



NOTICE OF MEETING

Meeting:	Staffing Committee
Date and Time:	Monday, 11 March 2013 at 4.00 pm
Place:	Committee Room 1, Civic Offices, Fleet
Telephone Enquiries to:	01252 774126 (Martine Fullbrook) martine.fullbrook@hart.gov.uk
Members:	Crookes (Chairman), Barrell, Billings, Butler, Kennett

G Bonner
Chief Executive

CIVIC OFFICES, HARLINGTON WAY
FLEET, HAMPSHIRE GU51 4AE

AGENDA

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AND BRAILLE ON REQUEST**

1 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting held on 20th February 2012 are attached to be confirmed and signed as a correct record. **(Paper A)**

2 APOLOGIES FOR ABSENCE

3 CHAIRMAN'S ANNOUNCEMENTS

4 DECLARATIONS OF INTEREST (PERSONAL OR PERSONAL AND PREJUDICIAL)

6 PAY POLICY STATEMENT FINANCIAL YEAR 2013-14

To seek approval to the council's Pay Policy for 2013/14 (**Paper B**)

RECOMMENDATION

That the Pay Policy attached as Appendix A to this report be recommended to Council for approval.

Date of Despatch: 01 March 2013

HART DISTRICT COUNCIL

STAFFING COMMITTEE

DATE OF MEETING: 11 March 2013

TITLE OF REPORT: Pay Policy Statement Financial Year 2013-14

Report of: Chief Executive

1. PURPOSE OF REPORT

1.1 To seek approval to the council's Pay Policy for 2013/14.

2. RECOMMENDATION

2.1 That the Pay Policy attached as Appendix A to this report be recommended to Council for approval.

3. BACKGROUND INFORMATION

3.1 Section 38(1) of the Localism Act 2011 requires councils to produce a Pay Policy each financial year. The legislation stipulates that the policy must be approved by the full Council before 31 March in the preceding financial year. To comply with the legislation, therefore, councils have to approve their Pay Policies for 2013/14 by 31 March 2013.

3.2 The draft Pay Policy for 2013/14 is attached to this report as Appendix A. The draft policy is similar in all material respects to that for 2012/13, except that where appropriate figures have been updated to reflect 2013/14 levels. Approving the draft policy will therefore confirm the status quo and will have no effect on pay and remuneration levels.

3.3 Recently the Secretary of State for Communities & Local Government published additional guidance on pay policies, and a copy of that guidance is attached as Appendix B. In particular, the new guidance requires that any new or revised remuneration package for an employee exceeding a value of £100,000 should be subject to full Council approval, and that any severance package in excess of £100,000 should likewise be subject to full Council approval. In Hart, both these requirements were already met (the appointment of a Chief Executive, Corporate Director, Chief Finance Officer (s151 officer) and Monitoring Officer are reserved to Full Council, and any unbudgeted severance payment would require full Council approval as a variation to the budget framework), but for the avoidance of doubt these requirements have been made explicit in the draft policy – see paragraphs 3.2.3 and 4.10.3

3.4 The Committee is asked to recommend the draft policy to Council for approval

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from this report, which makes no change to either salary levels or other elements of employee remuneration.

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Geoff Bonner – Chief Executive
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Pay Policy Statement
Financial Year 2013-14

Date created	1 March 2013	Department	Human Resources
Review date	28 February 2014	Version	0.1
Effective date	1 April 2013		

Hart District Council believes that interests of staff and the Council are best served by the formulation and implementation of clear and consistent employment policies and procedures. This policy statement details the Authority's policy on pay. It takes into consideration all legal requirements and will be applied in accordance with the Authority's Equality and Diversity Commitment to treat all its employees with dignity and respect.

