

COUNCIL

23 February 2017

LOCALISM ACT – 2011 – SECTION 38: LOCAL PAY POLICY

STATEMENT

Report of the Corporate Director - Support Services

RECOMMENDATION

It is recommended that Council formally confirms its acceptance of the attached Pay Policy Statement which is in compliance with the Council's obligation under Section 38 of the Localism Act 2011. This Pay Policy Statement will then be updated on the Council's website for easy public access at any time.

Summary

As part of the Government's desire to have open and transparent pay/terms and conditions arrangements for its most senior staff, Section 38 (1) of the Localism Act 2011 legally requires English and Welsh local authorities to produce a pay policy statement and to formally review and agree it at Council each year. This responsibility cannot be devolved to any other person or committee. The attached statement is drawn up in compliance with the Act and covers the financial year 2016/17.

Under the Local Authorities (Data Transparency) Code 2015 and the Accounts and Audit Regulations 2015 new and additional information on senior managers and unions is required to be published; key duties of role / staffing and budget responsibilities / contact details etc. This is not covered by this policy but all required information under the Data Transparency Code is published on the Council's website for open public access at any time.

Statutory Powers

Localism Act 2011

Introduction

1. This Policy Statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act), which requires local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The policy on the level and elements of remuneration for each chief officer
- The policy on the remuneration of its lowest-paid employees (together with its definition of “lowest-paid employees” and its reasons for adopting that definition)
- The policy on the relationship between the remuneration of its chief officers and other officers
- The policy on 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.
- Specifically, the guidance states that pay policy statements should set out policies on the reward of chief officers who fit into one of the following categories:
 - were previously employed by the same authority, left with a severance or redundancy payment, and have come back as a chief officer.
 - were previously employed by the same authority and have come back as a chief officer under a contract for services
 - are in receipt of a Local Government Pension Scheme or Fire fighter pension (whether their previous service was with the same authority or not).

1.1 In the interests of clarity and transparency, it is recommended that authorities should use the opportunity to set out their overall rewards strategy for the whole workforce and not to limit themselves to matters specifically required by the Act and statutory guidance.

1.2 The pay policy statement

- must be approved formally by the Council
- must be approved each year
- can be amended in-year
- must be published on the authority’s website (and in any other way the authority chooses)
- must be complied with when the authority sets the terms and conditions for a chief officer.

1.3 Pay information already required and produced by the authority

Eastleigh Borough Council complies with legislation that already requires a local authority to publish statements relating to remuneration. Regulation 7 of the `Local Government (Early Termination of

Employment) (Discretionary compensation) (England and Wales) Regulations 2006 requires an authority to formulate, review, and publish its policy on making discretionary payments on early termination of employment. In addition, regulation 66 of the `Local Government Pension Scheme (Administration) Regulations 2008` requires an authority to publish its policy on increasing an employee's total pension scheme membership and on awarding additional pension.

2. Financial Implications

There are no specific financial implications resulting from this report. The report and its attachment outlines current arrangements with regards to the Council's pay arrangements for chief officers and other staff.

3. Risk Assessment

The Council has a legal duty to ensure that it provides a public annual Pay Policy Statement that meets the various requirements of Sections 38 to 43 of the `Localism Act 2011`. The attached Statement has been drawn up to meet those requirements.

4. Equality and Diversity Implications

The Statement covers all paid staff within the Council and is a matter of fact. There are no particular equality and diversity implications to note.

5. Conclusion

Once adopted at full Council, the attached statement will be published on the Council's website and is available for any of the public to access at any time.

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Appendices: 1

LOCAL GOVERNMENT ACT 1972 - SECTION 100D

The following is a list of documents which disclose facts or matters on which this Report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information:

- Section 38 - 43 of the Localism Act 2011
- Local Government Association (LGA) Advisory letter to Chief Executives – 25 November 2011 - LOCALISM ACT: Pay Policy Statements guidance for Local Authority Chief Executives.

Eastleigh Borough Council Pay Policy Statement – Financial year 2016/17

1.0 Purpose

This pay policy statement sets out Eastleigh Borough Council's (the council) policies relating to the pay of its workforce for the financial year 2016/17, in particular: -

- a) the remuneration of its Chief Officers
- b) the remuneration of its "lowest paid employees"
- c) the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers

In addition, it provides information on facilities time given for local, recognised trade union representatives. In relation to pay the Council has one set of terms and conditions which cover all staff groups as part of the Single Status Agreement signed in 2000. There are no separate or more advantageous arrangements for any groups of staff, including senior staff.

2.0 Definitions

For the purpose of this pay policy statement the following definitions will apply: - Chief Officers Section 43(2) of the Localism Act 2011 defines Chief Officers as:

- the authority's Head of Paid Service under section 4(1) of the Local Government and Housing Act 1989 (the 'Act')
- the Monitoring Officer under section 5(1) of the Act
- statutory officers under section 2(6) of the Act
- non-statutory officers under section 2(7) of the Act
- deputy chief officers under section 2(8) of the Act

From the definitions provided by sections 4(1), 5(1), 2(6) and 2(7) of the Act, Chief Officers are: the Chief Executive; Management Team members (including the Chief Financial Officer) and the Monitoring Officer.

