

<b>REPORT FOR DECISION</b>
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<b>Agenda Item</b>	
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<b>DECISION OF:</b>	<b>HUMAN RESOURCES AND APPEALS PANEL COUNCIL</b>
<b>DATE:</b>	<b>13<sup>th</sup> January 2017 22<sup>nd</sup> February 2017</b>
<b>SUBJECT:</b>	<b>PAY POLICY STATEMENT</b>
<b>REPORT FROM:</b>	<b>COUNCILLOR RISHI SHORI, LEADER OF THE COUNCIL</b>
<b>CONTACT OFFICER:</b>	<b>TRACY MURPHY ASSISTANT DIRECTOR RESOURCES AND REGULATION (HR AND OD)</b>
<b>TYPE OF DECISION:</b>	<b>COUNCIL DECISION</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	The Paper is within the public domain
<b>SUMMARY:</b>	<p>Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that.</p> <p>The purpose of the Pay Policy Statement is to provide transparency in respect of the Council’s approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying; the methods by which salaries of all employees are determined; the detail and level of remuneration of its most senior staff and the agreed decision making arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.</p>
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p>The Localism Act requires that pay policy pay policy statements and any amendments to them are considered by a meeting of full Council.</p> <p>The attached Pay Policy Statement [2017-2018], Appendix A, has been drafted to ensure compliance with the Act and it is put before the Council for approval.</p>

<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	This report outlines the Council's Pay Policy as required by the Localism Act.  The report is a statement of fact.  All pay costs are provided for and fully funded within the Council's approved budget.
<b>Statement by Executive Director of Resources:</b>	The attached Pay Policy Statement (2017-2018) has been drafted to ensure compliance with the Localism Act. There are no additional resource implications arising from the report.
<b>Equality/Diversity implications:</b>	Yes The purpose of the Pay Policy Statement is to provide transparency in respect of the Council's approach to setting the pay of its employees. Pay and grading decisions are based on the application of agreed Job Evaluation Schemes which are designed to eliminate discrimination.
<b>Considered by Monitoring Officer:</b>	Yes JH Section 38 of the Localism Act 2011 sets out that the Council must prepare and approve a pay policy statement for 2012-2013 (and each subsequent financial year) before 31 March each year. This must then be published as soon as is reasonably practicable following approval.
<b>Wards Affected:</b>	All Wards
<b>Scrutiny Interest:</b>	Internal Scrutiny Committee

**TRACKING/PROCESS**

**DIRECTOR: Exec. Director of Resources**

Chief Executive/ Strategic Leadership Team	Executive Member/Chair	Ward Members	Partners
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Scrutiny Committee	Committee	Council	
	√ HRA	√	

## **1.0 BACKGROUND**

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that.
- 1.2 Guidance issued by the Department for Communities and Local Government states that the purpose of the Pay Policy Statement is to address the Governments issues with "top end pay" and some of the recommendations set out in the "Hutton review of Fair Pay in the Public Sector Report".
- 1.3 The Act requires Councils to prepare Pay Policy Statements which details their policy on a range of issues relating to the pay of its employees; in particular, its senior staff ("Chief Officers") and its lowest paid employees.
- 1.4 The provisions do not apply to local authority school employees and neither do they change any existing responsibilities or duties under relevant Employment Legislation. However, all employees are included within the pay ratio calculations.
- 1.5 The Pay Policy Statement must be prepared for each financial year starting with 2012-2013. The Statement must be approved by full Council and then be published, at least, on the Council's web-site. This is to ensure transparency, so that local tax payers can take an informed view of whether local decisions and all aspects of remuneration are fair.
- 1.6 The Council's existing Pay Policy Statement (2016/17) was approved at the meeting of Council held on 6<sup>th</sup> April 2016.
- 1.7 The matters that must be included in the statutory pay policy statement are:
  - The local authority's policy on the level and elements of remuneration for each chief officer;
  - The 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);
  - The local authority's policy on the relationship between the remuneration of its chief officers and other officers;
  - The local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.
- 1.7 The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.
- 1.8 The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying;
  - the methods by which salaries of all employees are determined;

- the detail and level of remuneration of its most senior staff i.e. 'Chief Officers', as defined by the relevant legislation;
- the Committee(s) responsible for ensuring the provisions set out in the Pay Policy Statement are applied consistently throughout the Council and recommending any amendments to the full Council.

1.9 The updated Pay Policy Statement: 2017-2018, which is attached at Appendix A, has been drafted to ensure compliance with the Localism Act and it is put before the Council for approval.

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#### **List of Background Papers:-**

- 1. DCLG Guidance (2011): Openness and accountability in local pay**
- 2. DCLG Supplementary Guidance (February 2013): Openness and accountability in local pay - Guidance under section 40 of the Localism Act 2011**

#### **Contact Details:-**

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