2016, that the Council pays the equivalent of the statutory National Living Wage with effect from 1st April 2016 to all employees, regardless of age, except those employed under an apprentice training contract. This would include approximately 18 (9 FTE) employees, currently under the age of 25 directly employed by the Council.

This recommendation will also be made to schools to consider in line with their decision making processes.

5. LEGAL

- 5.1 The Pay Policy Statement has been drafted in accordance with the requirements of section 38 of the Localism Act 2011. The Act prescribes information to be included in the Statement, its manner of publication and the requirement for the Council to act in accordance with its approved Policy Statement.

6. FINANCE

- 6.1 The Pay Policy Statement identifies the Council's approach to setting the pay of its employees, including termination costs. There are no financial implications directly relating to the updating of the Pay Policy Statement. Employee costs form part of the Council's budget, which is approved in March each year, and estimates will take into account the principles set out in the Statement. Any variations from the approved budget will be highlighted as part of regular financial management reports/other relevant reports in line with Financial Regulations. The Council has a severance fund to meet the one-off costs of redundancies arising from restructures which are delivering ongoing savings. Senior Officer Remuneration is published annually in the Council's Statement of Accounts in line with the requirements of the Accounts & Audit Regulations.
- 6.2 Budget provisions have been made to accommodate the national pay offer which has been made. If the pay offer is not agreed by 1 April 2016, the extension of the National Living wage to all employees, regardless of age, except those employed under an apprentice training contract will initially incur a small additional direct cost of around £250 per month. However, once the pay offer is implemented this would mean that the amount of overall backpay required to be made would be less and would fall within the budget already set aside for the implementation of the proposed pay award. In addition this would minimise the additional administrative costs required in implementing the pay award to all NJC employees.

7. ENVIRONMENTAL

There are no environmental issues arising from this report.

8. EQUALITIES

- 8.1 Pay is a major equalities issue and the Pay Statement will assist in identifying issues requiring resolution.

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