HART DISTRICT COUNCIL

PAY POLICY MARCH 2013

1. PURPOSE

- 1.1 This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and will be updated annually from 1 April each year.
- 1.2 The Pay Policy Statement sets out Hart District Council's policies relating to the pay of its workforce for the financial year 2013-14, in particular:
1. the remuneration of its Chief Officers
 2. the remuneration of its "lowest paid employees"
 3. the relationship between:
 - a. the remuneration of its Chief Officers and
 - b. the remuneration of its employees who are not Chief Officers
- 1.3 The purpose of the statement is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of Chief Officers. This includes officers designated as Chief Executive, Corporate Directors, Statutory Chief Officers and Non Statutory Chief Officers. It also ensures that employees at all levels of the council are paid on a fair and equitable basis in accordance with equality legislation.

2. DEFINITIONS

- 2.1 For the purpose of this statement the following definitions will apply:
- 2.2 **"Pay"** in addition to salary will also include charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments.
- 2.3 **"Chief Officer"** refers to the following roles within Hart District Council:
- The Chief Executive (Head of Paid Service)
 - The Monitoring Officer¹ and the Chief Finance Officer (Section 151 Officer) as the council's statutory Chief Officers
 - Corporate Directors as non-statutory Chief Officers
- 2.4 **"Lowest paid employees"** refers to those staff employed on Grade A of the council's pay framework (ie those posts assessed through the job evaluation scheme as having the least amount of complexity and responsibility and therefore attracting the lowest salary).

¹ The Monitoring Officer role is performed as part of the duties of one of the Corporate Director posts

3. PAY FRAMEWORK

3.1 General approach

3.1.1 Remuneration for all employees needs to be at the appropriate level to secure and retain high-quality employees dedicated to fulfilling the council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is proportionate and appropriate for the role. Each council has responsibility for balancing these factors and faces its own unique challenges and opportunities in doing so. As a small council with limited staff resources it is important that Hart District Council retains flexibility within its pay framework to cope with a variety of circumstances that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate. Using such solutions should only be short term and reviews should ensure that they are discontinued when circumstances change.

3.2 Responsibility for decisions on remuneration

3.2.1 It is essential for good governance that decisions on pay and reward packages for Chief Executives and Chief Officers are made in an open and accountable way.

3.2.2 Pay for employees at all grades is based on the national agreements on pay as follows:

- National Joint Council for Local Government Services (for Grades A to M and Heads of Service),
- Joint Negotiating Council for Chief Officers (for Corporate Directors and Chief Finance Officer)
- Joint Negotiating Council for Chief Executives (for Chief Executive).

3.2.3 The pay and remuneration packages (including pension issues) for the Chief Executive, Corporate Directors, Monitoring Officer and Chief Finance Officer, and any other post with a remuneration package in excess of £100,000 per year, are set by Council on the advice of Staffing Committee, which comprises elected Councillors from the main political parties.

3.2.4 Responsibility for setting the pay and remuneration of all other officers is delegated to the Chief Executive (or his/her nominee), and is carried out in accordance with national agreements and the council's local employment policies and practices as appropriate.

3.3 Salary grades and grading framework

3.3.1 Grades for all posts governed by the National Joint Council for Local Government Services (ie Grades A to M and Heads of Service) are determined by the council's job evaluation process. This followed a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

