
REPORT TO:	COUNCIL	AGENDA ITEM: 14
DATE OF MEETING:	27TH FEBRUARY 2012	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	OPEN
MEMBERS' CONTACT POINT:	Mark Alflat – Monitoring Officer mark.alflat@south-derbys.gov.uk	DOC:
SUBJECT:	LOCALISM ACT 2011 - PAY POLICY STATEMENT	REF:
WARD(S) AFFECTED:	ALL	

1.0 Recommendations

1.1 The Council is asked to approve, for publication, the Pay Policy Statement for the financial year 2012/13 (copy to follow).

2.0 Purpose of Report

2.1 The Localism Act 2011 requires local authorities, from 2012 onwards, to publish annually a Pay Policy Statement. The purpose of this report is to seek the Council's approval for the Council's Statement for the year 2012/13. This will then be published in accordance with the Act.

3.0 Detail

3.1 The Localism Act 2011 requires local authorities to produce an annual Pay Policy Statement. The first Statement must be published for the year 2012/13. The principle behind this requirement is to ensure transparency with regard to the pay of senior employees. The Act adds to the obligations already placed on local authorities to publish information in the interest of transparency e.g. the requirement to publish historic expenditure on chief officers within the Council's accounts.

3.2 The process with regard to producing a Statement is that it:

- Must be formally approved by the Full Council.
- Must be approved by the end of March each year, starting with March 2012.
- Can be amended during a financial year. The amended Statement should be approved by the Council.
- Must be published on the Council's website (and in any other way that the Council chooses). Amended Statements must also be published as soon as practicable.
- Must be complied with when the Council sets the terms and conditions for a chief officer.

- 3.3 The matters that must be included in the Statement are a local authority's policy on:
- The level and elements of remuneration for each chief officer.
 - The remuneration of its lowest paid employees (together with its definition of "lowest-paid" and its reasons for adopting that definition).
 - The relationship between the remuneration of its chief officers and other officers.
 - Other specific aspects of chief officers' remuneration i.e. remuneration on recruitment, increases and additions to remuneration, the use of performance related pay and bonuses, termination payments and transparency.
- 3.4 The term chief officer includes both statutory and non-statutory chief officers. These are defined as:
- The Head of Paid Service (who is also the Chief Executive).
 - The Monitoring Officer.
 - Chief Officers (or Directors) and the Deputy Chief Officers (i.e. managers who report directly to a Chief Officer).
- 3.5 In addition to the provisions of the Act the proposed Statement also takes account relevant guidance. This has advised, in the interests of clarity and transparency, that authorities use the opportunity to set out their overall rewards strategy for the whole workforce and not limit themselves to the specific requirements of the Act. The proposed Statement follows this advice.
- 3.6 The Department for Communities and Local Government (DCLG) is due to publish additional guidance in relation to the development and content of Pay Policy Statements. Once this is available it is proposed to undertake a review of the Pay Policy Statement and amend it as appropriate. Members are asked to note that amendments during the year are permitted by the Localism Act.
- 3.7 There are other provisions within the Pay Policy Statement that may require additional work to be completed during the year. It is proposed to review this with the benefit of the additional guidance from the DCLG when published.

4.0 Financial Implications

- 4.1 There are no financial implications arising from this report.

5.0 Corporate Implications

- 5.1 The proposed Pay Policy Statement will help ensure that the Council meets its obligations under the Localism Act 2011. It will also help the Council to monitor its current pay policies.

6.0 Community Implications

- 6.1 The Pay Policy Statement will help to ensure that the Council's approach to pay is accessible for all and to enable local people to take an informed view of whether local decisions on all aspects of remuneration are fair and make the best use of public funds.

7.0 Conclusions

- 7.1 The Localism Act 2011 requires the Council to have and publish a Pay Policy Statement from 2012/13 onwards. The proposed Statement meets the provisions of the Act and takes into account national advice on the content of such a Statement.
- 7.2 The Council is therefore asked to approve the Statement, which will then be published in accordance with the Act on the Council's website.

8.0 Background Papers

- 8.1 Localism Act 2011