

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Employment Committee

9<sup>th</sup> February 2012

**AUTHOR/S:** HR Manager

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### PAY POLICY STATEMENT

#### Purpose

1. This report appraises Members of the Employment Committee of the requirements of the Localism Act and recommends that the attached Pay Policy Statement is submitted to Full Council for consideration at its meeting on 23<sup>rd</sup> February 2012.

#### Recommendations

2. That the Members of the Employment Committee:
  - a) consider the draft Pay Policy Statement as required by the Localism Act;
  - b) recommend the Pay Policy Statement to Full Council
  - c) undertake a review of the pay grade for the post of Executive Director during 2012.

#### Reasons for Recommendations

3. The Pay Policy Statement, as drafted for South Cambridgeshire District Council, fulfils the requirements as defined in the Localism Act.
4. The pay grade for the post of Executive Director needs to be revised in order to meet the requirements of the Equalities Act.

#### Background

5. Will Hutton's 2011 Review of Fair Pay in the Public Sector has been a key driver in the Government's aim for greater transparency and value for money in terms of senior public sector pay.
6. The Hutton Review recommended a requirement to openly compare the policies on remuneration for chief officers, and details of how decisions are made about the salaries of the highest paid officers and how that relates to the lowest paid.
7. The Localism Act 2011 (enacted in November 2011) requires English local authorities to produce a statutory pay policy statement for 2012/2013, and for each financial year thereafter. The Act is very prescriptive in what the statement must contain. The pay policy statement must be approved by a resolution of Full Council and must include pay and other remuneration for chief officers and other employees, including the lowest paid.
8. Remuneration is defined widely, to include pay, charges, fees (such as returning officer fees), allowances, and benefits in kind, pension, termination and severance payments. The statement must include; the local authority's policy on the level and elements of remuneration for each chief officer; remuneration of it's lowest-paid employees; the relationship between remuneration of chief officers and other officers, and the local authority's policy on other aspects such as performance bonus,

termination payments and transparency. The statement should refer the authority's approach to the re-employment of chief officers who have returned to the local authority into a chief officer role.

9. The Council's strategy must be one of balancing between securing and retaining high-quality employees whilst avoiding being unnecessarily generous /excessive. In developing the policy the authority must be satisfied that its policy is workable, affordable and reasonable and, that it will instil public confidence.

### Considerations

10. In 2011, prior to the commencement of the recruitment process, Members reviewed the pay and terms and conditions in relation to the post of Chief Executive. The grade was reduced from eight to six spinal points, to conform to equalities legislation, and the pay levels reduced following consideration of the recommended salary for a district chief executive (as suggested by the Joint Negotiating Committee for Local Authority Chief Executives), and a market pay review. It was also agreed to remove the entitlement to a lease car. The Chief Executive post retains the role of Returning Officer.
11. The pay level for the Executive Director post was last reviewed in 2009 at the time of recruiting to the Executive Director Corporate Services. This was a particularly difficult position to fill; the first attempt produced no suitable applicants, and the second attempt produce a low number of applicants, none of which were considered to be appointable. The pay grade for this post is still based on eight spinal points. The current equalities legislation requires that there must be no more than 5 years of progression within a pay grade, in order to adhere to this, the Council will need reduce the number of spinal points. It is therefore recommended that the pay grade for the Executive Director post be reviewed during 2012.
12. For all job roles, Director level and below, the Council has undertaken a job evaluation exercise. The project, in line with meeting the current equalities legislation, has also reviewed all benefits and policies in relation to remuneration of employees. Again, the pay structure has been revised and grades have been reduced from eight to six spinal points.

### Options

13. The Localism Act requires the Council to produce a pay policy statement for 2012/2013; this is a statutory requirement, which must be met.

### Implications

14. Financial	None at present, salaries referred to in the statement are within current budgets
Legal	The Localism Act requires the Council to have a Pay Policy Statement.
Staffing	Pay and benefits for Council employees remains a key element in terms of attracting and retaining talent and therefore delivering first class services. The Council's pay and reward strategy has been developed to ensure that employee pay is based on a fair and transparent evaluation process.
Risk Management	None

Equality and Diversity	The Council's pay grades and evaluation method meets the requirements of the current Equalities Act.
Equality Impact Assessment completed	Yes, as part of the Job Evaluation project
Climate Change	None

### **Consultations**

15. Trade Unions have been fully involved in the Job Evaluation project and, as such, have been consulted throughout. Employees are currently being consulted on the proposed Single Status Agreement, which details the Council's approach to pay and benefits.
16. Member's views were sought in relation to the pay and benefits for the post of Chief Executive prior to the recruitment exercise in 2011.
17. A review of the pay grade for the Executive Director will require full consultation with the post holder and any relevant trade union.

### **Consultation with Children and Young People**

18. None.

### **Conclusions/Summary**

19. This report sets out the requirements of the Localism Act in relation to the development of a Pay Policy Statement for South Cambridgeshire District Council. It appraises Members of the definitions and principles, such as transparency and affordability, to be considered in order to ensure that the Council meets the statutory requirements. In adopting the proposed Pay Policy Statement as set out above, the authority will have fulfilled this requirement.

**Background Papers:** the following background papers were used in the preparation of this report:

Local Government Association and ALACE guidance dated November 2011  
DCLG Code of recommended practice for Local Authorities on transparency  
September 2011

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