

## REPORT OF THE GOVERNANCE COMMITTEE

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The Governance Committee met on 8 March 2016. Attendance:

Councillor Glazier (Chair)  
Councillors Daniel, Pursglove, Tidy and Tutt

### **1. Appointments to Committees, Sub-Committees, Panels and other bodies**

1.1 In appointing members to committees the Council must comply with section 15 of the Local Government Act 1989 and subsequent Regulations. These provide that places on committees must be allocated to political groups in proportion to the number of seats on the Council held by each group, unless there is agreement, without dissent, that the provisions of the Act should not be applied.

1.2 The allocation of places to party groups must, so far as is reasonably practicable, give effect to the following principles:

- (a) not all of the seats on the body can be allocated to the same political group;
- (b) where more than half the members of the Council belong to one political group, that group shall have a majority on all committees, sub-committees, etc;
- (c) subject to (a) and (b) above, the total number of seats on the ordinary committees (including sub-committees) allocated to a political group reflects that group's proportion of the members of the Council;
- (d) subject to (a), (b) and (c) above, the number of seats on each body allocated to a political group reflects the proportion of the seats on the Council held by the group.

1.3 The rules require seats to be allocated on a proportional basis "so far as practicable" and inevitably there must be some rounding up and rounding down. It is open to the Council to review the size and number of committees and sub-committees at any time.

1.4 Members of the Cabinet may not serve on the Scrutiny Committees or the Regulatory Committee and the Leader and Deputy Leader of the Council may not serve on the Standards Committee.

1.5 The Leader of the Council appoints the Cabinet and allocates portfolios to those Cabinet Members. Political balance provisions do not apply to the Cabinet

1.6 The principle in paragraph 1.2 (c) above applies to appointments to ordinary committees (including sub-committees). Accordingly, before considering the allocation of places to political groups the Committee will need to consider whether it wishes to recommend any changes in committees, including their size.

1.7 The tables in Appendix 1, circulated separately to all members, show the proposed allocation of seats for the remainder of 2015/16. The only changes from the allocation agreed by the County Council in July 2015 are the vacancies on the Standards Committee and Regulatory Committee reflecting the current vacancy on the Council. The proposals in relation to the committees, their total membership and the number of seats on each to which

the groups will be entitled follows the principles set out in paragraph 1.2 above. The position will be reviewed following the outcome of the by election.

1.8 The Committee **recommends** the County Council to:

- ☆ agree the allocation of places on each committee to each group as set out in Appendix 1

## 2. Pay Policy Statement

2.1 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.

2.2 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.

2.3 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.

2.4 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.

2.5 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.

2.6 Since the previous Pay Policy Statement was considered by the Council at its meeting in March 2015, the Government has 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

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(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.

2.7 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. A copy of the pay policy statement for 2016/17 has been circulated separately as Appendix 2.

2.8 The Committee recommends the County Council:

✧ to agree the Pay Policy Statement for 2016/17 as set out in Appendix 2.

8 March 2016

KEITH GLAZIER  
(Chair)