

Committee: Council

Date: 7 February 2018

Wards: **All**

Subject: Approval of Pay Policy Statement and re-adoption of the Members' Allowances Scheme

Lead officers: Kim Brown, HR Lead; Paul Evans, Assistant Director of Corporate Governance and Monitoring Officer

Lead member: Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance

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Recommendations:

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1. That Council approve publication of the Pay Policy Statement for 2018/19
 2. That Council reconfirm the Members' Allowance Scheme for 2018/19 with effect from 1 April 2018
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Localism Act 2011 requires the Council to publish a pay policy statement and for the statement to be re-approved by Council each year.
- 1.2 The existing pay policy statement for 2017/18 was approved by Council on 1 February 2017.
- 1.3 The only amendments from the last year's version are updates to the pay ratios to reflect the current position.
- 1.4 The report also recommends re-adopting the Members' Allowances Scheme with no change for 2018/19.

2 DETAILS

- 2.1. The pay policy statement for the year 2017/18, approved by Council, is currently published on the Council's website.
- 2.2. Council is required to re-approve the pay policy statement each year.
- 2.3. There has been no change in the council's pay policy, and the council is currently awaiting the outcome of national negotiations with regards to Chief Officers' pay. The only amendments from last year's version are to update the pay ratios to reflect the current position.

- 2.4. A draft Pay Policy Statement for 2018/19 is attached at Appendix A.
- 2.5. In relation to the Members' Allowances Scheme the Council is required further to the Local Authorities (Members' Allowances) (England) Regulations 2003 to re-adopt its scheme of members allowances for the year 2018/19 and in doing so give due regard to the recommendations made by the report of the Independent Panel on the Remuneration of Councillors in London whose latest report was published in 2014.
- 2.6. The Independent Panel did not recommend any significant changes to the Scheme of Allowances which it approved in its report in 2010 and again in 2014. It recommended that members' allowances be pegged to the annual local government pay settlement, as is already the case in Merton.
- 2.7. Council is recommended to confirm its existing scheme of Member Allowances for 2018/19 and to retain the same level of allowances for 2018/19, thereby agreeing to not apply the local government pay settlement.

3 ALTERNATIVE OPTIONS

- 3.1. Publication of a Pay Policy Statement and member allowances are statutory requirements.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Any changes to the pay policy statement would be considered by the Council's Senior Remuneration Panel prior to submission to Council.

5 TIMETABLE

- 5.1. The Pay Policy Statement must be approved by Council for publication from 1 April 2018 on the Councils website.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. There is provision in the draft MTFS for 2018-22 for an increase in the budgeted cost of salaries and Members' Allowances. These provisions will be kept under review each year.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Publication of the Pay Policy Statement and annual re-approval by a meeting of the full council is a statutory requirement under the Localism Act 2011.
- 7.2. Guidance was issued to authorities in 2011 to accompany the Localism Act, and revised 'final supplementary guidance' was issued by the DCLG in late February 2013. The required changes were addressed in the 2013/14 Pay Policy Statement and in subsequent years.
- 7.3. Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003 requires re-adoption of the scheme. Before making or amending its allowances scheme, the Council is required, by Regulation 19, to have regard to the recommendations of an Independent Remuneration Panel.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 The intention of the pay policy measures in the Localism Act is to improve transparency of decision making, particularly in relation to top earners in the organisation.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None

10.0 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 None

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix 1 – draft pay policy statement for 2018/19.

12 BACKGROUND PAPERS

- 12.1 None

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