

**TO: EMPLOYMENT COMMITTEE  
4 DECEMBER 2013**

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**ANNUAL UPDATE OF THE COUNCIL'S PAY POLICY STATEMENT  
(Director of Corporate Services – Human Resources)**

**1 PURPOSE OF REPORT**

- 1.1 Every year since 2012, and in accordance with the 2011 Localism Act, the Council is required to publish a Pay Policy Statement. From time to time, the Department for Communities and Local Government issues supplementary guidance in the Spring on what it expects to see in Pay Policy Statements. The 2013/14 Pay Policy Statement had already been agreed by Council by the time the latest piece of supplementary guidance had been issued, so implementation of this new guidance has been included in the 2014/15 statement through minor formal amendments.
- 1.2 The supplementary guidance states that, in the interests of greater accountability, full Council should be given the opportunity to vote on salary packages for appointments of over £100,000 per annum and on severance payments over £100,000, and that the Pay Policy Statement should articulate how this is addressed.
- 1.3 However, in both cases the decisions to pay over £100,000 would be a direct consequence of already formally agreed Council policies – either paying in accordance with agreed salary grades for senior officers or paying in accordance with the agreed severance policy. However, in view of this additional guidance from the DCLG, the Council should formally resolve that salaries and severance payments should be made in accordance with those policies. This position will then be reflected in the Pay Policy Statement.

**2 RECOMMENDATION(S)**

**That the Employment Committee recommend that Council:**

- 2.1 **Resolve that all appointments be made within the agreed senior salary structure outlined as Appendix A.**
- 2.2 **Resolve that all severance payments be made within the agreed Severance Policy.**
- 2.3 **Agree the Pay Policy Statement for 2014/15 attached as Appendix B.**

**3 REASONS FOR RECOMMENDATION(S)**

- 3.1 To explicitly comply with the DCLG latest guidance.
- 3.2 If a senior appointment is made it must be within the agreed salary structure in order to maintain the integrity of the grading system and avoid potential equal pay claims. By endorsing the senior salary structure, the Council is effectively giving its prior approval to the salary levels of any appointments made within those parameters.
- 3.3 The Council's severance payments are made according to its policy, which takes account of whether the individual has access to pension, the age and length of

service of the individual and the level of salary. By endorsing the Severance Payment policy, the Council is effectively giving its prior approval to the level of severance pay in individual cases, whilst the Employment Committee is giving its approval to the actual redundancy.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 To require full Council to approve any individual job advertisement or appointment or severance decision over £100,000. This would impose a significant delay in that process. In addition it would not be possible for the Council to make a decision to pay a salary outside the grade, or to pay severance outside the agreed policy, without incurring the risk of equal pay litigation, so their approval on a case by case basis would serve no real purpose.

#### **5 SUPPORTING INFORMATION**

- 5.1 The current senior salaries grading and payment structure was approved by Employment Committee in June 2009. Relative gradings of senior salary appointments are determined using the Hay independent job evaluation system and postholders paid according to an assigned grade. (The exception to this is qualified Public Health posts, for which there is a nationally set grade.) Currently only Directors and the Chief Executive would be appointed on a salary of over £100,000. Appointments Committees set up by Council have delegated power to make such appointments.

The current Severance Policy was approved by Committee in October 2011 and subsequently agreed by full Council in November 2011. It is in accordance with the required regulations and, in summary, is:

- Actual weekly pay is used in all redundancy calculations
- Those with immediate access to pension are paid in accordance with the statutory number of weeks' pay
- Those with no immediate access to pension are paid 1.75 times the statutory number of weeks' pay.

- 5.3 It is rare that payments are above £100,000 (one in the last 5 years). Employment Committee has delegated power to approve individual redundancies and will be advised of the size and cost of the severance payment.

#### **6 CONCLUSION**

- 6.1 It is suggested that the recommendations in this report offer a practical solution to complying with the guidance in the least intrusive way possible.

#### **7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

##### Borough Solicitor

- 7.1 Section 40 of the Localism Act 2011 requires a Local Authority, in performing its functions regarding Pay Policy Statements to have regard to any guidance issued or approved by the Secretary of State. A local authority must comply with such statutory guidance unless it has good reasons for not so complying.

Borough Treasurer

- 7.2 There are no financial implications arising from the proposed amendments to the Pay Policy Statement.

Equalities Impact Assessment

- 7.3 Failure to adhere to an evaluated grade structure or to an agreed and equalities-compliant severance policy on payments would open the Council up to challenge by introducing random factors which could be viewed as discriminatory.

Strategic Risk Management Issues

- 7.4 Failure to explicitly respond to the supplementary guidance may run the risk of challenge from the DCLG.

**8 CONSULTATION**

Principal Groups Consulted

- 8.1 None – no change to current levels of pay or severance proposed.

Method of Consultation

- 8.2 None

Representations Received

- 8.3 None

Background Papers

None

Contact for further information

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Unrestricted

**APPENDIX A**

**Senior Salaries Spinal Column – 1 April 2013**

	<b>Annual Amount</b>		
1	66231.00	S1 (SCP 1 - 5)	CO:Customer Services
2	67703.00		
3	69048.00		
4	70437.00		
5	71813.00		
6	73224.00	S2 (SCP 6 - 10)	Chief Officer: Housing
7	74695.00		
8	76176.00		
9	77691.00		
10	79225.00		
10	79225.00	S3 (SCP 10 - 13)	Asst Chief Exec Chief Officer: HR Chief Officer: Property CO: Information Services Chief Officer: Planning & Trnsprt CO:Leisure/Culture CO: Perf & Resources CYPL Chief Officer:Adults & Comm Chief Officer: OP&LTC
11	80802.00		
12	82403.00		
13	84037.00		
13	84037.00	S4 (SCP 13 - 16)	Borough Solicitor CO:Children's SC CO: Env & Pub Prot
14	85703.00		
15	87407.00		
16	89149.00		
16	89149.00	S5 (SCP 16 - 19)	Borough Treasurer
17	90912.00		
18	92720.00		
19	94565.00		
20	96443.00	S6 (SCP 24 - 28)	Directors, ECC, CS ASCHH, CYPL
21	98358.00		
22	100314.00		
23	102308.00		
24	104348.00		
25	106415.00		
26	108538.00		
27	110695.00		
28	112890.00		
29	115138.00		
30	117428.00		
31	119772.00		
32	122150.00		

Unrestricted

33	124704.00	S7 (SCP 33 - 36)	
34	127200.00		
35	129843.00		
36	132537.00		
37	135285.00		
38	138099.00		
39	141867.00		
40	144764.00	S8 (SCP 40 - 44)	Chief Executive
41	147652.00		
42	150587.00		
43	153586.00		
44	156638.00		
45	159768.00		
46	162937.00		
47	166194.00		
48	169515.00		
49	172905.00		
50	176361.00		

Chief Adviser: Learning & Achievement - Soulbury SCP 45 - 50 £79,930 - £84,292  
Director of Public Health and other qualified Public Health staff are paid in accordance with nationally set NHS grades.