



Full Council
25 February 2013

**Report from the Interim Assistant
Director People and Development**

Localism Act 2011 – Pay Policy Statement

1.0 Summary

- 1.1 Section 38(1) of the Localism Act 2011 requires England and Welsh local authorities to produce a pay policy statement for 2012/13 and subsequent financial years. The Act does not apply to local authority schools. The purpose of this report is to inform members of the arrangements that have been put in place in Brent Council to meet the requirements of the Act.
- 1.2 The pay policy statement for Brent is attached. The statement is consistent with the specific requirements of the Act detailed in the body of this report and sets out all the factual pay information in relation to those requirements. The Act requires the statement to be produced on an annual basis by 31 March each year.
- 1.3 A review of pay and terms and conditions has been undertaken as part of the One Council Programme. Details of the changes implemented on 1 January 2013 are shown in the attached pay policy statement.
- 1.4 The Act requires the pay policy statement to be approved by a meeting of Full Council.

2.0 Recommendation

- 2.1 It is recommended that the draft Pay Policy Statement attached to this report be approved as an accurate and factual representation of the council's pay arrangements for 2013/14. Any updates required during the year will be brought back to a future meeting of Full Council for approval.

3.0 Detail

Requirements of the localism Act 2012

- 3.1 The Localism Act 2011 sections 38-43 requires local authorities in England and Wales to publish a pay policy statement for each financial year beginning with 2012-13. This provision of the Act does not apply to staff in local authority schools.

- 3.2 The Act sets out the matters which must be included in an authority's pay policy statement as follows:
- the remuneration of its "chief officers";
 - the remuneration of its "lowest-paid employees" (together with the definition of "lowest paid employees" adopted by that authority for the purposes of the statement, and the reasons for adopting that definition); and
 - the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
- 3.3 For the purposes of the statement the Act defines who is included under the term "chief officer". It includes the Head of Paid Services (Chief Executive), the Monitoring Officer, the statutory chief officers (directors) as well as non-statutory chief officers and deputy chief officers (managers who report directly to a chief officer).
- 3.4 Remuneration is also defined widely and includes not just basic pay/salary but also any bonuses, charges, fees e.g. election fees or allowances, benefits in kind, increases in/enhancements of pension entitlements and termination/severance payments. Remuneration in relation to employees who are not chief officers is also similarly widely defined.
- 3.5 The statement must set out the authority's policy on a number of specific aspects of chief officer remuneration:
- the level and elements of remuneration for each chief officer;
 - the 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 final payments to chief officers when they leave the authority; and
 - the publication of and access to information relating to remuneration of chief officers.

These are the policies a local authority complies with when appointing a chief officer or when a chief officer's employment is terminated.

- 3.6 The policy statement must be published on the authority's website and in any other manner the authority considers appropriate. There is no requirement to include specific numerical data on pay and reward within the statement. However, it is necessary to consider how the information in the statement fits in relation to the information authorities are already required to publish. For example, the Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit Regulations 2011.

Brent's Pay Policy Statement

- 3.7 The policy statement for Brent has been prepared incorporating all of the above requirements. The statement is attached to this report. There are no new proposals or policy changes attached to the statement as the information reflects current practice and is strictly factual in nature.
- 3.8 The introduction to the statement refers to the People Strategy 2010 -14 which sets out the council's strategic priority to "build an agile and efficient workforce that adapts to change easily". This includes a review of financial and non-financial rewards and benefits offered by the council. With effect from 1 January 2013 a

simplified pay and grading scheme and a new core contract with standard terms and conditions was introduced. The key changes are detailed in the attached statement.

- 3.9 Brent's senior managers covered are those in the top three tiers in the management structure - the Chief Executive (Tier 1), Directors (Tier 2), Assistant Directors (Tier 3). This includes all statutory and non-statutory chief officer posts.
- 3.10 All references to terms and conditions in the statement are factual. Where appropriate a link to the relevant pay policy e.g. the council's pension arrangements, has been included.
- 3.11 In keeping with the requirements of the Act, the statement will be published on the internet with links to pay policy and information where appropriate.
- 3.12 As set out in the summary to this report the annual pay policy statement must be approved at a meeting of Full Council and published by 31 March each year. The information the Authority is required to publish is factual, based on the current pay arrangements. There are no requirements to make any changes to those arrangements. This meeting of Full Council is requested to approve the Pay Policy Statement for the Financial Year 2013/14.

4.0 Financial Implications

- 4.1 There are no financial implications arising from this report.

5.0 Legal Implications

- 5.1 The contents of the statement comply with regulation 38 of the Localism Act 2011. The approval of the pay policy will satisfy the technical requirements of regulation 39 of the Localism Act 2011.

6.0 Diversity Implications

- 6.1 There are no diversity implications arising from this report.

Background Papers

Brent pay policy and pay information and arrangements

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