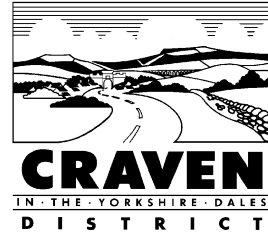


POLICY COMMITTEE – 11th February 2014

PAY POLICY STATEMENT



Report of the Corporate Head of Business Support

Presenting Officer – Senior Human Resources Officer

1. **Purpose of Report:-** The purpose of this report is to seek approval to implement the Council's 2014/15 Pay Policy Statement in accordance with section 38 of the Localism Act 2011.
2. **Recommendations:-** That approval is given to implement the Council's 2014/15 Pay Policy Statement attached at Appendix A.
3. **Introduction:-**
 - 3.1 Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement on an annual basis for publication. The statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees.
 - 3.2 Each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Act do not seek to change this or to determine what decisions on pay should be taken but they require individual employing authorities to be more open about their own policies in relation to pay and how decisions are made in this regard.
 - 3.3 Section 40 of the Act requires authorities in developing their Pay Policy Statement to have regard to any guidance published by the Secretary of State. This includes Communities and Local Government guidance on Openness and Accountability in Local Pay and the Code of Recommended Practice for Local Authorities on Data Transparency.
 - 3.4 The government has taken steps to increase transparency on the pay and reward of public sector employees and the Code of Recommended Practice for Local Authorities on Data Transparency which amongst other things asks councils to consider the way they release data on senior salaries.
 - 3.5 In March 2011 the Hutton Review of Fair Pay was published which made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and highest paid in the public sector.
 - 3.6 The provisions contained in the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay which has culminated in the formalisation of the Council's Pay Policy Statement which

AGENDA ITEM 11

outlines the pay and reward of the most senior employees set within the context of the pay of the wider workforce.

4. Justification

- 4.1 The Act sets out in detail the specific elements which the Pay Policy Statement must include as a minimum which is outlined in more detail below. A copy of the amended 2014/15 Pay Policy Statement can be found at Appendix B.
- 4.2 The Act requires that in addition to the determination of senior salaries authorities must make clear what approach is taken to awarding other elements of pay including severance payments, any additional fees eg election duties, pay increases, honoraria payments etc. This has been included within the amended policy for senior salaries.
- 4.3 The Act requires that authorities include in their Pay Policy Statements the approach to the publication of and access to information relating to the remuneration of Chief Officers. Reference to the council's Statement of Accounts where this information is published is included within the amended policy.
- 4.4 The Act requires that Pay Policy Statements are produced annually and are considered by full council. Any subsequent amendments required to the policy should also be considered by full council. This should be carried out in accordance with part 5A of the Local Government Act 1972. The Secretary of State does not consider that any of the grounds for exclusion of the public would be met for discussions around Pay Policy Statements.
- 4.5 The Act requires that full council should also be offered the opportunity to vote before large salary packages (in excess of £100k) are offered in respect of a new appointment.
- 4.6 The Act requires that the council's approach to pay, as set out in the Pay Policy Statement, is accessible for citizens for them to take an informed view of whether local decisions on all aspects of remuneration are fair therefore the approved Pay Policy Statement will be published on the council's website.
- 4.7 The Hutton report highlighted that there is value in ensuring decisions about senior pay are taken in the context of similar decisions on lower paid staff and the Act requires Authorities to set their policy on remuneration for the highest paid employees alongside policies on the lowest paid which has been reflected in the 2014/15 Pay Policy Statement at appendix B.
- 4.8 The Hutton report and The Code of Recommended Practice for Local Authorities on Data Transparency also suggest that the organisation's pay multiple is published. The 'pay multiple' is the ratio between the highest paid employee and the median average earnings across the organisation which acts as a means of illustrating the relationship between the highest and lowest paid. This ratio has been included in the 2014/15 Pay Policy Statement and will be reviewed as part of future pay policies.

5. Financial Implications

AGENDA ITEM 11

None arising from this report

6. **Legal Implications**

The Pay Policy consolidates a number of existing policies that have previously been reviewed by Legal Services.

7. **Contribution to Corporate Priorities**

To ensure that CDC complies with the Pay Policy Statement in accordance with section 38 of the Localism Act 2011.

8. **Employee Implications**

Staff will be informed about the revised Pay Policy Statement. The policy consolidates a number of existing policies and local agreements which the Trade Unions have previously been consulted on.

9. **Risk Management**

None

10. **Consultation with others**

The Trade Unions will be informed about the revised Pay Policy Statement. The policy consolidates a number of existing policies and local agreements which Trade Unions have previously been consulted on.

11. **Access to information**

11.1 CLG Draft Guidance: Openness and Accountability in Local Pay

11.2 CLG Code of Recommended Practice for Local Authorities on Data Transparency

11.3 Hutton Review of Fair Pay in the Public Sector

12. **Appendices**

Appendix A – 2014/15 Pay Policy Statement

Appendix B – Remuneration of Chief Officers

Appendix C – Other Aspects of Chief Officer Remuneration

13. **Author of the report**

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