

Agenda Item

REPORT OF **Leader of the Council and HR & Communications Manager**

To: **Full Council**

Subject: **Pay Policy requirements of the Localism Act**

Date: **January 2022**

Reference:

PURPOSE OF REPORT:

1. This report invites Members to agree to a Pay Policy statement, in accordance with the requirements of the Localism Act
2. The report does not ask Members to agree to any changes to the Pay Policy or the remuneration of senior officers.

1. INTRODUCTION

Section 38 (1) of the Localism Act 2011 (the Act) requires English and Welsh local authorities to produce a statutory pay policy statement for each financial year.

Under the Localism Act a Chief Officer is defined as

The Head of the Councils paid service designated under section 4(1) of the Local Government and Housing Act 1989

Its monitoring officer designated under section 5 (1) of that Act

A statutory Chief Officer mentioned in Section 2(6) of that Act

A non statutory officer mentioned in 2(7) of that Act

A Deputy chief officer mentioned in section 2(8) of that Act

In Torridge District Council this definition would apply to the following posts: Chief Executive, Head of Legal & Governance, Head of Communities & Place, Finance Manager & s151 officer.

2. REPORT

Current Approach to Pay and Reward

The Council reviewed its pay arrangements for Chief Officers as part of the management restructure in 2020. With the exception of the wider operational management team, all staff are on grades within a single pay spine, with their terms and conditions reflecting a nationally agreed package (known as the 'Green Book'). In general terms, these arrangements are owned and accepted by colleagues, perhaps as best evidenced by the absence of a 'grading appeal' culture. All grades provide opportunity for progression by annual increments and other than operational staff most colleagues have opportunity to attain a work-life balance by using 'flexi-time'.

The Council's most senior officers are paid on salaries set by the Council with the benefit of external advice received from South West Councils.

Pay Policy Statement



Attached is a draft Pay Policy which, subject to the approval of Full Council, will be published on the Council's web-site.

The Pay Policy is a statement of current practice and can be altered by Full Council at any time. In any event a Pay Policy statement for 2023/24 and so on will in the future have to be specifically agreed each financial year.

The Act requires that the Pay Policy statement applies specifically to Chief Officers (a term which includes both statutory Chief Officers and non statutory Chief Officers) and it is proposed that at Torridge this includes those officers whose terms and conditions reflect those determined by the Joint Negotiating Committee for Chief Officers of Local Authorities and specifically the Chief Executive, Head of Legal & Governance, Head of Communities & Place and Finance Manager & s151 officer.

The Pay Policy and the Appendix to that policy (also attached) meets the requirements of the Act and has regard to both guidance and recommended practice. In particular, regard has been paid to the Hutton Report (on public sector pay) which was published in 2011. Hutton concluded that the most appropriate metric for calculating pay dispersion is the multiple of Chief Executive to median earnings. He also concluded that tracking this multiple will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce. The current multiples are set out in the appendix to the Pay Policy.

The draft Pay Policy Statement indicates that the Council will track this multiple annually and will also publish the following information (included as an Annex to the Policy):

- the level and elements of remuneration for each senior officer;
- the remuneration of the lowest paid employee;
- the relationship between the remuneration of the Council's senior officers and other officers;
- other specific aspects of senior officer remuneration, and
- the multiple of Chief Executive to the average or mean earnings, which is another metric for pay dispersion referred to in guidance.

Future Developments

With regard to any future Management changes Members can be assured that by agreeing to this Policy now, it will not preclude the development of revised arrangements for whatever senior posts may exist in the future.

3. IMPLICATIONS

Legal Implications

Publication of a Pay Policy is a requirement of the Localism Act

Financial Implications

There are no immediate financial implications, other than the cost of any cost of living pay award. The pay award for 2021/22 has yet to be agreed but an increase of 1.75% has been factored in to the budget. An increase of 2% has been factored into the 2022/23 budget



Human Resources Implications

Determining pay and reward arrangements has the potential to fundamentally alter the employment relationship and any changes need to be handled with care.

Sustainability Implications

N/A

Equality/Diversity

Any changes to pay and reward arrangements must be 'equality proofed'

Risk Management

Not having an updated published Pay Policy in place would represent an unacceptable risk to the Council's reputation.

Compliance with Policies and Strategies

Section 38 (1) of the Localism Act 2011 (the Act) requires English and Welsh local authorities to produce a statutory pay policy statement for each financial year

Lead Member Views- Councillor James

It is important that this council continues its intention to be fully open and transparent in all aspects, by complying with this legislation it is further step in that aim

4. CONCLUSIONS

The reward arrangements for senior officers are transparent and reflect external advice.

5. RECOMMENDATIONS

The Council should approve the Pay Policy

SUPPORTING INFORMATION

Consultations: Councillor James, Leader

Contact Officer: Sarah Ayres
HR & Communications Manager

