

<b>Report of:</b>	Director of Legal and Governance Services and Executive Member for Finance and Governance
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**AGENDA ITEM 10**

<b>Submitted to:</b>	Council – 14 <sup>th</sup> October 2020
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<b>Subject:</b>	Pay Policy Statement 2020/2021
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**Summary**

<b>Proposed decision(s)</b>
That Full Council agree the Pay Policy Statement 2020/2021.

<b>Report for:</b>	<b>Key decision:</b>	<b>Confidential:</b>	<b>Is the report urgent?<sup>1</sup></b>
Decision	No	No	No

**Contribution to delivery of the 2020-23 Strategic Plan**

<b>People</b>	<b>Place</b>	<b>Business</b>
Not Applicable	Not Applicable	The Pay Policy Statement sets out the Council’s policies on remuneration of its staff in accordance with Section 38 of the Localism Act 2011. The policy must be approved by full Council and is subject to annual review. The Pay Policy Statement sets out details of the various employee policies relevant to the remuneration of Chief Officers in operation within the Council. The actual content of those policies included within the statement will continue to be determined by current mechanisms.

**Ward(s) affected**

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### **What is the purpose of this report?**

1. The purpose of the report is to set out the Pay Policy Statement 2020/2021 for consideration by full Council.

### **Why does this report require a Member decision?**

2. It is a requirement of the Localism Act 2011 (Section 38) that the Council produces an annual Pay Policy Statement, in line with supplementary statutory guidance. The policy must be approved by full Council.

### **Report Background**

3. To comply with the Localism Act 2011, the Council is required to approve a Pay Policy Statement setting out details of the Council's policies on the following:
  - Level of remuneration of Chief Officers
  - Level of remuneration paid upon recruitment
  - Payment of increments
  - Enhanced / additional pension contributions
  - Payment of bonuses, performance related pay and severance pay for Chief Officers
  - Awarding additional fees for election work
  - The creation of new posts with a salary package over £100,000 per annum
  - Employment of individuals already in receipt of a local government pension
  - Employment of ex-employees as Chief Officers under a contract for services

The Pay Policy Statement also sets out:

- The Council's approach to the pay of its lowest paid employees
- The relationship between Chief Officer pay and the Council's remaining employees as set out within the context of the pay multiple calculation
- How the Pay Policy Statement will be publicised

When this matter last came before full Council on 2 September 2020, Council ordered that the Pay Policy statement report be referred back for the Executive Member to reconsider the threshold of £100,000 in relation to severance payments, with a view to lowering that figure, for full Council or a committee thereof to be given an opportunity to vote before a severance package is approved.

Since the full Council meeting on 2 September 2020, the Executive Member for Finance and Governance has hosted two member briefings to set out the current arrangements for pay and remuneration within the council.

Somewhat unexpectedly since the last council meeting, the [Restriction of Public Sector Exit Payments Regulations 2020](#) have been approved by Parliament and are expected to come into force before the end of the year. Those regulations will place a £95,000 cap on public sector exit payments and present an opportunity to review the pay policy statement and the threshold in relation to severance payments when the full implications of the legislation are understood.

## **What decision(s) are being asked for?**

4. That Full Council agree the Pay Policy Statement 2020/2021.

## **Why is this being recommended?**

5. The decision is being recommended to ensure that the Council complies with statutory requirements in relation to publication of information required by the Localism Act 2011. Council will recall that the Pay Policy Statement 2020/2021 refers to the financial year April 2020 to March 2021. Council is being asked to approve the Statement retrospectively from April and for the remainder of the financial year. The Executive Member for Finance and Governance commits to reviewing the threshold in relation to severance payments in respect of next year's Pay Policy Statement.

## **Other potential decisions and why these have not been recommended**

6. Full Council could decide not to approve the Pay Policy Statement. This is not recommended because it would result in failure to comply with the Localism Act 2011.

Consideration was given to amending the £100,000 limit for Full Council approval on exit payments (paragraph 17 in the Pay Policy Statement). However, legislation is currently in process to introduce a £95,000 cap on exit payments in local government and full details have not yet been published. Furthermore consultation on the local government pension regulation changes required to facilitate the exit cap is still ongoing and details of this are unlikely to be clear until the end of the year.

## **Impact(s) of recommended decision(s)**

### **Legal**

7. As set out above - the Pay Policy Statement is a requirement of the Localism Act 2011.

### **Financial**

8. There are no direct implications arising from this report. It sets out financial detail but this detail is determined by the Council's range of HR policies that are in place.

### **Policy Framework**

9. The Pay Policy Statement forms part of the Policy Framework, meaning that it is a decision reserved for full Council. Once agreed it will replace the previous year's statement, therefore amending the policy framework.

### **Equality and Diversity**

10. An Impact Assessment has not been completed as the Pay Policy Statement sets out details of policies already in place within the Council, rather than establishing policy in its own right. The policies set out within the statement have previously been subject to the Impact Assessment process, where required.

## Risk

11. The statement sets out how the Council remunerates its senior officers and provides assurance that it is employing fair and transparent employment practices.

## Actions to be taken to implement the decision(s)

12. Once approved the current statement will be published on the Council's website.

## Appendices

13. Appendix 1 – 2020/2021 Pay Policy Statement

## Background papers

Body	Report title	Date
Council	2019/2020 Pay Policy Statement	March 2019

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