

**BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL**

<b>TO:</b> MSDC Council BDC Council	<b>REPORT NUMBER:</b> <b>MC/18/46</b>
<b>FROM:</b> Chief Executive (Head of Paid Service)	<b>DATE OF MEETING:</b> MSDC: 18 March 2019 BDC: 19 March 2019
<b>OFFICER:</b> Carol Williams - HR Business Partner	<b>KEY DECISION REF NO.</b> CNL37

**PAY POLICY STATEMENT FOR 2019/20**

**1. PURPOSE OF REPORT**

- 1.1 The Councils are required to produce a Pay Policy Statement for each financial year under Section 38(1) of the Localism Act 2011. The Pay Policy Statement being recommended for adoption is attached at Appendix A. Babergh and Mid Suffolk District Councils have a single organisational structure with harmonised pay, grades, terms and conditions of service and have a single pay policy statement which covers both Councils.

**2. OPTIONS CONSIDERED**

- 2.1 This is a statutory requirement and the Councils have no other options.

**3. RECOMMENDATION**

- 3.1 That the proposed Pay Policy Statement for 2019/20 attached as Appendix A to this report be approved.

**REASON FOR DECISION**

The Councils are required to produce a Pay Policy Statement for each financial year under Section 38(1) of the Localism Act 2011. This must be formally approved by Full Council.

**4. KEY INFORMATION**

- 4.1 The Localism Act 2011 and supporting guidance provides information and detail on the matters that must be included within this statutory pay policy. However, they also emphasise that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be formally approved by Full Council. The statement must be published on the Councils' websites, and when setting the terms and conditions of those in Chief Officer posts the policy must be complied with.
- 4.2 In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees, but at the same time needs to avoid being unnecessarily generous.
- 4.3 This Pay Policy Statement includes a policy on:

- 4.3.1 Level and elements of remuneration for each chief officer (for the Councils this is defined as Chief Executive, Strategic Directors and Assistant Directors)
- 4.3.2 The remuneration of the Councils' lowest paid employees
- 4.3.3 The relationship between the remuneration of the Councils' chief officers and other officers
- 4.3.4 Other specific aspects of chief officers' remuneration, use of performance related pay and bonuses, termination payments and transparency.
- 4.4 The NJC pay agreement for 2018-20 was in two parts – in 2018 it was a straightforward pay award. However from April 2019 the national pay spine has been changed with some increments being merged, and new ones added. The aim of this was to even out the steps between increments. The Councils considered how they would implement the new pay spine, and there were a number of options, but all would have involved a significant change to existing grades. The Councils consulted with UNISON and agreed that for 2019 assimilation to the new pay spine would only be to the spinal column points that align with our existing grades (not all new spinal column points would be used). This would minimise disruption, whilst still ensuring that all employees received their pay rise.
- 4.5 In 2019 the Councils propose to consider all aspects of pay and reward, including grades, increments, progression, non-pay rewards and how to integrate the new values and behaviours. The terms of reference have yet to be set for this review, and if it is proposed to make changes that affect this pay policy, an appropriate resolution will be made to Full Council.
- 4.6 Also under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Councils are required to report on their gender pay gap. The report based on data as at 31<sup>st</sup> March 2018 has been prepared, and this, with accompanying narrative, will be published on both the Councils' websites under the transparency requirements.
- 4.7 As the two Councils are sovereign bodies, a report has to be published for each council, but the combined data is more relevant due to the workforce being fully integrated. This report does not have to be approved by Council, but when published will be available using the link [www.babergh.gov.uk/the-council/your-right-to-information/transparency-agenda/](http://www.babergh.gov.uk/the-council/your-right-to-information/transparency-agenda/)

## **5. LINKS TO JOINT STRATEGIC PLAN**

- 5.1 The pay policy supports our Enabled and Efficient Organisation outcomes.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The effects of the pay policy have been built into the 2019/20 budgets that were approved by each Council in February 2019.

## **7. LEGAL IMPLICATIONS**

- 7.1 Under Section 38 (1) of the Localism Act councils are required to produce an annual Pay Policy Statement that is approved by Council and published.

It should set out:

7.1.1 The remuneration of its chief officers

7.1.2 The remuneration of its lowest paid employees, and

7.1.3 The relationship between the remuneration of the Councils' chief officers and others.

## 8. RISK MANAGEMENT

8.1 This report is not directly linked with the Council's Corporate / Significant Business Risks but the key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If the salary ranges for the Chief Officers are set too low to attract suitable candidates or too high, then it could result in failure to recruit or attract adverse publicity.	Unlikely (2)	Bad/Serious (3)	Whilst we have been advised by an LGA pay consultant that the current senior manager pay levels are lower than similar councils, we have nevertheless been successful in recruiting to any vacant senior posts.
If the legal framework is not complied with, then it could make any appointments null and void.	Unlikely (2)	Bad/Serious (3)	Formal approval required and through annual reviews.
If the pay policy is not applied fairly to all staff, then this could lead to equal pay claims.	Unlikely (2)	Bad/Serious (3)	HR involvement to ensure that policy is applied equally.

## 9. CONSULTATIONS

9.1 UNISON was consulted on the implementation of the 2018-20 NJC pay agreement.

## 10. EQUALITY ANALYSIS

10.1 An Equality Impact Assessment (EIA) is not required as the policy is substantively the same as in previous years. An EIA will be carried out on any new pay and reward policy or process that is proposed.

10.2 The publication of the Pay Policy Statement supports the Council in delivering its equality duty and links closely with the duty to publish workforce data such as the gender pay gap.

**11. ENVIRONMENTAL IMPLICATIONS**

11.1 None.

**12. APPENDICES**

Title	Location
(a) Babergh and Mid Suffolk District Councils' Pay Policy Statement 2019/20.	Attached