

CITY COUNCIL – 5 MARCH 2018

REPORT OF THE PORTFOLIO HOLDER FOR COMMUNITY AND CUSTOMER SERVICES

PAY POLICY STATEMENT 2018-19

1 SUMMARY

- 1.1 This report introduces the Council's pay policy statement for 2018-19 as required by the Localism Act. The Statement sets out information on pay and conditions for Chief Officers in comparison to the bulk of the workforce employed on 'Local Government Scheme' (LGS) terms and conditions.

2 RECOMMENDATIONS

- 2.1 To approve and endorse the Council's pay policy statement for 2018-19.
- 2.2 To note that the statement may need to be amended in-year for any necessary changes the Council may wish to adopt. Any such changes will be presented to Full Council for approval.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Pay Policy Statement is being presented to Full Council in order to demonstrate that decisions on pay and reward packages for Chief Executives and Chief Officers are made in an open and accountable way.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 As the production of a Pay Policy Statement is a requirement under the Localism Act, no other options were considered.

5 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 5.1 The Localism Act requires local authorities to prepare and publish an annual Pay Policy Statement.
- 5.2 The Act requires that the statement must be approved formally by the Council meeting itself (it cannot be delegated to a sub-committee); must be approved by the end of March each year and must be published on the Council's website. "Chief Officer" is widely defined through adopting the definitions in the Local Government and Housing Act 1989.
- 5.3 In more detail, the matters that must be included in the statutory Pay Policy Statement are as follows:
- the Council's policy on the level and elements of remuneration for Chief Officers;
 - the Council'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 Council's policy on the relationship between the remuneration of its Chief Officers and other Officers;
 - the Council'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.

- 5.4 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.
- 5.5 The pay multiple of the average Chief Officer's pay (£95,574) to that of the non-chief officer average earner (£24,108) including guaranteed payments¹ is 1:4. The relationship between the Chief Executive's pay (£163,216) to that of the Council's non-chief officer average earner excluding allowances (£23,650) is a pay multiple of 1:7.
- 5.6 The total sum of additional payments claimed by the Council's Chief Officers from 1 April 2017 to 31 October 2017 was £22,100. These related to claims for expenses and allowances, including travel and additional responsibilities.
- 5.7 As at 31 October 2017, there were no chief officers in receipt of bonus payments, increments, performance related pay and other pay enhancements (overtime, weekend, evening, night working, etc). There was a Chief Officer pay award of 1% from 1 April 2017. At time of writing, no pay award offer has yet been confirmed for April 2018.
- 5.9 There was also a Chief Executive pay award of 1% effective from 1 April 2017.
- 5.10 The pay gap between the Chief Executive and lowest paid employee has increased slightly over the last two years (2016-17 and 2017-18). This is due to Chief Executive pay awards of 1% being granted in April 2016 and April 2017. However, the ratio has slightly decreased as the salary of the lowest paid employee increased by 2.6% in 2016/17 and 5.1% in 2017/18.
- 5.11 The Council now has a new pay model and terms and conditions with effect from 1 April 2017, which are referred to within the Pay Policy Statement.

6 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY)

- 6.1 The average and median pay figures included in the report are based on data for 2017/18 up to 31 October 2017 increased to an annual figure.

7 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 7.1 Under Section 38 of the Localism Act 2011, for each financial year, the Council is required to prepare a pay policy statement relating to the following:
- the remuneration of its chief officers,
 - the remuneration of its lowest-paid employees, and
 - the relationship between—
 - the remuneration of its chief officers, and
 - the remuneration of its employees who are not chief officers.

¹ Includes basic FTE salary, pension – employer contribution on FTE basic pay, salary protection, market supplements, allowances and enhancements paid between 01/04/2017 to 31/10/2017

- 7.2 The statement must also state:
- the definition of “lowest-paid employees” adopted by the Council for the purposes of the statement, and
 - the authority's reasons for adopting that definition.
- 7.3 The statement must also include the Council's policies relating to—
- the level and elements of remuneration for each chief officer,
 - remuneration of chief officers on recruitment,
 - increases and additions to remuneration for each chief officer,
 - the use of performance-related pay for chief officers,
 - the use of bonuses for chief officers,
 - the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
 - the publication of and access to information relating to remuneration of chief officers.
- 7.4 A pay policy statement for a financial year may also set out the Council's policies for the financial year relating to the other terms and conditions applying to the Council's chief officers.
- 7.5 Under Section 39 of the Localism Act 2011, the pay policy statement must be approved by Full Council before it comes into effect. The statement must be approved by 31 March 2018 for the forthcoming financial year.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required as the report does not contain proposals or financial decisions.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 9.1 Local Government Association and Association of Local Authority Chief Executives (ALACE), Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 Communities and Local Government, Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act.
- 10.2 Department for Communities and Local Government, 2013. Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act 2011. Supplementary Guidance. London

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