



General Purposes Committee
27 March 2012

**Report from the Director of
Finance Corporate Services**

Localism Act 2011 – Pay Policy Statements

1.0 Summary

- 1.1 The purpose of this report is to inform members of the arrangements that have been made to publish a pay policy statement required of all English and Welsh local authorities in the Localism Act 2011. The pay policy statement sits within the Government's rationale to give taxpayers access to information about how public money is spent on their behalf.
- 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 the 31st March each year.
- 1.3 A review of pay and terms and conditions is currently being undertaken as part the One Council Programme. Any changes arising out of this which may impact on the statement would be included in the 2013-14 statement.
- 1.4 The Act requires the pay policy statement to be presented to a meeting of the full Council. It is proposed to publish the statement as a draft, following the approval of this Committee, and to report to the meeting of the full Council in May 2012. The reason for this approach is predicated on the required information to be published being purely factual based on the council's current pay arrangements. An additional meeting of the full Council prior to the planned meeting in May is not considered to be necessary. See Legal Implications Section of this report.

2.0 Recommendations

- 2.1 The Committee is asked to approve the publication of the draft Pay Policy Statement at 31st March 2012 and that it is reported to the meeting of the full Council 16 May 2012 in accordance with the requirements of the Act.

3.0 Detail

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.

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).

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.

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.

3.3 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

- 3.4 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.
- 3.5 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 and the introduction of a simplified pay and grading scheme and a new core contract with standard terms and conditions. This review is being progressed but will not impact on the 2012/13 pay policy statement. Any changes arising out review which may impact on the statement will be included in the 2013/14 statement.
- 3.6 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 (Tier3). This includes all statutory and non-statutory chief officer posts.
- 3.8 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.
- 3.9 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.
- 3.10 As set out in the summary to this report the pay policy statements must be approved at a meeting of the full Council. The next scheduled meeting is in May this year. The information the council is required to publish is factual based on the current pay arrangements. There are no requirements to make any changes to those arrangements. This year has also been a little unusual in that there has not been a need for as many scheduled meetings of the full Council as in previous years. The General Purposes Committee has an overarching responsibility pay and terms and conditions. The Committee is therefore asked to approve the Pay Policy Statement for Brent which will then be published in draft subject to the final approval of full Council in May.

Advice has been taken from the Director of Democratic and Legal Services. It is the view of officers that this is a new requirement and Brent will have met the deadline albeit with a draft statement but it is not considered that this will have any detrimental consequences for the council. It is not considered in these circumstances that an additional meeting of the full Council can be justified.

4.0 Financial Implications

- 4.1 There are not financial implications.

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 change.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 There are no staffing implications

Background Papers

Localism Act 2011 (as amended)

Brent pay policy and pay information and arrangements

Contact Officers

Cara Davani Interim Head of HR, Tel 202 8937 1909

CLIVE HEAPHY
Director of Finance and Corporate Services