

Council Report

Ward(s) affected: n/a

Report of Managing Director (Head of Paid Service)

Author: Francesca Smith, Senior Specialist HR

Tel: 01483 444014

Email: francesca.smith@guildford.gov.uk

Lead Councillor responsible: Caroline Reeves

Tel: 07803 204433

Email: caroline.reeves@guildford.gov.uk

Date: 5 February 2020

Pay Policy Statement 2020-21

Recommendation to Council

That the Pay Policy Statement for the 2020-21 financial year, attached at Appendix 1 to this report, be approved.

Reasons for Recommendation:

To comply with the requirements of the Localism Act 2011 (Section 39)

1. Purpose of Report

- 1.1 Under Section 39 of the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year ahead. This report seeks approval for a statement covering 2020-21, which is set out in **Appendix 1**.

2. Strategic Priorities

- 2.1 By setting out clearly how the Council is spending public money, the statement supports the Council's mission and values to be efficiently run and to deliver value for money while also demonstrating that we have effective governance in place to manage pay and remuneration for all our staff.

3. Background

- 3.1 The Localism Act 2011 ("the Act") includes a clear expression of the Government's desire that taxpayers can access information about how public money is spent on their behalf. It translates this into a requirement for improved transparency over both senior council officers' pay and that of the lowest paid employees. To support this, the Act requires us to publish an annual pay policy statement and Council approved the first of these annual statements in 2012.

3.2 The Act sets out specific information that we must include in our pay policy statement, these are:

- the remuneration policy for our Chief Officers (these include the Managing Director, Directors and our second tier officers who are directly accountable to our first tier officers for the management and provision of individual elements of the Council's services). The Act defines remuneration widely to include not just pay but also other allowances, payments or benefits in kind
- the remuneration policy and definition of our lowest paid employees
- the relationship between the remuneration of Chief Officers and other officers
- other policies relating to specific aspects and elements of Chief Officer remuneration such as pay increases, use of performance-related pay and bonuses, remuneration on recruitment, termination payments and other pay terms for the financial year and transparency.

The Act also defines the process for a pay policy statement that:

- must be approved formally by Council
- must be approved by the end of March every year for the following financial year
- must be published on the Council's website as soon as it is approved
- must be complied with for all decisions on pay and reward for Chief Officers
- makes provision for Council to make in year amendments to the statement at any time and this function cannot be delegated.

3.3 The Managing Director has delegated authority, in consultation with the Leader of the Council, to agree any pay award for staff below Corporate Management Team so long as it is within the budget approved by Council.

4 Updates made to the current Pay Policy Statement

4.1 The Pay Policy Statement reflects the current Senior Management structure during the Future Guildford transformation programme, which consists of three Directors reporting to the Managing Director and Service Leaders reporting to either the Managing Director, Directors or Heads of Service.

4.2 A new Head of Service salary band has been introduced for our most senior management level below Directors following the redesign of our organisational structure in Phase A of our transformation. This new management level has been created to provide additional resource and support to the Directors to reflect the reduction in the number of Director posts. The salary range is from £70689 to £76059 pa and the Head of Service Car Provision allowance and the Lump Sum payment have been aligned with Band 10 entitlements.

4.3 The Employment Committee agreed at its meeting on 20 September 2019 to share the Deputy Managing Director payment across the three Director posts and this has been included in the table at paragraph 5.6 setting out the Elements of Remuneration paid to our Senior Management. This payment had formally been allocated to a single Director post to reflect their deputising role; however, this had not been applied in recent years.

- 4.4 We will continue to pay at the Real Living Wage, as referred to in paragraph 6.2, for outside London, currently £9.30 per hour, at the bottom of our pay scale. This will aid recruitment difficulties in attracting and retaining key staff.
- 4.5 Reference in paragraph 8.4 to the employment of a senior manager already in receipt of a Local Government pension being 'unlikely' or outside of the 'normal process' has been removed due to the potential for age discrimination in the over 55 age group.
- 4.6 The provisions set out in paragraph 10.4 for reducing pension benefit where termination pay costs exceed £95,000 has been removed as this has not currently been legislated for.
- 4.7 Clarification has been added in the table at paragraph 11.2 Overtime Working to reflect the varying entitlements to enhanced pay across the workforce.

5 Equality and Diversity Implications

- 5.1 The Council's duty under section 149 of the Equality Act 2010 is to have due regard to the matters set out in relation to equalities when considering and making decisions. The Pay Policy Statement is designed to bring fairness and equality to the application of pay and remuneration within the Council. There are no direct equality impacts associated with agreeing the Pay Policy Statement itself.

6. Financial Implications

- 6.1 All of the financial elements of the Pay Policy Statement are included in the 2020-21 draft budget to be considered and approved by Council separately at its meeting on 5 February 2020.

7. Legal Implications

- 7.1 The Pay Policy Statement is a requirement of section 38 (1) of the Localism Act 2011 that sets a statutory duty on Local Authorities annually to publish a statement approved by Council by the end of the financial year and relating to the new financial year. Failure to comply could lead to a legal challenge to the Council and therefore it is important that the statement reflects the Act and all the associated statutory guidance.
- 7.2 During 2020-21, we will continue to monitor and review all aspects of the Pay Policy Statement in the light of relevant legislation, statutory guidance, best practice and the changing landscape of pay policy in local government and the wider public sector. This will ensure that future statements continue to meet the changing business needs and future challenges facing the Council.

8. Human Resource Implications

- 8.1 The Pay Policy Statement clearly relates to human resource management issues. We have fully considered and planned for these during 2020-21. The application of this statement and its requirements will be applied to staff consistent to the Council's HR policies and procedures and the relevant legislation applicable at the time. There are therefore no additional human resource implications to publishing the Pay Policy Statement itself.

9. Conclusion

- 9.1 The Pay Policy Statement is required to comply with legislation and also supports our long-standing approach of openness and transparency about pay.
- 9.2 The Council is fulfilling its obligation by adopting and publishing the Pay Policy Statement 2020-21.

10. Background Papers

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act Supplementary Guidance

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf

11. Appendices

Appendix 1: Pay Policy Statement 2020-21