

City Council – 9 March 2020

Report of the Chair of Appointments and Conditions of Service Committee

Pay Policy Statement 2020 to 2021

1 Summary

- 1.1 This report introduces the Council's Pay Policy Statement for 2020 to 2021 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 2020 to 2021.
- 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 including guaranteed payments (£83,324) to that of the non-chief officer average earner including guaranteed payments (£25,578) including guaranteed payments¹ is 1:3. The relationship between the Chief Executive's pay (£169,810) to that of the Council's non-chief officer average earner excluding allowances (£25,490) 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 2019 to 31 October 2019 was £15,935. These related to claims for travel, additional responsibilities and Market Supplements and Pay Protection.
- 5.7 As at 31 October 2019, there were no chief officers in receipt of bonus payments, performance related pay and other pay enhancements (overtime, weekend, evening, night working, etc). There was a two-year Chief Officer Pay award of 2% for the years commencing 1 April 2018 and 1 April 2019 respectively.
- 5.9 Similarly there was a 2% pay award covering the same period for Chief Executive Pay effective from 1 April 2018.
- 5.10 The pay gap between the Chief Executive and lowest paid employee has increased over the last two years (2018-19 and 2019-20) this would be expected with a 2% increase across the board. There was a weighted settlement for the lowest paid employees of between 3.734% and 9.191% in 2018/19 and 2019/20, but this was limited to the first few spinal points and the bulk of the workforce received the 2% pay increase.
- 5.11 The Council introduced a new pay model and terms and conditions for SLMG colleagues with effect from 1 October 2018, which are referred to within the Pay Policy Statement.

6 Finance comments (including implications and value for money)

- 6.1 The average and median pay figures included in the report are based on seven months' data for 2019/20 up to 31 October 2019, extrapolated up to represent an annual figure.

7 Legal and procurement 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.

- 7.2 The statement must also state:

¹ Includes basic FTE salary, pension – employer contribution on FTE basic pay, salary protection, market supplements, allowances and enhancements paid between 01/04/2018 to 31/10/2018

- 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 2020 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

Councillor Dave Liversidge
Chair of the Appointments and Conditions of Service Committee