



Report To: Employment Committee
Lead Officer: Executive Director, Corporate Services

21 January 2015

PAY POLICY STATEMENT

Purpose

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

Recommendations

2. That the Employment Committee:
 - (a) consider the updated pay policy statement as required by the Localism Act;
 - (b) recommend the pay policy statement to Full Council.

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.

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 2014, the Council approved the pay policy statement for the authority. This policy has been reviewed and updated, with 2014/2015 pay and organisational structures and job titles, and is attached at **Appendix A**.
9. This report sets out the requirements of the Localism Act 2011 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.

Implications

10. 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

11. None at present, salaries referred to in the statement are within current budgets.

Legal

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

Staffing

13. 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. When setting salary paycales consideration is given to a variety of factors including the Living Wage, along with other national and market inputs.

Equality and Diversity

14. The Council's pay grades and evaluation method meets the requirements of the current Equality Act 2010.

Consultation responses (including from the Youth Council)

15. 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

16. 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

Report Author: Alex Colyer – Executive Director, Corporate Services
Telephone: (01954) 713030