



## **PAY POLICY SUB-COMMITTEE 4 JULY 2016**

### **PRESENT: COUNCILLOR M J HILL OBE (CHAIRMAN)**

Councillors Mrs P A Bradwell (Vice-Chairman), J R Marriott, W J Aron and R A Renshaw

Officers in attendance:-

Fiona Thompson (Service Manager People) and Rachel Wilson (Democratic Services Officer)

#### **1 APOLOGIES FOR ABSENCE/REPLACEMENT COUNCILLORS**

Apologies for absence were received from Councillors J D Hough, Mrs M J Overton MBE and Mrs A M Newton.

It was noted that the Chief Executive having received notice under Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990, had appointed Councillors W J Aron and R A Renshaw as replacement members of the Committee in place of Councillors Mrs A M Newton and J D Hough respectively, for this meeting only.

#### **2 DECLARATIONS OF COUNCILLORS' INTERESTS**

There were no declarations of interest at this point in the meeting.

#### **3 MINUTES OF THE MEETING OF THE PAY POLICY SUB-COMMITTEE HELD ON 2 FEBRUARY 2016**

**RESOLVED**

That the minute of the meeting held on 2 February 2016 be agreed and signed by the Chairman as a correct record.

#### **4 UPDATE TO PAY POLICY STATEMENT 2016-17**

Consideration was given to a report which advised that the Localism Act 2011 required all local authorities to agree on an annual basis, pay policy statements, which were compliant with the provisions of the Act and then subsequently to publish them. Any further amendments would also need to be agreed.

It was reported that in May 2016, the national regulations on the NJC for Local Government Employees (Green Book) pay were concluded. A two year pay award was agreed which provided a 1% increase from 1 April 2016 and a further 1% increase from 1 April 2017, with some larger increases at the lower grades. The

increases ensured that the pay scales were compliant with the National Living Wage from 1 April 2016. The National Employers had advised that they would start consultation with Employers very soon to consider options for the further increases that would be required in order to comply with the future increases in the National Living Wage.

Members were advised that the national agreement of a 1% pay increase was concluded, effective from 1 January 2016 for Fire Services Management Team and national agreements of 1% increase from 1 April 2016 in respect of the JNC for Chief Executives and JNC for Chief Officers.

It was also reported that the pay policy statement had been updated to include a provision for the Repayment of Public Sector Exit Payments Regulations 2016. It was explained to the Sub-Committee that these Regulations would require those employees who were earning a salary of £80,000 or more and left after the regulations came into force (expected July 2016) with a qualifying exit payment and were subsequently re-employed in any part of the public sector, would be required to repay their qualifying exit payment.

The Sub-Committee was also advised that there may be further amendments to the Pay Policy Statement 2016 as a result of the planned Public Sector Exit Cap Regulations, due to be implemented on or around 1 October 2016. It was thought that these would state that any exit payments would be capped at £95,000, and would include the Pensions Strain as well. It was noted that there may be a need to inform the Committee of these changes towards October 2016.

Clarification was sought from members regarding what would actually need to be repaid under the Exit Payment Regulations 2016, and it was noted that this was set out in Appendix B of the report. It was also highlighted that authorities were still awaiting the final guidance. It was confirmed that these regulations would not be applied retrospectively, and would apply to anyone who left after they came into force. It would be responsibility of the employee to ensure that any repayments or arrangements to repay were paid before recommencing employment in the public sector within 12 months of receiving an exit payment.

#### RESOLVED

That the Pay Policy Statement at Appendix A of the report for recommendation to Full Council be noted.

#### 5 UPDATE ON THE COUNCIL'S FLEXIBLE RETIREMENT POLICY

The Pay Policy Sub-Committee received a report which advised that the Council's Flexible Retirement Policy had been updated. It was reported that the changes had been made in light of financial challenges to ensure that policy was more flexible for the Council to use as a cost effective option to enable the retention of key skills in the short/medium term to meet operational needs e.g. as a transition arrangement as part of a service restructure.

It was also noted that there was a need to reflect administrative changes to the Policy as a result of the new arrangements established between West Yorkshire Pension Fund as the main pensions administrator and Serco as the HR and payroll provider.

Members were advised that this policy enables an employee to draw down their pension at the same time as remaining an employee of the Council, provided there was a reduction in their grade or hours or both. When an employee was 55 years or older, and had at least 2 years pensionable service, s/he may be eligible for flexible retirement, subject to the Council's consent and specific criteria.

Members were provided with an opportunity to ask questions to the officer present and some of the points raised during discussion included the following:

- It was clarified that the release of a pension was not classed as an exit payment, but a change in contract as there would be a break in their employment.
- It was suggested that there should be some sort of member oversight, and they should be made aware of these requests. It was acknowledged that members were aware that this was not a member decision, but it was felt that they should be kept up to date with the situation.
- It was reported that if an assistant director or above wished to take flexible retirement, this request would be considered by the Appointments Committee.
- It was commented that this was an excellent scheme. However, concerns were raised regarding what would happen if this became too popular, as it could end up costing the authority more money.
- It was emphasised that this was a voluntary scheme, and requests would have to be authorised by a manager.
- This scheme allowed people to proceed more smoothly into retirement.
- It was commented that this scheme was positive as the council still had to function, but assurance was needed that different areas of the council would continue to perform and that there will not be any gaps.
- It was noted that reasons would need to be provided for any requests which were turned down.
- It was requested that wording be added to the policy to include the need for member oversight/monitoring of the trends in requests for flexible retirement and also that where requests come from people holding key posts (grade G12 and above), that the portfolio holder for HR should be made aware.

#### RESOLVED

That the changes to the Council's Flexible Retirement Policy be noted and approved, subject to the following:

1. That the procedure for requests for flexible retirement that come from assistant director level or above be included within the policy;
2. That the Portfolio Holder for HR be made aware of any requests from employees at Grade G12 or above.
3. That general monitoring of trends be undertaken and reported to members.

The meeting closed at 2.05 pm

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