

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**GENERAL PURPOSES COMMITTEE**

**30/1/2012**

**Report of the Central Services Director**

**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 produce a pay policy statement for 2012/13 and for each financial year thereafter. This report summarises the requirements of the Act and presents a draft Pay Policy Statement for 2012/13 in Annex 1, for consideration by this Committee.**

**1.1 Contents of the Pay Policy**

1.1.1 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 includes that of, the Chief Executive, the Council's four Service Directors, the Council's Monitoring Officer, the Chief Leisure Officer, 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.

1:1:3 The Act stipulates that the adopted pay policy:

must be approved by the end of March each year, starting with 2012

can be amended in-year.

1:1:4 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.

1.3.2 A feature of the Council’s grading structure is that that the majority of posts are fixed at a single pay band and the majority of the Council’s pay bands contain a maximum of 4 incremental points. The low occurrence of broad bands (restricted to “career grade” posts for trainees or those at the start of their professional careers) ensures cost control.

## **1.4 Risk Assessment**

1.4.1 The process for allocating a grade to a post is centrally managed by the Personnel & Customer Services Manager. The current grading structure for M

grade and supervisory, technical and clerical staff has been in operation since 1989. Since that date, the Licensing & Appeals Committee (authorised to hear appeals by individual or groups of staff against grading decisions), has heard only 1 appeal (which was not upheld). This suggests that the pay structure is perceived by employees within the Council to be consistent and equitable.

- 1.4.2 As Members will be aware, in his Autumn Statement on 29 November 2011, the Chancellor advised that he had asked Independent Pay Review Bodies to consider how public sector pay can be made more responsive to local labour markets. Given that the deadline for these bodies to report their findings is July 2012, and the wide acceptance of the Council's grading structure by staff, it would be unwise to risk de-stabilising the Council's approach to remuneration in the short to medium term.

## 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 23 February 2012.

Background papers:

contact: Delia Gordon

Nil

Julie Beilby  
Central Services Director

<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.*