

Report to: **Governance Committee**  
Date: **8 March 2016**  
Report by: **Chief Operating Officer**  
Title of report: **Pay Policy Statement**  
Purpose of report: **To consider the pay policy statement for 2016/17**

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## ***RECOMMENDATIONS***

**The Governance Committee is recommended to:**

**(i) recommend to the County Council the updated pay policy statement for 2016/17 set out in Appendix 1, and**

**(ii) receive a further report with the Pay Policy Statement updated appropriately to reflect the outcome of the current Government consultations, once known.**

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## **1 Background**

1.1 The Localism Act 2011 requires local authorities to formulate and publish a pay policy statement on the pay of its Chief Officers and the relationship between these pay levels and the rest of the workforce, excluding schools. This policy statement has to be approved annually by full Council by 31 March.

1.2 At its meeting on 27 March 2012, County Council agreed that the Governance Committee should have formal responsibility for the approval of posts at Chief Officer, Deputy Chief Officer and Assistant Director level with a remuneration package of £100,000 or more, provided the existing grade bands and terms and conditions are applied and any proposed exceptions to these are reported to full County Council. The actual appointment decision will continue to be made using existing delegations. Any proposed exceptions to this would require the approval of the full County Council.

## **2 Pay Policy Statement**

2.1 The Localism Act 2011 requires local authorities to prepare an annual pay policy statement relating to the remuneration (total pay packages) of its Chief Officers, as defined by statute, Deputy Chief Officers (and, by definition, Assistant Directors), the Monitoring Officer and its lowest-paid employees, excluding schools. The pay policy also has to state the relationship between the remuneration of Chief Officers and the remuneration of its employees who are not Chief Officers.

2.2 The Hutton report of Fair Pay in the Public Sector recommended the publication of an organisation's pay multiple as a means of illustrating the relationship between the remuneration arrangements for Chief Officers in comparison with the rest of the non-schools workforce in the form of a ratio. The ratio is currently (December 2015) 7.14 to 1, which is an improvement on the March 2015 ratio of 7.33 to 1. The pay multiple is published on our website with the Pay Policy Statement.

2.3 It is necessary to include definitions and the authorities' policies relating to levels and elements of remuneration including all additional payments and benefits in kind. The statement must also indicate the approach to the payment of Chief Officers on ceasing employment, including eligibility for the award of additional pensionable service and on the

engagement or re-engagement of Chief Officers previously made redundant or accessing a local government pension.

2.4 Since the previous Pay Policy Statement was considered by the Governance Committee at its meeting 10 March 2015, the Government have announced a number of consultations in relation to reforming public sector exit payment terms. In particular:

(i) Recovery of exit payments - the Small Business, Enterprise and Employment Act 2015 includes provisions to enable the recovery of exit payments made to individuals who return to the public sector within 12 months of receiving an exit payment. The intention is for this to come into force from April 2016;

(ii) Exit payment cap – the government intends to introduce a cap of £95,000 on public sector exit payments (including pension strain costs etc.) to implement its manifesto commitment to cap six-figure exit pay-outs, and

(iii) Spending Review 2015 – as part of the Autumn Statement 2015 the government announced that it would consult on further cross-public sector action on exit payment terms to reduce the costs of redundancy pay-outs and ensure greater consistency between workforces eg NHS, Local Government, Civil Service etc.

2.5 Whilst the existing pay policy statement remains a valid statement of the County Council's remuneration arrangements at present, it will need to be updated to reflect the outcome of the above consultations once known. Attached at Appendix 1 is a copy of the pay policy statement for 2016/17.

### **3 Recommendations**

3.1 The Governance Committee is recommended to:

(i) recommend to the County Council the updated pay policy statement for 2016/17 set out in Appendix 1, and

(ii) receive a further report with the Pay Policy Statement updated appropriately to reflect the outcome of the current Government consultations, once known.

**KEVIN FOSTER**  
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