



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

3 March 2015

Agenda Status: PUBLIC

**Directorate: Borough Secretary and
Monitoring Officer**

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| Report Title | Northampton Borough Council's Pay Policy Statement 2015/16 |
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1. Purpose

1.1 The Localism Act 2011 requires every local authority to publish a Pay Policy Statement annually. This report includes details of the information, which must be included in the statement and provides a Pay Policy Statement for approval for the year 2015/16.

2. Recommendations

Council is recommended to:

2.1 approve the Pay Policy Statement for the financial year 2015/16 attached at Appendix 1.

3. Issues and Choices

Report Background

3.1 The Localism Act 2011 introduced a requirement for every local authority, to prepare and publish an annual Pay Policy Statement explaining the authority's own policies for the financial year towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees and the relationship between the pay of Chief Officers and other employees.

3.2 This requirement was introduced to:

- a) increase the accountability, transparency and fairness of setting local pay;
- b) give local people access to information to allow them to determine whether pay is appropriate; and
- c) ensure that the pay of senior staff is fair in the context of the pay of the rest of the workforce.

- 3.3 In summary, the Localism Act 2011 requires the Pay Policy Statement to include the Council's policies relating to:
- a) The remuneration of Chief Officers, (including salary, bonuses, charges, fees, allowances, benefits in kind).
 - b) The remuneration of the Council's lowest-paid employees.
 - c) The relationship between the remuneration of Chief Officers and remuneration of employees who are not Chief Officers.
 - d) Remuneration of Chief Officers on recruitment.
 - e) Increases and additions to remuneration for each Chief Officer.
 - f) The use of performance related pay for Chief Officers.
 - g) The use of bonuses for Chief Officers.
 - h) The approach to the payment of Chief Officers on their ceasing to be employed by the Council.
 - i) The publication of and access to information relating to remuneration of Chief Officers.
- 3.4 The Council is required to have regard to any guidance issued or approved by the Secretary of State when preparing and approving its Pay Policy Statement. In this regard, the Department for Communities and Local Government (DCLG) issued a guidance document under the Localism Act 2011 in February 2012 entitled, "*Openness and accountability in local pay*". DCLG also issued Supplementary Guidance in February 2013.
- 3.4 The Council must have the Pay Policy Statement for 2015/16 in place by 31 March 2015. It must be approved by full Council. The DCLG Guidance makes it clear that the Secretary of State does not consider that any of the grounds for exclusion of the public would be met when Members are considering the Pay Policy Statement.
- 3.5 Members are asked to note in particular that the Pay Policy Statement for 2015/16 makes reference to the Council's pay structures being locally agreed from 1st April. This is following the authority's decision to withdraw from national pay bargaining.
- 3.6 Once approved, the Pay Policy Statement must be published in such a manner as the Council thinks fit, which must include publication on the Council's website. Each subsequent statement must be prepared and approved before 31 March immediately preceding the financial year to which it relates.

4. Implications (including financial implications)

4.1 Policy

The report continues existing policy.

4.2 Resources and Risk

The Pay Policy Statement must be prepared for the financial year 2015 – 2016 and each subsequent financial year. Once in place it will provide the public with a clear rationale to explain the Council's approach to pay.

4.2 Legal

The requirements of the Localism Act 2011 to produce and publish the Pay Policy statement supplement all the existing duties and responsibilities of the Council as an employer, particularly its responsibilities under the Equality Act 2010 to avoid discrimination and provide equal pay. Since the Statement contains policies concerned with remuneration rather than information relating to individuals, the provisions of the Data Protection Act do not apply. Where the salary of senior post holders is published outside the Pay Policy Statement, it is done so in order to comply with the Code of Recommended Practice for Local Authorities on Data Transparency.

4.3 Other Implications

The Pay Policy Statement will assist the Council to monitor remuneration across the service and provide a fair system of remuneration, which avoids discrimination.

4.4 Equality

No direct impact on equality context as this a statement of existing policy.

4.5 Policy

The report continues existing policy.

5. Background Papers

- *Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011*, Department for Communities and Local Government, February 2012
- *Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011, Supplementary Guidance*, Department for Communities and Local Government, February 2013

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