ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF A CABINET MEMBER
ON 25 MARCH 2013

PART A: REPORT

SUBJECT: Urgent decision to approve the Council’s Pay Policy Statement due to cancellation of Full Council on 20 March 2013

REPORT AUTHOR: Jackie Follis DATE: 22/3/2013 EXTN: 37580

EXECUTIVE SUMMARY:
The Full Council meeting of 20 March 2013 was cancelled due to health and safety concerns relating to the Council’s building. The Council’s Annual Pay Policy Statement was due to be considered and approved by Full Council having already been considered by the Local Joint Staff Panel at its meeting held on 25 February 2013. The Localism Act 2011, Section 38 (1) requires that local authorities prepare an annual pay policy statement. This statement must be prepared for each financial year and must be approved by Full Council ready to be published by April. In these exceptional circumstances it is proposed that the Cabinet Member for Corporate Governance, whose portfolio has responsibility for remuneration approves the Council’s Annual Pay Policy Statement as an interim measure until the next meeting of Full Council.

As this is an urgent decision, the Chairman of the Overview Select Committee, Councillor Chapman, has been consulted on the need to take this decision in accordance with Part 6 – Rules of Procedure – Section 1 – Decision Notice Procedure Rules. This decision is not subject to the Call-In procedure as set out in the ‘Scrutiny procedure Rules, Part 6, Section 2, and Paragraph 14.14 bullet point two of the Constitution. Councillor Chapman has confirmed that he is supportive of the decision and as a Member of the Local Joint Staff Panel. Both Councillors Chapman and Wensley attend the meeting of the Local Joint Staff Panel.

RECOMMENDATIONS (as recommended by the Local Joint Staff Panel)
The Cabinet Member for Corporate Governance is requested to approve the Council’s Pay Policy Statement as an interim measure until it can be formally ratified by Full Council.

1. BACKGROUND:
The Localism Act 2011, Section 38 (1) requires that a local authority prepares an annual Pay Policy Statement. This should set out an authority’s own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. This Statement must be prepared for each financial year and must be approved by Full Council ready to be published by April.

The draft Pay Policy Statement for 2013/2014 (The Statement) has been attached. The statement sets out the Council’s processes for determining remuneration and a number of related issues, including the use of bonuses (not in the Council’s case), severance pay, enhancement or not of pension entitlement (not in the Council’s case) and allowances etc.

Section 10 of the Statement “Relationship between remuneration of Chief Officers and employees who are not Chief Officers” has not been completed yet. At the meeting of the Local Joint Staff Panel held on 25 February 2013, the Panel was advised that the annual Pay Policy Statement would need the recommendations from the Chief Executive’s Remuneration Committee to be
included once agreed by Full Council on 20 March 2013. As the recommendations from this Committee were scheduled to be considered by Full Council on 20 March 2013 and there are no Council Meetings scheduled before this date, the recommendations of this Committee will need to be added to the Statement later.

2. PROPOSAL(S):
The Localism Act 2011, Section 38 (1) requires that local authorities prepare an annual Pay Policy Statement which should be approved by Full Council before the start of the financial year. This is no longer possible due to the cancellation of the Council meeting on 20 March 2013. It is, therefore, proposed that the annual Pay Policy Statement is approved by the Cabinet Member for Corporate Governance until it can be formally approved by Full Council at its next meeting.

3. OPTIONS:

Approve the Council’s Annual Pay Policy Statement for 2013/2014 to comply with the requirements of the Localism Act 2011, Section 38 (1) (preferred option)

Not approve the Council’s Annual Pay Policy Statement for 2013/2014 and wait for the next Full Council and not comply with the requirements of the Localism Act 2011, Section 38 (1)

4. CONSULTATION:

Has consultation been undertaken with:

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<thead>
<tr>
<th>YES</th>
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<tbody>
<tr>
<td>Relevant Town/Parish Council</td>
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<td>Relevant District Ward Councillors</td>
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<td>Other groups/persons (please specify)</td>
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The Chairman of the Overview Select Committee has been consulted under the rules relating to urgent decisions

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES:
(Explain in more detail at 6 below)

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<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tr>
<td>Financial</td>
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<tr>
<td>Legal</td>
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<td>Human Rights/Equality Impact Assessment</td>
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<td>Community Safety including Section 17 of the Crime &amp; Disorder Act</td>
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<td>Sustainability</td>
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<td>Asset Management/Property/Land</td>
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<td>Other (please explain)</td>
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6. IMPLICATIONS:
The Council’s Annual Pay Policy Statement 2013/14 requires approval before the start of the financial year.

