

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PERSONNEL COMMITTEE

Agenda Item No.

meeting date: WEDNESDAY, 18 JANUARY 2012
title: THE LOCALISM ACT 2011 – PAY POLICY STATEMENT
submitted by: HEAD OF HUMAN RESOURCES
principal author: MICHELLE SMITH

1 PURPOSE

1.1 To inform members of the requirement to publish a Pay Policy statement in accordance with the Localism Act 2011.

1.2 Relevance to the Council's ambitions and priorities

- Council Ambitions - the effective control and implementation of remuneration across the organisation supports our ambition to be a well managed Council.
- Community Objectives – none.
- Corporate Priorities - this policy contributes to the priority to maintain critical financial management and controls, and ensure the authority provides Council taxpayers with value for money.
- Other Considerations – none.

2 BACKGROUND

2.1 The Localism Act came into force on 15 November 2011. Sections 38-43 of the act refer to 'Pay Accountability' and sets out the requirements for councils to determine and publish an annual pay policy statement.

2.2 The Council is required to publish its first pay policy statement by 31 March 2012.

3 ISSUES

3.1 This is a new piece of legislation and we have a relatively short timescale in which to comply.

3.2 Draft guidance from the Department for Communities and Local Government on section 40 of the Act (which relates specifically to the pay policy statement) is attached at Appendix 1.

3.3 Additional guidance from the North West Employers Organisation (NWEO) is attached at Appendix 2.

3.4 In relation to the scope of the Act, it is likely that for this Council, the definition of Chief Officers would include the Chief Executive, Directors and Heads of Service.

3.5 There is currently little formal guidance on how the pay policy statement should be presented. However, I will be attending a workshop at NWEO on 17 January to:

- collectively review any questions of interpretation of the requirements of the act and associated statutory guidance
- share ideas and approaches that authorities have developed
- share development effort through joint work
- share information from parallel work in other regions

I will report on outcomes of the workshop at committee on the 18th.

3.6 The pay policy statement has to be approved by the authority and therefore it is likely that this will be an agenda item for Full Council on 6 March 2012.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources - no financial implications.
- Technical, Environmental and Legal - failure to comply with the requirements of the Act could result in sanctions.
- Political - there are no political implications.
- Reputation - failure to comply could result in negative publicity and potentially on a national scale.

5 **RECOMMENDED THAT COMMITTEE**

5.1 Receive the report.

5.2 Ask the Chief Executive to prepare an annual pay policy statement in accordance with the requirements of the Localism Act 2011 and in consultation with the Chair of Personnel Committee and the Leader of the Council.

HEAD OF HUMAN RESOURCES

For further information please ask for Michelle Smith, extension 4402.