

## Cabinet

16 February 2015

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| <b>Title:</b> Pay Policy Statement 2015/16   |  |
| <b>Report of the Cabinet Member for Central Services</b>   |  |
| <b>Open Report</b>   | <b>For Decision</b>  |
| <b>Wards Affected:</b> None  | <b>Key Decision:</b> Yes   |
| <b>Report Author:</b> Martin Rayson, Divisional Director Human Resources and Organisational Development  | <b>Contact Details:</b><br>Tel: 020 8227 3113<br>E-mail: martin.rayson@lbbd.gov.uk |
| <b>Accountable Divisional Director:</b> Martin Rayson, Divisional Director Human Resources and Organisational Development  |  |
| <b>Accountable Corporate Director:</b> Chris Naylor, Chief Executive   |  |
| <b>Summary:</b><br><br>Under the terms of the Localism Act 2011 the Council must agree before the start of the new financial year a pay policy statement covering chief officer posts and above. The Act sets out matters which must be covered under the policy.<br><br>The draft Pay Policy Statement for 2015/16 is included at <b>Appendix A</b> . |  |
| <b>Recommendation(s)</b><br><br>The Cabinet is asked to recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2015/16 as set out at Appendix A to the report, for publication on the Council's website with effect from 1 April 2015.  |  |
| <b>Reason(s)</b><br><br>Under the terms of the Localism Act 2011 the Assembly must agree a pay policy statement in advance of the start of each financial year. Cabinet are being asked to recommend this statement to Assembly on 24 <sup>th</sup> February 2015  |  |

### 1. Introduction and Proposal

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for senior staff (chief officers) to be agreed by all Councillors at an Assembly meeting, before the beginning of each financial year. This policy is timetabled to go to Assembly on 24<sup>th</sup> February 2015.
- 1.2 The Council produced its first pay policy statement for the 2012/13 financial year and this document follows the same format. The definition of "chief officers" covers

the Chief Executive, Corporate Directors and Divisional Directors. The matters that must be included in the pay policy statement are a council's policy on:

- The level and elements of remuneration for each chief officer.
- The remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition).
- The relationship between the remuneration of its chief officers and other officers.
- Other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.

1.3 The Localism Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.

1.4 The pay policy statement:

- Must be approved formally by the Council (Assembly) meeting itself
- Must be approved by the end of March each year
- Can be amended in-year
- Must be published on the Council's website (and in any other way the Council chooses)
- Must be complied with when the Council sets the terms and conditions for a chief officer.

1.5 The new Chief Executive will review the senior management of the Council to ensure it is fit for purpose. This pay policy statement will be amended in year, if changes are made to the structure and pay rates outlined in it. .

## **2. Financial Issues**

Implications completed by: Jon Bunt, Chief Finance Officer

2.1 There are no additional budget pressures caused by the agreement of the Pay Policy Statement, as this reflects the current position on pay.

## **3. Legal Issues**

Implications completed by: Fiona Taylor, Head of Legal and Democratic Services

3.1 This report outlines our obligations with regards to senior officer pay and in particular in relation to the information to be provided pursuant to section 38 of the Localism Act.

#### **4. Other Implications**

- 4.1 **Risk Management** – There are no risks attached to this statement as attached as it describes the current position.
- 4.2 **Contractual Issues** – This statement makes no changes to employees' contractual position.
- 4.3 **Staffing Issues** – The staffing issues are fully explored within the main body of the report.
- 4.4 **Equalities Issues** – Our approach to pay is based on the use of job evaluation to determine the salary for individual roles, eliminating the potential for any bias in the process.
- 4.5 **Service Issues** – The ability to deliver effective services is dependent on having the right staff at different levels. We must have an approach to pay that enables the Council to recruit the right people and also motivates them to perform. The pay policy seeks to support that aim.

**Background Papers Used in the Preparation of the Report:** None

**List of appendices:**

**Appendix A** – Pay Policy Statement 2015/16