

Agenda item: 

**Decision maker:** Employment Committee  
**Subject:** Localism Act - Pay Policy Statement  
**Date of decision:** 19<sup>th</sup> February 2013  
**Report by:** Jon Bell - Head of HR, Legal and Performance  
**Wards affected:** n/a  
**Key decision (over £250k):** n/a  
**Full Council decision:** Yes

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### 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 the pay of its workforce, particularly its senior staff, Chief Officers and its lowest paid employees.

A Pay Policy Statement must be prepared for each financial year, approved by Full Council no later than 31<sup>st</sup> March of each financial year and published on the council's website.

### 2. Recommendations

The Employment Committee is asked to:

- 2.1 Approve the draft Pay Policy Statement attached as **Appendix 1** to go forward for approval by the Full Council on 19<sup>th</sup> March 2013.

### 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 enshrines the principles of transparency and asks relevant authorities to follow these three principles when publishing the data they hold. These are as follows:

- Responding to public demand
- Releasing data in open format 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3.2 The Council must have regard to the Secretary of State guidance "Openness and accountability in local pay: Draft guidance under section 40 of the Localism Act".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 statement, 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 as **Appendix 1** and is based on the template used for 2012/13. 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)**

An equality impact assessment is not required as the recommendation doesn't have a negative impact on any of the protected characteristics as described in the Equality Act 2010. A full EIA was completed in 2012 for the Pay policy statement; the policy has no changes to the document.

#### **6. Head of HR, Legal and Performance comments**

- 6.1 The Head of HR, Legal and Performance 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 2013/14 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<sup>st</sup> March 2013 and can only be amended thereafter by a resolution to Full Council.

#### **7. Head of Finance's comments**

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

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Signed by: Jon Bell - Head of HR, Legal & Performance

7<sup>th</sup> February 2013