

TONBRIDGE & MALLING BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

01 February 2016

Report of the Director of Central Services

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 their pay policy statement for each financial year. This report summarises the requirements of the Act and presents an updated Pay Policy Statement for 2016/17 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 2012).

1.1 Contents of the Pay Policy

- 1.1.1 As members may recall, the Act is prescriptive in that it requires the pay policy statement to include: the level and elements of remuneration for each chief officer; a definition of the “lowest paid employees” and their remuneration; the policy on the relationship between the remuneration of its chief officers and other officers; the policy on pay on recruitment, increases in pay, use of performance related pay and bonuses; and, termination payments and transparency.
- 1.1.2 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 the posts of the Chief Executive, the Council’s four Service Directors, the Head of Planning, the Chief Financial Services Officer and the Chief Environmental Health Officer, as well as the senior officers that are directly accountable to these “chief officers”.
- 1.1.3 The Act’s definition of remuneration includes pay, charges, fees, allowances, benefits in kind, enhancement of pension entitlements and termination payments. All of these elements have been covered in the pay policy statement attached in Annex 1.

- 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 contains all of the elements of a statutory pay policy as stipulated in section 38 (1) of the Localism Act 2011.
- 1.2.2 The attached pay policy is also compliant with Regulation 7 of the Local Government (Early Termination of Employment)(Discretionary Compensation) (England & Wales) Regulations 2006 and the Local Government Pension Scheme (Administration) Regulations 2008 & 2014.
- 1.2.3 The definition of the terms “chief officer” and “deputy chief officer” is in accordance with section 2 of the Local Government and Housing Act 1989.

1.3 Financial and Value for Money Considerations

- 1.3.1 As 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 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 Given current media scrutiny of public sector remuneration it would be imprudent for the Council not to comply with the Localism Act’s requirement to have reviewed the Pay Policy Statement by 31 March 2016.

1.5 Equality Impact Assessment

- 1.5.1 The recommendation to adopt the Pay Policy Statement in Annex 1 has a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.
- 1.5.2 As members have already been advised in the Annual Report on progress in achieving the Council’s Equality Aims and Actions, the outcomes of the recent pay analysis based on gender has identified a full time pay gap of 18.9% in favour of men. The key contributing reason for this pay gap is that there are more women than men applying for and consequently working in jobs graded at the lower end of the pay scale. There is no evidence of men and women being paid differently for equal work.

1.6 Policy Considerations

1.6.1 HR Policy

1.7 Recommendations

1.7.1 It is recommended that this committee commends the pay policy in Annex 1 to this report for adoption at the Council meeting on 16 February 2016.

Background papers:

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Nil

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