

MEETING TITLE AND DATE:

Council – 28 March 2012

REPORT OF:

Assistant Director Human Resources

Contact officer and telephone number:

Tim Strong - 020 8379 4141

Email: Timothy.Strong@enfield.gov.uk

Agenda – Part: 1

Item: 8

Subject:

Adoption of a Statutory Pay Policy Statement

Cabinet Members Consulted:

Cllr Andrew Stafford

1. EXECUTIVE SUMMARY

The Localism Act 2011 requires all Council's to adopt a Pay Policy Statement before 1 April 2012. This report proposes the adoption of such a policy.

2. RECOMMENDATIONS

The Council adopts the Statutory Pay Policy Statement attached as the Appendix to this report.

3. BACKGROUND

3.1 Sections 38 to 43 of The Localism Act 2011 require all Councils to formally adopt a pay policy statement by 31 March 2012. The Act requires that a policy statement is adopted annually by a vote of the Council and once adopted, can only be varied by a vote of the Council. The Act is prescriptive as to the issues that have to be covered by the pay policy statement and statutory guidance as to the interpretation of the relevant parts set out in the Act, was issued by the Government in mid February.

3.2 In broad terms, the Act requires that the Statutory Pay Policy Statement includes:-

- A local authority's policy on the level and elements of remuneration for each chief officer

BACKGROUND Cont:

- A local authority's policy on the remuneration of its lowest paid employees (together with its definition of 'lowest paid employees' and its reasons for adopting that definition)
- A local authority's policy on the relationship between the remuneration of its chief officers and other officers
- A local authority's policy on other specific aspects of chief officers' remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

The pay and remuneration of schools based staff is not covered by the Act.

- 3.3 Given the very short period of time since the publication of the Statutory Guidance and the recent announcement by the Local Government Association that there would be no increase in national pay rates in 2012/13, the primary objective of this policy statement, which has been drawn up in consultation with the Remuneration Sub-Committee has been to collate and codify the Council's current policies and practices in order to meet the statutory requirement rather than to propose any changes.
- 3.4 The proposed Pay Policy Statement is attached as the Appendix to this report.
- 3.5 The adoption and publication of the Statutory Pay Policy Statement, in conjunction with the requirements of the Government's Code of Recommended Practice for Local Authorities on Data Transparency, is designed to ensure that communities have access to the information they need to determine whether remuneration, particularly senior remuneration is appropriate and commensurate with roles and responsibilities. The publication of the Pay Policy and relevant data will also ensure that the pay and reward of the most senior staff is set clearly within the context of the remuneration of the wider non schools workforce.
- 3.6 The requirements of the Data Transparency Code have the potential to increase the administrative burden on the Council at a time when significant efforts are being made to focus expenditure on the provision of front line services. Officers are currently exploring the most cost effective way of ensuring the timely provision and maintenance of the data as required under the Code.

4. ALTERNATIVE OPTIONS CONSIDERED

The production and adoption of a Statutory Pay Policy Statement before 1 April 2012 is a statutory requirement.

5. REASONS FOR RECOMMENDATIONS

To meet a statutory requirement

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES & CUSTOMER SERVICES

6.1. Financial Implications

No financial implications arise from the adoption of the proposed Pay Policy Statement.

6.2 Legal Implications

6.2.1 The council is required under sections 38-43 of the Localism Act 2011 to adopt a pay policy statement for every financial year, with the first one to be adopted by 31 March 2012. The pay policy statement must be adopted by full council, and can only be varied by full council. Once it has been adopted, all determinations on pay, conditions and remuneration of chief officers (the chief executive, directors and assistant directors) for that year must be in accordance with the policy.

6.2.2 The Secretary of State has issued statutory guidance on pay policy statements. Statutory guidance does not have the force of law, but the council is required to have regard to it. One area where it is proposed not to follow the guidance is in relation to the suggestion that full council should have the opportunity to vote before large salary packages are offered in respect of new appointments at or above the £100,000 threshold. The council is entitled to reach its own view on this matter, for example if it is satisfied that existing arrangements allow for sufficient oversight, provided that it takes account of the Secretary of State's guidance in doing so.

6.2.3 The Code of Recommended Practice for Local Authorities on Data Transparency ("the Code") was made in September 2011 under s.2 of the Local Government, Planning and Land Act 1980. The Code is not legally binding as it currently stands; as the name suggests, it is "recommended practice" only. However, the Secretary of State could in the future make its requirements binding by means of regulations under s.3.

7. IMPACT ON COUNCIL PRIORITIES

7.1 Fairness for All

The annual adoption of a Pay Policy Statement will afford the Council a regular opportunity to ensure that the remuneration of senior managers remain commensurate with the responsibilities of the roles relative to the pay of the Council's overall workforce.

7.2 Growth and Sustainability

The Pay Policy Statement will afford Members and the public the opportunity to ensure that the reward of senior managers reflects their contributions towards achieving the Council's aims and objectives.

7.3 Strong Communities

The publication of the remuneration details of senior managers will ensure that the local community has access to the information needed to hold senior managers to account for the realisation of the Council's vision.

7.4 Equalities Impact Assessment

The production of a statutory pay policy statement is a legislative requirement which will only impact on a very small number of senior staff.

8. HEALTH AND SAFETY IMPLICATIONS

None

Background Papers

None