

Report of the Independent Advisor

Council – 31 March 2015

PAY POLICY 2015/2016

1. INTRODUCTION

- 1.1 The Localism Act 2011 required the Authority to prepare a Pay Policy Statement which articulates its Policy towards a range of issues relating to the pay of its workforce, particularly senior staff and the lowest paid employees.
- 1.2 The statement must be;
 - a) Prepared each year
 - b) Approved by full Council
 - c) Published on the Authority's website
- 1.3 The Pay Policy 2015/16 is attached as Appendix 1. The content is broadly in line with previous years with the addition of the issues outlined in paragraphs 2 and 3 of this report.

2. NJC PAY AWARD

- 2.1 The National Joint Council agreed a pay award with the National Trade Unions for the period 1st January 2015 to 31st March 2016 which consisted of the following:

2.2% increase payable from 1st January 2015 which covers the pay years 2014/15 and 2015/2016

Non-consolidated payments to be paid in December 2014 (SCPs 5 to 49 only) and in April 2015 (SCPs 26 to 49 only). Both of these payments were paid in December 2014 and on a pro rata basis for part time staff.

that Spinal Column Point 5 (SCP5) be deleted with effect from 1st October 2015. Therefore, employees on SCP5 would progress to SCP6 on 1 October 2015. (This did not affect Swansea employees as we pay above SCP 5.)
- 2.2 The majority of Council employees are employed under NJC terms and conditions with the exception of Chief Officers, Teachers and Soulbury employees.
- 2.3 Cabinet at their meeting on 16th December 2014 approved the pay award for NJC staff which has now been implemented.

3. JNC FOR CHIEF OFFICERS

- 3.1 Recent Welsh Government amendments to the Local Authorities (Standing Orders) (Wales) Regulations 2006 effective from 1st July 2014 introduced a new requirement that:

“The relevant Authority must determine the level, and any change in the level, of the remuneration to be paid to a chief officer”

- 3.2 The impact of this amendment is that *all* changes to Chief Officers' pay must be voted on by Full Council, not just those which are determined locally. This includes any pay rises which have been nationally negotiated by the JNC for Chief Officers and these now cannot be paid, unless and until, they have been agreed by Full Council.
- 3.3 As the Chief Officers of this authority are employed under JNC terms and conditions which are incorporated into their contracts of employment, they will be contractually entitled to any JNC pay rises and a decision to withhold payment (unless preceded by action to effect appropriate changes to contracts) could result in claims against the authority of 'unlawful deduction from wages' or 'breach of contract'.
- 3.4 Clearly seeking Full Council's determination to pay JNC nationally agreed pay rises at the time they agreed is likely to cause delay in their payment. The WLGA has therefore pursued this matter with Welsh Government on behalf of Councils in order to seek a pragmatic solution. As a result it has been agreed that the requirement that Full Council must determine nationally agreed contractually entitled pay rises for Chief Officers can be met by Full Council voting to on an appropriate resolution to insert a suitable clause in their Pay Policy Statements to cover this issue.
- 3.5 This report is therefore presented to enable this Authority to meet this new requirement as outlined.
- 3.6 Should the Council at any time decide that it does not wish to implement nationally negotiated JNC pay increases then that would need to be a decision of Full Council, and the Pay Policy Statement would need to be amended again to reflect that decision.
- 3.7 In light of the issues outlined in above, the recommendation is that Council resolves to amend the Authority's Pay Policy Statement to include the following paragraph:

'The Council employs Chief Officers under JNC terms and conditions which are incorporated in their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this council will therefore pay these as and when determined in accordance with current contractual requirements.'

- 3.8 Whilst the above is advice from the WLGA in respect of the pay award for JNC officers, it is also recommended that Council take the same position in respect of NJC employees and those employed under Soulbury terms and similar paragraphs have been included in the Pay Policy.
- 3.9 Agreement has been reached on rates of pay for Chief Officers, i.e. two per cent on guaranteed FTE basic salary of £99,999 or less [as at 31st December 2014] with effect from 1st January 2015. The offer covers the period to 31st March 2016.
- 3.10 The guaranteed FTE basic salary should exclude other separately identified payments such as Returning Officer fees etc.
- 3.11 The offer applies only to those employees whose guaranteed FTE basic salary is £99,999 or less at 31st December 2014. The offer does not apply to the first £99,999 of salaries of £100,000 or more.

4. SOULBURY

- 4.1 The Soulbury Union's Pay Claim has been agreed and is 2.2% increase payable from 1st March 2015 until 31st August 2016.

5. PROCESS

- 5.1 The Policy has been placed on the agenda for Council on 31st March 2015.
- 5.2 In previous years, the Head of HR & OD of the City & County of Swansea has presented the Pay Policy at Council. However, in view of the proposed changes outlined in Paragraph 3 above, it could be perceived that there is a conflict of interest. Therefore, I have been asked to present the Policy on behalf of the City & County of Swansea. It should be noted that other Authorities in Wales are also doing this.

6. INDEPENDENT ADVICE

- 6.1 I have reviewed the contents of the enclosed Pay Policy Statement 2015 /2016 and I am satisfied that the contents of this statement comply with the requirements of the Localism Act 2011.
- 6.2 I am satisfied that the proposal to amend the Pay Policy Statement to enable the implementation of nationally negotiated JNC, NJC for Chief Officers and Soulbury pay awards as and when determined is appropriate, taking into account contractual entitlements.

7. FINANCIAL IMPLICATIONS

- 7.1 The costs arising from the Council's Pay Policy Statement are reflected in the 2015/2016 Budget.

8. LEGAL IMPLICATIONS

- 8.1 All of the Legal implications have been set out in the Policy.

9. EQUALITIES AND ENGAGEMENT IMPLICATIONS

- 9.1 Equalities and engagement considerations have been made in accordance with the Authority's Equality Impact Assessment process (and the undertakings of Northgate in respect of the proposed pay model).
- 9.2 There are no adverse equality implications arising from the changes outlined.

10. RECOMMENDATION

- 10.1 That Council approve
- a) the Pay Policy 2015/2016
 - b) the pay offer for Chief Officers as outlined in paragraph 3.9 above.
 - c) that any future pay increases for JNC, NJC and Soulbury Staff be implemented as and when they arise.

APPENDICES - Draft Pay Policy Statement 2015/12016

Sheenagh Rees, Head of HR & OD, Neath Port Talbot County Borough Council
12th February 2015