

Decision maker: Employment Committee
Subject: Localism Act – Pay Policy Statement
Date of decision: 1 March 2012
Report by: Kay White – Head of Human Resources
Wards affected: n/a
Key decision (over £250k): n/a

1. Purpose of report

The Council is required by section 38(1) of the Localism Act 2011 (openness and accountability in local pay) to prepare a Pay Policy Statement.

A Pay Policy Statement must articulate the Council's policies towards a range of issues relating to pay of its workforce, particularly its senior staff, Chief Officers and its lowest paid employees.

Pay Policy Statements must be prepared for each financial year beginning with 2012/13, approved by Full Council no later than 31 March of each financial year and published on the Council's website.

2. Recommendations:

That the Employment Committee is asked to:

2.1 Approve the draft Pay Policy Statement attached at **Appendix 1** to go forward for approval by the Full Council on 20 March 2012.

3. Background

3.1 Increased transparency about how taxpayers' money is used, including the pay and reward of public sector staff is now a legislative requirement under section 38(1) of the Localism Act 2011. The Secretary of State published the Code of Recommended Practice for Local Authorities on Data Transparency on 29 September 2011. The code enshires the principles of transparency and asks relevant authorities to follow these three principles when publishing data they hold. These are as follows:

- Responding to public demand
- Releasing data in open formats available for re-use; and
- Releasing data in a timely way

This includes data on senior salaries and how they relate to the rest of the workforce.

- 3.2 The Council must have regard to the Secretary of State guidance 'Openness and accountability in local pay: Draft guidance under section 40 of the Localism Act'. It is now essential that an authority's approach to pay, as set out in a Pay Policy Statement, is accessible for citizens and enables taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and make the best use of public funds.

Approved statements must be published on the authority's website and in any other manner that the authority thinks appropriate, as soon as reasonably practical after they have been approved by Full Council.

- 3.3 The Act also requires that authorities include in their pay policy statements, their approach to the publication of and access to information relating to the remuneration of chief officers. Remuneration includes salary, expenses, bonuses, performance related pay as well as severance payments.
- 3.4 The definition of a chief officer as set out in the Act is not limited to Heads of Paid Service or statutory chief officers. It also includes those who report directly to them.
- 3.5 The draft Portsmouth Pay Policy statement is attached at **Appendix 1** and has been developed from a template supplied through South East Employers. It includes more than the basic information required with a view to answering any additional questions that may be raised.

4. Conclusions

The Council is required by the Localism Act 2011, section 38(1) to publish a Pay Policy Statement on a yearly basis which is approved by Full Council.

5. Equality Impact Assessment (EIA)

This report has undergone an effective Equality Impact Assessment

6. Head of Legal, Licensing and Registrars comments

- 6.1. The Head of Legal, Licensing and Registrars is satisfied the Pay Policy Statement at **Appendix 1** meets the legislative requirements under section 38 Pay Accountability, of the Localism Act 2011.
- 6.2. The Council is required to prepare a Pay Policy Statement for the financial year 2012-13 and each subsequent year, which sets out the policies, remuneration and other benefits of its chief officers and lowest paid employees and the relationship between its chief officers and every other officer.
- 6.3. The Pay Policy Statement must be approved by Full Council before 31 March 2012 and can only be amended thereafter by a resolution to the Full Council.

7. Head of Finance's comments

There are no financial implications arising from the recommendations contained within this report.

27 February 2012

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Signed by: Kay White – Head of Human Resources

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report.

NONE

The recommendation(s) set out above were approved / approved as amended / deferred / rejected

By: on

Signed by:.....