

COUNCIL

21 JULY 2020

REPORT OF ASSISTANT DIRECTOR (PARTNERSHIPS)

A.6 PAY POLICY STATEMENT 2020/21

(Report prepared by Anastasia Simpson and Ian Ford)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present the Pay Policy Statement for 2020/21.

EXECUTIVE SUMMARY

The Localism Act 2011 Section 38(1) requires the District Council to prepare a pay policy statement each year. The pay policy statement must articulate the Council's approach to a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees.

The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer.
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

This statement will be published on the Council's website following each review and approval by Full Council.

The Human Resources and Council Tax Committee reviewed the Pay Policy Statement and report at its meeting held on 24 February 2020. The Committee recommended that Full Council adopted the Pay Policy Statement set out in Appendix A to this report.

The Pay Policy Statement 2020/21 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. This framework is based on the principle of fairness and that rewards should be proportional to the weight of each role and each individual's performance. The framework aims to ensure the ability of the Council to recruit talented individuals whilst reassuring the citizens of Tendring that their money is being used efficiently.

A major pay assimilation exercise was carried out by the Council in 2018/19, to move across to the new nationally agreed pay bands for 2019/20, this resulted in multiple inflationary variations across the pay scale. This exercise was successfully completed following negotiations between the Council and Regional union officials.

RECOMMENDATION(S)

IT IS RECOMMENDED TO FULL COUNCIL -

That the Pay Policy Statement 2020/21, as set out at Appendix A, be approved and adopted.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council's annual consideration and formal approval of a Pay Policy Statement is part of the Council's governance arrangements and provides transparency for the citizens of Tendring.

FINANCE, OTHER RESOURCES AND RISK

The Council has a statutory and contractual obligation to adopt the NJC pay spine. Negotiations for the inflationary award for 2020/21 were suspended in 2019 due to the General Election. Currently the national unions are requesting a 10% inflationary award, the majority of Councils across the region are budgeting for a 2% inflationary award, including Tendring. On 23 January 2020, the National Employers wrote to local authorities confirming that discussions had recommenced however it was very unlikely that a deal would be agreed for implementation by 1 April 2020. It was also noted that the deal anticipated for 2020/21 is likely to be a one year deal, not a multiple year deal as seen in previous years.

LEGAL

The Council has an obligation to implement the NJC pay spine alongside the approval and publication of an annual Pay Policy Statement in accordance with the provisions of the Localism Act 2011 (Section 38).

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation / Public Engagement.

The pay spine for 2020/21 has yet to be agreed. The Council still has a statutory duty to produce and publish an updated annual Pay Policy with effect from the 1st April 2020.

PART 3 – SUPPORTING INFORMATION

BACKGROUND – PAY ASSIMILATION 2019/20

In April 2019 all employees moved across to a new national pay spine (which ensured compliance with the anticipated increase in the legal national minimum wage by 2020).

The Conditions of Employment with Tendring District Council in the main, conform to those established for local government generally by the NJC, commonly known as the 'Green Book'. Agreements reached by the NJC are 'collective agreements' and if they are incorporated into employees' contracts of employment, then the changes take effect automatically. The new spine in 2019 replaced entirely the pay spine and accordingly employees assimilated across from their current SCP to the new corresponding SCP in April 2019.

Other Key Changes implemented in April 2019

- A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP) 1 (equivalent to old SCP's 6 & 7).
- 'Pairing off' old SCP's 6-17 incl. to create new SCP's 1-6 incl.
- Equal steps of 2.0% between each new SCP's 1 to 22 incl. (equivalent to old SCP's 6-28 incl.)
- By creating equal steps between these pay points, new SCP's 10, 13, 16, 18 and 21 are generated to which no old SCP's will assimilate.
- On new SCP's 23 and above (equivalent to old SCP's 29 and above), 2.0% increase on 2018 rate.

PAY POLICY STATEMENT 2020/21 - BACKGROUND

Introduction

In the 2020/21 Pay Policy Statement there are a few minor updates, particularly relating to Allowances. Allowances are subject to the inflationary award across the Council. In 2019 it was found that the allowances for the roles of Monitoring Officer and Section 151 Officer have not previously been subject to any inflationary award, which appears to be an oversight at the time of the Fundamental Service Reviews. Therefore the Pay Statement 2020/21 ensures that these allowances, going forward from 1 April 2020, are now subject to the NJC national inflationary increases, in the same way as all other allowances.

The Pay Policy Statement 2020/21 introduces a new allowance for the Deputy Chief Executive duties, this is to ensure that the Council maintains resilience when the Chief Executive is undertaking duties external to the Council.

Across the Council there are very few subsistence claims made by Officers (16 during 2019), however it is proposed to move to HMRC subsistence allowances, which aligns with the Council's mileage payments. This also has some additional benefits as P11Ds are not required and staff will not have to pay tax on claims within the HMRC guidelines. At the current time if a member of staff is working outside of the District and claims breakfast at the rate of £6.88 (NJC maximum rate) as this is above the £5 HMRC rate of reimbursement, then they are liable to pay tax. The

HMRC guidelines allow for employees to claim based on time away from the work location as follows:

5 hours - £5
10 hours - £10
15 hours - £25

Mandatory gender pay reporting was introduced in April 2017, following the introduction of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

The Off-Payroll changes to working in the public sector (IR35) which were fully implemented in 2017 continue to have little impact on the Council in relation to resourcing specialist skills.

Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

To meet the requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Council has a statutory duty to publish a snapshot of data including the following:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment
- The proportion of males and females in each quartile band

This information is published annually on the Council's website as well as a designated government website. Three of the above questions, are not applicable, as the Council does not operate bonus schemes for any Officers. The challenge within Tendring District Council and across Great Britain is to eliminate any gender pay gap. If any gaps are determined, as the Council interprets data, an action plan will be prepared.

Early data collation for 2020, indicates the following across the Council:

Mean Difference Across Gender

The difference between the male and female mean hourly rate is £0.63. The male mean hourly rate is 5.00% higher than the female mean hourly rate.

Median Difference Across Gender

The difference between the male and female median hourly rate is. £0.63 The female median hourly rate is 6.09% higher than the male median hourly rate.

The difference in mean hourly rates is primarily a result of the apprentices employed at the organisation. 75% of apprentices are female, this therefore reduces the mean female hourly rate. Evidence of this factor can also be seen in the median hourly rate difference where the female hourly rate is greater than male hourly rate.

During 2020 the Council will be working with EELGA to determine alternatives to EPayCheck which is used as the Council's benchmarking tool. With effect from April 2020 EELGA have confirmed that the current system is to be disbanded.

UNISON has been consulted on the above.

Council will be aware that the Committee Services Manager, shortly after the introduction of restrictions on meetings as a result of the Covid-19 public health emergency initiated, by email on 23 March 2020, a consultation with Members on the approval of the 2020/21 Pay Policy Statement with a view to the Statement then being approved by the Chief Executive using his "urgency/emergency" delegated powers under the Constitution.

However, the Council's Monitoring Officer then advised that this would not be appropriate, for good governance and perception reasons, for an Officer to make the decision on matters which effect Officers' pay. In addition, Section 42 of the Localism Act 2011 prohibits these functions from being exercised by Cabinet or being delegated to a Committee or Officer. This is why the Statement is now before Full Council for Members' approval.

Council may be interested to know that, of the Members who responded to the abandoned consultation, no Member indicated that they were opposed to the approval of the Pay Policy Statement. 85.7% of respondents indicated that they were in favour of the Statement being approved and 14.3% indicated that they wished to abstain on the matter.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

APPENDIX A - PAY POLICY STATEMENT 2020/21