

MEETING TITLE AND DATE:

Council - 27 February 2013

REPORT OF:

Acting Assistant Director -
Human Resources

Contact officer and telephone number:

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Agenda – Part: 1

Item: 10

Subject:

**Review & Adoption of a Statutory Pay
Policy Statement**

Cabinet Members Consulted:

Cllr Andrew Stafford

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1. EXECUTIVE SUMMARY

The Localism Act 2011 requires all Councils to review and adopt a Pay Policy Statement each financial year. This report proposes a number of amendments to the Council's policy agreed in 2012 for adoption in the financial year 2013/14.

2. RECOMMENDATIONS

The Council adopts the Statutory Pay Policy Statement attached as Appendix 2 of this report.

3. BACKGROUND

- 3.1 Sections 38 to 43 of The Localism Act 2011 required 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.
- 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
 - 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 The Council's pay policy was agreed on 28 March 2012 and is attached as Appendix 1.

3.4 The Remuneration Sub Committee has reviewed the operation of the pay policy for the financial year 2012/13 and has recommended the following amendments :

Paragraph 3.10

Delete £8.30 and insert £8.55
 Delete £15,580 and insert £16,050
 Delete 1.2.12 and insert 1.3.13
 Delete point 8 and insert point 10

This amendment incorporates the London Living Wage increase implemented on 1 March 2013 and reflects the fact that staff on Scale 1c now fall under the London Living Wage level.

Paragraph 3.17

Delete whole paragraph and insert
 On 21 March 2012, the Council adopted a severance policy under which staff at all levels in the Council could be allowed to leave the Council's employment with a discretionary severance payment. Details of this scheme are set out in the relevant Cabinet report.

Paragraph 3.18

Delete 'In such circumstances personal file'.

This amendment is required to ensure that there is no inference that pay in lieu of notice is a contractual entitlement.

Insert Paragraph 3.25

Public Health Team

On 1 April 2013, the NHS public health function will be transferred to local councils. The transfer will be actioned under a statutory transfer scheme and staff will be protected on their NHS pay, pensions and conditions of service.

This paragraph is required to explain the rationale for the different pay

rates for staff transferring from the NHS into the Council's public health function with effect from 1 April 2013.

- 3.5 The amendments detailed in paragraph 3.4 are incorporated in the revised Pay Policy which is attached as Appendix 2.

4. **ALTERNATIVE OPTIONS CONSIDERED**

The review and adoption of a Statutory Pay Policy Statement each financial year 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.

6.3 **Key Risks**

As detailed in section 6.2 of the report.

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

9. PUBLIC HEALTH IMPLICATIONS

These have been set out in section 3.4 above.

Background Papers

None