

ASSEMBLY

24 February 2015

Title: Pay Policy Statement 2015/16	
Report of the Cabinet Member for Central Services	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Martin Rayson, Divisional Director Human Resources and Organisational Development	Contact Details: Tel: 020 8227 3113 E-mail: martin.rayson@lbbd.gov.uk
Accountable Divisional Director: Martin Rayson, Divisional Director Human Resources and Organisational Development	
Accountable Corporate Director: Chris Naylor, Chief Executive	
Summary: 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. The draft Pay Policy Statement for 2015/16 is included at Appendix A . The Cabinet is to consider this report at its meeting on 16 February 2015. Any proposed changes to the Pay Policy Statement arising from the Cabinet's consideration will be reported at the meeting.	
Recommendation(s) The Assembly is recommended to approve the London Borough of Barking and Dagenham Pay Policy Statement 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.	
Reason(s) 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.	

1. Introduction and Background

- 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.

- 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.

2. Proposal and Issues

2.1 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.

2.2 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.

3. Consultation

3.1 The Pay Policy Statement for 2015/16 is to be considered by the Cabinet at its meeting on 16 February 2015.

4. Financial Issues

Implications completed by: Jon Bunt, Chief Finance Officer

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

5. Legal Issues

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

- 5.1 This report outlines the Council's 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 2011.

6. Other Implications

- 6.1 **Risk Management** – There are no risks attached to this statement as it describes the current position.
- 6.2 **Contractual Issues** – This statement makes no changes to employees' contractual position.
- 6.3 **Staffing Issues** – The staffing issues are fully explored within the main body of the report.
- 6.4 **Equalities Issues** – The Council's 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.
- 6.5 **Service Issues** – The ability to deliver effective services is dependent on having the right staff at different levels. The Council must have an approach to pay that enables it 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