- 3.3.2 The council uses the Hay Job Evaluation Scheme. Job Evaluation is a systematic process for ranking jobs within an organisation ensuring consistency of approach and outcomes appropriate to the complexity and accountability of the role.
- 3.3.3 The council's pay structure is based on the pay spine issued by the National Joint Council (NJC) as part of the National Agreement for Local Government Services. This incorporates posts on Grade A to M and Heads of Service. There are 14 grades in total. Each grade contains no more than five points to provide incremental pay points within the grade. The incremental rises occur on each 1 April, subject to satisfactory performance in the role, until the maximum pay point for the grade is reached. Annual increments will not be awarded to employees who commence employment on or after 1 October. Increments will be withheld where performance has not met the required standard and where the issue has been raised with the employee formally.
- 3.3.4 Chief Officers are appointed to a fixed salary point so incremental progression does not take place for these posts. The precise salary level is determined at the time of appointment by negotiation with the successful candidate, taking account of their skills and experience and market conditions at the time.
- 3.3.5 The current pay and grading structure was agreed by the Council in 2009 following a review, in order to ensure compliance with equal pay legislation.
- 3.3.6 Pay awards are normally made in line with the national agreements detailed in 3.2.2 on an annual basis for all employees, in conjunction with the nationally recognised trade unions. In the financial year 2010/11 the council did not pay the nationally agreed award due to the financial constraints it was facing; instead staff were given an additional day's annual holiday.
- 3.3.7 There has been no 'cost of living' pay award to any group of staff since April 2009 other than a one-off payment of £250 gross, pro rata, made to those employees earning a full time equivalent salary of £21,000 per annum or less during 2011/12 and 2012/13.
- 3.3.8 Full details of the Councils pay structure (A to Heads of Service) is attached as Appendix I.

3.4 Market Comparison

- 3.4.1 The council benchmarks its pay and benefits by comparing pay and rewards for similar posts in neighbouring areas. The council seeks to position itself within the median salary levels in order to keep costs down while still being able to attract a good range of suitable candidates for posts.

4. REMUNERATION

4.1 Remuneration details including benefits in kind are set out in the council’s published Annual Statement of Accounts.

4.2 **“Chief Officers”**, as defined in paragraph 2.3 of this statement, are paid within the council’s pay framework which applies to all other employees. Typically, Chief Officers have received the same percentage pay award as other managers and staff groups within the council. Current chief officer remuneration levels are shown in the following table:

ROLE	REMUNERATION RANGE*
Chief Executive (1 post)	£103,578
Corporate Directors (2 posts)	£81,300
Chief Finance Officer (0.4 post+)	£ 35,000

* Includes all charges, fees, allowances and benefits in kind
 + Part time post, 2 days per week

4.3 “Lowest paid employees”

4.3.1 The lowest paid employees are paid within the salary range for Grade A which covers seven salary points ranging between £12,495 and £14,203.

4.4 Honoraria and Acting Up Allowances

4.4.1 The Chief Executive (or his/her nominee) has the discretion to award an honorarium payment to recognise temporary increased responsibility or work of a particularly high standard. Generally it should be the case that this must have been carried out for at least one month before an honorarium payment will be considered. The amount awarded should reflect the nature and duration of the work or responsibility and not normally exceed the value of an increment point in the employee’s salary scale.

4.4.2 Where the employee has been covering in the absence of a more senior officer (eg maternity leave cover or long term sickness absence), honoraria payments are calculated based on the difference between the employee’s scale point and the bottom scale point of the role they are covering. Temporary acting-up arrangements of this nature will not exceed more than 12 months duration and should generally be undertaken for at least one month before payment will apply.

4.5 Other pay elements

- 4.5.1 Chief Officers are subject to the same performance management process as all other employees. The Chief Executive has an appraisal involving the Leader of the Council in consultation with all Political Group Leaders.
- 4.5.2 Targets and objectives are set and performance is assessed through an appraisal process. All employees apart from Chief Officers receive incremental progression until the top of their grade is reached, unless they fail to perform adequately against targets and objectives.

