

Somerset West and Taunton Council

Executive – 18 March 2020

Approval of the Annual Pay Policy Statement 2020/21

This matter is the responsibility of Cllr Ross Henley, Portfolio Holder Corporate Resources

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1 Executive Summary / Purpose of the Report

- 1.1 Section 38 (1) of the Localism Act 2011 establishes a statutory requirement for local authorities to prepare and publish a pay policy statement for each financial year, approved by Full Council.

The pay policy statement describes the pay arrangements and policies that relate to the pay of the workforce which serves Somerset West & Taunton Council. The statement describes in particular the arrangements for senior staff and its lowest paid employees.

2 Recommendations

- 2.1 That Executive recommend to Full Council that the Pay Policy statement 2020/21 is approved for publication.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
Failure to approve an annual pay policy statement would be a breach of the council's statutory duty	1	4	4
<i>The mitigations for this are the proposed publication and approval of the report</i>			

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)

	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background and Full details of the Report

4.1 Section 38 (1) of the Localism Act 2011 requires local authorities to prepare and publish a pay policy statement for each financial year, approved by Full Council.

4.2 The pay policy statement has been drafted for approval in advance of the 31st March 2020 to ensure that the Council complies with the requirements of the above Act.

4.4.1 The data detailed in the Pay Policy statement does not reflect any pay award as we are yet to receive confirmation of the national pay award, which is normally awarded to all employees on 1 April annually with the implementation of a new NJC pay structure. The council recognises the Living Wage Foundation therefore the lowest hourly wage for an employee is £9.74 per hour.

4.4.2 The ratios between the senior pay of the Chief Executive and the three Heads of Function with the lowest paid employee show a reduction when compared to last year's ratios. The ratio between the Director and the lowest paid employee is reported for the first time as the Director post is a new post (agreed at Full Council 23/07/2020). The mean salary per full time employee is £28,142, increases on last year's report. The increase in the average salary reflects the new roles in the organisational structure following the transformation project.

4.4.3 Changes to the pension discretions are as follows:

Regulation B30 (2)

The Council will allow individual former employees leaving employment on or before 31 March 2014 the option to request early payment of benefits on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

No longer required as the Council only have the decision to waiver any reductions.

Regulation B30A (3)

The Council will allow the option to request an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 which will be considered on a case-by-case including the production of evidential support. This applies to employees leaving service on or before 31 March 2014.

No longer required as the Council only have the decision to waiver any reductions.

Regulation 31 (2)

The Council will allow a post 31 March 1998/pre 1 April 2008 leaver or from a councillor member the option to request early payment of benefits on or after age 50 and before age 55 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

There has been an update of the age from which a leaver can request early payment of benefits from 55 and before 60 to 50 and before age 55.

5. Links to Corporate Aims / Priorities

The council has a statutory duty to approve a pay policy statement on an annual basis to comply with Section 38 (1) of the Localism Act 2011.

6. Finance / Resource Implications

There are no finance or resource implications of this report.

7. Legal Implications

The council has a statutory duty to approve a pay policy statement on an annual basis to comply with Section 38 (1) of the Localism Act 2011. Failure to publish the statement before 31 March 2020 would result in the council being in breach of their statutory duty. The pay policy statement will be published on the council website, once approved by Full Council.

8. Environmental Impact Implications

There are no environmental impact implications.

9. Safeguarding and/or Community Safety Implications

There are no safeguarding or community safety implications.

10. Equality and Diversity Implications

The principles of equal pay have been fully considered in the production of this statement. The pay award will be negotiated at a national level and is applicable to all employees.

11. Social Value Implications

There are no social value implications.

12. Partnership Implications

There are no partnership implications.

13. Health and Wellbeing Implications

There are no health & wellbeing implications

14. Asset Management Implications

There are no asset management implications

15. Data Protection Implications

There are no data protection implications

16. Consultation Implications

Consultation is not required for this report.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – Yes**
- **Full Council – Yes**

Reporting Frequency: **Annually**

List of Appendices

Appendix A	Pay policy statement explanations & remuneration of senior staff
Appendix B	Somerset West and Taunton Council grading structure
Appendix C	Local Government Pension Scheme Employers Discretions & Key Pensions policy
Appendix D	Somerset West and Taunton Council Redundancy & Redeployment Policy
Appendix E	Somerset West and Taunton Council Compensation Policy
Appendix F	Somerset West and Taunton Flexible Retirement Policy

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