

MEETING:	EMPLOYMENT PANEL
MEETING DATE:	7 JANUARY 2014
TITLE OF REPORT:	PAY POLICY STATEMENT
REPORT BY:	ASSISTANT DIRECTOR – ORGANISATION DEVELOPMENT

Classification

Open

Key Decision

This is not an executive decision.

This is not a key decision.

Wards Affected

County-wide

Purpose

To consider a draft pay policy statement for recommendation to Council.

Recommendation(s)

THAT:

- (a) **the pay policy statement summarising existing council policies (at Appendix A) be recommended to Council.**

Alternative Options

- 1 There are no alternative options; the approval by Council of a pay policy statement for the authority is a statutory requirement.

Reasons for Recommendations

- 2 To provide transparency with regard to the council's approach to setting the pay of its employees in compliance with the provisions of the Localism Act 2011.

Key Considerations

- 3 The Localism Act places a requirement on local authorities to produce an annual pay policy statement for each financial year and for this statement to be approved by Council before the start of the financial year to which it relates.
- 4 The statement must set out the council's policies relating to:
 - a) the remuneration of its chief officers
 - b) the remuneration of its lowest paid employees; and
 - c) the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
- 5 The statement must include the council's definition of 'lowest paid employees' and the reasons for adopting that definition.
- 6 The statement must include policies relating to:
 - a) The level and elements of remuneration for each chief officer
 - b) Remuneration of chief officers on recruitment
 - c) Increases and additions to remuneration for each chief officer
 - d) The use of bonuses for chief officers
 - e) The approach to the payment of chief officers on their ceasing to hold office under, or to be employed by the authority; and
 - f) The publication of and access to information relating to remuneration of chief officers
- 7 The statement draws together factual material and provides a summary of the current pay policies of the council.
- 8 Following the review of pay and reward in 2013, two changes to terms and conditions were agreed through collective bargaining: (a) reducing the exit payment policy to the statutory minimum retaining the 1.5 multiplier; and (b) 2 days unpaid leave to be taken over the Christmas period as determined by the organisation.
- 9 This year we will test the proposal and associated cost implications that recommends a pay principle shift for lowest paid workers from the National Minimum Wage to the Living Wage as the minimum level.
- 10 All posts, whether chief officer or not, have their level of remuneration established through assessment by a nationally recognised and independent job evaluation scheme. Council have the opportunity to vote on any new salary packages exceeding £100,000.
- 11 In approving its statement, Council must have regard to any guidance issued by the Secretary of State. This has been taken into consideration in the development of the statement.
- 12 The pay policy statement follows a previous format and has been updated to reflect current data relating to roles, salaries and financial information.

Community Impact

- 13 The council, as an employer, has a significant role to play in the local economy. We have an explicit corporate objective related to increasing the average wage and the number of people that work in Herefordshire. Consideration should continue to be given to the degree to which the commissioning approach adopted by the council may be used to influence pay policies of local contractors who supply goods or services on behalf of the authority.

Equality and Human Rights

- 14 The statement makes clear that the council's employment policies, and the processes by which pay levels for a post are set, have full regard to relevant equalities legislation.

Financial Implications

- 15 There are no financial implications arising from the report; the statement simply summarises current policies and pay levels. Council has the opportunity to vote on any proposed pay packages exceeding £100,000.

Legal Implications

- 16 The statement meets the requirements of the Localism Act 2011.

Risk Management

- 17 Failure to approve and publish a statement would result on non-compliance with a statutory requirement. Arrangements are in place to ensure publication of the statement following approval by Council.

Consultees

- 18 Management Board, Trade Unions and employees have been consulted on the changes to the terms and conditions that were approved, and will continue to be engaged as appropriate on future thinking and associated plans to any further changes to elements of the pay policy, or terms and conditions of employment.

Appendices

Appendix A – Draft Pay Policy Statement

Background Papers

None identified.