

<b>Council</b>	<b>Agenda Item:</b>
<b>Meeting Date</b>	17 February 2016
<b>Report Title</b>	Pay Policy Statement
<b>Cabinet Member</b>	Cllr. Ted Wilcox
<b>SMT Lead</b>	Mark Radford, Director of Corporate Services
<b>Head of Service</b>	Dena Smart, Head of HR Shared Service
<b>Lead Officer</b>	Dena Smart, Head of HR Shared Service
<b>Key Decision</b>	<b>No</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the proposed Pay Policy Statement be agreed for publication on the council's web site.</li> <li>2. That the information within the Pay Policy Statement is updated with actual year-end figures before final publication.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- (i) The report is required to enable the council to satisfy the requirements of section 38 of the Localism Act 2011, which required that authorities must prepare a pay policy statement for the financial year 2012/13 and for each subsequent financial year; this statement must be agreed by full Council. The proposed statement is an update on the Council's current statement.
- (ii) Terms and conditions of employment for employees is a non-executive function and the General Purposes Committee has delegated responsibility for this within the Council's constitution. Although there is no statutory template for the Pay Policy, it is recommended that it sets out as many of the relevant policies as possible so that they are transparent and in one place. The attached document refers to the policies currently in place.

## **2 Background**

- 2.1 Section 38 (1) of the Localism Act 2011 required English and Welsh local authorities to produce a Pay Policy Statement for 2012/13, and for each financial year after that. The Bill as initially drafted referred solely to chief officers (a term which includes both statutory and non-statutory chief officers, and their deputies); but amendments reflecting concerns over low pay and also, drawing on Will Hutton's 2011 Review of Fair Pay in the Public Sector, introduced requirements to compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid.

2.2 The matters that must be included in the statutory Pay Policy Statement are as follows:

- a local authority's policy on the level and elements of remuneration for each chief officer;
- a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
- a local authority's policy on the relationship between the remuneration of its chief officers and other officers and in particular the pay multiple between the two;
- a local authority's policy on other specific aspects of chief officers' remuneration, including: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency;
- an organisation chart or description of the number and grades of staff in the top three layers of the organisation, with information on the grades of all those with salaries in excess of £50,000; and
- details of trade union facility time, including the number of trade union representatives for each of the recognised trade unions, and the amount of time spent on trade union duties where this is more than 50% of the officer's time.

2.3 With regard to the process for approval, the Pay Policy Statement:

- must be approved formally by the Council meeting;
- must be approved by the end of March each year;
- can be amended in-year;
- must be published on the authority's website; and
- must be complied with when the authority sets the terms and conditions for a chief officer.

2.4 The Act specifically mentions that the Pay Policy Statement may set out the authority's policies relating to other terms and conditions for chief officers, and in the interest of open government there are recommendations that the Statement sets out as much information relating to employee terms and conditions as is practical.

### **3 Proposal**

3.1 The proposed Pay Policy Statement (Appendix I) sets out the Council's overarching Reward Strategy, including many of the associated terms and conditions, and is designed to satisfy the requirements of the Localism Act 2011.

- 3.2 Once the agreed Pay Policy Statement is accepted by full Council it will be published on the Council's website, along with the details that are already required under the Code of Recommended Practice for Local Authorities on Data Transparency 2011 and the Equality Act 2010.
- 3.3 For ease of reference, the key changes in the document compared with that published in 2015 are set out below:
- (i) paragraph 3.4 of the Pay Policy Statement reflects the future change to regulations relating to exit payments for senior staff, which will be incorporated into our own policies once we have clarity on arrangements;
  - (ii) the figures for payments made in 2015/16 set out in the categories in section 3.5 of the Pay Policy Statement have been updated;
  - (iii) recent guidance from the Local Government Association has clarified that the figure used to calculate the pay multiple in section 4 should be based upon taxable pay. In previous years we have used the figure subject to national insurance deductions, and this has been corrected this year, although the consequence of this is to reduce the ability to make comparisons across the two years; and
  - (iv) the requirement to calculate the cost of the trade union activities as a proportion of the overall pay bill will not apply this year as there has been clarification that this is only in circumstances where the trade union officer spends more than fifty percent of their time on trade union duties, and we have no officers that fall into this category. This is dealt with in section five of the Pay Policy Statement.

## **4 Alternative Options**

- 4.1 The Council could choose to publicise a reduced version of the Pay Policy Statement that satisfies the minimum requirements of the Act, but this is not recommended as it does not satisfy the need for transparency, and means that the data is not seen in the context of the good work already undertaken by the Council.

## **5 Consultation Undertaken or Proposed**

- 5.1 Consultation has taken place with the Cabinet Member, Senior Management Team, and UNISON. As this is not a change to existing policies no further consultation is required.

## 6 Implications

Issue	Implications
Corporate Plan	The policies summarised in the Pay Policy Statement assist the Council in achieving its priority of being “A Council to be Proud of”.
Financial, Resource and Property	There are no additional resource implications as a result of the Pay Policy Statement as it is setting out what is already in place. The aim of Section 38 of the Localism Act is to ensure there is openness and transparency with regard to the allocation of public money to employee remuneration.
Legal and Statutory	Localism Act 2011
Crime and Disorder	None specific to this report.
Sustainability	None specific to this report.
Health and Wellbeing	None specific to this report.
Risk Management and Health and Safety	<p>There are no risks associated with the publication of the Pay Policy Statement as all this information would be available if requested through the Freedom of Information Act, although the publication of the information may help to reduce some of the FoI requests received.</p> <p>There is a risk to the Council if it does not produce a Pay Policy Statement as this is a statutory requirement.</p>
Equality and Diversity	The Equality Act 2010 places requirements upon all public sector bodies to ensure that its policies and procedures are promoting equality. The measures summarised within the Pay Policy Statement support this requirement.

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- **Appendix I:** Pay Policy Statement 2016

## 8 Background documents

<http://archive.swale.gov.uk/assets/Finance/Transparency/Swale-pay-policy-2015.pdf>