

Cabinet

24 February 2021



Title	Pay Policy Statement 2021/22
Purpose of the report	To make a recommendation Council
Report Author	Debbie O'Sullivan/Angela Tooth, Human Resources Manager
Cabinet Member	Councillor Robert Noble
Confidential	No
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Cabinet decision
Recommendations	Cabinet is asked to: Recommend to Council that the Pay Policy Statement is approved.
Reason for Recommendation	The Pay Policy Statement must be agreed by full Council and be published by 31 March each year.

1. Key issues

- 1.1 Local authorities are required to publish an annual pay policy statement to increase transparency regarding the use of public funds to pay council staff. This requirement was set out in the Localism Act 2011 with guidance on items to be included issued by the Secretary of State for Communities and Local Government.
- 1.2 Pay Policy Statements must be agreed by full Council and be published by 31 March each year to apply to pay decisions during the next financial year.
- 1.3 The Pay Policy Statement must set out the Council's policies on a range of issues relating to the pay of its workforce, particularly its senior staff and the lowest paid employees. The statement must set out the policies for the financial year relating to:
 - Remuneration of its Chief Officers
 - Remuneration of its lowest paid employees
 - The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers
 - The publication of and access to information relating to remuneration of Chief Officers.

- 1.4 The term 'Chief Officer' in this context is as set out in the Local Government and Housing Act 1989 ('the Act') and includes
- The Head of Paid Service (the Chief Executive)
 - The Monitoring Officer
 - Statutory and non-statutory Chief Officers under section 2 of the Act
 - A deputy Chief Officer mentioned in section 2 of the Act
- This is a wider definition than is usually understood by the term: in other contexts, the term Chief Officer at Spelthorne is used to mean posts on Management Team (Chief Executive and Deputy Chief Executives only).
- 1.5 It is up to the Council to determine who its lowest paid employees are, but they must give reasons as to why they have defined them as such. At Spelthorne the lowest paid employees are those in jobs paid at the lowest grade and apprentices.
- 1.6 The term 'remuneration' is defined as follows:
- The Chief Officer's salary
 - Any bonuses payable
 - Any charges, fees or allowances payable by the Council to the Chief Officer
 - Any benefits in kind to which the Chief Officer is entitled as a result of their office or employment
 - Any increase in or enhancement of the Chief Officer's pension entitlement where the increase or enhancement is as a result of the resolution of the Council
 - Any amounts payable by the Council to the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the Council other than amounts that may be payable by virtue of any enactment.
- 1.7 The statement must be approved by a resolution of Council before it comes into force. It can be amended by resolution after the financial year is underway but, if it is amended, it must be published on the Council's website.
- 1.8 There has been no further guidance from the Secretary of State this financial year.
- 1.9 This explains the main criteria upon which the decision is to be based.
- 1.10 Employing authorities are also required to publish a policy on how they propose to exercise certain discretions under the Local Government Pension Scheme, Local Government Compensation Regulations and the Local Government Injury Regulations. As a minimum, an employing authority is required to publish a policy on the mandatory discretions within these regulations.
- 1.11 The Discretions Policy is an Appendix of the Pay Policy Statement and is attached as **Appendix 2**. The Policy includes the mandatory discretions together with two optional discretions for Award of Additional Pension and Inward Transfer of Pension Rights which are useful to be included.

- 1.12 On 4 November 2020 the Exit Cap Regulations were implemented. This cap applies to the total amount payable when someone exits and so applies to the total of severance payments, any pension strain cost and notice payments. Spelthorne must comply with these regulations within the Council's Discretionary Policy.
- 1.13 The Ministry of Housing Communities and Local Government are currently consulting on Reforming Local Government Exit Pay and Local Government Pension Scheme (Restriction of Exit Payments) Regulations the latter to allow for the pension strain cost to be reduced in order to bring an exit payment in line with the £95K cap. The Discretions Policy has been amended to reflect the possible statutory changes should these Regulations come into force,
- 1.14 This explains the main criteria upon which the decision is to be based.

2. Options analysis and proposal

- 2.1 The draft Pay Policy Statement for 2021/22 is in the **Appendix 1**. It is proposed that the Council resolves to approve the Pay Policy Statement for 2021/22.
- 2.2 No options as the Pay Policy Statement for 2021/22 must be published by 31 March 2021.

3. Financial implications

- 3.1 No direct financial implications to the Pay Policy Statement 2021/22. All pay decisions in the year must be in accordance with the published pay policy statement.

4. Other considerations

- 4.1 Spelthorne is required to approve and publish a pay policy statement annually. The Council is an individual employer in its own right and has autonomy on pay elements that are appropriate to local circumstances. The provisions in the Localism Act and the guidance do not seek to change this or to determine what decisions on pay should be taken or what policies individual employing authorities should have in place. Rather, the provisions require that authorities are more open about their own local policies and how their local decisions are made.
- 4.2 Arrangements for pay and employment must comply with relevant UK employment legislation, the Council's agreed Standing Orders, policies, procedures and arrangements, staff terms and conditions of employment and the regulations of the Local Government Pension Scheme. Arrangements for compensation for loss of office must comply with the Council's Discretionary Policy.
- 4.3 The matters contained in the Pay Policy Statement include arrangements which are part of the contractual terms and conditions of employment, which cannot be changed without prior consultation.
- 4.4 Since February 2015 there is also a requirement to publish other information on senior salaries/posts following the government's publication of the Local Government Transparency Code 2014. This information is published on the Council's website alongside the Pay Policy Statement and is updated annually.

4.5 The Pay Policy Statement is in relation to all staff and will be accessible by all staff.

5. Sustainability/Climate Change Implications

5.1 None.

6. Timetable for implementation

6.1 The Pay Policy Statement for the 2021/22 financial year must be agreed by Council by 31 March 2021 and be published on the website. All pay decisions in the year will be in accordance with the published pay policy statement and any agreed amendments.

Background papers: There are none

Appendices:

Appendix 1: Pay Policy Statement 2021/22

Appendix 2: Discretions Policy