

Council – 25th February 2016

2016/17 Pay Policy

Service: Human Resources

Wards All

1. Purpose of the report

To present the Council's 2016/17 Pay Policy for consideration.

2. Recommendations

Council is recommended to:-

- Agree the Pay Policy for 2016/17.

3. Background

Under the Localism Act 2011 the Council has to prepare a Pay Policy Statement each financial year outlining policies in relation to the level of remuneration for all employees from the Chief Executive to the lowest paid employees.

The 2016/2017 Pay Policy has been updated to reflect the current pay structure and level of remuneration, and to encompass required changes arising as a result of changes to other procedures or the implementation of other initiatives.

4. Financial

No financial implications arising directly out of this report.

5. Legal

5.1 The Localism Act 2011 introduced the concept of increased accountability over senior officer pay in local government by requiring councils to prepare and publish a pay policy statement every financial year, which is required to meet various statutory requirements as set out below. In performing this function the council must have regard to any guidance issued by the Secretary of State for the Department of Communities and Local Government. A pay policy statement for a financial year must set out the authority's policies for the financial year relating to; the remuneration of its chief officers; the remuneration of its lowest-paid employees, and the relationship between the

remuneration of its chief officers, and the remuneration of its employees who are not chief officers. In addition the statement must state the definition of “lowest-paid employees” adopted by the authority for the purposes of the statement, and the authority's reasons for adopting that definition. The statement must include the authority's policies relating to the level and elements of remuneration for each chief officer; remuneration of chief officers on recruitment; increases and additions to remuneration for each chief officer; the use of performance-related pay for chief officers; the use of bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority; and the publication of and access to information relating to remuneration of chief officers.

5.2 One of the key objectives of the primary legislation and subsequent statutory guidance is to provide local accountability through councillors having an input into how decisions on remuneration for chief officers are made. The 2012 statutory guidance stated that full council or a meeting of members should be offered the opportunity to vote before large salaries are offered in respect of a new appointment. It provided for a notional threshold of £100,000 or above. The 2013 statutory guidance, which supplemented the 2012 guidance, extended this requirement to severance packages of £100,000 or above. On the 1st June 2015 full council delegated the determination of severance packages to the Appointments Board. The objective of increasing transparency in the council's approach to pay is achieved through the publication of the pay policy statement itself, which itself builds upon the requirement to publish senior employees remuneration under Regulation 4 Accounts Audit (Amendment No 2) (England) Regulations as part of its published salaries information, and more latterly the Local Government Transparency Code 2014.

5.3 Council policy in respect of the recruitment and appointment of Chief Officers is set out at Part 4.6 of the Council's Constitution, Officer Employment Procedure Rules, whereby the Council has historically delegated the power to approve remuneration levels for the Chief Executive, Executive Directors and Assistant Directors to the Appointments Board since 2004. Therefore councillors have always had a significant input on the appointment of chief officers and their remuneration. As previously stated this is set out in the council's constitution which is a public document. All of these appointments are also subject to the well-founded objection process involving Members of the Executive.

6. Risk Management

No risk management implications arising out of this report.

7. People

Contained within the report.

An Equality Impact Assessment (EqIA) has been completed on the policy, any actions will be incorporated into the launch once approved.

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