7. REASON FOR THE DECISION:
Urgent decision required due to the cancellation of Full Council due to be held on 20 March 2013 resulting in no suitable alternative Council meeting before the start of the financial year.
8. BACKGROUND PAPERS:
Arun District Council Constitution (Page 80, Section 13, Chief Executive Committees and Panels)
Local Government Pension Scheme
Arun District Council Annual Statement of Accounts 2011/12, officers Remuneration (updated version will be attached to the Statement)
Employment Stability Policy
Minutes from Local Joint Staff Panel held on 25 February 2013
PART B : INDIVIDUAL CABINET MEMBER DECISION

ICM No. 179/250313

URGENT DECISION IN ACCORDANCE WITH RULE 14.11 OF THE SCRUTINY PROCEDURE RULES? YES

CABINET MEMBER RESPONSIBLE: Cllr Wensley

SUBJECT: Urgent decision to approve the Council’s Pay Policy Statement due to cancellation of Full Council on 20 March 2013

OFFICER CONTACT: Jackie Follis EXTN: 37580 E-Mail: Jackie.follis@arun.gov.uk

EXECUTIVE SUMMARY:

The Full Council meeting of 20 March 2013 was cancelled due to health and safety concerns relating to the Council’s building. The Council’s Annual Pay Policy Statement was due to be considered and approved by Full Council having already been considered by the Local Joint Staff Panel at its meeting held on 25 February 2013. The Localism Act 2011, Section 38 (1) requires that local authorities prepare an annual pay policy statement. This statement must be prepared for each financial year and must be approved by Full Council ready to be published by April. In these exceptional circumstances it is proposed that the Cabinet Member for Corporate Governance, whose portfolio has responsibility for remuneration approves the Council’s Annual Pay Policy Statement as an interim measure until the next meeting of Full Council.

As this is an urgent decision, the Chairman of the Overview Select Committee, Councillor Chapman, has been consulted on the need to take this decision in accordance with Part 6 – Rules of Procedure – Section 1 – Decision Notice Procedure Rules. This decision is not subject to the Call-In procedure as set out in the ‘Scrutiny procedure Rules, Part 6, Section 2, and Paragraph 14.14 bullet point two of the Constitution. Councillor Chapman has confirmed that he is supportive of the decision and as a Member of the Local Joint Staff Panel. Both Councillors Chapman and Wensley attended the meeting of the Local Joint Staff Panel.

DECISION:

As recommended by the Local Joint Staff Panel following its meeting held on 25 February 2013, the Cabinet Member for Corporate Governance is requested to approve the Council’s Pay Policy Statement as an interim measure until it can be formally ratified by Full Council.

REASONS FOR THE DECISION:

Urgent decision required due to the cancellation of Full Council on 20th March 2013 resulting in no suitable alternative Council meeting before the start of the financial year.

OPTIONS CONSIDERED BUT REJECTED:

Not approve the Council’s annual Pay Policy Statement 2013/14 and wait for the next Full Council and not complying with the requirements of Section 38 (1) of the Localism Act 2011.

(Add any further options which arise from the consideration of this decision)

CABINET MEMBER(S)

DECLARATION OF INTEREST BY CABINET MEMBER(S) RESPONSIBLE FOR DECISION:

DISPENSATIONS GRANTED:
<table>
<thead>
<tr>
<th>DECISION BY</th>
<th>SIGNATURE</th>
<th>DATE</th>
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<tr>
<td>Relevant Cabinet Member</td>
<td></td>
<td>25 March 2013</td>
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<tr>
<td>Leader of Cabinet</td>
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EXECUTIVE SUMMARY

The Localism Act 2011, section 38(1) requires that local authorities prepare an annual pay policy statement. This statement must be prepared for each financial year, and must be approved by Full Council ready to be published by April.

RECOMMENDATIONS

That the Annual Pay Policy Statement is recommended to Full Council for approval.

1 Background

1.1 The Localism Act 2011, section 38(1) requires that local authorities prepare an annual pay policy statement. This should set out an authority’s own policies towards a range of issues relating to the pay of it’s workforce, particularly its senior staff and it lowest paid employees. This statement must be prepared for each financial year, and must be approved by Full Council ready to be published by April.