4.6 Charges, fees or allowances

- 4.6.2 Any allowance or other payment will only be made to an employee in connection with their role or the patterns of hours they work and must be in accordance with the council's employment policies.
- 4.6.2 No fees for election duties are included in the salaries of any employee. Any additional fees payable for such responsibilities are calculated in accordance with the statutory rules and recommendations of the Hampshire and Isle of Wight Election Fees Working Party for all local government elections and by central government for Parliamentary elections. Special fees are paid for Returning Officer duties which are not part of the post holder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role.
- 4.6.3 The Returning Officer is an officer of the District Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the District Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the District Council. As Returning Officer, he/she is paid a separate allowance for each election for which he/she is responsible.
- 4.6.4 The council pays a market supplement to certain posts where it has not proved possible to recruit staff at the salary level resulting from Job Evaluation of the post.
- 4.6.5 The council pays overtime for grades A to F. Paid overtime will be paid if the equivalent of 37 hours per week has been completed at a rate of time and a half for any day other than a Sundays and public holidays and a rate of double time on Sunday. Special rates apply on public holidays.
- 4.6.6 The council offers car allowances to staff who are required to use their cars for business purposes, in accordance with the appropriate NJC/JNC schemes
- 4.6.7 The contractual remuneration package for Chief Officers includes either a lease car allowance or essential users allowance. This benefit also applies to all staff at Grade 9 and above who are not Chief Officers.

4.6.8 The Council pays a standby allowance to certain key posts to ensure 24 hour emergency cover for the provision of vital public services.

4.6.9 For certain posts the council pays the membership subscription fees to recognised professional bodies, where the employee's continued membership of that body is in the council's interests.

4.7 Performance related pay

4.7.1 The council does not offer performance related pay to any employee.

4.8 Benefits in kind

4.8.1 The council provides free workplace parking to all its staff.

4.8.2 The council offers its staff subsidised access to council owned sports facilities via its "365 Card"

4.9 Pensions

4.9.1 All employees, as a result of their employment, are eligible to join the Local Government Pension Scheme (LGPS). Employee contribution rates vary depending on their whole-time equivalent pay, as follows:

Whole-time equivalent pay band	Employee contribution rate from 1 April 2013
Up to £13,500	5.5%
£13,501 to £15,800	5.8%
£15,801 to £20,400	5.9%
£20,401 to £34,000	6.5%
£34,001 to £45,500	6.8%
£45,501 to £85,300	7.2%
More than £85,300	7.5%

4.9.2 In addition to the employee's own contribution, the council makes a contribution of 13.1% towards the pension of each member of the LGPS scheme.

4.10 Termination of employment

4.10.1 The LGPS requires employers to prepare and publish a written statement of policy in relation to pensions. The council's policy on pensions and discretionary redundancy payments is set out in the 'Early Retirement & Discretions Policy'

4.10.2 The policy for the award of any discretionary payments is the same for all staff regardless of their pay level. The following arrangements apply:

4.10.3 Approval of Full Council

In accordance with Section 40 of the Localism Act 2011, any proposal to grant a severance package in excess of £100,000 is subject to Full Council approval

4.10.4 Early termination of employment (for reasons other than redundancy)

The council may award additional years service in cases of early termination of employment in exceptional circumstances, in accordance with the Early Retirement & Discretions Policy.

4.10.5 Compromise agreements

In exceptional circumstances, and specifically so as to settle a claim or potential dispute, the Chief Executive can agree payment of a termination settlement sum for any post. In such cases, each decision as to the level of payment will be taken on its individual merits and with the advice of the Chief Finance Officer.

4.10.6 Re-employment of officers

The council needs to retain the flexibility to respond to unforeseen circumstances as regards re-employing former local government employees. Such an occurrence would be considered very much the *exception* rather than the *rule*. If the council were to re-employ a previous local government employee who had received a redundancy or severance package on leaving, or who was in receipt of a pension covered by the *Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999* (known as the Modification Order) (with the same or another authority), then the council's policy is to ensure that the rules of the Modification Order are applied. In addition, the council will ensure that an open and fair selection process has taken place before any appointment is confirmed. The same principle would be applied to such a person if they were to be engaged by the council on a 'contract for services' basis.

4.11 Remuneration on appointment and promotion

4.11.1 The starting salary on appointment or following promotion will normally be at the lowest incremental level on the salary scale. In exceptional circumstances, a Head of Service can approve appointment on a higher incremental point within the salary scale, following consultation with the relevant Corporate Director, based on the appointee's level of relevant experience, difficulty in recruiting to a post or other relevant factors.

