

Cheltenham Borough Council
Appointments Committee
28 January 2014
Pay Policy Statement

Accountable member	John Walklett, Cabinet Lead Corporate Services
Accountable officer	Julie McCarthy Human Resources Manager, GO Shared Services
Accountable scrutiny committee	N/A
Ward(s) affected	None
Significant Decision	No
Executive summary	The Localism Act 2011 requires councils to produce an annual pay policy statement in respect of its employees by 31 March each year. The pay policy statement is attached.
Recommendations	<p>That the Committee</p> <p>i) Recommends the updated Pay Policy Statement (2014/2015) for ratification at the Council's Full Council meeting in March. (Appendix 1).</p>

Financial implications	<p>None.</p> <p>Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 5154</p>
Legal implications	<p>The legal requirements for producing a pay policy statement are referred to in the body of this report.</p> <p>Contact officer: Peter Lewis, peter.lewis@teWKesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>As contained in the body of this report.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 26 4355</p>
Key risks	If the policy is not approved by the end of March, the Council risks non-compliance with legislation.

Corporate and community plan implications	N/A
Environmental and climate change implications	N/A

1. Background and Issues

- 1.1** The Council is required by section 38(1) of the Localism Act to prepare an annual pay policy statement. The statement must articulate an authority's own policy towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees. Pay policy statements must be prepared for each financial year, and must be approved annually by Full Council.
- 1.2** Nothing in the pay accountability provisions in the Act or in this guidance is intended to supersede existing responsibilities and duties placed on authorities in their role as employers, under relevant employment legislation, and authorities must, of course, bear in mind these responsibilities and duties when formulating a pay policy statement. Discussion of an authority's policies in relation to pay does not engage the Data Protection Act as it does not concern data relating to a particular individual.
- 1.3** The Localism Act requires that pay policy statements, and any amendments to them, are considered by a meeting of full council and cannot be delegated to any sub-committee. It is worth noting that the Secretary of State does not consider that any of the grounds for exclusion of the public would be met for discussions of pay policy statements. Such items at meetings of Council should, therefore, be open to the public and should not exclude observers. All decisions on pay and reward for chief officers must comply with the current pay policy statement.
- 1.4** The Cheltenham Borough Council (CBC) statement sets out the approach to pay of all its employees. Key changes against 2013-14 are set out below in 2.4.1 and 2.4.2.
- 1.4.1** Reference to the guidance set out by the Secretary of State that full council should be given the opportunity to vote before either large salary packages are offered in respect of new appointments or large severance packages are offered and arrangements are finalised for employees leaving the organisation. A threshold for both has been set at £100,000.
- 1.4.2** Reference to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 and that the Council will not normally make use of this discretionary power.
- 1.5** CBC's approved pay policy statement will be published on the CBC website as soon as is reasonably practicable after it is approved, to comply with the government guidance that a council's approach to pay (as set out in the pay policy statement), needs to be accessible for citizens and enable local taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and make best use of public funds.
- 1.6** CBC includes in its pay policy statement, the approach to the publication of and access to information relating to the remuneration of chief officers. Remuneration includes salary or payment under a contract for services, expenses, bonuses, any performance related pay as well as severance payments.
- 1.7** CBC already publishes on an annual basis, the remuneration details of all its chief officers, and those earning over £55,000 pa. It does not pay bonuses nor does it operate performance related

pay. This currently published data can be seen within the context of the Council's agreed Pay Policy statement, and provides the public with a clear justification of how their money is being used appropriately to pay and reward Council staff, including the relationship between the highest / lowest paid staff. The use of a pay multiple (the ratio between the highest paid employee and the mean average earnings across the Council) is a way to express that relationship.

- 1.8** There has been more publicity in recent months regarding the "Living Wage". Unlike the National Minimum Wage (minimum wage 21yrs+ = £6.31), there is no statutory requirement to comply with the Living Wage (£7.65), it is used as an indicative figure only. Cheltenham's comparative Grade is Grade B scp 11 B, £7.71, with Grade A being used as a stepping stone grade from Apprentice to trainee role. The employees on Grade A are usually under 21. There are currently 7 employees above the age of 21 whose scp point is below scp 11. Reference has been made to the Living Wage in the Pay Policy Statement.

2. Reasons for recommendations

- 2.1** To comply with the Localism Act 2011, to have an agreed Pay Policy in place by 31 March each year.

3. Alternative options considered

- 3.1** None, as there are no options other than to comply with the Localism Act requirements.

4. Consultation and feedback

- 4.1** The Pay Policy Statement has been considered by the Trades Unions, Group Leaders, Senior Leadership Team.

5. Performance management –monitoring and review

- 5.1** There is a requirement for an annual review and agreement by Full Council, of the Pay Policy Statement.

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Appendices	1. Risk Assessment 2. Pay Policy Statement 3. Salary Scales
Background information	None.

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-4	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the Council does not approve and publicise a Pay Policy, it risks non-compliance with legislation, with the corresponding legal, financial, and reputational implications	Amanda Attfield	03 01 14	3	1	3	Reduce	Ensure Pay Policy is approved by the due date	31 3 2014	Julie McCarthy	Service Risk Register –HR