1.2 The draft Pay Policy Statement for 2013 – 2014 (The Statement) is attached. A number of other documents are referred to in the Statement and links to these will be included when the Statement is published on the internet. These are listed under ‘background papers’ at the end of this paper. Please contact me should you require copies of any of them.

1.3 The Statement sets out our processes for determining remuneration, and a number of related issues, including the use of bonuses (or not in our case), severance pay, enhancement or not of pension entitlement (not in our case), allowances etc.
1.4 Section 10 of the Statement, "Relationship between remuneration of Chief Officers and employees who are not Chief Officers" has not been completed yet. Figures will be made available to Members before or at the meeting, following the meeting of the Chief Executive Remuneration Committee.

2.0 Recommendation

2.1 Members are asked to recommend to Full Council that the Annual Pay Policy Statement 2013 – 2014 be approved.

Background Papers:

- Arun District Council Constitution (Page 80, Section 13, Chief Executive Committees and Panels
- Local Government Pension Scheme
- Arun District Council Annual Statement of Accounts 2011/12, Officers Remuneration (updated version will be attached to the Statement)
- Employment Stability Policy

Contact: Jackie Follis, Head of Human Resources and Customer Services, 57580

1. Purpose

1.1 This Pay Policy Statement (Statement) is provided in accordance with Section 38(1) of the Localism Act 2011 and the Statement will be updated annually from April each year.

1.2 The Statement sets out Arun District Council's (ADC) policies relating to the pay of its workforce for the financial year 2013 – 14, in particular:

- The remuneration of its Chief Officers
- The remuneration of its “lowest paid employees”
- The relationship between the remuneration of its Chief Officers and employees who are not chief officers.

2. Definitions

2.1 For the purpose of this Pay Policy the following definitions will apply:

“Pay/Remuneration” in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.

“Chief Officer” refers to the following roles within ADC:

- Chief Executive as Head of Paid Service
- Deputy Chief Executive and Resources Director as the Council’s Chief Officers
- Assistant Directors
- Head of Finance and Property and Section 151 Officer
- Head of Legal and Administration and Monitoring Officer
- Heads of Service paid at a percentage of Chief Officer grade

“Lowest Paid Employees” refers to those staff employed at spinal column point 10 of the Council’s pay framework. This definition has been adopted because it is the lowest pay point on the Council’s pay framework.

“Employee who is not a Chief Officer” refers to all staff who are not covered under the Chief Officer group above. This includes the “lowest paid employees”.

3. Pay Framework and Remuneration Levels – General Approach
3.1 Remuneration at all levels needs to be sufficient to secure and retain suitably qualified, skilled and motivated employees who can fulfil the Council’s business objectives in delivering services to the public. This has to be balanced by ensuring that remuneration is not and is not perceived, to be excessive. ADC is very aware of the need to maintain this balance at a particularly challenging time for the public sector.

3.2 Other than the Chief Executive, Deputy Chief Executive and Resources Director and Assistant Directors, cost of living increases and some allowances are linked to national pay negotiations for the relevant negotiating groups. For ADC this is the National Joint Council for Local Government Services.

3.3 Pay awards are considered annually by national negotiation with Trades Unions for all posts except that of the Chief Executive and Deputy Chief Executive and Resources Director. There has been no annual cost of living pay award to Chief Officers since April 2009 and since April 2010 for other staff.

4. Remuneration of the Chief Executive and Chief Officers

4.1 It is essential for good governance that decisions on pay and reward for the Chief Executive is made in an open and accountable way and that there is a verified and accountable process for recommending the level of top salaries.

4.2 The remuneration of the Chief Executive is determined by the Chief Executive Remuneration Committee. This Committee comprises elected councillors from the main political parties and determines the pay of the Chief Executive on appointment and annually thereafter, following the rules set down in Part 3, Section 13 of the Constitution of the Council (insert link to relevant section) and additional guidance provided in the “National Salary Framework and Conditions of Service Handbook” for local authority Chief Executives (available on the Local Government Employers website). The Remuneration Committee will take account of recommendations concerning performance from the Chief Executive Appraisal Panel (which consists of elected councillors from the main political parties, but who must not also be on the Remuneration Committee). It will also review market data relevant to Chief Executive pay and any significant other considerations which arise. The Chief Executive does not receive any additional payment other than fees in connection with election duties in his role as Returning Officer or relocation expenses on appointment, in line with the Council policy on this.

