

Report of the Director of Human Resources to the meeting of Council to be held on 21 March 2017

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Subject:

Pay Policy Statement 2017/18

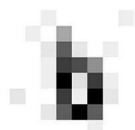
Summary statement:

In accordance with the Localism Act 2011 Local Authorities are required to produce and publish a Pay Policy Statement for each financial year. The Pay Policy Statement must be approved by full Council before publication.

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Portfolio:
Corporate

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1. SUMMARY

- 1.1 Sections 38 – 43 of the Localism Act 2011 require the Authority to produce a policy statement that covers a number of matters concerning the pay of the Authority's staff, principally its Chief Officers and the Authority's lowest paid employees.
- 1.2 The Pay Policy Statement for the year 1 April 2017 to 31 March 2018 has been produced taking into account the relevant requirements of the Localism Act 2011 and having regard to the statutory guidance issued by the Department for Communities and Local Government (DCLG) in February 2012 and the supplementary guidance issued in February 2013 both entitled 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011' ("the Guidance") together with the Local Government Transparency Code 2015 where applicable.
- 1.3 This report provides details of the proposed Pay Policy Statement for the financial year 2017/18.

2. BACKGROUND

- 2.1 Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement for each financial year.

- 2.2 The Pay Policy Statement must:

- Be produced annually in time for the start of each financial year and be approved by a resolution of full Council (the power cannot be delegated). The 2017/18 Pay Policy Statement must be prepared and approved before 31 March 2017. Any amendments required to the Pay Policy Statement in year must also be considered by full Council.
- Be published which must include publication on the Council's website, as a minimum, soon after approval or amendment.
- Set out the Authority's policies on a range of issues particularly relating to its chief officers and lowest paid employees.
- Be complied with.

The Guidance also states that:

- Full Council be offered the opportunity to vote on salary packages of £100k pa or more in respect of new appointments and severance packages of £100k or more.

- 2.3 The Pay Policy Statement must set out the Authority's policy relating to:-

- The level and elements of remuneration for each Chief Officer, which includes salary, any charges, fees or allowances, benefits in kind, bonuses, the use of performance related pay, increases and additions to remuneration, remuneration on recruitment, the approach to the payment of Chief Officers ceasing to be employed by the Authority.
- The remuneration of the lowest paid employees in the workforce.
- The relationship between the remuneration of Chief Officers and other employees.

- The publication of and access to information relating to remuneration of Chief Officers.
- 2.4 The provisions of the Act do not apply to employees of schools maintained by the Authority and therefore they are not within the scope of the Pay Policy Statement.
- 2.5 Chief Officers are defined in the Pay Policy Statement as the posts of Chief Executive, Strategic Directors, Directors, Deputy Director, City Solicitor and Assistant Directors.
- 2.7 The Pay Policy Statement must be approved by a resolution of the full Council before it comes into force.
- 2.8 The proposed Pay Policy Statement for 2017/18 can be found at **Appendix 1**. The proposed Statement is based on the approved 2016/17 statement which has been updated and amended in relation to the following:
 - The value of the 'pay multiple' between the highest paid salary and the median earnings figure of the whole of the Council's workforce has slightly increased to from 9.0:1 to 9.1:1.
 - Under the current recruitment provisions, approval has been given for the post of Assistant Director - Finance & Procurement to be covered under an interim arrangement by an individual on a 'contract for service' basis until the normal recruitment process has been completed and an appointment is made.
 - Employer's pension contributions will increase to 17.5% from 1 April 2017.
 - Employees contribution bandings are also increasing as follows :-
 - Employees earning up to £13,700 contribute 5.5%
 - Employees earning between £13,701 and £21,400 contribute 5.8%
 - Employees earning between £21,401 and £34,700 contribute 6.5%
 - Employees earning between £34,701 and £43,900 contribute 6.8%
 - Employees earning between £43,901 and £61,300 contribute 8.5%
 - Employees earning between £61,301 and £86,800 contribute 9.9%
 - Employees earning between £86,801 and £102,200 contribute 10.5%.
 - Employees earning between £102,201 and £153,300 contribute 11.4%.
 - Employees earning more than £153,301 contribute 12.5%.