4.11.2 As regards Chief Officer posts, pay and remuneration is determined by council at the time of appointment, following negotiation with the successful candidate, taking account of their skills and experience and market conditions at the time.

5. RELATIONSHIP BETWEEN REMUNERATION OF CHIEF OFFICERS AND OTHER EMPLOYEES

5.1 The Local Government Association has offered advice on the Government’s requirement in reporting remuneration relationships. The advice is that the measure of the relationship between Chief Officers and other employees be considered by the ratio between the highest paid employee and the median earnings across the organisation as a multiple. This has been calculated as follows:

Remuneration for the Chief Executive (excluding pension contributions)	£98,840
Median remuneration for all employees at the council	£28,946
Ratio Chief Executive to Median	3.41

5.2 The ratio between the Chief Executive’s remuneration and that of the council’s lowest paid employee is 8.45

6. DATA TRANSPARENCY

6.1 Under the Code of Recommended Practice for Local Authorities on Data Transparency, pay and benefits information for staff paid over £58,200, are required to be published. This information is contained on the “Your right to know” page on the council’s external website. Information on senior employees’ remuneration can also be found in the annual Statement of Accounts.

6.2 In addition to the Chief Officer posts listed in paragraph 4.2 above, the following posts have remuneration levels in excess of £58,200:

ROLE	REMUNERATION RANGE*
Heads of Service (3 posts)	£66,176

* Includes all charges, fees, allowances and benefits in kind

**Hart District Council
March 2013**

Appendix I

Salary Scales 1st April
2013

Job Evaluation Score	GRADES	SCP	Salary	per month	per hour
	A	4	12495	1041.28	6.48
		5	12660	1054.98	6.56
		6	12834	1069.54	6.65
99 or below		7	13129	1094.08	6.81
		8	13527	1127.22	7.01
		9	13921	1160.10	7.22
		10	14203	1183.56	7.36
	B	11	15087	1257.28	7.82
100-122		12	15391	1282.54	7.98
		13	15791	1339.14	8.33
		14	16070	1318.31	8.20
	C	15	16395	1366.29	8.50
123-134		16	16778	1398.14	8.70
		17	17163	1430.25	8.90
		18	17491	1457.56	9.07
	D	19	18126	1510.48	9.40
		20	18770	1564.16	9.73
135-191		21	19437	1619.74	10.07
		22	19927	1660.58	10.33
		23	20498	1708.19	10.62
	E	24	21152	1762.64	10.96
192-227		25	21306	1775.52	11.04
		26	22001	1833.40	11.40
		27	22730	1894.20	11.78
	F	28	23473	1956.10	12.17
228-268		29	24402	2033.51	12.65
		30	25220	2101.67	13.07
		31	26016	2168.03	13.49
	G	32	26784	2231.99	13.88
269-313		33	27573	2297.75	14.29
		34	28353	2362.74	14.70
		35	28947	2412.23	15.00

PAPER B Appendix A

	H	36	29714	2476.19	15.40
314-370		37	30546	2545.46	15.83
		38	31439	2619.95	16.30
		39	32475	2706.26	16.83
	I	40	33328	2777.33	17.28
371-438		41	34207	2850.54	17.73
		42	35079	2923.24	18.18
		43	35953	2996.10	18.64
	J	44	36838	3069.83	19.09
439-509		45	37665	3138.76	19.52
		46	38575	3214.62	19.99
	K	47	39460	3288.34	20.45
510-559		48	40338	3361.47	20.91
		49	41204	3433.65	21.36
	L	50	42284	3523.64	21.92
		51	43361	3613.38	22.48
		52	44441	3703.45	23.04
		53	45515	3792.93	23.59
	M	54	46592	3882.67	24.15
		55	47660	3971.63	24.70
		56	48734	4061.19	25.26
	HSI	57	49817	4151.44	25.82
		58	50894	4241.18	26.38
		59	51972	4331.00	26.94
		60	57911	4825.91	30.02
		61	59227	4935.60	30.70
	HS2	62	60543	5045.28	31.38
		63	61860	5154.97	32.06
		64	63176	5264.65	32.75



