
Subject: PAY POLICY STATEMENT

Meeting and Date: Council – 6 March 2013

Report of: David Randall, Director of Governance

Classification: Unrestricted

Purpose of the report: To agree a Pay Policy Statement for 2013/14.

Recommendation: That the Council approves the Pay Policy Statement set out at Appendix 1 to this report prior to publication on the Council's website.

1. Summary

1.1 A Pay Policy Statement must be agreed by full Council for publication by 31 March 2013. The Pay Policy Statement sets out the main aspects of the current remuneration strategy of the Council and is prepared to comply with the requirements of the Localism Act 2011.

2. Introduction and Background

2.1 Section 38 (1) of the Localism Act 2011 came into force on 15 January 2012 and required English and Welsh local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that. The Bill reflected on Hutton's 2011 Review of Fair Pay in the Public Sector and introduced requirements to compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid. The Council adopted its first Pay Policy on 7 March 2012 for 2012/13.

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.

The reference to 'chief officer' refers to the statutory posts of Head of Paid Service, Monitoring Officer and Section 151 Officer plus non statutory posts of Director of

Environment and Corporate Assets and any Deputy Chief Officers, which in our organisation includes anyone at Service Manager or above.

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
- Can be amended in year but any amendments must approved by full Council
- 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 In creating the Pay Policy Statement we must have due regard for guidance issued by the Secretary of State. On 17 February 2012, DCLG published "Openness and Accountability in Local Pay: Guidance under S40 of the Localism Act.

2.5 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.

2.6 Terms and conditions of employment for employees is a non-executive function and responsibility for this rests with the Council within our constitution. During 2009 to 2011 there was considerable change to the terms and conditions for employees at the council and these changes were introduced to align terms and conditions with East Kent Partners. The changes were introduced through consultation with staff and trade unions and were approved by the General Purposes Committee. The Pay Policy 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.

3. **Identification of Options**

Option 1

3.1 The Council publicises a reduced version of the Pay Policy Statement that meets the minimum requirements of the Act.

Option 2

3.2 The Council publicises a version of the Pay Policy Statement that meets the requirements of the Code of Recommended Practice for Local Authorities on Data Transparency and Openness and Accountability in Local Pay: Guidance under S40 of the Localism Act

4. **Evaluation of Options**

Option 1

- 4.1 This is not the recommended approach as it does not satisfy the spirit of transparency.

Option 2

- 4.2 This is the preferred option. This approach meets the recommended best practice.

5. **Resource Implications**

- 5.1 There are no additional resource implications.

6. **Corporate Implications**

- 6.1 Comment from the Section 151 Officer: The Section 151 Officer has been consulted in the preparation of this report and has no further comments to make (LS).
- 6.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 6.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

7. **Appendices**

Appendix 1 – Pay Policy Statement

8. **Background Papers**

The Code of Recommended Practice for Local Authorities on Data Transparency.

Openness and Accountability in Local Pay: Guidance under S40 of the Localism Act

Relevant Employment Policies

Contact Officer: David Randall, Director of Governance