

LOCALISM ACT 2011

EXPLANATORY NOTES

COMMENTARY

Part 1: Local Government

Chapter 8: Pay Accountability

Section 38: Pay policy statements

136. **Section 38** places a requirement on a relevant authority (being a local authority or fire authority, as defined by section 43(1)) to prepare, annually, a statement setting out the authority's policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers. Chief officers are the most senior officers of the authority. Authorities are required to state the definition of lowest paid employees they have adopted in the statement, and explain the reasons for adopting that particular definition. The statement may also set out the authority's policies relating to other terms and conditions applying to chief officers. In preparing its statement, the authority must have regard to any guidance issued or approved by the Secretary of State (if an English authority) or Welsh Ministers (if a Welsh authority) (see section 40).

Section 39: Supplementary provisions relating to pay policy statements

137. **Section 39** requires the pay policy statement to be approved by, and allows the statement to be amended by, resolution of the authority. The statement may be amended even during the financial year to which it applies. The statement must be published. The authority must have regard to any guidance issued or approved by the Secretary of State (if an English authority) or Welsh Ministers (if a Welsh authority) when performing its functions under this section (see section 40).

Section 41: Determinations relating to remuneration

138. **Section 41** requires the relevant authority to comply with its pay policy statement for the relevant financial year when making a determination that relates to the remuneration, or other terms and conditions, of a chief officer of the authority.

Section 42: Exercise of functions

139. **Section 42** prevents the functions in this Chapter from being exercised by the executive of the authority, and prevents the passing of a resolution under this Chapter from being delegated by the authority to a committee or an individual officer.