Department for
Communities and
Local Government

The Rt Hon Eric Pickles MP
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Leaders of Local Authorities in England
Chairs of Fire and Rescue Authorities

20 February 2013

Dear All

Openness and Accountability in Local Pay

The introduction of the Localism Act's pay accountability measures was an important step in increasing accountability over local decisions on pay and reward, particularly senior pay. I am pleased that when exercising their responsibilities under these measures and preparing pay policy statements for 2012-13, the majority of relevant authorities sought to reflect the spirit of our approach. Pay policy statements have proved a rich source of information for local citizens and other interested parties, enabling a closer examination of how local taxpayers' money is spent on pay and reward of local authority staff.

In February 2012, we published *Openness and Accountability in Local Pay*, to which authorities must have regard when exercising their duties on pay accountability. This guidance still stands. However, as authorities begin to prepare or review their statements for 2013-14, it is important that Members continue to consider how to improve the clarity and value of the information that their authorities are publishing. In addition, many authorities can do more to ensure that their most important – and often most costly – decisions on pay and reward are exposed to the scrutiny of Full Council.

I am therefore today issuing some short supplementary guidance for 2013-14 which seeks to reflect lessons learnt from the experience of last year. In particular, the supplementary guidance highlights:

- Members should ensure that pay policy statements are set out clearly, that they fully address all of the requirements of the Localism Act 2011 and accompanying guidance, and are accessible. While all authorities prepared a pay policy statement for 2012-13, not all could be found easily, for example from a simple search of the authority's website. This should change.
- Full Council should be given the opportunity to vote on salary packages of £100,000 or more. I was disappointed that, for 2012-13, not all authorities chose to articulate in their statement if this was being done. This should be made absolutely clear. In addition, those authorities who may not have senior posts over £100,000 should seek to achieve the same degree of openness and accountability by adopting a lower threshold for votes, appropriate to their local circumstances



**Department for
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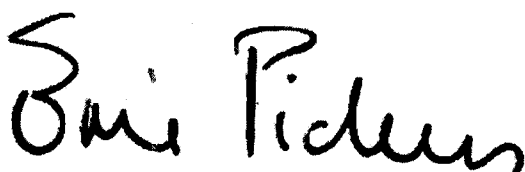
In February 2012, we published *Openness and Accountability in Local Pay*, to which authorities must have regard when exercising their duties on pay accountability. This guidance still stands. However, as authorities begin to prepare or review their statements for 2013-14, it is important that Members continue to consider how to improve the clarity and value of the information that their authorities are publishing. In addition, many authorities can do more to ensure that their most important – and often most costly – decisions on pay and reward are exposed to the scrutiny of Full Council.

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- Members should ensure that pay policy statements are set out clearly, that they fully address all of the requirements of the Localism Act 2011 and accompanying guidance, and are accessible. While all authorities prepared a pay policy statement for 2012-13, not all could be found easily, for example from a simple search of the authority's website. This should change.
- Full Council should be given the opportunity to vote on salary packages of £100,000 or more. I was disappointed that, for 2012-13, not all authorities chose to articulate in their statement if this was being done. This should be made absolutely clear. In addition, those authorities who may not have senior posts over £100,000 should seek to achieve the same degree of openness and accountability by adopting a lower threshold for votes, appropriate to their local circumstances

- Full Council should also be given the opportunity to vote on severance payments over £100,000. Many believe that pay-offs to senior local government staff are excessive and too frequent. The Localism Act brings out into the open the approach taken to severance across the sector. There is a clear case for going further and ensuring that, as well as approving their authority's policy on severance, Members are able to consider each time it is proposed to spend local taxpayers' money on a large pay-off. This follows on from my announcement in November 2012 where I said that I intend to remove the costly and bureaucratic requirement for a designated independent person to investigate allegations of misconduct by senior officers from the Local Authorities (Standing Orders) (England) Regulations 2001. I am currently consulting with the Local Government Association and others on the draft regulations to give effect to these changes.
- Finally, our expectation would be that where councils have directly elected mayors, they would involve the directly elected mayor and have regard to any proposals the mayor may have before the statement is considered and approved.

