

<b>Title of Report:</b>	Statutory Annual Pay Policy Statement - update
<b>Meeting of:</b>	Council
<b>Date:</b>	20 June 2016
<b>Is this an Executive Decision:</b>	[YES/NO]
<b>Is this a Key Decision:</b>	[YES/NO]
<b>Is the Report Confidential:</b>	NO
<b>If so, please state relevant paragraph from Schedule 12A LGA 1972:</b>	[ ]

**Essential Signatories:**

**ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE**

Monitoring Officer: **Angela Wakefield**

Date ..... Signature .....

Chief Finance Officer: **Sal Khan**

Date ..... Signature .....

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**Report to Council**

**Date: 14 June 2016**

**REPORT TITLE:** Statutory Annual Pay Policy Statement - update

**PORTFOLIO:** Andy O'Brien

**HEAD OF SERVICE:** Andy O'Brien

**CONTACT OFFICER:** Linda McDonald Ext. No. x1577

**WARD(S) AFFECTED:** nil

**1. Purpose of the Report**

1.1 To approve changes to the Pay Policy Statement for 2015/16

**2. Executive Summary**

2.1 There is a legal requirement to produce and publish a Pay Policy Statement and review annually. Any amendments need to be recommended to full council. There are no major changes to the statement this year. The main 2015/1 Statement amendments are:

2.1.1 Inclusion of two apprentices employed at national apprenticeship rates in 2015;

2.1.2 Updated pay rate figures and ratios for the lowest paid employees, this has changed significantly due to the inclusion of the apprentice rates. The ratios are shown with and without apprentices at national rates.

2.1.3 Updated the ratios for the median pay rate, compared to the highest paid and the average Chief Officer pay. The median pay rate remains unchanged at salary point 21 (whether apprentices are included or not).

2.1.4 Please see appendix 1, which shows the Pay Policy Statement with tracked changes.

### 3. Background

- 3.1 Through the Localism Act 2011 the Government introduced specific requirements on Councils and Councillors relating to pay. The aim was to bring increased accountability and transparency in setting local pay. This included identifying the methods by which salaries of all staff are determined; and the detail and level of remuneration of its most senior staff i.e. Chief Officers. The Localism Act required Local Authorities to produce a pay policy statement for 2012/13 and for each financial year after that. Any amendments need to be recommended to full council. ESBC produced and published the statement as required for 2012/13.
- 3.2 The Pay Policy Statement is “a public document to be used as an information source to enable local taxpayers to hold their councillors to account on pay matters” (DCLG February 2013)
- 3.3 The Department for Communities and Local Government provided some supplementary guidance in February 2013, our Pay Policy Statement for 2013/14 was updated to incorporate this guidance which reflected the general public scrutiny of senior officer pay levels and severance payments awarded to senior local government staff nationally.
- 3.4 There has been no further guidance or new requirements affecting the production of this statement in 2015/16.
- 3.5 The Local Government Transparency Code 2015 requires us to publish our pay multiple on our website, defined as the ratio between the highest paid taxable earnings for the given year and the median earnings.

#### **4. Contribution to Corporate Priorities**

- 4.1 There is no Corporate Priority as such since this is a legislative requirement, but the Council’s Pay Policy Statement is consistent with the Corporate Priority to deliver Value for Money Council Services.

#### **Report**

- 5.1 There are no major changes to the statement this year. The statement includes the requirement to show the relationship between the lowest and highest pay rates in the organisation (as recommended by the Hutton Review of Fair Pay in the Public Sector 2010); and the relationship between the median pay rate and the highest pay rates.
- 5.2 For 2015/16 the ratio for the lowest paid (excluding apprentices) and the Chief Executive salary has changed slightly with the removal of scp5 on 1<sup>st</sup> October 2015 to 1:8.81. The median salary point at scp21 (i.e. £19,742), and the Chief Executive’s salary, remains unchanged.
- 5.3 The addition of apprentices in the ratios changes that for the lowest paid employee significantly from the 2014/15 figure of 1:89 to 1:18.84. The median rate salary point remains unchanged at scp21.

## **6. Financial Considerations**

*This section has been approved by the following member of the Financial Management Unit: Lisa Turner*

6.1 There are no financial issues arising from this Report

## **7. Risk Assessment and Management**

7.1 The main risks to this Report and the Council achieving its objectives are as follows:

7.2 **Positive** (Opportunities/Benefits):

7.2.1 Continued transparency

7.3 **Negative** (Threats):

7.3.1 Nil

7.4 The risks do not need to be entered in the Risk Register

## **8. Legal Considerations**

*This section has been approved by the following member of the Legal Team: [ ]*

8.1 The main legal issues arising from this Report are as follows:

8.2 Complies with the requirements of the Localism Act 2011

## **9. Equalities and Health**

9.1 **Equality impacts:** The subject of this Report is a policy, strategy, function or service that is new or being revised. There are no changes to the previous equality and health impact assessment (2014/15).

9.2 **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed.

## **10. Human Rights**

10.1 There are no Human Rights issues arising from this Report.

11. **Sustainability** (including climate change and change adaptation measures)

11.1 Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

12. **Recommendation**

12.1 To agree the Pay Policy Statement changes as presented

13. **Appendices**

13.1 Appendix 1: Pay Policy Statement with tracked changes shown