

10. MSDC PAY POLICY STATEMENT 2016/17

REPORT OF: Peter Stuart, Head of Finance and HR
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Wards Affected: None
Key Decision: No
Report to: Council
23 March 2016

Purpose of Report

1. The purpose of this report is to ensure Members are aware of the statutory Pay Policy Statement for this Authority as required by Section 38 of the Localism Act 2011. Members should note that the Statement for Mid Sussex simply reflects our current practice. It does not introduce anything new. The statement has been updated following its initial introduction in March 2012, when Council agreed the document.

Recommendations

2. **Council Members are recommended to agree the Pay Policy at Appendix A, to comply with the requirements of the Localism Act.**
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Background

3. The Localism Act 2011 received Royal Assent on 15 November 2011. Section 38 of the Act placed a new requirement on local authorities to publish a Pay Policy Statement by 31 March each year. The Statement must set out the Council's policies relating to:
 - Remuneration of its senior officers
 - Remuneration of its lowest-paid employees and
 - The relationship between the remuneration of its senior officers and the remuneration of its employees who are not senior officers.
4. Senior officers have been defined as the posts of Chief Executive, Assistant Chief Executive and the six Heads of Service, together with the Head of CenSus.
5. This Statement has been put together taking into account the relevant sections within Chapter 8 'Pay Accountability' of the Localism Act 2011. In its development consideration has also been given to the guidance produced by the Department for Communities and Local Government (DCLG) entitled 'Openness and Accountability in local pay – guidance under section 40 of the Localism Act'. Additionally, consideration has been given to the Code of Recommended Practice for Local Authorities on Data Transparency published by the DCLG in September 2011.

6. Several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and the highest paid in public sector organisations were made in Will Hutton's report on fair pay in the public sector. This was published in March 2011. Hutton was asked to consider whether a public sector pay multiple, in which no manager could earn more than 20 times the lowest paid person in the organisation would be helpful as the core of a fair pay system in the public sector and to tackle pay disparities.
7. The aims behind Hutton's recommendations are not really aimed at authorities like Mid Sussex as we already publish the relevant information and our pay ratios are significantly below that threshold stated above.
8. Furthermore, Mid Sussex District Council has significantly reduced the number of senior officers from 18 Chief Officers in 2004 to the current 9. Notwithstanding this, it is now a statutory requirement to publish a Statement and as such, the Council is complying with its obligations.

Policy Context

9. The proposed Pay Policy Statement 2016-17 is attached as Appendix A to this report. The Statement sets out the Council's policies in relation to the pay of its workforce, particularly its senior officers, and sits alongside the policies on pay that the Council has already adopted and published in its Pay Policy.

Financial Implications

10. There are no direct financial implications arising from this report as the Pay Policy Statement sets out the Council's policies relating to remuneration. It does not serve to set or agree specific rates or numerical amounts.

Risk Management Implications

11. The risks of not having a clear policy include being unable to recruit and retain staff, and being unable to demonstrate value for money to the taxpayer.

Equality and Customer Service Implications

12. An equality impact assessment has not been carried out, as it is not expected that any of the protected groups are affected by this report.

Other Material Implications

13. There is a statutory requirement to comply with the Localism Act and agree a Pay Policy by 31 March 2016. There are no environmental, human rights or community safety implications.

Background Papers

None.