

## **Localism Act: Pay Policy Statement 2013/14**

### **SUMMARY**

- 1.1 The Localism Act requires local authorities to prepare an annual pay policy statement (the Statement) and to have it approved by Council. The Statement for 2013/14 must be approved by 31 March 2013.

### **RECOMMENDATION**

- 2.1 To approve the Pay Policy Statement attached at Appendix 2.
- 2.2 To note that, when approved, the Pay Policy Statement will be published on the Council's website.
- 2.3 To authorise the Monitoring Officer to make changes to the Constitution resulting from new regulations and guidance from the Secretary of State for Communities and Local Government

### **REASONS FOR RECOMMENDATION**

- 3.1 To comply with the requirements of the Localism Act 2011.
- 3.2 To enable a response to new regulations and guidance from the Department of Communities and Local Government

### **SUPPORTING INFORMATION**

- 4.1 In June 2010 the Government asked Will Hutton to undertake an independent review of Fair Pay in the Public Sector and his final report was published in March 2011.
- 4.2 In September of the same year the Secretary of State published the Code of Recommended Practice for Local Authorities on Data Transparency which included advice on giving transparency on the salary of senior officers.

- 4.3 These strands of fairness, accountability and transparency were enshrined in Section 38 of the Localism Act 2011.

This Section places a requirement on local authorities to set out the Council's policies for the financial year in relation to:

- the remuneration of its Chief Officers
  - the remuneration of its lowest-paid employees
  - the relationship between the remuneration of its chief officers and other officers
- 4.4 The definition of a 'Chief Officer' under the Act includes 'Deputy Chief Officers' which in Derby will mean that Service Director posts as well as Strategic Director posts and the Chief Executive will have to be covered by the Statement. The Act does not however apply to Local Authority Schools.
- 4.5 The Statement must include the definition of 'lowest-paid employees' and reasons for adopting that definition. It must also include the Council's policies on the remuneration of Chief Officers relating to:
- the level and elements of remuneration
  - remuneration on recruitment
  - increases and additions to remuneration
  - the use of performance-related pay
  - the use of bonuses
  - the approach to payments when employment is ceased
  - the publication of and access to this information
- 4.6 The Statement may also include other terms and conditions of Chief Officers.
- 4.7 In preparing the draft Statement regard has been had to the Guidance issued by the Department of Communities and Local Government (DCLG) and the Local Government Association (LGA).
- 4.8 Both the LGA and DCLG Guidance usefully point out that the Statement is about policy and not the actual pay of individuals though it could be about individual posts if actual salaries vary.
- 4.9 Once approved however the Statement must be complied with when the Council sets its terms and conditions for Chief Officers, though the Statement can be changed during the year, but only by Council.

#### **OTHER OPTIONS CONSIDERED**

- 5.1 No other options have been considered.

**This report has been approved by the following officers:**

<b>Legal officer</b>	Janie Berry: Director of Legal & Democratic Services phone:01332 643616
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<b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Mark Nash: Group Accountant (Corporate) phone 01332 643364  Karen Jewell: Director of HR & Business Support phone 01332 643724 Roger Kershaw: Strategic Director Resources phone 01332 643552
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<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Jon Redfern 01332 643689 e-mail jonathan.redfern@derby.gov.uk None Appendix 1 – Implications Appendix 2 - Draft Pay Policy Statement 2013/14
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<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The Pay Policy sets out current remuneration arrangements for senior managers in the Council.

**Legal**

- 2.1 The Pay Policy has been prepared in line with the requirements of the Localism Act 2011 and Guidance prepared by the Department of Local Government and Communities.

**Personnel**

- 3.1 The Pay Policy sets out the Council's remuneration arrangements to support recruitment and retention of skilled and motivated senior managers responsible for managing excellent services and delivery of the Council's strategic objectives.

**Equalities Impact**

- 4.1 The Pay Policy has been prepared mindful of relevant legislation on equality and diversity.

**Health and Safety**

- 5.1 None directly arising.

**Environmental Sustainability**

- 6.1 None directly arising.

**Property and Asset Management**

- 7.1 None directly arising.

**Risk Management**

- 8.1 None directly arising.

**Corporate objectives and priorities for change**

9.1 None directly arising.