

# Pay Policy Statement

CABINET

Date: 21 March 2012

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**Author:** Cabinet Member for Leisure and Corporate Services and Group Director, Business Transformation

**Parish / Wards Affected:** All

## Purpose

- Section 38 of the Localism Act 2011 requires local authorities to agree and publish a Pay Policy Statement by 1<sup>st</sup> April each year, starting with 2012. This report sets out the Council's Pay Policy Statement 2012/13 for consideration by Cabinet, prior to referral to Council for approval.

## Recommendation

Cabinet is requested to

- Review the Council's Pay Policy Statement for 2012/13, as set out in Appendix A to the report, and
- Authorise the Group Director, Business Transformation in consultation with the Cabinet Member for Leisure and Corporate Service to submit the Pay Policy Statement to Council for approval, taking into account any comments which may be made by Cabinet together with any further guidance received.

## 1. Reasons

- 1.1 The Localism Act 2011 requires the Council's Pay Policy Statement to be approved formally by Full Council by the end of March each year, starting with 2012. Cabinet's endorsement of the proposed Pay Policy Statement is sought in order that any comments can be taken into account when considered by the Council at its meeting on 29<sup>th</sup> March 2012.

## 2. Detail

- 2.1 Section 38 of the Localism Act places a new requirement on local authorities to prepare a pay policy statement for the Financial Year 2012-2013 and each subsequent financial year. The first statement must be prepared and approved by the full Council before the 31<sup>st</sup> March 2012. It must be published as soon as is reasonably practicable after approval and this must include publication on the authority's website. The Statement must set out the Council's policies for the financial year relating to the:
  - Remuneration of its chief officers
  - Remuneration of its lowest paid employees and
  - The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.

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Further information on the subject of this report can be obtained from Nicola Houwayek on 07824 550456 or Email [nhouwayek@swindon.gov.uk](mailto:nhouwayek@swindon.gov.uk).

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The Pay Policy Statement must state the definition of 'lowest paid employee' and the reasons for adopting that definition, and should also include policies relating to:

- The level and elements of remuneration for each chief officer,
- Remuneration of chief officers on recruitment
- Increases and additions to remuneration for each chief officer
- The use of performance-related pay for chief officers
- The use of bonuses for chief officers
- The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- The publication of and access to information relating to remuneration of chief officers

The Pay Policy Statement does not cover or include school staff and is not required to do so.

- 2.2 Each Council is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Localism Act do not seek to change this or determine what decisions on pay should be taken. They do however require councils to be more open about their policies in relation to pay and how decisions are made.
- 2.2 The proposed Swindon Statement has been put together taking into account the relevant sections within Chapter 8 "Pay Accountability" of the Localism Act 2011. In its development, consideration has also been given to the statutory Guidance produced by the Department for Communities and Local Government (DCLG) - Openness and Accountability in local pay – and the Code of Recommended Practice for Local Authorities on Data Transparency.
- 2.3 Chief Officers have been defined as the posts of:
- Chief Executive
  - Statutory and non-statutory Chief Officers (a person for whom the head of the authority's paid service is directly responsible), ie:
    - Board Director – Commissioning (DCS/DASS)
    - Board Director – Localities
    - Board Director – Transformation and Strategic Projects
    - Board Director – Service Delivery
    - Board Director – Finance, Revenues, Benefits and Property
    - Director of Law and Democratic Services
    - Stronger Together Programme Director
    - Head of Internal Audit

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- All Deputy Chief Officers (a person who reports directly to or is directly accountable to one or more of the statutory or non-statutory Chief Officers), ie:
  - All Tier 2 posts
  
- 2.4 In addition to the publication of the Pay Policy Statement, Full Council or a meeting of Members should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100,000 is the right level for that threshold to be set. In Swindon, we propose that this approach be applied for all roles graded at Director 5 and above. This would apply to all Board Directors and the Chief Executive. This approach will be applied for appointments made to after 1<sup>st</sup> April 2012 to jobs at this level.
  
- 2.5 Attached as **Appendix A** is the proposed Pay Policy Statement 2012-13. The Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Chief Officers.
  
- 2.6 The Statement aims to ensure the Council's approach to pay and reward attracts and retains a high performing workforce whilst ensuring value for money. The Council has previously published information on pay as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.
  
- 2.7 As this is the first time local authorities have been required to produce a Pay Policy Statement, it is anticipated that Department for Communities and Local Government may provide further guidance on its scope and content in the future. If and when such guidance becomes available then it may be necessary to review the Statement accordingly to reflect any new requirements.
  
- 2.8 The Council is required to approve the Statement before 31<sup>st</sup> March each year and as soon as possible publish it on its website demonstrating an open and transparent approach to pay policy. The Statement may be amended by resolution of full Council during the year to which it relates.
  
- 2.9 The pay policy statement references a number of existing policies and other information that will be linked to the statement on the internet. These links will be made available as soon as the pay policy statement is made available on the internet in April. The majority of these are already available to Members and staff via the intranet.

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## Alternative Options

- As this is a requirement under the Localism Act, there are no alternative options being put forward.

## Risk Management

### *Financial and Procurement Implications*

- There are no direct financial implications arising from this report as the Pay Policy Statement sets out the Council's policies relating to remuneration. It does not serve to set or agree specific rates or numerical amounts.

### *Legal / Human Rights Implications*

- The attached Pay Policy Statement complies with sections 38-43 of the Localism Act 2011. The Act requires all local authorities to prepare, approve and publish as Pay Policy Statement for the Financial Year 2012/13 and for each subsequent year. The statement has been prepared to fulfil this statutory obligation.
- There are no other legal or human rights implications arising from this report.

### *Other Implications*

- The pay policy statement is not a policy in its own right but brings together and references existing policies. All these existing policies have all been through the DIA process.

### *Links to Corporate Plans and Policies*

- The Council's policies in respect of pay and terms and conditions support the Council's strategic objectives as part of ensuring that services to the community can be delivered to the required standards and with due regard to economy, efficiency and effectiveness.

## Consultees

- The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- The Pay Policy Statement has been shared with the trade unions

## Background Papers

- Openness and accountability in local pay – statutory Guidance under section 40 of the Localism Act, Department for Communities and Local Government (DCLG, November 2011)
- The Localism Act 2011 – chapter 8 “Pay Accountability”
- Code of Recommended Practice for Local Authorities on Data Transparency (DCLG, September 2011)
- LGA and ALACE Pay Policy Statement Guidance

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### Appendices

- Appendix A - Pay Policy Statement

### Key Decision / Decision in Forward Plan

- This is not a Key Decision for the Cabinet (as adoption is by the Council) and is included in the Cabinet Forward Plan for March 2012.

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