

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**GENERAL PURPOSES COMMITTEE**

**4 February 2013**

**Report of the Director of Central Services (Designate)**

**Part 1- Public**

**Matters for Recommendation to Council**

**1 LOCALISM ACT – PAY POLICY**

**Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to review its pay policy statement for each financial year before 31 March. This report summarises the requirements of the Act and presents an updated Pay Policy Statement for 2013/14 in Annex 1. Members will note that as there have not been any changes in the Council’s remuneration policy, the substantive content of the updated Pay Policy Statement in Annex 1 is identical to the Council’s first Pay Policy Statement (adopted by the Council on 16 February 2102). The updated policy in Annex 1 simply captures recent changes in the Council’s senior management structure.**

**1.1 Contents of the Pay Policy**

1.1.1 As Members may recall, the Act requires the pay policy statement to include the following aspects of the Council’s remuneration policy:

the level and elements of remuneration for each chief officer

a definition of “lowest-paid employees” and the remuneration of the authority’s lowest-paid employees

the policy on the relationship between the remuneration of its chief officers and other officers

the policy on specific aspects of chief officers’ remuneration: remuneration on recruitment, increases to remuneration, use of performance-related pay and bonuses, termination payments and transparency

the title “chief officer” includes both statutory and non-statutory chief officers, and their deputies. Therefore, within the Pay Policy Statement set out in Annex 1, the information about the remuneration of chief officers pertains to the current Establishment and therefore includes the posts of, the Chief Executive, the Council’s four Service Directors, the Chief Leisure Officer and the Chief Planning Officer and the twenty four senior officers that are directly accountable to these chief officers.

- 1:1:2 The Act's definition of remuneration includes pay, charges, fees, allowances, benefits in kind, enhancements of pension entitlements, and termination payments. All of these elements have been covered in the pay policy statement attached in Annex 1. So as to ensure that the information that the Council publishes on 31 March is not misleading, the details in Annex 1 represent the anticipated Establishment as on 31 March 2013.
- 1:1:3 The Act stipulates that the adopted pay policy:
- must be approved by the end of March each year,
- can be amended in-year.
- 1:1:4 As Members will be aware, there will be further changes to the Council's senior management structure in May 2013, and also, depending upon discussions already underway, there may be a pay award. The Personnel & Development Manager will be tasked with amending the Pay Policy Statement to reflect any such changes.
- 1:1:5 In order to provide a holistic and transparent context for the remuneration of chief officers and their deputies, the pay policy in Annex 1 provides an overview of the pay elements for all Council employees.

## **1.2 Legal Implications**

- 1.2.1 The policy set out in Annex 1 to this report contains all of the elements of a statutory pay policy as stipulated in Section 38 (1) of the Localism Act 2011.
- 1.2.2 Section C of the attached pay policy is compliant with Regulation 7 of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2006, and regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008.
- 1.2.3 The definition of the terms "chief officer" and "deputy chief officer" in the attached pay policy statement is in accordance with the definition of a statutory chief officer, non statutory chief officer and deputy chief officer in section 2 of the Local Government and Housing Act 1989.

## **1.3 Financial and Value for Money Considerations**

- 1.3.1 As is set out in Section A of the attached Pay Policy the Council's approach to setting a pay multiple is broadly calculated on a base salary multiple of 8 being the gap between the remuneration of the lowest and the most highly paid employees. This multiple broadly reflects the knowledge & skill levels required of employees in relation to National Qualifications Framework and is enshrined within the Council's locally determined job benchmarking evaluation scheme. Such an approach

places an emphasis on cash reward as the corner stone of the Council's pay policy, and ensures that pay is based on job requirements.

#### **1.4 Risk Assessment**

- 1.4.1 The Council would not be compliant with the terms of the Localism Act were it not to review its Pay Policy Statement by 31 March 2013.

#### **1.5 Equality Impact Assessment**

- 1.5.1 See 'Screening for equality impacts' table at end of report

#### **1.6 Recommendations**

- 1.6.1 It is recommended that this committee commends the pay policy in Annex 1 to this report for adoption at the Council meeting on 14 February 2013.

Background papers:

contact: Delia Gordon

Nil

Adrian Stanfield

Director of Central Services (Designate)

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	The Pay Policy set out in Annex 1 pertains exclusively to employees.

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	The adoption of a specific pay multiple as set out in Section A of the Pay Policy in Annex 1 is a means of ensuring a rationale for pay rates based on skills, knowledge & expertise rather than other potentially discriminatory factors. The severance arrangements as set out in Annex 1 Section C have already been assessed for their equality impact during the revision of the Council's Employment Stability Policy by this Committee on 28 October 2010.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*