

General Purposes Committee	<b>Agenda Item:</b>
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<b>Meeting Date</b>	31 <sup>st</sup> January 2012
<b>Report Title</b>	Pay Policy
<b>Portfolio Holder</b>	Cllr. Ted Wilcox
<b>SMT Lead</b>	Mark Radford, Director of Corporate Services
<b>Head of Service</b>	Dena Smart, Head of HR Shared Service
<b>Lead Officer</b>	Dena Smart, Head of HR Shared Service
<b>Key Decision</b>	<b>No</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>

<b>Recommendations</b>	1. That the proposed Pay Policy be agreed for reference to full Council prior to publication on the council's web site.
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## **1 Purpose of Report and Executive Summary**

- 1.1 The report is required to enable the council to satisfy the requirements of section 38 of the Localism Act 2011 which requires that authorities must prepare a pay policy statement for the financial year 2012-13 and for each subsequent financial year; this statement must be agreed by full council.
- 1.2 Terms and conditions of employment for employees is a non-executive function and the General Purposes Committee has delegated responsibility for this within the constitution. During the previous two years there has been considerable change to the terms and conditions for employees at the council and these changes have been introduced in accordance with recommended best practice. The changes have been introduced through consultation with staff and trade unions and have been approved by the General Purposes Committee. Although there is no template for the Pay Policy it has been recommended that it sets out as many of the relevant policies as possible so that they are transparent and in one place. The attached document refers to the policies currently in place.

## **2 Background**

- 2.1 The Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that. The Bill as initially drafted referred solely to chief officers (a term which includes both statutory and non-statutory chief officers, and their deputies); but amendments reflecting concerns over low pay and also drawing on Will Hutton's 2011 Review of Fair Pay in the Public Sector introduced requirements to compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid.

- 2.2 The matters that must be included in the statutory pay policy statement are as follows:
- a local authority's policy on the level and elements of remuneration for each chief officer
  - a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition)
  - a local authority's policy on the relationship between the remuneration of its chief officers and other officers
  - a local authority's policy on other 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.
- 2.3 With regard to the process for approval, the pay policy statement:
- Must be approved formally by the council meeting
  - Must be approved by the end of March each year starting with 2012
  - Can be amended in year
  - Must be published on the authority's website
  - Must be complied with when the authority sets the terms and conditions for a chief officer
- 2.4 The Act specifically mentions that the pay policy statement may set out the authority's policies relating to other terms and conditions for chief officers and in the interest of open government there are recommendations that the pay policy statement sets out as much information relating to employee terms and conditions as is practical.

### **3 Proposal**

- 3.1 The General Purposes Committee have agreed several terms and conditions that are current practice. The current terms do not need to be changed but set out so that they are open and transparent. The current terms and the dates they were agreed are set out below:
- At the meeting of GPC on 23<sup>rd</sup> November 2009 and ratified at the meeting of 13<sup>th</sup> September 2010
    - Principles for the reward strategy
    - Pay Scale including the link of pay to performance and pay progression;
    - Removal of Lease Cars;
    - Market Supplement Policy
    - Pay Protection Policy
    - Approach towards Total Rewards
  - At the meeting of GPC on 13<sup>th</sup> September 2010

- The pension discretions policy including the policy on early payment of pensions and flexible retirements which essentially sets out that the council will not accept any additional pension costs unless there is an overall business case that it is to the benefit of the council;
- The appraisal process for the Chief Executive and Directors and the process for the assessment of pay progression.

3.2 On 18<sup>th</sup> November 2008 it was agreed by the Executive to amend the basis of the calculation of the redundancy terms and these were incorporated into the Organisational Change Procedure.

3.3 The proposed Pay Policy Statement sets out the council's Reward Strategy including many of the associated terms and conditions and should satisfy the requirements of the Localism Act 2011. Once the agreed Pay Policy Statement is accepted by full council it will be publicised on the Web Site along with the details that are already required under the Code of Recommended Practice for Local Authorities on Data Transparency 2011 and the Equality Act 2010.

#### **4 Alternative Options**

4.1 The Council could choose to publicise a reduced version of the Pay Policy Statement that satisfies the minimum requirements of the Act but this is not recommended as it does not satisfy the need for transparency and means that the data is not seen in the context of the good work already undertaken by the council.

#### **5 Consultation Undertaken or Proposed**

5.1 Consultation has taken place with the Cabinet Member, Senior Management Team and UNISON. As this is not a change to existing policies no further consultation is required.

#### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	High Performing Organisation
Financial, Resource and Property	There are no additional resource implications as a result of the Pay Policy Statement as it is setting out what is already in place. The aim of Section 38 of the Localism Act is to ensure there is openness and transparency with regard to the commitment of public money through employee remuneration.
Legal and	Localism Act 2011

Statutory	
Crime and Disorder	None identified at this time
Risk Management and Health and Safety	There are no risks associated with the publication of the Pay Policy Statement as all this information would be available if requested through the Freedom of Information Act, although the publication of the information may help to reduce some of the FOI requests received. There is a risk to the council if it does not produce a Pay Policy Statement as this is a statutory requirement.
Equality and Diversity	The Equality Act 2010 places requirements upon all public sector bodies to ensure that its policies and procedures are promoting equality, the measures within this document support this requirement.
Sustainability	None identified at this time

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report

- **Appendix I: Pay Policy Statement**