

Report to Council

6th September 2017

By the Chief Executive

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Pay Policy Statement – 2017/18

Executive Summary

The Localism Act 2011 set out a provision that requires local authorities to prepare and publish an Annual Pay Policy Statement.

Recommendations

The Council is recommended to approve the Pay Policy Statement 2017/18 for publication.

Reason for Recommendations

To comply with the requirements of the Localism Act 2011 to approve a published pay policy Statement annually.

Background Papers

None.

Wards affected: All.

Contact: Robert Laban, Head of Human Resources and Organisational Development.

Background Information

1 Introduction and Background

- 1.1 The Localism Act 2011 set out a provision in section 38 that requires local authorities to prepare and publish an Annual Pay Policy Statement. The Pay Policy Statement refers to all employees.
- 1.2 The Pay Policy Statement has been updated in order to comply with the requirements of the Act and to incorporate changes to pay bandings as a result of increases in the Living Wage (Foundation), the National Living Wage and the various bands of the National Minimum Wage (applicable to casual employees below the age of 25 in some grades only).
- 1.3 The Localism Act 2011, sections 38 – 43, contains provisions in relation to “Pay Accountability” and sets out the requirements for Councils to determine and publish annual pay policy statements. The Secretary of State has produced guidance on the Act’s provisions relating to openness and accountability to which the Council must have regard. The Council’s Pay Policy Statement takes account of this Guidance as well as the provisions of the Act.

2 Relevant Council policy

- 2.1 The Council Policy on Senior Pay follows the Joint Negotiating Committee for Chief Executives and the Joint Negotiating Committee for Chief Officers. The Council Policy in relation to other members of staff follows the National Joint Council for Local Government Services.

3 Details

- 3.1 The Pay Policy Statement must be approved annually by Council and be published on its website.
- 3.2 The Pay Policy Statement must set out the Council’s policies relating to:
 - Chief Officer remuneration
 - Remuneration of its lowest paid employees
 - The relationship between Chief Officer remuneration and that of other employees.
- 3.3 For contextual information, the tables below set out some high level national benchmarking figures (table A) to contrast the comparison with data from neighbouring Local Authorities (table B).
 - 3.3.1 The “Median” figure is the ratio between the highest paid employee, which is the Chief Executive Officer, and the median average salary of the whole of the Council’s workforce, which stands at 1:4.44 and is amongst the lowest of those surveyed.
 - 3.3.2 The “Ratio of bottom to top pay” refers to the ratio between the highest paid employee and the lowest paid employee, which is 1:6.92.

Table A

Selected national benchmarks	Median
Hutton Review proposal	1:20
Median of FTSE 100	1:88
Local Authorities average	1:15
Charities average	1:10

Table B

Neighbouring Local Authorities	Median	Ratio of bottom to top pay
Mid Sussex	not yet published	
Crawley	1:4.6	1:6.6
Tandridge	1:4.3	1:7.6
Mole Valley	1:3.7	1:7.0
Arun	1:4.1	1:8.2
Worthing	1:5.0	1:7.3
Horsham	1:4.4	1:6.9

4 Next Steps

- 4.1 Once approved, the Pay Policy Statement for 2017/18 will be published on the Council's website.

5 Outcome of Consultations

- 5.1 The comments of the Interim Monitoring Officer have been incorporated.

6 Other Courses of Action Considered but Rejected

- 6.1 No other courses of action have been considered as it is a legal requirement to approve and publish a pay policy statement annually.

7 Resource Consequences

- 7.1 The Council's Pay Policy Statement draws together existing local policies relating to pay and reward. The financial implications of these policies were taken into account at the time they were established. There are no further financial implications arising.

8 Legal Consequences

- 8.1 See paragraphs 1 and 2 above for relevant Government and Council policies.

9 Risk Assessment

9.1 No risks have been identified.

10 Other Considerations

10.1 Where there are recommendations regarding disclosure of personal data, these are in accordance with relevant legislation specifically to The Human Rights Act and Data Protection Act.

10.2 The Council Policy for all staff groups follows the respective national Joint Negotiating Committees or is determined at local level through collective bargaining and agreement. Relevant Impact Assessments are being made as part of changes to pay and grading in the context of those reviews.

10.3 There are no crime and disorder or sustainability implications.