

REPORT TO FULL COUNCIL

DATE	22 February 2017
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Head of People and Development
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Localism Act 2011 – Pay Policy Statement 2016**PURPOSE**

1. To seek approval for the Council's Pay Policy Statement which is required to be published prior to the end of March each year.

RECOMMENDATION

2. That Full Council
 - approves the attached Pay Policy Statement for 2017/18; and
 - approves a proposal to amend the Council's National Joint Council (NJC) Pay Policy and pay spine with effect from 1st April 2017 to accommodate the increase in the Foundation Living Wage to £8.45 per hour announced in October 2016..

REASONS FOR RECOMMENDATION

3. The Localism Act 2011 – [Chapter 8 - Pay Accountability], requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees. The Pay Policy Statement must be approved by the Council in open forum, by the end of March each year and then be published on its website.

SUMMARY OF KEY POINTS

4. The Pay Policy Statement sets out the existing approach to the remuneration of all posts within the Council. In particular it specifies certain mandatory requirements that must be detailed within the Statement. This refers to:
 - the pay structure of the Council and how it is set;
 - Senior Management Remuneration, providing details of the pay grade for posts defined as Chief Officer and the accompanying allowances;
 - the recruitment arrangements for a Chief Officer;
 - the relationship between the salaries of Chief Officers and other employees;

- details of the lowest paid posts within the Council;
- employer's Pension Contribution details;
- termination of employment payments.

5. The Localism Act includes five key measures that underpin the Government's approach to decentralisation, these being; Community rights, Neighbourhood Planning, Housing, General Power of competence and empowering cities and other local areas.
6. The purpose of the Pay Policy Statement (PPS) is to ensure there is transparency on how pay and remuneration is set by the Council, for all of its employees and particularly for its most senior level posts. The Council already publishes pay and remuneration details of its senior managers on its website under the DCLG's requirements of the Transparency Code which specifies what open data local authorities must publish. This will be updated at the start of the new municipal year.
7. The Statement is reviewed annually and approved by Full Council prior to the end of March each year. National pay negotiations on pay rates for 2017 have already been agreed as part of a 2-year deal and are detailed in the in the Statement.
8. As was also the case last year, the Statement details the adjustment made to the NJC Pay Policy and pay spine to accommodate the increase in the Foundation Living Wage (FLW) to £8.45 /hour, which the Council will apply from April 2017.

From April 2016 the Council agreed to further amend the pay spine, reducing the pay points in Grade 3 from 3 to 2 (points12 and 13) and moving Grade 2 from scp10 to scp11 of the pay spine to reflect the increase in the Foundation Living Wage. For 2017 the spinal column point 11 will continue to be a minimum of the Living Wage (as calculated by the Centre for Research in Social Policy at Loughborough University) replacing the agreed scp11 on the national pay spine, as the FLW is greater.
9. Due to all pay levels receiving a national 1% pay increase, pay ratios have seen no change other than an improvement in the ratio of the lowest paid to the Chief Executive (6.7) which has improved further due to the increase in the FLW.
10. From January 2017 the Council's senior management structure has been further reduced from 10 to 9 posts. The Council had 14 senior posts in April 2015.
11. The Government is proposing to introduce a cap on the total value of exit payments in the public sector of £95,000 enacted through the Enterprise Bill 2015-16. Regulations regarding the implementation for this cap are still awaited. Proposed regulations concerning the recovery of exit payments made to employees in the public sector who return to the same job within a period of 12 months are also still awaited. The latest information suggests these regulations will be implemented by Spring 2017. Council policies and procedures will be updated accordingly once full details are available.
12. The updated Statement complies with the guidance issued by the Department of Communities and Local Government in Spring 2013.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

13. The pay and remuneration detailed within the Pay Policy Statement are all within the approved budget of the Council.

POLICY IMPLICATIONS

14. The policies and appendices referred to in the Pay Policy Statement have previously been approved through Council procedures and in consultation with trade unions and are available on the Council's website. The job evaluation schemes used to establish the grades of posts have been agreed nationally with the trade unions and meet equality and human rights standards.

DETAILS OF CONSULTATION

15. Management Team, Member Structures Officers' Group and Trade Unions.

BACKGROUND PAPERS

16. Report to Council regarding the Pay Policy Statement dated 24th February 2016, 25th February 2015 and also 5th February 2014.

FURTHER INFORMATION:

PLEASE CONTACT:

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ALSO: