

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Council
AUTHOR/S: HR Manager

28 February 2013

PAY POLICY STATEMENT

Purpose

1. This report appraises Council of the requirements of the Localism Act and recommends that the attached Pay Policy Statement is approved by Full Council.

Recommendations

2. That Council:
 - a) approve the changes to the pay band for the post of Executive Director
 - b) approve the policy in relation to re-engagement of ex-employees
 - c) approve the Pay Policy Statement as required by the Localism Act.

Reasons for Recommendations

3. The Pay Policy Statement, as drafted for South Cambridgeshire District Council, fulfils the requirements as defined in the Localism Act 2011.

Background

4. The 2011 Hutton Review of Fair Pay 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.
5. The Localism Act 2011 requires English local authorities to produce a statutory pay policy statement for each financial year. 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.
6. Remuneration is defined widely, to include pay, charges, fees (such as returning officer fees), allowances, and benefits in kind, pension, termination, performance bonus and severance payments. The statement should also refer to the authority's approach to the re-employment of officers and, in particular senior officers who have returned to a local authority into a similar senior officer role.
7. 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

8. In February 2012, the Council approved the first Pay Policy Statement for the authority. This policy has been updated with current pay structures following the job evaluation process and Single Status Agreement.

Executive Director pay grade

9. The Employment Committee at its meeting on 9 February 2012, agreed to review the pay grade for the Executive Director post. Remuneration for this post was last considered in 2009, at which point it was one of two Executive Director posts sharing responsibility for supporting the Chief Executive. The pay grade for this post was based on eight spinal points and it is recommended that the council brings the grade in line with all other posts in accordance with equalities legislation which requires that there must be no more than 5 years of progression within a pay grade. The current spinal points are shown below:

Executive Director	81,155	84,084	87,014	89,944	92,873	95,803	99,319	102,835
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10. One of the Executive Director posts was made redundant in April 2012 and since that date the remaining Executive Director's duties have evolved into more of a Deputy Chief Executive role. External consultants and the HR Manager have undertaken a comparison exercise to look at salaries for both public and private sector executive director and assistant chief executive job roles. Given the additional responsibilities and broadening scope of the role the salary range is still commensurate when compared to similar posts and remains competitive in the market place. The Employment Committee, at its meeting on 23 January 2013, considered the grade for this post and recommend that the spinal points are realigned as follows:

Executive Director	85,000	88,000	91,000	94,000	97,000	100,000
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In considering this recommendation, Members will need to give regard to the employment rights of the current post holder and terms of the Single Status Agreement in relation to job evaluation outcomes for other SCDC employees.

The current post holder has been formally advised of the recommendation from the Employment Committee and a 30 day period of consultation has taken place. Should Members approve this recommendation then proper contractual notice will need to be given to the post holder to change terms and conditions and, a period of pay protection, in line with that agreed for other employees, will need to be put in place.

Re-engagement of ex-employees

11. There has been much interest in the re-engagement of public sector staff who have been made redundant, and are in receipt of a severance package, from the same employer. Central Government are keen that local government employers are not seen to be providing redundancy packages and access to LGPS pensions and then re-engaging employees shortly afterwards. The Council are recommended to include a statement in the Pay Policy in respect of this. It is recommended that a minimum of a three year period must elapse before individuals can apply to work for the council again, including casual bank positions. In the case of senior roles, only in exceptional circumstances would re-engagement be considered.

12. The HR Manager has reviewed policies from other local authorities on this issue. Most authorities have a clear policy not to re-engage within a specified period of time following severance of employment (redundancy or other reason). The periods range from one to three years for most levels of officer. Some authorities will not normally re-engage senior (Chief Officers) at all or, only in exceptional circumstances.
13. It is recommended that this Council adopts a policy that, in the case of Chief Executive, Executive Director and Directors, the council will not normally re-engage any individual who has previously been employed by the Council and, on ceasing to be employed, is in receipt of a severance or redundancy payment.

For all other grades of employee, a minimum of a three year period must elapse before individuals can apply to work for the Council again, including casual bank positions and on a contract of services basis.

However, to ensure that the Council has sufficient flexibility to re-engage where there is a specific need for particular skills or experience, that in exceptional circumstances re-engagement can be considered. The HR Manager will prepare a policy in this respect, to be considered at a future Staffing Portfolio Holder meeting.

Options

14. The Localism Act requires the Council to produce a pay policy statement for 2012/2013; this is a statutory requirement, which must be met. It is recommended that the Council approves the Pay Policy Statement for 2013/2014.

Implications

15. 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

16. Trade Unions have been fully involved in the Job Evaluation project and, as such, have been consulted throughout the process of achieving the Single Status Agreement. Employees were consulted and balloted on the Single Status Agreement, which details the Council's approach to pay and benefits.

Consultation with Children and Young People

17. None.

Conclusions/Summary

18. 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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