



Report To: Council
Lead Officer: Human Resources Manager

23 January 2014

Pay Policy Statement

Purpose

1. This report appraises Members of the requirements of the Localism Act in relation to a pay policy statement.

Recommendations

2. It is recommended that Council consider the updated pay policy statement as required by the Localism Act 2011 and approve the pay policy statement for 2014/2015.

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 sections 38 to 40. It is important that the Council keeps under review its pay and employment terms to ensure that it offers fair remuneration.

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. The DCLG statutory guidance on the Localism Act refers to "Openness and accountability in local pay" and covers such matters as pay fairness in the public sector by increasing transparency over pay and tackling disparities between the lowest and the highest paid in public sector organisations.
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 maintaining pay equality and avoiding excessive pay rates. 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 2013, the Council approved the pay policy statement for the authority. This policy has been reviewed and updated with 2013/2014 pay and organisational structures and job titles.
9. The Council aims to be an exemplar employer. It aims to offer excellent employment and training opportunities and, fair employment practices and remuneration.
10. There has been recent national press interest in pay levels for workers who are on lower pay grades and the relationship to the National Minimum Wage (NMW) and Living Wage.
11. In 2012 the Council implemented a new pay and grading structure following negotiation with the trade unions on the Single Status Agreement. The Council's lowest pay grade is Grade 1. The salary levels in this grade are currently as follows:

Scp	Salary	Hourly rate	
G	£13,257	6.8715	grade 1
H	£13,493	6.9938	
I	£13,732	7.1177	
J	£13,967	7.2395	
1	£14,205	7.3628	
2	£14,500	7.5157	

12. The Council directly employs thirteen cleaning staff and two apprentices on Grade 1. Two cleaning staff have full time weekly hours (37 hours), the remainder work part time hours. For some staff this is their only job, for others it is a secondary job. All of the cleaning staff are paid at scp 2, £14,500 (£7.5157 per hour).
13. Apprentices are given fixed term apprenticeship agreements and are paid well above the national rate for apprentices.
14. The National Minimum Wage is the minimum pay per hour almost all workers are entitled to by law. Currently the NMW (outside London) is £6.31 per hour (from 1 October 2013).

Year	21 and over	18 to 20	Under 18	Apprentice
2013 (current rate)	£6.31	£5.03	£3.72	£2.68

15. The government refers to the independent Low Pay Commission's (LPC) recommendations for setting the NMW rates.
16. The Living Wage is an hourly rate set independently to the NMW. It is set by the Living Wage Foundation which refers to the Centre for Research in Social Policy and the Joseph Rowntree Foundation Income Standard. The Living Wage (outside London) is £7.65 per hour (from 4 November 2013). Unlike the NMW, the Living Wage is not a statutory requirement but a voluntary undertaking.

17. Nationally, Trade unions are supportive of the Living Wage and are committed to encouraging employers to become an accredited ' Living Wage Employer'. Currently there are 433 organisations nationally (public, private and third sector) that are accredited.
18. It is important that this Council keeps under review its pay and employment terms. The Employment Committee agreed that a review will be undertaken of the lowest pay group, to take account of the NMW and Living Wage and, that a report will be submitted to the Finance and Staffing Portfolio Holder for consideration.

Options

19. To suggest any amendments or changes to the Pay Policy Statement.

Implications

20. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

21. None at present. Salaries referred to in the statement are within current budgets.

Legal

22. The Localism Act 2011 requires the Council to have a Pay Policy Statement.

Staffing

23. 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.

Equality and Diversity

24. The Council's pay grades and evaluation method meets the requirements of the current Equalities Act. An Equality Impact Assessment has been completed as part of the Job Evaluation project.

Consultation responses (including from the Youth Council)

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

Background Papers

The following background papers were relied upon in the writing 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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