

**TO: EMPLOYMENT COMMITTEE  
17 DECEMBER 2014**

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**ANNUAL UPDATE OF THE COUNCIL'S PAY POLICY STATEMENT AND ANNUAL  
REVIEW OF BRACKNELL FOREST SUPPLEMENT  
(Director of Corporate Services – Human Resources)**

**1 PURPOSE OF REPORT**

- 1.1 Since 2012, and in accordance with the 2011 Localism Act, the Council has been required to publish a Pay Policy Statement. The Statement is also aligned with the requirements of the Transparency Regulations, which have been changed this year and retitled "The Local Government Transparency Code 2014". This report outlines those alterations and indicates the changes to the annual Pay Policy Statement arising from them.
- 1.2 In accordance with the decision taken by the Employment Committee in its report of 14 February 2014, this report also addresses the first annual reassessment of the Bracknell Forest Supplement which will take effect from 1 April 2015.

**2 RECOMMENDATIONS**

**That the Employment Committee recommend that Council:**

- 2.1 **Agree the Pay Policy Statement for 2015/16.**
- 2.2 **Agree that the level of the Bracknell Forest Supplement for 2015/16 be increased to £7.85 per hour with effect from 1 April 2015.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To comply with the Department of Communities and Local Government (DCLG) guidance and 2014 Transparency Code requirements.
- 3.2 To align the Bracknell Forest Supplement with the new level of Living Wage outside London.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 To retain the Bracknell Forest Supplement at £7.65. This would mean that most of the employees who currently receive the Supplement would have no effective rise in pay whilst other colleagues benefit from a pay award; this would have an adverse effect on morale. It would also erode the value of the Supplement which was only introduced in April 2014 with the intention of assisting those on lower pay levels to meet the costs of living in the South East.

## **5 SUPPORTING INFORMATION**

### Pay Policy Statement

- 5.1 There are two datasets which the Council has to publish:
- (a) That required by the Localism Act ie the senior officer structure of the Council
  - (b) That required by the Transparency Code ie all Council employees, including school based staff, who earn more than £50,000 pa.

Last year the Transparency Regulations required publication of information on employees with a salary over £58,200 pa. The new Transparency Code 2014 requires publication of information on employees earning £50,000 pa or over and details of the responsibilities of the posts. Only those earning over £150,000 pa must be identified by name on the website but others will be identified by post title.

- 5.2 The legal publication requirement for the Pay Policy Statement is to include employees from the Chief Executive to Chief Officer, plus the Monitoring Officer. In previous years this had also included those which are published on the website under the Transparency Regulations, but as this would greatly increase the length of the Pay Policy Statement, this year the Statement shows only those we are required to include. The posts over £50,000pa will still be posted on the website for reference.

### Bracknell Forest Supplement

- 5.3 When the Bracknell Forest Supplement (BFS) was introduced in April 2014 it was agreed that there would not be a contractual or policy commitment to use the “Living Wage” figure but that it would be taken into account alongside issues such as the level of the national pay settlement and local affordability, when setting the level of Supplement each year. The Pay Policy Statement was considered to be the ideal vehicle to discuss and agree any increase in that supplement both the Living Wage and the national pay award would normally have been settled by the end of November.
- 5.7 The “Living Wage” outside London was updated nationally in November based on recommendations from the Joseph Rowntree Trust and currently stands at £7.85. This is an increase of 20p (2.6%). The pay award for NJC Local Government Services employees this year is now settled with a “bottom loaded” increase, a non-consolidated lump sum and a general increase of 2.2% from 1 January 2015. The next award is due in April 2016.
- 5.8 Based on the amount of Supplement paid last year, it is projected that an increase to £7.85 per hour will cost an estimated £19,400 pa increase for non-schools and £80,190 pa increase for schools.

## **6 CONCLUSION**

- 6.1 The changes to the format of the Pay Policy Statement comply with the guidance in the least intrusive and most concise way and therefore include only those posts requiring to be published in accordance with the Localism Act.
- 6.2 The annual review of the Bracknell Forest Supplement at the “Living Wage” level (outside London) is consistent with last year’s decision to introduce the Supplement to assist the lower paid employees of the Council.

## **7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 7.1 Section 40 of the Localism Act 2011 requires a Local Authority, in performing its functions regarding Pay Policy Statements to have regard to any guidance issued or approved by the Secretary of State. A local authority must comply with such statutory guidance unless it has good reasons for not so complying.

### Borough Treasurer

- 7.2 The cost to schools is being met from within the overall Schools Budget in 2014/15. The cost of the non-schools supplement is being met from the contingency in 2014/15.

### Equalities Impact Assessment

- 7.3 The Bracknell Forest Supplement assists those in lower socio-economic groupings; women and younger employees in particular are strongly represented in the affected group.

### Strategic Risk Management Issues

- 7.4 Failure to explicitly respond to guidance on the content of published information will run the risk of challenge from the DCLG. Failure to update the Bracknell Forest Supplement will erode the value of the Supplement established last year and may be demotivating for affected staff who would get no direct benefit from the 1 January 2015 pay settlement.

## **8 CONSULTATION**

### Principal Groups Consulted

- 8.1 This will be subject to discussion at the Local Joint Committee.

### Method of Consultation

- 8.2 By report.

### Representations Received

- 8.3 To be advised.

### Background Papers

None

### Contact for further information

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