



**Full Council Meeting**  
3 March 2014

**Report from the HR Director**

For Action

All wards

**Localism Act 2011 – Pay Policy Statement**

**1.0 Summary**

- 1.1 Section 38 (1) of the Localism Act 2011 has required English and Welsh local authorities to produce an annual pay policy statement since 2012/13 and subsequent financial years. The Act does not apply to local authority schools.
- 1.2 The purpose of this report is to inform members of the arrangements that have been put in place within the council to meet the requirements of the Act. The Act requires the pay policy statement to be approved by a meeting of the Full Council on an annual basis.
- 1.3 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 the 31<sup>st</sup> March each year.
- 1.4 A review of pay and terms and conditions undertaken as part the One Council Programme was implemented in January 2013. Work continued during the year to fine tune the council's terms and conditions and pay arrangements and this has been reflected in the pay policy statement.
- 1.5 The statement in draft was presented and approved by the General Purposes Committee on 12th February 2014.

**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 2014/15. Any amendments required during the year will be brought back to a future meeting of the Full Council for approval.

### **3.0 Detail**

#### **Requirements of the Localism Act 2012**

- 3.1 The Localism Act 2011 sections 38-43 has required 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 Service (Chief Executive), the monitoring officer, the statutory chief officers 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.
- 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 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 currently offered by the council. The People Strategy has been reviewed and a new HR strategy for the council aligned to the council's Borough Plan 2014/17 will be considered by the General Purposes Committee at its meeting on 3rd April 2014. The review of the council's employee benefits was undertaken and the revised benefit package introduced in January last year. The revised package has now bedded in and the benefits are being realised.
- 3.9 Brent's senior managers covered are those in the top three tiers in the management structure - the Chief Executive (Tier 1), strategic directors (Tier 2), operational 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 the Full Council and published by 31<sup>st</sup> 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. The draft Pay Policy Statement was presented to the General Purposes Committee at its meeting on 12 February 2014. This meeting of the Full Council is asked approve the Pay Policy Statement for publication.

### **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 should be no diversity implications from this report.

## **7.0 Staffing/Accommodation Implications (if appropriate)**

7.1 There are no staffing implications other than those covered specifically in the pay policy statement.

## **Background Papers**

Localism Act 2011 (as amended)

Brent pay policy and pay information and arrangements

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