

Agenda item:

Decision maker: Employment Committee

Subject: Localism Act - Pay Policy Statement

Date of decision: 6th January 2015

Report by: Jon Bell - Head of HR, Legal and Performance

Wards affected: n/a

Key decision (over £250k): n/a

Full Council Decision: Yes

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.

The Local Government Transparency Code 2014 further clarifies and describes the information and data local authorities are required to publish to increase democratic accountability.

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 31st March of each financial year and published on the council's website. This statement has been prepared on the basis of the current senior management structure, which is currently under review. The statement may need to be updated, subject to the review, and in advance of its approval by Full Council.

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 17th March 2015.
- 2.2 Authorise the Head of HR, Legal and Performance to amend the Pay Policy Statement to take account of changes resulting from the senior management review, where such changes are confirmed in advance of agreement of the statement by Full Council.

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 Department for Communities and Local Government published a revised Local Government Transparency Code on 3rd October 2014. 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 (pay multiple).

- 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**.

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.

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 and is in line with the Local Government Transparency Code 2014.
- 6.2 The Council is required to prepare a Pay Policy Statement for the financial year 2014/15 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 31st March 2015 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

February 2015

Appendices: Pay Policy Statement

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:

Title of document	Location