

TONBRIDGE & MALLING BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

23 June 2014

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 its pay policy statement for each financial year. This report summarises the requirements of the Act and presents an updated Pay Policy Statement for 2014/15 in Annex 1. Members will note that there have not been any changes in the Council’s remuneration policy and 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 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 Planning Officer and the Chief Financial Services Officer and the 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 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 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 Equality Impact Assessment

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

1.5 Recommendations

- 1.5.1 It is recommended that this committee commends the pay policy in Annex 1 to this report for adoption at the Council meeting on 15 July 2014.

Background papers:

contact: Delia Gordon

Nil

Adrian Stanfield
Director of Central Services

Screening for equality impacts:		
Question	Answer	Explanation of impacts
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. 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 and 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.