



Report To: Employment Committee
Lead Officer: Human Resources Manager

15 January 2016

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.

8. In November 2015 the Government indicated its intention to go ahead with proposals to introduce a cap on exit payments for employees in the public sector. This will be included within the Enterprise Bill 2015 which is timetabled for royal assent in late Spring 2016. Regulations will be drafted and are planned for approval in late Summer 2016.
9. The Enterprise Bill states that:
 - Exit payments in the public sector will be capped at a maximum of £95,000 including any pension strain costs
 - The cap will include all payments in relation to all exits from relevant employments that occur within 28 day period
 - The cap will include a wide range of payments including pension strain costs
 - There will be a limited number of exempt payments (e.g. death or injury)
 - There will be power for full council to waive the cap subject to Treasury directions.
10. In December 2015 the Government issued draft regulations, for consultation, concerning the recovery of exit payments made to employees who have left the public sector and return to the same within a period of 12 months. The regulations are due to take effect from April 2016. The Government proposes to set the minimum salary at which the recovery provisions apply at £80,000 per annum.
11. Relevant council employment policies will be amended once the full details and implications are known in relation to the regulations concerning exit payments.

Considerations

12. In January 2015, the Council approved the pay policy statement for the authority. This policy has been reviewed and updated with 2015/2016 pay and organisational structures and job titles.
13. 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

Implications

Financial

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

Legal

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

Staffing

16. 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

17. The Council's pay grades and evaluation method meets the requirements of the current Equalities Act.

Consultations (including from the Youth Council)

18. 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

19. 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
 - www.gov.uk/government/consultations

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