In considering and approving their Council's pay policy statement, Members have an opportunity to demonstrate that they are seeking to protect the interests of local taxpayers. Ensuring that their authority follows the principles set out in this guidance will help Members to do so. In due course, I shall review how authorities have addressed these issues in their pay policy statements for 2013-14. If it appears that authorities are not following specific aspects of this guidance - and are therefore not achieving appropriate levels of openness and accountability in the setting of policies on pay and reward - I may take steps to require authorities to adopt particular policies.

A handwritten signature in black ink, reading "Eric Pickles". The signature is written in a cursive, slightly slanted style.

RT HON ERIC PICKLES MP



Department for
Communities and
Local Government

Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011

Supplementary Guidance

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February, 2013

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Openness and Accountability in Local Pay: Supplementary Guidance

1. Sections 38 to 43 of the Localism Act 2011 require relevant authorities to prepare a pay policy statement for the financial year 2012-13 and each subsequent financial year. Section 40 of the Act includes provision for the Secretary of State to issue guidance on the content and application of senior pay statements. Relevant authorities must have regard to this guidance in the exercise of their functions under the pay accountability provisions.
2. *Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act* was published in February 2012 and can be accessed here: [Pay Accountability Guidance](#)¹. That Guidance still stands. This note supplements that Guidance and authorities in England must take account of when preparing their pay policy statements for 2013-14 and each subsequent financial year.
3. If a relevant authority has concluded that a particular section(s) of the Guidance is not applicable to their local circumstances, the relevant authority should set out clearly in their pay policy statements why they consider this to be the case.

Presentation and accessibility

4. Pay policy statements are public documents to be used as an information source to enable local taxpayers to hold their councillors to account on pay matters.
5. The Localism Act 2011 requires that as soon as is reasonably practicable after approving or amending a pay policy statement, authorities must publish the statement or the amended statement in such manner as they see fit which must include publication on the authority's website. In addition, section 38 (4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers.
6. Once approved, authorities should ensure their pay policy statement is published as soon as is reasonably practicable. Evidence suggests that, while authorities had prepared their pay policy statements and published them online for 2012-13, a significant number of statements were not easily accessible and readily available to the public.² Authorities should

¹ Link to *Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act* published in February 2012

² One Society published a report: *Leading the way on fair pay – which is an assessment of principal local authorities in England & Wales using local authorities' pay policy statements as source of information*. On availability and accessibility of pay policy statement it found that the statements in the majority of cases could not easily be found.
<http://www.onesociety.helencross.co.uk/wp-content/uploads/2012/09/FairPayReport2012.pdf>

ensure that statements can be easily found, for example, by a simple search on their website. The statement itself should be published as a stand alone document in its final form, perhaps within the website's transparency section or with other pay and workforce information.

7. The information within pay policy statements should be presented in a clear and accessible format. Evidence suggests that authorities should do more to ensure that that jargon is kept to a minimum, any acronyms used are explained, and that any hyperlinks used to access other documents or websites work properly.³ In addition, authorities should set out clearly and separately their policies against each of the requirements listed in the relevant sections of the Localism Act 2011. Where this is done effectively, it will help enable taxpayers to decide whether they are getting value for money in the way that public money is spent on local authority pay and reward.

