

REPORT FOR: Council

Date of Meeting:	27 February 2014
Subject:	Pay Policy Statement 2014-15
Responsible Officer:	Paul Najsarek, Corporate Director, Community, Health & Wellbeing
Exempt:	No
Enclosures:	Appendix 1 – Pay Policy Statement 2014/15

Section 1 – Summary and Recommendations

This report sets out the Council's Pay Policy Statement 2014/15

Recommendations:

The Council is requested to:

Agree the Pay Policy Statement 2014/15 for publication on the Council's website

Section 2 – Report

The Localism Act 2011 (the Act) became statute in November 2011. The Act introduces the requirement for Local Authorities to prepare and approve an annual Pay Policy Statement commencing 2012/13. The statement must be prepared and approved by 31 March each year and must be published as soon as reasonably practicable following approval.

The Department for Communities and Local Government (DCLG) has published statutory guidance on 'Openness and accountability in local pay' and authorities in England are required to have regard to the guidance when preparing their pay policy statements.

The Pay Policy Statement at appendix 1 has been drafted to meet the requirements of the Act. It sets the context for the Council's pay policy and details the Council's approach to pay and remuneration for its employees and specifically its senior managers and lowest paid employees.

Changes since 2012/13

- i. In 2011/12 the Council undertook a review of pay and terms and conditions for employees. The objectives of the review, which were agreed by Cabinet, were to:
 - Modernise: to support the future needs of the Council
 - Simplify: wherever possible, to make terms and conditions easier to understand and reduce administration
 - Reduce cost: to reduce the costs of terms and conditions of employment as part of its plan to make savings over the next 3 years
 - Give greater choice: to continue to have core terms and conditions but to provide each individual with an element of choice beyond that.

The modernising review was completed in 2012 and the Council reached a collective agreement with the relevant recognised trade unions, which introduced changes to the pay, terms and conditions of all employees covered by the Pay Policy Statement, including those of senior management, from January 2013.

The savings identified from the project to modernise terms and conditions of employment were built in to the Council's Medium Term Financial Strategy (MTFS saving Tech 029)

The modernising terms & conditions review resulted in a reduction in the pay of senior management including the Head of Paid Service and no staff being paid less than the London Living Wage.

- ii. The Council has a new draft Strategy for People 2014-2018 which provides the context for the Pay Policy Statement 2014/15.
- iii. In January 2014 Cabinet agreed to delete the post of Chief Executive and interim arrangements to cover the statutory duties of the Head of Paid Service will be put in place until after the local government elections in May 2014, at which point a decision will be taken on the permanent arrangements.
- iv. The pay policy has been updated to recognise that the Head of Paid Service may authorise other payments as necessary in accordance with the Council's delegations.

Council are recommended to agree the Pay Policy Statement 2014/15 and that it be published on the Council's website.

Other options considered

None - Agreement to and publication of an annual Pay Policy Statement is a statutory requirement.

Implications of the Recommendation

Resources, costs and risks

The Council's employees are its most valuable resource and remuneration at all levels needs to be adequate to recruit and retain high quality employees dedicated to the service of the public. The Council also has a requirement to make significant savings as a result of public spending cuts, it is therefore equally important that remuneration is not unnecessarily generous or otherwise excessive and that there is transparency and openness in the way the Council remunerates its employees.

Equalities impact

The Council seeks to reduce income inequality and ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act. Pursuant to this the Council's Pay Policy is to minimise the senior management pay bill and that lowest paid employees are paid not less than the London Living Wage.

Age

The Council has an aging workforce with most between the ages of 45 and 54 at all levels of the workforce. The policy of minimising the senior management pay bill is more likely to impact on workers in this age range.

The policy to pay not less than the London Living Wage is more likely to affect younger workers.

Sex

Almost 78% of the council's workforce is women. The greatest proportion of women (83%) is employed in the lowest pay bands (H1 to H3). The policy to pay not less than the London Living Wage is likely to affect more women than men.

Ethnicity

Almost 41% of the council's workforce is Black, Asian and Minority Ethnic (BAME). The greatest proportion of BAME staff is employed in lower paybands and the policy to pay not less than the London Living Wage is more likely to affect them

There are few BAME staff employed in senior management, therefore the policy of minimising the senior management pay bill will have a greater on White staff.

Disability

The workforce profile shows that 1.8% of the workforce state they are disabled. The greatest proportion of those is employed in the lower paybands and there are none in senior management. Therefore the policy of minimising the senior management pay bill will have a greater impact on non-disabled employees.

Financial Implications

The financial implications of the Pay Policy are included within the Revenue Budget for 2014/15 and the MTFS.

Equalities implications

The Equalities implications are set out above

Corporate Priorities

Approval and publication of the Council's Pay Policy Statement enables the Council to meet its statutory requirements and by seeking to minimise the senior management pay bill and reduce the difference between the highest and lowest paid employees within the Council, the Pay Policy contributes to the delivery of the administration's 'Fairer' priority.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert



on behalf of the*
Chief Financial Officer

Date: 18 February 2014.

Name: Caroline Eccles



on behalf of the*
Monitoring Officer

Date: 23 January 2014

Section 4 - Contact Details and Background Papers

Contact:

Jon Turner, Divisional Director Human Resources, Development & Shared Services DD: 0208 424 1225

Background Papers:

Cabinet Decision - Modernising Terms and Conditions of Employment, 19 January 2012

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=60644>