

Report of:	Leader of the Council
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Portfolio Leader:	Corporate Improvement
Key Decision:	No
Report Track:	LT/Cabinet/Council

COUNCIL
24th February 2021
Localism Act 2011 – Pay Policy Statement 2021/22

1 Purpose of Report

- 1.1 The purpose of this report is to agree a Pay Policy Statement for 2021-22 as required by Sections 38 and 39 of the Localism Act 2011.

2 Recommendations

- 2.1 That Council approves the Pay Policy Statement as set out in Appendix 1
- 2.2 That Council agrees to the publication of the Pay Policy Statement on the Council's website

3 Key Issues and Reasons for Recommendation

- 3.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Local Authorities to prepare a Pay Policy Statement for 2012/13 and for each financial year thereafter. Section 39 of the Act requires the Statement to be approved by Council by the end of March each year.
- 3.2 The purpose of a Pay Policy Statement is to provide transparency concerning the Council's approach to setting the pay of its employees in line with Chapter 8 of the Localism Act 2011 and the provisions of the guidance issued under S40 (i.e. Openness and accountability in local pay) by identifying:
- 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 a definition of "lowest paid employees").
- A Local Authority's policy on the relationship between the remuneration of its chief officers and its other officers.
- A Local Authority's policy on other specific aspects of chief officers' remuneration such as remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

3.3 For these reasons a pay policy statement has been created for approval and publication.

4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) This report does not contribute directly to corporate priorities but is required for legal compliance with the Localism Act 2011

5 Report Detail

5.1 Section 38 (1) of the Localism Act 2011 requires English (and Welsh) local authorities to prepare 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 the policy on the lowest paid.

5.2 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.

5.3 In terms of process the Pay Policy Statement

- Must be approved formally by the full Council
- Must be approved by the end of March each year
- Can be amended in-year
- Must be published on the Authority's website (and in any other way the Authority chooses)

- Must be complied with when the Authority sets the terms and conditions for a Chief Officer.
- 5.4 The Act also requires an Authority to have regard to any statutory guidance on the subject issued or approved by the Secretary of State. Statutory recommendations have been issued on pay multiples (within a wider code of recommended practice) on data transparency and a broader set of statutory guidance on the publication of pay policy statements. The statutory guidance emphasises that each Local Authority has the autonomy to take its own decisions on pay and pay policies.
- 5.5 The Act sets out that in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and seen as such). Each Local Authority will have its own way of balancing those factors, with legitimately differing emphases reflecting differing circumstances.
- 5.6 As well as being required to set out certain of its policies on pay, a Local Authority is required to use the pay policy statement to set out its policies on paying charges, fees (such as for the local returning officer or joint authority duties) allowances and benefits in kind.
- 5.7 Although not required by the Act or statutory guidance, in order to support the need for transparency the pay policy statement should include the percentage rate at which the employers pension contributions have been set for the year in question together with the employee contribution rates.
- 5.8 The pay awards for NJC Green Book, Chief Executives, JNC Chief Officers and Craft and Associated Employees are currently under national negotiation between the employers and trade unions at the time of writing. On this basis figures quoted for employee salaries in Annex 1 are as at 1st November 2020.

6 Implications

6.1 Financial

The approval of the Council's pay policy statement does not commit any additional expenditure over and above that approved for the next financial year 2021/22.

6.2 Legal

The legal implications are discussed in the main body of this report.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

Data on Chief Officers pay is regularly published and is already in the public domain

6.7 Risk Management

None

6.8 Equality & Diversity

Pay and conditions for employees are applied fairly and equitably under the Council's job evaluation scheme. Any differentials arising in pay between employees arise from the job evaluation scheme or from the effect of TUPE protections were applicable.

6.9 Best Value

None

7 Appendices to the Report

Annex 1 – Pay Policy Statement 2021-22.

Previous Consideration

Background Papers