3. FULL COUNCIL CONSIDERATION

- 3.1 Full Council will consider this report and the draft Pay Policy Statement at **Appendix 1** on 21 March 2017.

4. OTHER CONSIDERATIONS

- 4.1 The Council may, by resolution of the full Council, amend this Pay Policy Statement during the course of the year to which it relates.

Under the Enterprise Act 2016, regulations are to be introduced restricting public sector exit payments to £95,000. Whilst the detail of when and how these regulations are to be implemented is not available yet, these regulations will necessitate changes

to the Council's Discretionary Compensation Policy and the LGPS Pension Discretion Policy Statements that are referenced in the Pay Policy Statement.

Regulations are also to be introduced requiring those earning £80,000 pa or more who leave public sector employment and then return to work in the public sector within 12 months, to repay some or most of their redundancy payment, depending on how soon they gain new employment. Exact details and when the provisions will be brought into force have yet to be announced. This will necessitate changes to the Appendix to the Pay Policy Statement (the section entitled "Re-employment of Chief Officers in receipt of a LGPS Pension or a redundancy/severance payment".)

5. OPTIONS

- 5.1 The production and publication of a Pay Policy Statement is a statutory requirement under the Localism Act 2011 for the financial year 2017/18 and each subsequent financial year.

6. FINANCIAL & RESOURCE APPRAISAL

- 6.1 There are no direct financial implications arising from this report.

7. RISK MANAGEMENT

- 7.1 No significant implications have been identified.

8. LEGAL APPRAISAL

- 8.1 The Authority is under a statutory duty to prepare and publish a Pay Policy Statement for the financial year 2017/18 and each subsequent financial year pursuant to the requirements set out in sections 38-43 of the Localism Act 2011. The Pay Policy Statement must be approved by a resolution of the Authority before it comes into force. The Pay Policy Statement for the financial year 2017/18 must be prepared and approved before 31 March 2017. The Authority must have regard to the Guidance referred to in this report in preparing and approving the Pay Policy Statement together with the provisions of the Local Government Transparency Code 2015 where applicable.

9. OTHER IMPLICATIONS

None.

9.1 EQUALITY & DIVERSITY

This Pay Policy Statement is a confirmation of existing policies, documents and relevant terms and conditions of employment therefore there are no diversity and equality implications arising.

An Equality Impact Assessment is not required as the Pay Policy Statement does not include proposals for new or changing policies, services or functions.

9.2 SUSTAINABILITY IMPLICATIONS

Not applicable.

9.3 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable.

9.4 COMMUNITY SAFETY IMPLICATIONS

Not applicable.

9.5 HUMAN RIGHTS ACT

None arising from this report.

9.6 TRADE UNION

There is no formal requirement to consult about this Pay Policy Statement however it will be shared with the recognised Trade Unions for information.

The Pay Policy Statement brings together the Authority's existing policies which have been subject to consultation where required.

9.7 WARD IMPLICATIONS

Not applicable.

10. NOT FOR PUBLICATION DOCUMENTS

None

11. RECOMMENDATIONS

Recommended -

That the Pay Policy Statement for the financial year 2017/18, as set out at Appendix 1 to this report, be approved.

12. APPENDICES

Appendix 1: Proposed Pay Policy Statement 2017/18

13. BACKGROUND DOCUMENTS

- Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011, February 2012. [Openness & Accountability in Local Pay - Feb 2012](#)
- Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 (Supplementary Guidance) February 2013. [Openness and Accountability in Local Pay - Feb 2013](#)
- Local government transparency code 2015
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/408386/150227_PUBLICATION_Final_LGTC_2015.pdf