4.3.1 Remuneration for posts at Chief Officer and percentage of Chief Officer within the Council is determined by a number of criteria including relativities between the remuneration for these posts and other directly related posts (in terms of size and challenge of the role); the importance of the role within the Council; and other local or national circumstances which may arise, which it is deemed
should be considered at the time. Annual cost of living increases are determined at a national level. These posts are linked to the National Joint Council for Local Government Services national pay negotiations.

4.3.2 Information on remuneration for this group of staff is published as part of the Annual Statement of Accounts and an up to date statement can be found on the website at: (Insert link to relevant page of Annual Statement of Accounts) Names and roles of employees on percentage of Chief Officer posts have been published. Officers below this level will not be identified in this way.

4.6 A structure chart showing the membership and responsibilities of the Corporate Management Team is attached to this document as Appendix A.

4.3.3 There is no provision for the payment of bonus payments to the Chief Executive, Deputy Chief Executive and Resources Director and Chief Officers or those within the percentage of Chief Officer grades. Other payments made will be in line with Council policies on allowances.

4.8 There is provision within the Council’s Human Resources Guidance for the payment of “honoraria”, in exceptional circumstances as defined in the guidance, to any staff employed by the Council. For percentage of Chief Officer grades honoraria must be approved by the Chief Executive and relevant Director/Assistant Director. For the Deputy Chief Executive and Resources Director this must be approved by the Chief Executive. For the Chief Executive this must be approved by the Remuneration Committee.

5 Posts below Chief Officer level - Salary Grades and grading framework

The current grade framework consists of 14 grades up to but not including Chief Officer level. Grades for these posts are determined initially by a locally agreed Job Profiling Scheme. This takes account in a consistent and transparent way, of all the different elements of a post in making a grading decision.

5.1.1 The Council will consider the use of market supplements in exceptional circumstances, but these will only be implemented with the agreement of the Corporate Management Team and the Head of Human Resources and Customer Services, following consultation with Unison. They will be time limited and subject to review.

5.2 There is no provision for the payment of bonus payments to staff in these grades.

5.3 There is provision within the Council’s Human Resources Guidance for the payment of “honoraria”, in exceptional circumstances as defined in the guidance, to any staff employed by the Council. Honoraria will only be
awarded with the agreement of the Director in consultation with the Head of Human Resources and Customer Services.

6 Charges, Fees or Allowances

6.1 Any allowance or other payment will only be made to staff in connection with a particular role or the patterns of hours that they work.

7 Pensions

7.1 All staff as a result of their employment with Arun District Council are eligible to join the Local Government Pension Scheme. Full details of the scheme can be found at (insert link to West Sussex Pensions information which should be here – http://www.westsussex.gov.uk/your_council/pension_fund/membership_contributions_and/local_government_pension.aspx

8 Severance Payments

8.1 ADC pays redundancy payments based on actual salary and a 2.2 multiplier of the Statutory Redundancy Pay Table.

8.2 There is no local discretion to increase an employees total pension scheme membership or award additional pension except in exceptional circumstances where compassionate grounds apply.

9 New Starters Joining the Council

9.1 Employees new to the Council will normally be appointed to the first point of the salary range for their grade. A manager may consider a higher point in the grade in exceptional circumstances, this could for instance be where a new employee already operates at a level commensurate with a higher salary, or other circumstances. The appointing manager must agree any variation from the start of the scale with Human Resources and ensure that any such decision is consistent with that of other employees in a similar position.

9.1.1 Posts at Chief Officer and percentage of Chief Officer grades are determined by reference to a combination of recruitment challenges, national and local factors, how many times the post has been advertised etc. In areas where there is a particular skills shortage the Council may consider a market premium to attract high quality applicants. With Chief Officer and percentage of Chief Officer posts there can be scope for negotiation on the exact starting salary within the grade.
10 Relationship between remuneration of “Chief Officers and “employees who are not Chief Officers”

10.1 The mean average remuneration for 2013 – 2014 will be £?? with the highest paid employee at £?? This includes all allowances and employers pension contribution. The pay multiple between the two is

10.2 The lowest paid employee is £???? and the highest paid employee £????. This includes all allowances and employers pension contribution. The multiple between the two is ???.

Date recommended for approval by Local Joint Staff Panel: 25 February 2013

Date approved by Full Council: