



Meeting: **COUNCIL**

Portfolio Area: Resources

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PAY POLICY STATEMENT 2022/23

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1. PURPOSE

1.1 To approve the amended pay policy statement for the financial year 2022/23.

2. RECOMMENDATIONS

2.1 That the Pay Policy Statement set out in accordance with the Localism Act, 2011 and the Local Government Transparency Code 2015 as Appendix One to this report be approved.

2.2 That the pay policy is placed on the Council's web site

3. BACKGROUND AND REASONS FOR RECOMMENDED COURSE OF ACTION

3.1 The Localism Act requires local authorities to adopt annually a statutory pay policy statement which must then be published (including on the Council's website) 'to help local people understand how public money is being

spent in their area and to hold the Town Hall to account'. The first of these Pay Policy Statements was approved on 29 February 2012 and has been published annually since then.

3.2 No remuneration may be made to officers which falls outside the Pay Policy Statement although it will be possible for a meeting of the Council to amend the Statement at any time.

3.3 The Pay Policy Statement must include its policies on the following matters:-

- the remuneration of its chief officers
- the level and elements of remuneration for each chief officer,
- the remuneration of chief officers on recruitment
- increases and additions to remuneration for each chief officer
- the use of performance related pay
- the use of bonuses for chief officers
- the approach to the payment of chief officers on their ceasing to hold office

3.4 'Remuneration' of chief officers includes pay and terms and conditions which may apply in the future and to chief officer appointments which may be made in the future.

3.5 The Statement may also set out policies relating to other terms and conditions relating to Chief Officers.

3.6 The Statement must also set out:

- The relationship between the remuneration of its chief officers and that of its employees who are not chief officers.
- The Authority's definition of its 'lowest paid employees' for these purposes and the reasons for this definition and
- The remuneration of its 'lowest paid employees'

3.7 For clarity, 'Chief Officer' includes the Head of Paid Service (the Chief Executive), the Chief Finance Officer, the Monitoring Officer (Borough Solicitor), non-statutory chief officers (the Strategic Directors), and deputy chief officers (Assistant Directors).

3.8 In approving its pay policy statement the Council must have regard to any

guidance issued or approved by the Secretary of State. In 2012

‘Openness and accountability in local pay’ (“the Guidance”) was issued. The Council is not bound to follow the guidance but must take it into account in approving the Statement.

- 3.9** The Act itself does not require local authorities to publish specific salary details in the Pay Policy Statement. However, the Accounts and Audit (England) Regulations 2011 and the Local Government Transparency Code 2015 require the publication in the accounts of salary bands and the salaries of Chief Officers. Salary bands for these posts have therefore been included in the Pay Policy Statement as suggested in the Guidance.
- 3.10** The Guidance refers extensively to the Hutton Review of Fair Pay in the Public Sector. This Review comments on fairness in pay and that the salary gap between the highest and lowest paid officers has grown in recent years. Hutton suggests that the relationship between chief officers and other employees is explained and taken into account in remuneration decisions for all staff. This relationship he recommends can be illustrated by the publication of pay multiples – the ratio between the highest paid employee and mean average earnings.
- 3.11** The Statement therefore includes pay multiples comparing the Chief Executive’s remuneration against the lowest paid employees and mean average earnings across the Council.
- 3.12** The Guidance also expresses concerns that senior staff moving posts within the public sector could be seen as driving up average pay levels particularly where the sector as a whole is paying twice through a salary and a pension. As a closely related issue ‘Authorities should use their Pay Policy Statement to explain their policies towards re-engaging chief officers who have received severance or redundancy payments from that authority’. Although it is not envisaged that any such appointments will be made the Council has adopted a policy which relates to all Council officers, including chief officers and states

that “Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy”.

There is no restriction on returning to the wider public sector, however, in line with the Redundancy Payment (Local Government) (Modification) Order 1999 (as amended) officers who are made redundant, receive an offer of employment from another public body before their employment terminates and then start work in the new job within 4 weeks of that termination will lose their entitlement to a redundancy payment.

3.13 The proposed pay policy takes account of the supplementary statutory guidance issued under the Localism Act 2011, in February 2013 by the Secretary of State, on pay policy statements and remuneration above £100,000.

3.14 At the time of writing no national pay award for chief officers for financial year 2022/23 has been agreed. If any award is agreed at a national level this will be implemented for chief officers in line with the national guidance.

4. EQUALITIES AND DIVERSITY IMPLICATIONS

4.1 The Council has a legal obligation to comply with the Equality Act 2010, and to ensure equal pay for work of equal value, for men and women. The Council implemented single status with effect from 1 July 2014 to ensure compliance.

4.2 The Council publishes its Gender Pay Gap Report on an annual basis. A copy of this report can be found on the Council’s website at the following link –

<https://www.stevenage.gov.uk/documents/about-the-council/access-to-information/data-transparency/gender-pay-gap-31-march-2020.pdf>