

**PAY POLICY 2015/16**

Report of the Deputy Chief Executive

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**1. Purpose of report**

- 1.1 To present to Council the Pay Policy for 2014/15 as per the requirements set out in the Localism Act 2011 and to invite Council to consider whether to adopt the Policy.

**2. Summary**

- 2.1 The Localism Act 2011 (the '2011 Act') requires local authorities to publish a pay policy annually. The purpose of a pay policy is to assist with the drive for greater transparency and accountability in relation to pay. The policy must at a minimum cover the level and elements of remuneration of Chief Officers (as defined by the 2011 Act), but local authorities have the discretion to broaden the policy to cover other terms and conditions and employee groups.
- 2.2 This report sets out the proposed pay policy for the Council for 2015/16 and the pay ratio to be published; it also references the data to be released in April 2015 as part of the Council's annual publication of senior manager data, signposted from the pay policy.

**3. Recommendations**

- 3.1 The Employment Committee will consider a report on this item of business at its meeting on 23 March 2015. The Committee will be invited to recommend to County Council:-

*"That County Council adopts the Pay Policy for 2015/16, including a revised pay ratio, as set out in Appendix 1 to the report."*

- 3.2 The Committee's recommendation/s to Council will be circulated to Members in the Council Order of Business sheet.
- 3.3 The Employment Committee will also be asked to note the data release for April 2015 set out in paragraph 7 of the report.

## **4. Background**

- 4.1 The Localism Act 2011 requires all local authorities to prepare and publish an annual pay policy statement to articulate the Council's policies on the remuneration of both its highest and lowest paid employees for the following financial year.
- 4.2 Publication of the pay policy is to assist with the drive for greater transparency and accountability of senior managers' pay, providing information to the public about how the Council sets and manages pay for senior managers and also for its lowest paid employees. This is also in line with the Department for Communities and Local Government (DCLG's) 'Local Government Transparency Code 2015.

## **5. Scope of the Pay Policy**

- 5.1 The Localism Act 2011 requires the pay policy to include information relating to the Head of Paid Service, the Monitoring Officer, Chief Officers (statutory and non-statutory) and Deputy Chief Officers, as defined in the Local Government and Housing Act 1989 and including Public Health. Schools employees are excluded from the scope of the pay policy as each school is already required to publish its own pay policy.

## **6. Recommendations for content of the Pay Policy for 2015/16**

- 6.1 . The pay policy for 2015/16 remains the same in format as 2013 & 2014 and the majority of the content is also as per the 2014/15 policy.
- 6.2 Within the parameters of the guidance around the Act, it is proposed that the following definitions be used within the Council's pay policy for 2015/16;
  - The definition of the Council's lowest paid worker is the lowest national spinal column point (SCP) 5. This is the lowest pay point the Council can appoint to and, therefore, is the Council's lowest pay point.[ Note: This is with the exception of Health and Social care Trainees (previously known as 'Care Cadets') who are paid £110 per week (this is above the National Minimum wage for Apprenticeships)]. As at April 2015 this is a full time value of £13,500. From 1 October 2015 SCP 5 will be removed and the lowest pay will then be £13,614 (SCP 6)
- 6.3 The definition of the ratio is proposed to change from 1 April 2015 in line with the DCLG's Local Government Transparency Code 2015 as follows:-
  - The ratio between the total remuneration of the Council's highest paid employee (Chief Executive on 1 April 2015) and the median total remuneration figure for the whole of the Council's workforce (exc. schools). The earnings are calculated on remuneration, including additional payments such as bonuses. This ratio will be calculated based on data in April 2015 and the final figure published thereafter.
  - The current published ratio based on the basic salary of the Council's highest paid employee (Chief Executive) and the median basic pay of all

Council department employees (exc. schools) is 1.7. It is anticipated this will not vary significantly in April 2015.

## **7. Open Data Release for 2015/16**

7.1 The following information will be published on the Council's website in compliance with The Accounts and Audit Regulations 2015 and The Local Government Transparency Code 2015:

- the number of employees whose remuneration is at least £50,000 - in brackets of £5,000
- details of the remuneration and job titles of certain senior employees' whose salary is £50,000 or more, identifying those whose salaries are £150,000 or more by name.
- Organisation charts based upon staff whose annual salary exceeds £50,000 publishing data as recommended by the code.
- A list of responsibilities and bonuses of certain senior employees' earning a salary of more than £50,000.

## **8. Approval of the Pay Policy**

8.1 The pay policy must be approved by Full Council by 31 March each year. After approval or revision the pay policy must be published on Herts Direct in an easily accessible manner and linked to the Open Data release.

8.2 Once published the Council must comply with the pay policy for the relevant financial year, and will be constrained by it when making any decisions relating to roles within scope of the policy.

8.3 Timetable for approval is as follows;

<b>Action / Approval</b>	<b>Date</b>
Employment Committee	23 March 2015
Full Council	31 March 2015
Publication of Pay Policy & Open Data	April 2015

## **9. Financial Implications**

9.1 There are no financial implications of the publication of Pay Policy or the data release.

## **10. Equalities Implications**

10.1 There are no equality implications of the publication of Pay Policy or the data release

### *Background Information*

Report and Minutes, Employment Committee, March 2014

Report to Employment Committee, March 2015

Localism Act 2011 <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>