

**Report for:** Staffing and Remuneration Committee

**Item number:** 11

**Title:** Pay Policy Statement 2017-18

**Report**

**authorised by:** Richard Grice – Assistant Director, Transformation & Resources

**Lead Officer:** Ian Morgan – Reward Strategy Manager, Human Resources

**Ward(s) affected:** All

**Report for Key/**

**Non Key Decision:** N/A

**1. Describe the issue under consideration**

1.1 The Council is required to produce an annual Pay Policy Statement to comply with the requirements of the Localism Act 2011. The Council approved its last Pay Policy Statement at full Council on 17<sup>th</sup> March 2016.

1.2 The attached Pay Policy Statement provides an update for publication in April 2017.

**2. Cabinet Member Introduction**

Not required for the S&R Committee.

**3. Recommendations**

3.1. That the Committee approve the draft Pay Policy Statement 2016/17, attached at Appendix A.

3.2. The Assistant Director of Transformation & Resources is also authorised in consultation with the Chair of the Committee to make such amendments to the Pay Policy Statement as he considers minor.

3.3. That the Committee remits the Pay Policy Statement (as amended if applicable) for endorsement by Full Council on 20<sup>th</sup> March 2017.

**4. Reason for decision**

4.1. In accordance with sections 38 and 39 of the Localism Act 2011 the Council is required to prepare and by resolution of Full Council, approve a Pay Policy Statement for each financial year by the end of 31 March of the previous financial year.

**5. Alternative options considered**

5.1. The Pay Policy Statement is produced annually to comply with the requirements of the Localism Act 2011.

## **6. Background information**

- 6.1. The Localism Act 2011 requires relevant authorities to prepare and publish an annual Pay Policy Statement.
- 6.2. Under this legislation the Council is obliged to state how the pay of senior managers is determined. In addition, the supplementary guidance issued under section 40 of the Localism Act requires full Council to be given the opportunity to vote on any proposed payment upon appointment or termination of employment of £100,000 or more.
- 6.3. It is not proposed that the approval of payment upon appointment or termination of employment of £100,000 per annum or more should be reserved to Full Council. To do so would create unnecessary delay in either appointing or finalising the termination of the employment of an officer. The risks of this are that the Council may lose a potential appointee whilst they wait for a salary approval. In the case of a termination of employment by way of agreement the officer's employment could not be ended until the severance payment was agreed. This would create an unnecessary cost as the officer would need to remain on full pay until this decision was taken. The Committee's current terms of reference provide that it is required to consider and approve payment upon appointment or termination of employment of £100,000 per annum or more.
- 6.4. It may be necessary for minor amendments to the draft Pay Policy Statement to be made between its approval by the Committee and its consideration by full Council. For example , paragraph 5.11 may need updating depending on the progress of pay negotiations with the trade unions. Recommendation 3.3 provides a mechanism for making minor amendments to the draft Pay Policy Statement without it having to be brought back to the Committee for further consideration, through the Committee authorising the Assistant Director Transformation & Resources in consultation with the Chair of the Committee to make the necessary amendments

## **7. Contribution to strategic outcomes**

- 7.1. The Pay Policy Statement is produced annually to comply with the requirements of the Localism Act 2011.

## **8. Statutory Officers' comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities**

### **Assistant Director of Corporate Governance Comments**

- 8.1. In accordance with sections 38 and 39 of the Localism Act 2011 the Council is required to prepare and by resolution of Full Council, approve a Pay Policy Statement for each financial year by the end of 31 March of the previous financial year. In addition the Council may resolve to amend its Pay Policy Statement at any time during the financial year. As soon as is reasonably practicable following approval the statement must be published including publication on the Council's website.
- 8.2. The Council is under a duty to have regard to any guidance issued or approved by the Secretary of State. Guidance issued under section 40 of the Localism Act 2011 has been taken into account in the preparation of this Pay Policy Statement.

- 8.3. The Accounts and Audit Regulations 2015 (“ the Regulations”) require the Council to include in its annual accounts a note of the remuneration of senior employees . “Senior employees” are defined by the Regulations as employees whose salary is £150,000 or more per year and certain other employees whose salary is £50,000 or more per year, such as the Chief Executive, statutory Chief Officers and non – statutory Chief Officers.
- 8.4. The Government has issued in February 2015 under section 2 of the Local Government, Planning and Land Act 1980 a Local Government Transparency Code 2015 . The requirements of the Code have been taken into account in the preparation of this Pay Policy Statement. These requirements include the publication of an organisation chart covering staff in the top three levels of the organisation, the publication of a list of responsibilities and details of bonuses and benefits in kind for senior employees as defined by the Regulations whose salary exceeds £50,000, and the publication of a “pay multiple”, being the ratio between the highest paid salary and the median salary of the whole of the Council’s workforce.
- 8.5. The Pay Policy Statement fulfils all the requirements of the Localism Act 2011.

#### **Chief Finance Officer Comments**

- 8.6. The Deputy Chief Finance Officer has been consulted and can confirm that there are no direct financial implications arising from this report.

#### **Equalities Comments**

- 8.7. The Council has a public sector equality duty under the Equality Act 2010 to have due regard to the need to:
- 8.7.1. Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act. Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
- 8.7.2. Foster good relations between people who share a relevant protected characteristic and people who do not share it;
- 8.7.3. A “relevant protected characteristic” is age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- 8.7.4. The Pay Policy Statement supports the Council’s approach to remuneration for its workforce in an accountable, fair and transparent way. This therefore supports the Council’s equalities policy and promotes equal pay.

#### **9. Use of Appendices**

- 9.1. Appendix A – Pay Policy Statement

#### **10. Local Government (Access to Information) Act 1985**

Not Applicable