

Council

Date

Report of:	Director for Corporate Services
Portfolio Holder	Cabinet Member for Corporate Finance and Resources

Pay Policy Statement

1.0 Summary:

- 1.1 The Localism Act 2011 requires the Council to prepare a Pay Policy Statement each year. The Pay Policy Statement must articulate the Council's approach to a range of issues relating to the pay of its workforce and must be published on the website by the 31 March each year.
- 1.2 There are no significant changes to the policy statement from the previous year. The policy statement is attached at Appendix A

2.0 Recommendations

- 2.1 **That Council approve the attached Pay Policy Statement for 2020/21 at Appendix A is approved and published.**

3.0 Report Detail

- 3.1 Under Section 112 of the Local Government Act 1972 the Council has 'the power to appoint officers on such reasonable terms and conditions as the Authority thinks fit'.
- 3.2 Legislation and supporting Government guidance, identifies the statutory contents of a Pay Policy Statement and how it should be presented.

Section 38 of the Localism Act 2011 Act sets out the requirement for Local Authorities to publish annual Pay Policy Statements. Additional requirements contained in section 40 of the Localism Act are set out further national guidance.

The core requirements of the provisions of the Localism Act are that a Pay Policy Statement (PPS) must set out the Authority's policies relating to senior salaries, remuneration and pay multiples, including the:

- Remuneration of its lowest paid employees
- Definition used for this group and the reason for adopting this definition
- Relationship between Chief Officer remuneration and that of other staff
- Pay multiple relationship between the highest earnings and the lowest earnings and between the median earnings figure for the whole authority workforce.

The Act defines Chief Officer remuneration as the level and elements of remuneration for each Chief Officer. The definition of a Chief Officer adopted by the Act, as defined by the Local Government and Housing Act 1989 currently applies to the Councils Chief Executive and Directors.

The Transparency Code, published by the Department for Communities and Local Government (DCLG), contains legal requirements to publish specific legal, organisational and salary information as follows:

- The Pay Multiple and median earnings information must reflect a particular date in the year (in this case the Council's annual Pay Policy Statement update as at 1st February each year), and include all elements of remuneration, not just taxable earnings. This includes base salary, variable pay allowances and any bonuses or payments in kind but excluding pension
- A list of the number of employees with remuneration above £50,000, presented within brackets of £5,000, with job title and the functions and the services for which they are responsible. This information is contained in the appendices to the Pay Policy Statement and updated annually
- Any employees earning in excess of £150,000 must be named. In this Council this does not currently apply.
- An organisation chart for the top 3 organisational tiers must be published. A chart reflecting the Council's current senior structure, indicating where posts are filled on a temporary rather than permanent basis and where these are vacant, is available on the public website.

In 2019/20 there were several changes to the Pay Policy Statement due to a national review of the pay spines contained in the National Joint Council terms and conditions of service. These have been successfully implemented and as a result there are no significant alterations to the Pay Policy for 2020/21.

All mandatory requirements of the relevant legislation as set out in both the Act and the Code have been reflected in the Council's updated Pay Policy Statement for 2019/20.

4.0 Consultation and Feedback

4.1 The Senior Leadership Team and Joint Staff Working Group (including recognised Trade Union representatives) have been previously consulted on policies included in this statement.

5.0 Next Steps

5.1 The Pay Policy Statement must by law be approved by Council in advance of the financial year to which it relates and must be published in the public domain on the Council's website by 1st April each year.

6.0 Financial Implications

6.1 There are no direct financial implications as a result of this report. All financial matters have been taken into account in relation to pay and future pay awards.

7.0 Legal and Governance Implications:

7.1 Following the implementation of The Localism Act 2011 the Council is required to agree a written Pay Policy on an annual basis.

The Pay Policy sets out the specific information on the relationship between the highest and lowest paid employees in the Council and principles associated with the payments and remuneration packages of Chief Officers both during and on termination of employment.

Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year and whilst the Statement can be amended in year as required, any changes must be subject to the approval of Council. Failure to do so would be contrary to the Council's Statutory Duty under the Localism Act and may result in legal action being taken against the Council.

Supplementary guidance to The Localism Act; Local Government Transparency Code 2014 issued by the Department of Communities and Local Government sets out the requirements for calculating the pay multiple and further publication of senior salaries which the Council has implemented.

Under the terms of the Accounts and Audit Regulations 2015 the Council publishes on its website, and regularly updates, information about its most senior officer's pay, including information relating to the Chief Executive and Directors.

8.0 Equality and Safeguarding Implications:

8.1 The Council is committed to ensuring that the remuneration of employees is fair and equitable. This is supported through the Pay Policy Statement. The Council's pay and grading structure is determined through Job Evaluation as a mechanism to ensure the consistent evaluation of the relative value of job roles across the Council. This in turn ensures a fair, open and transparent pay structure that supports the equal treatment of all employees in respect of their pay, terms and conditions; is compliant with Equal Pay legislation and Single Status requirements.

8.2 There are no safeguarding implications as a result of this report.

9.0 Community Safety Implications:

9.1 There are no direct implication for Community Safety as a result of this report.

10.0 Other Implications

10.1 No other implications have been identified.

11.0 Risk & Mitigation:

11.1 If the Pay Policy Statement is not approved there is a risk that we do not comply with legislation by publishing the data required under the Localism Act 2011.

11.2	L I K E L I H O O D	A	Very High				
		B	High				
		C	Significant				
		D	Low				
		E	Very Low		1		
		F	Almost Impossible				
				Negligible 1	Marginal 2	Critical 3	Catastrophic 4
IMPACT							
Risk No		Risk Description					
1		Pay policy statement is not published in line with the requirements under the Localism Act					

Background Papers:

Appendices
Pay Policy Statement – Appendix A

Report Timeline:	Dated: (initials and date)
Equalities Check & Challenge	Not required
SLT Sign off	10.02.20
Previously Considered by Cabinet	N/A
Director Approval	10.02.20
Chief Finance Officer Sign Off	10.02.20
Monitoring Officer Sign Off	11.02.20
Consultation with Portfolio Holder	11.02.20

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