

Report to the Cabinet

Report reference: C-065-2011/12
Date of meeting: 12 March 2012



Portfolio: Support Services
Subject: Pay Policy Statement
Responsible Officer: Paula Maginnis (01992 564536).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) To recommend the Pay Policy Statement to the Council for approval, subject to any amendment or suggestions.

Executive Summary:

Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for 2012/12 and for each financial year thereafter.

It draws on the Review of Fair Pay in the Public Sector (Will Hutton 2011) and concerns over low pay.

Reasons for Proposed Decision:

To enable members of the Cabinet to comment on the Council's Pay Policy Statement before it is agreed by full Council.

Other Options for Action:

The content of the Statement could be amended.

Report:

1. The Localism Act 2011 requires the Council to publish a Pay Policy Statement which sets out details of its remuneration policy. Specifically it should include the Council's approach to its highest and lowest paid employees.

2. The matters which must be included in the statutory Pay Policy Statement are as follows;

- The Council's policy on the level and elements of remuneration for each chief officer;
- The Council's policy on the remuneration of its lowest paid employee (together with its definition of 'lowest paid employees' and its reasons for adopting that definition);
- The Council's policy on the relationship between the remuneration of its chief officers and other officers; and
- The Council's policy on specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and

bonuses, termination payments and transparency.

3. The Act defines remuneration in broad terms and guidance suggests that it is to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments.

4. The Council's Pay Policy Statement;

- must be approved formally by the council meeting itself;
- must be approved by the end of March each year, starting with 2012;
- can be amended in-year;
- must be published on the Council's website; and
- must be complied with when the authority sets the terms and conditions for a chief officer.

5. For information, guidance produced by the LGA and ALACE is attached at Appendix 1, setting out the requirements for local authorities and a contextual background is provided by the Executive Summary of the Hutton Review at Appendix 2.

6. Due to time pressures the draft Pay Policy Statement for 2012/2013 sets out the Council's current practices and policies and is attached at Appendix 3 for comment.

7. Members may wish to take a different approach to future Pay Policy Statements by, for example, developing a Reward Strategy, developing appropriate recommendations from the Hutton Review etc. This will be subject to further reports as and when required.

8. Changes to the Policy Statement can be made through the year subject to full Council's agreement. Changes to the various policies and guidelines will continue to be agreed in accordance with current practices.

Resource Implications:

There are no resource implications as it is a statement of current practice and policies.

Legal and Governance Implications:

The Policy Statement ensures that the Council complies with its duty under the Localism Act 2011.

Safer, Cleaner and Greener Implications:

N/A

Consultation Undertaken:

N/A

Background Papers:

Hutton Review of Fair Pay in the Public Sector: March 2011.

Impact Assessments:

Risk Management

The Council would not comply with the Localism Act 2011 if it did not produce and publish a

Pay Policy Statement.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A