

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

COUNCIL

10 MARCH 2016

Report of the Head of Human Resources – Sheenagh Rees

SECTION A – MATTER FOR DECISION

WARDS AFFECTED – ALL

PAY POLICY STATEMENT 2016 / 2017

Purpose of the Report

1. To seek Council approval of the Neath Port Talbot County Borough Council Pay Policy Statement for 2016 / 2017, attached as Appendix 1.

Executive Summary

2. It is a requirement of the Localism Act 2011 that the Council produces a Pay Policy Statement for each financial year, setting out specific information in relation to the pay of the Council's workforce. The Statement that has been prepared for 2016 / 2017, and attached at Appendix 1, has been updated to reflect national and local developments in pay.

Background

3. The Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year articulating its policy towards a range of issues relating to the pay of its workforce, particularly in relation to senior staff and the lowest paid within the workforce. This is with the aim of increasing accountability, transparency and fairness in the setting of local pay.
4. The statement must be prepared annually, considered and approved by full Council and published on the Council's website.
5. An initial Pay Policy statement was developed and approved by this Council in March 2012. As required by legislation, the Pay Policy Statement must be reviewed at least annually, and then approved and published by 31st March each subsequent year.
6. The Pay Policy Statement for 2016 / 2017 is attached at Appendix 1. The content is broadly in line with previous years, updated to take account of national and local pay related developments, outlined in paragraphs 7 to 11 of this report.

Pay related developments

7. The National Joint Council agreed a pay award for Local Government Services employees, effective from 1st January 2015 through to 31st March 2016. At the time of producing this Pay Policy Statement, the outcome of discussions at a national level between employers and trade unions to seek to agree a pay increase effective from 1st April 2016 are not yet known. The Council will apply any pay award as and when determined by national negotiations.
8. On 1st April 2016 the statutory National Living Wage will be introduced at a rate of £7.20 per hour. As the three bottom pay points on the Local Government Services Pay Grades are currently below that level, the Council will increase the hourly rate that applies to Salary Scale Points 6, 7 and 8 to £7.20 per hour, or £13,891 per annum, with effect from 1st April 2016, pending the outcome of the national pay negotiations referred to above.

9. The Joint National Council (JNC) for Chief Officers agreed a pay award for Chief Officers to apply from 1st January 2015 through to 31st March 2016. Chief Executive pay however has been frozen at a national level since 1st April 2008. National negotiations are taking place in relation to pay awards applying to JNC Chief Officers and JNC Chief Executive pay effective from 1st April 2016. The Council will apply any pay awards as and when determined by national negotiations.
10. The Soulbury Committee and the JNC for Youth and Community Workers agreed pay awards for Soulbury Officers and Youth and Community Workers respectively, effective from 1st March 2015 through to 31st August 2016. The Council will apply any future pay awards as and when determined by national negotiations.
11. Finally, at the February meeting of this Council, arrangements were agreed for an Early Retirement / Voluntary Redundancy / Compulsory Redundancy (ER/VR/CR) Scheme for Chief Officers and the Chief Executive. The Pay Policy Statement has been revised to reflect these arrangements.

Pay Multiples

12. Whilst the Localism Act excludes schools from the scope of local authority Pay Policy Statements, the Pay Policy Statement for this Council sets out details of pay multiples both including and excluding employees who are appointed and managed by schools:

Basis	Pay Multiple
Lowest paid employee earnings: Chief Executive's earnings	1 : 10
Median employee FTE* earnings: Chief Executive	1 : 6
Lowest paid employee earnings: average Chief Officer earnings	1 : 6
Median employee FTE* earnings: average Chief Officer earnings	1 : 4

* FTE= Full Time Equivalent

13. The pay multiples are identical in both scenarios, i.e. including and excluding support staff and teachers who are appointed and managed by schools.

Financial impact

14. There are no financial impacts associated with this report.

Equality impact assessment

15. In determining pay and remuneration, the Council complies with relevant employment legislation, including the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Council has sought to ensure that there is no pay discrimination within its pay structures and that pay differentials can be objectively justified primarily through the use of an equality proofed job evaluation mechanism which directly relates basic pay to the requirements, demands and responsibilities of each job role.

Workforce impacts

16. The Pay Policy Statement sets out the impact of the Council's pay strategy on pay relativities within the workforce, and particularly the relationship between the highest and the lowest paid within the organisation.

Legal impacts

17. It is a requirement under the Localism Act 2011 that the Council produces a Pay Policy Statement for the financial year 2016 / 2017 and that it is considered and approved by full Council, and subsequently published on the Council's website.

Risk Management

18. Failure to consider and approve a Pay Policy Statement for the financial year 2016 / 2017 will place the Council in breach of the Localism Act 2011.

Consultation

19. There is no requirement under the Constitution for external consultation on this item.

Recommendation

20. It is recommended that Members consider and approve the Pay Policy Statement for 2016 / 2017 for publication on the Council's website.

Reason for proposed decision

21. To ensure that the Council complies with the requirements of the Localism Act 2011.

Implementation of Decision

22. The decision is proposed for immediate.

Appendices

23. Appendix 1 – Pay Policy Statement 2016 / 2017

List of Background Papers

Localism Act 2011

Officer contact

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