Accountability

Salaries on appointment

8. The existing Guidance makes clear that full council (or a meeting of members for fire authorities) should be given the opportunity to vote before large salary packages offered in respect of a new appointment. The Guidance states that the Secretary of State considers that £100,000 is the right level for that threshold to be set and that figure remains the same.
9. For 2012-13, it appears that not all authorities chose to articulate in their statement if this was being done. Local taxpayers should know what their authority's policy is on senior appointments and, specifically, have a right to expect that decisions about the most senior - and most costly - appointments are being taken by those who are directly accountable to local communities. As with all aspects of this Guidance, authorities should address this issue within their policy statements and make clear how they have taken account of this policy.
10. There will be some authorities whose salary structures do not include posts or appointments over £100,000. Where this is the case, those authorities should seek to achieve a similar degree of openness and accountability. Specifically, such authorities should set their own salary threshold which is more suited to their local circumstances and should allow full council an opportunity to vote on salary packages for new appointments above that level.⁴

Severance payments

11. There has been a great deal of public scrutiny of the level of severance payments awarded to senior local government staff and rightly so. Authorities should ensure that they manage their workforces in a way that best delivers best value for money for local taxpayers and sets the right

³ One Society report: Leading the way on Fair Pay

<http://www.onesociety.helencross.co.uk/wp-content/uploads/2012/09/FairPayReport2012.pdf>

⁴ Salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment.

example on restraint. This includes any payments offered to staff leaving the authority.

12. Authorities are already required to publish their policies on severance for chief officers⁵ and their policy on discretionary compensation for relevant staff in the event of redundancy.⁶ In addition, other regulations provide for disclosure of remuneration of senior employees including details of severance payments within authorities' annual statement of accounts.⁷
13. Taken together, these measures enable greater scrutiny of the money spent by authorities on severance. However, given continuing public concern about the level and frequency of such payments, there is a case for going further to ensure that decisions to spend local taxpayers' money on large pay-offs are subject to appropriate levels of accountability. Authorities should, therefore, offer full council (or a meeting of members in the case of fire authorities) the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold to be set.
14. In presenting information to full council, authorities should set out clearly the components of relevant severance packages. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.
15. This follows on from the Secretary of State's announcement⁸ that he intends to remove the costly and bureaucratic requirement for a designated independent person to investigate allegations of misconduct by senior officers from the Local Authorities (Standing Orders) (England) Regulations 2001. We are currently consulting with the Local Government Association and others on the draft regulations to give effect to these changes.

Role of Mayors

16. The Localism Act requires that pay policy statements must be approved by full council. Our expectation would be that where councils have directly elected mayors, they would involve the directly elected mayor and have regard to any proposals the mayor may have before the statement is considered and approved.

⁵ The Localism Act 2011, s.38 (4) (f)

⁶ Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

⁷ Accounts and Audit (England) Regulations 2011

⁸ Press Notice 9 November 2012 <https://www.gov.uk/government/news/eric-pickles-acts-to-limit-town-hall-chiefs-golden-goodbyes>

Queries

17. If you have any queries on this guidance, please submit them using the details below.

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Department of Communities and Local Government
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payaccountability@communities.gsi.gov.uk

STAFFING COMMITTEE

Date and Time: Monday, 11 March 2013 at 4pm

Place: Committee Room 1, Civic Offices, Fleet

Present:

COUNCILLORS

Crookes (Chairman)

Barrell, Billings, Butler, Kennett

Officers Present:

Geoff Bonner Chief Executive

1 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of 20 February 2012 were confirmed and signed as a correct record.

2 APOLOGIES FOR ABSENCE

No apologies received.

3 CHAIRMAN'S ANNOUNCEMENTS

None.

4 DECLARATIONS OF INTEREST

No declarations made.

5 PAY POLICY STATEMENT FINANCIAL YEAR 2013-14

The Committee was asked to approve the Council's Pay Policy for 2013/14. Some typographical errors in the Policy were noted and corrected.

RECOMMENDATION to Council

That the Pay Policy, attached as Appendix A, be recommended to Council for approval, subject to the addition of a paragraph on the employment of Apprentices.

The meeting closed at 4.10 pm