

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT
TO THE COUNCIL**

19 February 2019

Report Title: Publication of a Pay Policy Statement for 2020/21

Submitted by: Executive Director – Resources and Support Services

Portfolios: Corporate and Service Improvement, People & Partnerships

Ward(s) affected: Not Applicable

Purpose of the Report

To invite Council to approve its Pay Policy Statement for 2020/21

Recommendation

That the Pay Policy Statement attached at Appendix A to this report be approved.

Reasons

To ensure the council complies with the requirements of the Localism Act 2011 and the guidance issued by the Department for Communities and Local Government 'Openness and Accountability in Local Pay'.

1. **Background**

1.1 The Localism Act 2011 (the Act) requires local authorities to prepare and publish a pay policy statement for each financial year. The statement should set out the authority's policies relating to the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration levels of those two groups.

2. **Issues**

2.1 The statement should set out the authority's policies relating to the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration levels of those two groups.

2.2 The government recommends the publication of an organisation's pay multiple, the ratio between the highest paid employee and the median average earnings across the organisation, as a means of illustrating that relationship.

2.3 The Council's approach to performance related pay must also be included in the pay policy statement.

2.4 The proposed pay policy statement for 20/21 is set out at Appendix A.

3. **Proposal**

3.1 That the council approves the content of the Pay Policy Statement for 2020/21, as set out at Appendix A, with a view to this being published on the council's website by 31 March 2020.

4. **Reasons for Proposed Solution**

4.1 To ensure that the appropriate information will continue to be made available to the public in accordance with the requirements of the Localism Act 2011.

5. **Options Considered**

5.1 The precise format and content of pay policy statements is a matter for each council to determine, so long as the basic requirements as to their content are met. In 2012, West Midlands Councils produced a Model Pay Policy Statement which drew together drafts from several authorities in the region with a view to a common approach being adopted to facilitate benchmarking of pay data. This format was adopted each year subsequently up to and including the current pay policy statement.

5.2 Whilst the pay policy statement proposed for 20/21 still achieves the objective of facilitating the benchmarking of common pay data, the West Midlands Councils format is now 8 years old. The opportunity has been taken to update the format of the statement, so that it focuses on the statutory requirements in a more concise manner, to better achieve the purpose of highlighting relevant pay data, and the relationship between the remuneration levels of its highest and lowest paid staff.

6. **Legal and Statutory Implications**

6.1 Preparation of a Pay Policy Statement for 2019/20 is a requirement under section 38(1) of the Localism Act 2011.

6.2 Under Section 40(1) of the Act, Authorities must have regard to the guidance issued by the Department for Communities and Local Government in preparing and approving pay policy statements.

6.3 Before it takes effect, the Pay Policy Statement must be approved by a resolution of full council. This must be done no later than 31 March 2020.

6.4 Following approval, the statement must be published as soon as possible on the authority's website (and in any other manner the authority thinks fit).

6.5 An authority may amend its Pay Policy Statement in-year and this also requires a resolution of full council.

7. **Equality Impact Assessment**

7.1 The council's pay policy statement is simply an annual summary of the content of other policies and the processes through which pay rates are set. Equality considerations are taken into account when devising and applying those other policies and processes.

8. **Financial and Resource Implications**

8.1 There are no unbudgeted revenue costs or resource implications associated with the approval of the pay policy statement. Changes to pay policy are determined through other processes where all relevant implications are taken into account. The pay policy statement is simply an annual summary statement of the content of those other policies

9. **Major Risks**

9.1 Not applicable.

10. **Sustainability and Climate Change Implications**

10.1 Not applicable

11. **Key Decision Information**

11.1 The adoption of a pay policy statement is not a Key Decision. Changes to pay policy are determined through other processes where all relevant implications are taken into account, including whether any proposed changes amount to a Key Decision. The pay policy statement is simply an annual summary statement of the content of those other policies.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not Applicable

13. **List of Appendices**

13.1 Appendix A – Proposed Pay Policy Statement for 20/21

14. **Background Papers**

14.1. Department of Communities and Local Government – Openness and Accountability in local pay: Draft guidance under Section 40 of the Localism Act

14.2. Local Government Association and Association of Local Authority Chief Executives – Localism Act: Pay Policy Statements Guidance for Local Authority Chief Executives.