

**Council 13 July 2016**

**Pay Policy Statement 2016/17**

**Wards:** All

**Report Authorised by:** Strategic Director Corporate Resources – Jackie Belton

**Portfolio:** Cllr Paul McGlone, Deputy Leader (Investment and Partnerships)

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### **Report summary**

Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy statement for 2012/13 and for each financial year after that.

Section 40 of the Act includes provision for the Secretary of State to issue guidance on the content and application of senior pay statements. Supplementary Guidance was subsequently issued by the Department for Communities and Local Government in February 2013.

This report summarises the requirements of the Localism Act and the Supplementary Guidance and asks Council to approve the Pay Policy Statement for 2016/17 (a copy of which is attached as Appendix A).

### **Finance summary**

There are no specific financial implications arising from this report.

### **Recommendations**

Council are asked:

- (1) To approve the Pay Policy Statement for 2016/17 attached at Appendix A
- (2) That in the interests of improving accountability and transparency, to note the appointments made to posts attracting remuneration in excess of £100,000 per annum and severance packages in excess of £100,000 in the year 1 April 2015 to 31 March 2016
- (3) To note the proposed new legislation in relation to the recovery of public sector exit payments
- (4) To note the proposed new legislation in relation to a “cap” on public sector exit payments

## 1. Context

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy statement for 2012/13 and for each financial year after that. Section 40 of the Act includes provision for the Secretary of State to issue guidance on the content and application of senior pay statements. Relevant authorities must have regard to this guidance in the exercise of their functions under the pay accountability provisions. Council approved the Pay Policy Statement for 2015/16 at its meeting on 20 May 2015 and this Statement is published on the Council's web site.
- 1.2 The Department for Communities and Local Government issued Supplementary Guidance in February 2013. Authorities in England must take account of this and the original Guidance when preparing their Pay Policy Statements for 2013/14 and each subsequent financial year. This Supplementary Guidance deals mainly with salaries on appointment and severance payments at a threshold of £100,000 and over, setting out that full Council should be offered the opportunity to vote on such packages. The Council's Pay Policy Statement was therefore reviewed in the light of this guidance and Council, at its meeting on 22 May 2013, endorsed the existing council process for the appointment and setting of senior pay as set out in the council's constitution and the existing council process for determining termination payments on redundancy as required by legislation. In addition, Council endorsed the proposal that, in the interests of improving accountability and transparency, all appointments made to posts attracting remuneration in excess of £100,000 per annum and all severance packages in excess of £100,000 shall be highlighted in the annual report to Council of the Pay Policy Statement.
- 1.3 In the financial year 2015/16 there were four appointments made to posts attracting remuneration in excess of £100,000 per annum as follows:
- Delivery Director Housing Management – 4 May 2015
  - Director Policy & Communications – 8 September 2015
  - Strategic Director Corporate Resources – 30 October 2015
  - Director Housing Services – 1 July 2015 (TUPE transfer from Lambeth Living)
- There were no severance packages in excess of £100,000 per annum in the financial year 2015/16.
- 1.4 Before it takes effect the Pay Policy Statement has to be approved by a resolution of the Council.
- 1.5 The Pay Policy Statement for 2016/17 has been updated in order to incorporate the following:

- Reference to the time limited Voluntary Redundancy and Enhanced Severance Scheme 2015/16 (Section 12)
- Reference to proposed new legislation in relation to the recovery of public sector exit payments (Section 13)
- Reference to proposed new legislation in relation to a “cap” on public sector exit payments (Section 14)

## **2. Proposal and Reasons**

- 2.1 Council is asked to approve the Pay Policy Statement for 2016/17 as required by Section 38 (1) of the Localism Act 2011

## **3. Finance**

- 3.1 There are no specific financial implications arising from this report.

## **4. Legal and Democracy**

- 4.1 The body of the report sets out the statutory basis for the requirement to have a Pay Policy under the provisions of the Localism Act 2011.

- 4.2 This report has been considered by the Deputy Leader (Finance & Investment), Corporate Committee at their meeting on 28 January 2016 and senior officers.

- 4.3 There are no additional comments from Democratic Services

## **5. Consultation and co-production**

- 5.1 Corporate Committee at its meeting on 11 January 2012 advised that there was no need to set up a remuneration committee so long as there was regular reporting to them on the extent to which the council is meeting the requirements of the Localism Act 2011. Update reports have subsequently been taken to Corporate Committee on 9 January 2013, 2 April 2014, 25 March 2015 and 28 January 2016.

## **6. Risk management**

- 6.1 No potential risks have been identified associated with the recommendations set out in this report

## **7. Equalities impact assessment**

- 7.1 The pay policy affects the entire workforce. The council has robust processes in place for collecting and reporting on a range of employee data as it relates to appointment and severance for staff with a protected characteristic. These reports are considered by a range of Members and officers and represent a culture of openness and transparency. Any significant changes or trends identified will be subject to a full equalities impact assessment.

**8. Community safety**

8.1 None.

**9. Organisational implications**

9.1 Environmental

None

9.2 **Staffing and accommodation**

This pay policy affects the entire workforce.

9.3 **Procurement**

None.

9.4 **Health**

None.

**10. Timetable for implementation**

10.1 Not applicable.

<b>Audit trail</b>				
<b>Name/Position</b>	<b>Lambeth directorate/division or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Councillor Paul McGlone	Deputy Leader (Finance & Investment)	23.12.15		
Jackie Belton Strategic Director	Corporate Resources	15.12.15	23.12.15	1.5
Helen Charlesworth-May Strategic Director	Children, Adults, Health	23.12.15		
Sue Foster Strategic Director	Neighbourhoods and Growth	23.12.15		
Nana Amoa-Buahin, Director HR&OD	Corporate Resources	23.12.15	07.01.16	Throughout
Alison McKane, Head of Legal Services	Corporate Resources	23.12.15	29.12.15	Throughout
Martin Crump Senior Accountant	Corporate Resources	23.12.15	04.01.16	3.
<b>Report history</b>				
<b>Original discussion with Cabinet Member</b>		N/A		
<b>Report deadline</b>		26.04.16		
<b>Date final report sent</b>		19.04.16		
<b>Report no.</b>		/ 16-17		
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>		No		
<b>Key decision report</b>		No		
<b>Date first appeared on forward plan</b>		N/A		
<b>Key decision reasons</b>		Not applicable		
<b>Background information</b>		<ul style="list-style-type: none"> <li>• Localism Act 2011</li> <li>• Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011</li> <li>• Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 (Supplementary Guidance): February 2013</li> <li>• Council (20.05.15): Pay Policy: report and minutes</li> <li>• Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 (Supplementary Guidance): February 2013</li> <li>• HM Treasury – draft Public Sector recovery of exit payment regulations – December 2015</li> <li>• HM Treasury – draft Public Sector exit payment regulations 2016</li> </ul>		
<b>Appendices</b>		Appendix A: Lambeth Pay Policy Statement 2016-17 (and accompanying Appendices 1 and 2)		