

COUNCIL	AGENDA ITEM No. 13(a)
4 MARCH 2015	PUBLIC REPORT

PETERBOROUGH CITY COUNCIL PAY POLICY STATEMENT FOR 2015/16

R E C O M M E N D A T I O N S
FROM : Director of Governance
That Council adopts the Pay Policy Statement for 2015/16, which is appended to this report.

1. PURPOSE & REASON FOR THE REPORT

- 1.1 Council is required by the Localism Act 2011 to approve the Pay Policy Statement for each financial year. This report asks council to approve the Pay Policy Statement for 2015/16.

2. BACKGROUND TO PAY POLICY STATEMENT 2015/16

- 2.1 The Localism Act (the Act) requires the council to sets out it's policy for the financial year relating to the;
- remuneration of its chief officers,
 - the remuneration of its lowest paid employees and
 - the relationship between the remuneration of its chief officers and its employees who are not chief officers.
- 2.2 The Act contains specific items that must be included in the Pay Policy, and the statement recommended to council at Appendix 1 is compliant with those requirements. It has also been drafted having regard to the guidance provided by the Department of Communities and Local Government (DCLG) "Openness and accountability in local pay: Guidance under section 40 of the Localism Act"

3. KEY CHANGES TO PAY POLICY STATEMENT FOR 2015/16

- 3.1 The pay policy codifies the approach to remuneration that has already been agreed by Employment Committee.
- 3.2 In line with recent legislation the policy now states that in the case of transfers in to the council the contractual terms and conditions of the employees will be **static** at the point of transfer. This will apply in all cases **excluding** those where the council has the possibility of participating in the negotiation process of such collective agreements concluded after the date of the transfer. This will mean that any pay award negotiated after transfer will not be paid (providing the council had no possibility of participating in the negotiation process).
- 3.3 Government guidance states that "full council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100,000 is the right level for that threshold to be set." The policy has been amended to state that "Full Council is responsible for approving salary grades of £100,000 or more

in respect of a new appointment. The Employment Committee, under its delegated powers will determine the salary to be paid within the grade approved by Council". Full Council is responsible for approving severance packages beyond £100,000 for staff leaving the organisation.

- 3.4 As part of the phase two budget proposals the council is proposing to pay a 'Peterborough Living Wage' to the lowest paid employees. The minimum rate payable per hour will be £7.85. This will also be applied in community schools and recommended to Voluntary Aided/Foundation schools and City College.

4. IMPLICATIONS OF THE PAY POLICY STATEMENT 2015/16

4.1 Financial Implications

4.1.1 There are no specific financial implications to the approval of the Pay Policy Statement. The contents of the Statement are consistent with the current approach to remuneration as agreed with Employment Committee.

4.1.2 The current remuneration of employees is accounted for in the 2015/16 budget proposals.

4.2 Legal & Human Resource Implications

4.2.1 It is a requirement of the Localism Act 2011 that the council must approve a Pay Policy Statement. Once the Pay Policy Statement is passed, all decisions relating to remuneration must be made in accordance with it.

4.2.2 As soon as practicable after approving or amending its Pay Policy Statement the council must publish it in such manner as it thinks fit, which must include publication on the authority's website

4.3 Equalities Implications

4.3.1 The Council's Pay Policy is consistent with its obligations as an employer to comply with equality duties. It ensures that all employees are rewarded fairly and objectively, without discrimination, for the work that they undertake on behalf of the council, and provides an objective mechanism to review pay dispersal throughout the council.

5. BACKGROUND DOCUMENTS

Department of Communities and Local Government (DCLG) guidance "Openness and accountability in local pay: Guidance under section 40 of the Localism Act" February 2013.

Hutton Review of Fair Pay in the Public Sector: Final Report March 2011

6. APPENDICES

- Appendix 1: Pay Policy Statement 2015/16