

APPENDIX

AGENDA ITEM

10

COMMITTEE: Administration and Regulation Committee

DATE: 19th January 2015

SUBJECT: Pay Policy Statement 2015/16

REPORT BY: Head of HR and Monitoring Officer

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IMPLICATIONS:

LEGAL ✓

COMMUNITY SAFETY

EQUALITIES ✓

ENVIRONMENT

FINANCIAL ✓

CONSULTATIONS

STAFFING

OTHER

WARDS AFFECTED:

PURPOSE

This report seeks to remind the Committee of the Council's obligations under the terms of the Localism Act 2011 to produce and publish a Pay Policy Statement by the 31st March each year. Administration and Regulation Committee is asked to consider and agree to recommend the attached Pay Policy Statement 2015/2016 for consideration and approval by the Full Council.

RECOMMENDATION(S)

The Committee is **RECOMMENDED:-**

- 1 to be aware of the statutory responsibilities under the Localism Act 2011 to produce and publish a Pay Policy Statement annually by 31st March each year,

2. to agree the Pay Policy Statement 2015/2016 and
3. to recommend the Pay Policy to Full Council on 23rd February 2015.

BACKGROUND

The Localism Act 2011 was intended to shift power from central government back into the hands of individuals, communities and Councils. A major component of this is the requirement for local authorities to be transparent and fair in their remuneration policy. The Act requires all authorities to prepare and agree an annual Pay Policy Statement that articulates the authority's own policies towards a range of issues relating to the pay of its workforce.

REPORT

Pay Policy Statement

Guidance issued in relation to the Localism Act 2011 requires that all Councils produce an annual Pay Policy Statement, agree it at their Full Council and publish on or before 31st March. This Statement must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, specifically:-

- remuneration of its Chief Officers
- remuneration of its lowest paid employees and
- the relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers.

The Pay Policy Statement identifies how pay is determined and defined for Luton Borough Council employees and includes-

- the pay ranges for Chief Officers and other employee categories, and
- remunerative relationships between Chief Officers and the lowest paid in the authority.

The Statement has been reviewed and updated in response to the requirements of the Act and is informed by published guidance by the Department for Communities and Local Government.

Members may like to note that the 2015/ 2016 Pay Policy Statement has been amended as follows.

Sections 4.2. and 4.3. have been updated in relation to the changes to the Director of Public Health's salary arrangements as agreed at Administration and Regulation Committee and the introduction of the new grade of Director 2 and the reintroduction of Head of Service 2.

There is a new section 5.4. that details the Council's position on the Living Wage.

A number of minor amendments have also been made to accurately reflect current salary scales and payments.

OPTION

Pay Policy Statement

Administration and Regulation Committee may;-

1. agree the attached Pay Policy Statement 2015/2016 or
2. refuse to agree the Pay Policy Statement 2015/2016.

LEGAL IMPLICATIONS

The Council must by law produce a Pay Policy Statement each year and publish it on the Council's internet site. Save for this there are no legal implications to this report. This report has been agreed with John Newman, Solicitor in Legal Services on 11th December 2014.

HR IMPLICATIONS

The Localism Act 2011 and its requirements will inform remuneration policy which in turn may impact on employees. Specifically, pay determination for Chief Officers and the relationship with the pay of the lowest paid. This report and its implications has been agreed with Angela Claridge, Head of HR and Monitoring Officer on 16th December 2014.

FINANCIAL IMPLICATIONS

None specifically at the present, as the policy reflects what has already been agreed and budgeted for. However, there is a potential financial impact if remuneration policy changes. This has been agreed by Dave Kempson, Head of Finance on the 12th December 2014.

EQUALITIES IMPLICATIONS

There are no equality implications in relation to this report. Luton Borough Council recognises the importance of fairness in pay. Pay and reward policies are applied equally to all employees, except where there are good reasons reflecting genuine factors which apply only to certain employee categories. The Council will ensure that its pay policy is fair and equitable and supports equal pay principles.

APPENDIX A

Pay Policy Statement 2015/ 16

LIST OF BACKGROUND PAPERS **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

None