

FULL COUNCIL - 26 FEBRUARY 2019

PART I - DELEGATED

7. COUNCIL PAY POLICY STATEMENT 2019

1. Summary

- 1.1 The Council's success relies on the talent and contribution of its workforce enabling and ensuring it meets its objectives. The Council's Pay Policy Statement seeks to ensure the Council is able to attract, recruit, retain and engage the right people in order to achieve this.
- 1.2 The Pay Policy Statement pulls together all the elements that make up the Council's financial reward practices. It provides assurances of our consistency, fairness and transparency and gives clarity to all our stakeholders about how and what our people are rewarded for. It defines the level and elements of remuneration for Chief Officers in accordance with the requirements of section 38(1) of the Localism Act 2011.
- 1.3 The Localism Act 2011 requires the Council to publish its position on 1 April each year in relation to specific areas of chief officers pay as follows: - remuneration levels, all other payments, incremental progression, performance related pay, bonus payments, redundancy, severance/ compensation, and retirement payments, and the Council's policy on the re-engagement of chief officers. This Pay Policy Statement sets out the Council's position in these areas. The report is the same as in previous years with updated staffing and pay rate information.
- 1.4 The recommendation of the Hutton Report into "Fair Pay in the Public Sector" as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation should be published. This is set out in Section 18 of the Pay Policy Statement, which shows the ratio to be 1:5. The Council does not have a policy on maintaining or reaching a specific pay multiple but is conscious of the need to ensure that the salary of the highest paid employee is not excessive but is consistent with the needs of the Council as expressed in this policy statement.
- 1.5 The Hutton report raised concerns about multiples in the order of 1:20 or higher between the lowest and highest paid employees in local authorities. The Council's current lowest to highest ratio is 1:6.9, which, is considerably lower. The lowest pay in use by Three Rivers District Council is £8.75 per hour. This is above the national living wage.

2. Options/Reasons for Recommendation

- 2.1 That Council approve the Council Pay Policy Statement prior to its publication.

3. Policy/Budget Reference and Implications

- 3.1 The recommendations in this report are within the Council's agreed policy and budgets. The relevant policy is attached.
- 3.2 The impact of the recommendations on this is non-compliance with requirements of the Localism Act 2011.

4. **Financial Implications**

4.1 There are no financial implications as a result of this report.

5. **Legal Implications and Communications and Website Implications**

5.1 It is a requirement of the Localism Act 2011 that this be reported annually to Council and published on 1 April each year.

6. **Equal Opportunities Implications**

6.1 **Relevance Test**

Has a relevance test been completed for Equality Impact? Having had regard to the council's obligations under s149, it is considered that as this is not a new policy and the data does not indicate any equalities issues that no updated EIA is required.	No
Did the relevance test conclude a full impact assessment was required?	No

7. **Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Risk Management and Health & Safety Implications**

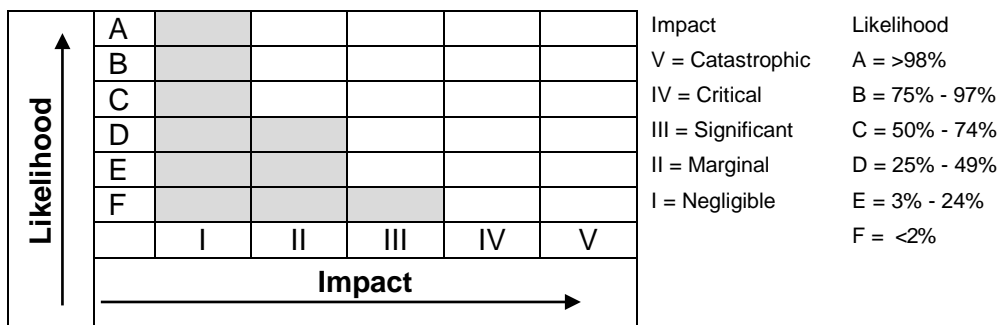
7.1 None specific.

8. **Risk Management**

8.1 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

Description of Risk		Impact	Likelihood
1	Council does not fulfil requirements of Localism Act	3	F

8.2 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.



8.3 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are

therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

9. **Recommendation**

9.1 That the report is agreed.

Report prepared by: Terry Baldwin, Interim Head of HR

APPENDICES / ATTACHMENTS

Appendix 1 – Council Pay Policy Statement