

FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 29 th January 2019
Report Subject	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 the seventh annual statement published by the Council.

The latest Equal Pay Audit is also appended to this report for information.

RECOMMENDATIONS

1	That County Council approves the appended Pay Policy Statement for 2019/20 and notes the latest Equal Pay Audit.
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REPORT DETAILS

1.00	PAY POLICY STATEMENTS
1.01	<p>Under the Localism Act 2011 local authorities are required to publish an annual Pay Policy Statement. A Pay Policy Statement should include:</p> <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	<p>The Council's current Pay Policy Statement was approved by Council on 1 March 2018.</p>
1.03	<p>The Pay Policy Statement forms a key component of the organisation's approach to managing its workforce in general and, in particular, reward and recognition - one of the five strategic priorities of the People Strategy 2016-19.</p>
1.04	<p>The draft Pay Policy Statement for 2019/20 is appended to this report. The Statement summarises the organisation's approach to pay and remuneration and sets this within an organisational, regional and national context. It has also been updated to provide a more comprehensive account of the Council's approach to the remuneration of its workforce.</p>
1.05	<p>The proposed Pay Policy Statement appended to this report sets out:</p> <ul style="list-style-type: none">• the Council's approach to job evaluation and the grading of posts; and• the Council's pay multiple (the ratio between the highest paid employee and the median average salary of the Council's workforce) which now stands at 1:7:18 (1:7:51 in 2018/19) and is reducing year on year.
1.06	<p>This year's Statement is largely consistent with that agreed twelve months ago. Whilst there are no changes to the proposed principles or the approach to remuneration it has been necessary to update Section 11 to reflect the conclusion of national negotiations last year. This resulted in the National Employers having undertaken a longer-term review of the pay spine with Trade Unions reaching agreement on the rates of pay applicable from 1 April 2018 and 1 April 2019.</p>
1.07	<p>Year Two (2019) of the NJC pay agreement includes 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 and is based on the following:</p>

	<ul style="list-style-type: none"> • a lowest pay rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP)1 (equivalent to old SCPs 6 & 7); • the 'pairing off' old SCPs 6-17 incl. to create new SCPs 1-6 inclusive; • equal steps of 2.0% between each new SCPs 1 to 22 incl. (equivalent to old SCPs 6-28 inclusive.); • new SCPs 10, 13, 16, 18 and 21 are created to which no old SCPs will assimilate (by creating equal steps between these pay points); and • a 2.0% pay increase on new SCPs23 and above (equivalent to old SCPs 29 and above).
1.08	<p>The introduction locally of Year Two of the NJC pay agreement necessitates a fundamental change to the pay model/spine which we operate and are familiar with. Accordingly, it is necessary to undertake our own detailed pay modelling. A new pay model has to pass the tests of being legal and equitable, workable and sustainable, acceptable, and affordable and, once concluded, it will be necessary to bring back an amended Pay Policy Statement to full Council.</p>
1.09	<p>Sections subject to amendment during the course of the year are:</p> <ul style="list-style-type: none"> • Section 6 - the Government has for some time, been planning to implement a cap on Public Sector exit payments at £95,000 and a process of recovery of Chief Officer exit payments where certain conditions apply. Any changes would be effected by the Enterprise Act 2016. The Act gives powers to Welsh Ministers to 'relax' any regulations made At the time of writing we continue to wait for draft regulations to be consulted upon which will then give any powers to Welsh Ministers to determine the approach in Wales; and • Section 11 – once agreement has been reached on a new pay policy (section 1.07 refers).
	<p>Equal Pay Audit</p>
1.10	<p>In addition to the obligations placed on the Council by the Localism Act 2011 in relation to its pay policy, the Council has obligations under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 to report on the gender pay gap.</p>
1.11	<p>The gender pay gap is the difference between men's pay and women's pay as a percentage of men's pay.</p>
1.12	<p>The Council fulfils its obligations under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 through an Equal Pay Audit which it undertakes annually. The Equal Pay Audit involves the specific comparison of the pay of male and female colleagues, investigating the causes of any pay gaps by gender, ethnicity, disability or working pattern and planning to close any gaps that cannot be justified on grounds other than one of those characteristics.</p>
1.13	<p>The Equal Pay Audit 2018 which is appended to this report shows an improving position when compared to the 2017. The overall gender pay gap across all grades and terms and conditions is 13.65% compared to 16.96% in 2017.</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	None required.

4.00	RISK MANAGEMENT
4.01	The new pay model, once agreed, will need to pass the tests of being legal and equitable, workable and sustainable, acceptable and affordable.
4.02	The new pay model, once agreed, will need to pass an independent Equality Impact Assessment.

5.00	APPENDICES
5.01	Appendix A – Pay Policy Statement 2019/20 Appendix B – Equal Pay Audit 2018

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.