

# Somerset County Council

## HR Policy Committee

– 19<sup>th</sup> January 2021

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### Pay Policy Statement – 2021/22

Cabinet Member: Cllr Mandy Chilcott, Deputy Leader and Cabinet Member for Resources

Lead Officer: Chris Squire, HR&OD Director

Author: Vicky Hayter, Strategic Manager HR Business Relations

Contact Details: 01823 359858

	<b>Seen by:</b>	<b>Name</b>	<b>Date</b>
<b>Report Sign off</b>	Legal	Honor Clarke	08/01/21
	Corporate Finance	Jason Vaughan	07/01/21
	Human Resources	Chris Squire	08/01/21
	Cabinet Member	Mandy Chilcott	08/01/21
	Monitoring Officer	Scott Wooldridge	08/01/21
<b>Summary:</b>	The Report sets out proposed amendments to the Pay Policy Statement (PPS) for 2021/22. The amendments are very minor and mainly relate to date changes.  The Report acknowledges that there may need to be an extraordinary meeting to review SLT pay in line with any decisions regarding pay for those on Green Book terms and conditions given that these negotiations have not yet commenced.		
<b>Recommendations:</b>	<b>The HR Policy Committee is asked to :</b>  <b>1. Agree to recommend the Council to approve the Pay Policy Statement for the Council for 2021-22 attached as Appendix A to this report to have effect from 1<sup>st</sup> April 2021.</b> <b>2. Note the revised National Living Wage rate from 1<sup>st</sup> April 2021 to £8.91. Also note the inclusion of 23 and 24 year olds for the first time.</b> <b>3. Note that proposals from the staff side are expected to be tabled by the end of January</b> <b>4. Note that the review of Grades 1-3 pay in relation to the national Green Book pay negotiations will have to be revisited at an extraordinary meeting of the HR Policy Committee</b>		
<b>Reasons for Recommendations:</b>	To ensure that the Council complies with the statutory requirement to publish a pay policy statement annually.		

	<p>Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a PPS for each financial year which must be approved formally by Full Council. Pay policy statements can be amended 'in-year' should the need arise but only by Full Council.</p> <p>As from 1st April 2012, determination of any salary/cost of living progression for Chief Executive and SLT is undertaken by the HR Policy Committee, subject to an annual review.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>Appropriate pay provisions for staff are fundamental to the delivery of the Council's objectives and services as set out in the County Plan.</p>
<b>Financial, Legal and HR Implications:</b>	<p>The revised PPS meets the requirements of the Localism Act and related statutory guidance.</p> <p>Any financial consequences come from decisions taken by the Council in accordance with the PPS in place at the time.</p> <p>In terms of applying the requirements of the PPS to pay / grading / appointment and dismissal of staff, the Council will follow all statutory and collectively agreed requirements that apply to local authority employers.</p>
<b>Equalities Implications:</b>	<p>The Council's duty under Section 149 of the Equality Act 2010 is to have "due regard" to the matters set out in relation to equalities when considering and making decisions. There are no direct equality impacts associated with agreeing the PPS itself. There are also no direct impacts on sustainability, health and safety, community safety or privacy aspects as a result of the recommendations</p>
<b>Risk Assessment:</b>	<p>Failure to comply with Section 38 (1) of the Localism Act could lead to a legal challenge to the Council and therefore it is important that the PPS reflects the Act, other relevant legislation and statutory guidance. The Council is required to have regard to statutory guidance and either comply with it fully or put in place appropriate alternative provisions.</p> <p>If the Council fails to comply with the requirements of the PPS in respect of the appointment / dismissal of officers then it could be subject to legal challenge.</p>
<b>Scrutiny comments / recommendation (if any):</b>	<p>None</p>

## **1. Background**

- 1.1.** It is a statutory requirement to review the Pay Policy Statement (PPS) annually and present it to Full Council for consideration and approval. The PPS takes effect from the beginning of the financial year. It will now go before Full Council on 17th February 2021 for approval and to have effect from 1<sup>st</sup> April 2021.
- 1.2.** There are no substantive changes to the PPS (Appendix 1). The amendments are minor and are explained in the Summary at the beginning of this paper.
- 1.3.** By way of an update on pay, it should be noted that the National Living Wage (NLW) rate with effect from 1 April 2021 will increase by 2.2 per cent from £8.72 to £8.91 and will be extended to 23 and 24 year olds for the first time.

The Unions have yet to make a pay claim for staff covered by Green Book terms and conditions. It is expected that it will be put to the Employer's side by the end of January 2021. As this is still a nationally negotiated arrangement, the details would have been for information only.

The Comprehensive Spending Review stated that most public sector workers would have a pay freeze in April 2021. Calculations around the affordability of pay increases take full account of the financial settlement given overall to local government but this is not the only factor involved. Thus, the Government cannot automatically impose a pay freeze in local government unless it uses a legislative route to do so. This means that the announcement of an increase of £250 for employees earning less than the national median wage of £24,000 per annum does not apply automatically for local government staff. The usual national process of determining pay for Green Book staff will continue as normal.

- 1.4.** It is difficult to provide guidance for discussion about how to manage pay increases at Grades 1-3 at this stage.
- 1.5.** It is suggested that a pay proposal for the Senior Leadership Team is considered in line with the timings for the Green Book pay award

## **2. Options Considered**

- 2.1.** No alternative options were considered in relation to the PPS for 2021/22.
- 2.2.** Given the fact that the national negotiations have not yet commenced, it is not appropriate to consider options at this stage.

### **3. Consultations undertaken**

- 3.1.** The NJC Pay negotiations will be discussed at the Joint Negotiation Forum. However, until there is an offer on the table, consultation is not possible.
- 3.2.** The National Living Wage is a legal requirement and has to be adhered to. We already exceed the stated rise and therefore will not need to adjust pay points at the bottom of the pay scale to comply.

### **4. Implications**

- 4.1.** The recommendations are intended to ensure that the Pay Policy Statement maintains an appropriate balance between rigorous governance of pay and reasonable flexibility for managers to manage.

### **5. Background papers**

- 5.1** Appendix 1 - a draft copy of the Pay Policy Statement 2021/2022 with minor changes proposed and tracked changes shown.
- 5.2** Appendix 2 – Staff side pay claim
- 5.3** Appendix 3 – Green Book Pay Scales

**Note:** For sight of individual background papers please contact the report author.