
PAY POLICY STATEMENT 2016/2017

**Responsible Cabinet Member -
Councillor Stephen Harker, Efficiency and Resources Portfolio**

**Responsible Director -
Paul Wildsmith, Director of Neighbourhood Services and Resources**

SUMMARY REPORT

Purpose of the Report

1. To present the Pay Policy Statement for the financial year 2016/2017 in line with the requirements of the Localism Act 2011 and Local Government Transparency Code 2014 and request members approve it.

Summary

2. The Localism Act 2011 requires the Council to agree a written Pay Policy on an annual basis.
3. The Act requires the Council to publish specific information relating to the Council's highest and lowest paid employees.
4. The proposed Pay Policy for 2016/17 is attached at **Appendix A** and meets the requirements of the Localism Act 2011 and associated guidance

Recommendation

5. It is recommended that Council agree and approve the proposed Pay Policy 2016/17 (Appendix A). If approved, arrangements will be made to publish the Policy on the Council's intranet for public access.

Reasons

6. The recommendation is supported to enable the Council to comply with the requirements of the Localism Act 2011

**Paul Wildsmith
Director of Neighbourhood Services and Resources**

Background Papers

- (i) Localism Act 2011
- (ii) Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 published by the Department for Communities and Local Government: February 2012
- (iii) Improving Local Government Transparency Consultation published by the Department for Communities and Local Government: October 2012
- (iv) Supplementary guidance to The Localism Act requirements (Openness and accountability in local pay : Guidance under Section 40 of the Localism Act 2011) dated February 2013 issued by Department of Communities and Local Government
- (v) Local Government Transparency Code 2014 dated October 2014 issued by Department of Communities and Local Government.
- (vi) Local Government Transparency Code 2015 dated February 2015 issued by Department of Communities and Local Government
- (vii) The Repayment of Public Sector Exit Payments 2015
- (viii) Public Sector Exit Payments Regulations 2016

Elizabeth Davison (extension 5830)

S17 Crime and Disorder	The report does not contain any Crime and Disorder implications
Health and Well Being	This report has no implications for the Council's Health and Well Being agenda
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity issues
Wards Affected	No wards affected
Groups Affected	No groups affected
Budget and Policy Framework	No budget implication
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	This report has no particular implications for the Sustainable Community Strategy
Efficiency	There are no efficiency implications in this report

MAIN REPORT

Information and Analysis

7. Following the implementation of The Localism Act 2011 the Council is required to agree a written Pay Policy on an annual basis.
8. The Pay Policy sets out the specific information on the relationship between the highest and lowest paid employees in the Council and principles associated with the payments and remuneration packages of Chief Officers both during and on termination of employment.
9. Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year and whilst the Statement can be amended in year as required, any changes must be subject to the approval of full Council. Failure to do so would be contrary to the Council's Statutory Duty under the Localism Act and would result in legal action being taken against the Council.
10. Supplementary guidance to The Localism Act; Local Government Transparency Code 2014 dated October 2014 issued by Department of Communities and Local Government sets out the requirements for calculating the pay multiple and further publication of senior salaries which the Council has implemented.

Pay Multiple

11. The Council's Pay Multiple based on highest paid taxable earnings and median taxable earnings for the whole authority (excluding casuals) is;

	Highest paid Employee based on taxable earnings	Workforce Median Taxable earnings	Median taxable earnings Pay Multiple
Taxable Earnings Pay Multiple 2016/2017 ¹	£12,560	£1,692.08	7.42

¹ – Based on figures 31st December 2015 (Decembers Pay Only)

12. 2015 was the first year for a number of years that Local Government Workers received a pay award and the pay multiple last year (7.19) was calculated on employees median taxable earnings and included a one off non-consolidated payment made to NJC employees on 1 December 2014. Using December 2015 taxable pay, the Pay Multiple based on the Median taxable earnings was 7.42.
13. The Council aims to ensure that the pay multiple does not exceed 10.
14. The 2014 Code stipulates that the Pay Multiple will be calculated each year on a fixed date coinciding with reporting at the end of the financial year. Locally the Pay multiple is calculated each December for the approval of the Pay Policy by Council to allow publication and approval before 31 March each year. Arrangements will also be made to update the Pay Multiple figure with year-end figures in April which will be published on the Council's internet pages alongside other Transparency Code information requirements.

Senior Salaries

15. The Code requires that the Council publishes Senior Officers Salaries. Formerly, the publication of Senior Salaries was for officers earning £58,000 and above, this has now being reduced to £50,000 and above. This reduction now incorporates senior managers on National Joint Council (NJC) Grade T SCP 57 (£51,208). There is also a requirement to publish the services, functions, the budget held and the number of employees senior officers are responsible for. This information is available on the internet with other Transparency requirements.

Other Revisions to the Pay Policy Statement

16. Other revisions to the proposed Pay Policy Statement for 2016/2017, are summarised as follows;
 - (a) Revision to the list of Chief Officers; removal of Service Directors Grades as both occupants have now left the Council and are not being replaced on a like for like basis. (*Appendix A - paragraph 8*)
 - (b) Reference to pending legislation Repayment of Public Sector Exit Payments Regulations 2015 and the Public Sector Exit Payments Regulations 2016, the Council will ensure that appropriate procedures are followed to meet the Regulation requirements associated with the Cap on exit payments and the repayment of salary payments by senior officers. (*Appendix A – paragraph 20*)
 - (c) Update and reference to non-contractual Local Wage Supplement for employees paid less than SCP 10 and National Living Wage (*Appendix A – paragraph 26*)

Points to Note

17. The salary scales of Chief Officers referred to in the Pay Policy are correct at the time of writing (January 2016).

Financial, HR and Legal Implications

18. If adopted, the Pay Policy statement does not pose additional financial or legal implications for the Council

Consultation and Outcome of Consultation

19. There is not a requirement to consult on the development of a Pay Policy wider than approval by Council, however Trade Unions have been provided with a copy for information purposes.