

TO:	PERSONNEL COMMITTEE		
DATE:	2 MARCH 2017	AGENDA ITEM:	3
TITLE:	PAY POLICY 2017/18		
SERVICE:	HR / PAYROLL	WARDS:	All
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1. PURPOSE OF REPORT

- 1.1 To provide Personnel Committee with a draft Pay Policy for 2017/18. Last year, the Pay Policy was amended to allow for greater flexibility, particularly in recruiting staff for difficult to fill posts.

2. RECOMMENDED ACTION

- 2.1 That, subject to any comments the Committee may have on the content, the draft 2017/18 Pay Policy (attached) be ENDORSED for submission to Council.

3. POLICY CONTEXT

- 3.1 Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement. The statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees. The Council published its first Pay Policy Statement in April 2012.
- 3.2 The Pay Policy was amended for 2016/17 to meet the increasing need for greater flexibility in pay arrangements, whilst still retaining structure, control and fairness to the Council's pay arrangements.
- 3.3 The draft Pay Policy also reflects the increase in the Living Wage rate to £8.45 ph.
- 3.4 Each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Localism Act do not seek to change this or to determine what decisions on pay should be taken but they require individual employing authorities to be more open about their own policies in relation to pay and how decisions are made in this regard.

- 3.5 Section 40 of the Act requires authorities in developing their Pay Policy Statement to have regard to any guidance published by the Secretary of State. This includes Communities and Local Government guidance on Openness and Accountability in Local Pay and the Code of Recommended Practice for Local Authorities on Data Transparency (as amended).
- 3.6 The government has taken steps to increase transparency on the pay and reward of public sector employees and the Code of Recommended Practice for Local Authorities on Data Transparency which amongst other things asks councils to consider the way they release data on senior salaries.
- 3.7 In March 2011 the Hutton Review of Fair Pay was published which made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and highest paid in the public sector.
- 3.8 The provisions contained in the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay which culminated in the formalisation of the Council's Pay Policy Statement, which outlines the pay and reward of the most senior employees set within the context of the pay of the wider workforce.
- 3.9 The Act sets out in detail the specific elements which the Pay Policy Statement must include as a minimum. The Act requires that in addition to the determination of senior salaries authorities must make clear what approach is taken to awarding other elements of pay including;
- severance payments,
 - any additional fees (e.g. election duties)
 - pay increases,
 - honorarium payments etc.
- 3.10 The Act requires that authorities include in their Pay Policy Statements their approach to the publication of and access to information relating to the remuneration of Chief Officers. Reference to the council's Statement of Accounts where this information is published is included within the proposed policy.
- 3.11 The Act requires that Pay Policy Statements are produced annually and are considered by full council. Any subsequent amendments required to the policy should also be considered by full council. This should be carried out in accordance with part 5A of the Local Government Act 1972. The Secretary of State does not consider that any of the grounds for exclusion of the public would be met for discussions around Pay Policy Statements.
- 3.12 The Act requires that the council's approach to pay, as set out in the Pay Policy Statement, is accessible for council tax payers for them to take an informed view of whether local decisions on all aspects of remuneration are

fair therefore the approved Pay Policy Statement is published on the council's website.

3.13 The Hutton report highlighted that there is value in ensuring decisions about senior pay are taken in the context of similar decisions on lower paid staff and the Act requires Authorities to set their policy on remuneration for the highest paid employees alongside policies on the lowest paid.

3.14 The Hutton report and The Code of Recommended Practice for Local Authorities on Data Transparency also suggest that the organisation's pay multiple is published. The 'pay multiple' (in this context) is described as the ratio between the highest paid employee and the 'median average' earnings across the organisation which acts as a means of illustrating the relationship between the highest and lowest paid.

4. NEXT STEPS

4.1 The revised Pay Policy will need to be submitted to full Council for approval in March 2017.