Deputy Chief Officers are defined in section 2(8) of the Act as a person who is required to 'report directly or is directly accountable to one or more of the statutory or non-statutory chief officers'. This covers: Lead Specialists who report directly to a Corporate Director and Local Area Managers

Lowest paid employees are those staff on Grade 2 of the Council's salary grades i.e. those posts assessed through the job evaluation scheme as having the least amount of complexity and responsibility and therefore attracting the lowest salary. Grade 2 is paid at the Living Wage, as a minimum. This Council is currently one of the few councils nationally who has committed to paying the Living Wage, which is currently higher than the national living wage

Other staff are those paid below Chief Officer level but above the minimum Grade 2.

3.0 Pay Framework

All staff, from the lowest paid to the Chief Executive, are assigned a pay grade using the Council's agreed job evaluation system. There is one job-evaluation system which covers all staff, including Chief Officers. All posts are evaluated by a trained job evaluation panel which includes a union representative.

The pay grades range from Grade 2 (the lowest) to Grade 20 (the highest).

4.0 Key salary data January 2017

The Council monitors the relationship between the remuneration of its Chief Officers and Deputies and the remuneration of its lowest paid employees. The Council also commits to calculating the pay ratio on an annual basis to monitor trends and to ensure that this pay multiple does not widen significantly.

The Council defines its 'lowest paid employees' as employees paid on the first pay point. This is the lowest rate of pay applied to council employees, currently £15,917 per annum.

Using 2016/17 salary data;

- The maximum salary payable at grade 20 is 6.69 times higher than the minimum of Grade 2.
- Median salary = £23,130.00
- The current ratio of the mid-point of the Chief Executive's grade to the median salary in the organisation is just under 1:4.5. This is based on a median salary of £23,130.00

5.0 Pay grades (and uplifts)

The pay grades are locally determined and increase in-line with any national annual pay award agreed with Local Government Employers following negotiation with national local government trades unions. Where no national increase is made, no uplift is made locally to the grades.

6.0 Progression within pay grades

Staff (including senior managers) are appointed to a spot salary within the grade for their post. Normally this is on or at the lower end of the grade unless there are clear reasons for placing an individual higher up the grade (usually based on level of competency and previous experience). Progression within the grade is not automatic and there are no automatic annual increments. An increase in basic pay is only made where clear criteria have been met (including the achievement of annual objectives) and subject to funding availability. Management Team review all recommendations for fairness, consistency and affordability. Increases are not given where there are attendance issues (unrelated to maternity or disability) or a live disciplinary warning. Staff at the top of their grade cannot receive an increase in their basic pay through this process.

7.0 Who conducts pay reviews for whom?

- Senior managers in conjunction with line managers for their staff
- Members of Management Team for Senior Leadership Team and Local Area Managers
- The Chief Executive for the three Corporate Directors
- The Leader of the Council for the Chief Executive

Career-grade/trainee posts

Special arrangements are in place for certain trainee posts (referred to within the Council as `career grade posts`). These posts span more than one grade. Progression through the grade is based on the assessed achievement of agreed competencies or achievement of professional qualifications.

8.0 Termination of Employment / redundancy

On ceasing to be employed by the Council, employees will be paid contractual payments due under their contract of employment. The Council's `Organisational Change Policy` details the conditions under which redundancy payments can be made. The Council calculates redundancy payments based on an individual's actual pay, length of continuous service and age, this is in line with statutory calculations.

9.0 Trade union facility time

The Council formally recognises 3 unions: UNISON, GMB and Unite (the latter being for Waste Services and Streetscene staff only). The Council currently recognises 3 staff to undertake local union duties (providing a total of approximately 24.2 hours per week/0.6 whole time equivalent. This is broken down as follows:

- 1) Chair of Local Branch, UNISON – 22.5 hours per week

Duties include; meetings with the Chief Executive and HR Manager at the Joint Consultative Committee, Branch meetings, meetings with staff, staff representation and various ad hoc work including job evaluation. The Unison Branch Secretary is the formal Employee Side Representative and the facility time for this position has increased from last year. This is due to the increased volume of work created by the Service Redesign transformation programme.

- 2) Union representative, Unite – as and when needed (approx. 2 hours a week)
- 3) Deputy union representative, Unite – infrequently when lead Unite representative unavailable.
- 4) There are currently no GMB representatives in place.

Facilities time represents approx. £18,500.00 net cost per annum per annum.

10.0 Conclusion

This pay policy statement will be reviewed annually and recommended to Full Council for approval. The statement for 2016/17 will be submitted to Full Council for approval. The Council may, by resolution of the Full Council, amend this Pay Policy Statement during the course of the year to which it relates.