

# North Tyneside Council

## Report to Council

Date: 29 March 2012

### ITEM 3

Title: Pay Policy  
Statement – Addendum

Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs Linda Arkley

Report from Directorate: Chief Executive's Office

Report Author: Alison Lazazzera, Strategic Human Resources Manager (Tel: (0191) 643 5012)  
Carol Murphy, Human Resources (Tel: (0191) 643 5027)

Wards affected: All

## PART 1

### 1.1 Purpose:

To consider a pay policy for approval by the Council as set out in Appendix 2 to this report. This matter was deferred from the meeting of the Council held on 15 March 2012 to enable clarification as to whether the policy can include a requirement to advise the Council whether a Chief Officer is engaged by the Council on a self-employed basis.

### 1.2 Recommendation(s):

It is recommended that Council:

- (1) Approves the Pay Policy Statement for 2012/13 and authorises publication of the Pay Policy Statement on the Council's Website.

### 1.3 Forward Plan:

This matter appears on the Forward Plan for the period 1 February 2012 to 31 March 2012.

### 1.4 Council Plan and Policy Framework

This matter relates to the following themes/programmes/projects in the 2011/15 Council Delivery Plan: Priority 3 – Our Resources.

### 1.5 Information:

The Council at its meeting on 15 March 2012 deferred the consideration of this report.

At the meeting an amendment to the substantive motion was moved by Councillor J O'Shea and seconded by Councillor D Corkey that:

'The pay policy report be deferred to enable clarification to be sought as to whether the policy can include a requirement to advise the Council whether a Chief Officer is engaged by the Council on a self-employed basis.'

The motion, as amended, on being put to the meeting, was approved 37 votes to 19 votes.

As many Members will be aware from the advice that Mr James Goudie QC gave to the Overview and Scrutiny Committee at its meeting on Monday 19 March 2012, the responsibility for the engagement of individuals under contracts for services rests exclusively with the Council's Cabinet.

Following consultation with the Mayor in relation to the motion for the deferral of this report, the Mayor has indicated that where Cabinet engages a Chief Officer under a contract for services all Members of the Council will be advised, through the Members Newsletter, of the engagement and the headline terms of that engagement.

A statement to this effect has been included in the Pay Policy Statement document. In addition the terminology of the Pay Policy Statement document has been adjusted to reflect the advice of Mr Goudie.

In addition to the above and following consultation with the Mayor, the Pay Policy document explains that any decision of Cabinet to engage a Chief Officer under a contract for services will:

- a) Comply with the Council's Standing Orders in relation to Contracts and any other requirements of the public procurement regime; and
- b) Not cost more than the annual salary, with the relevant on costs, of employing a Chief Officer in that role.

The report to Council on 15 March 2012 in relation to the Pay Policy Statement and the Pay Policy Statement as revised in line with the above comments are attached. The revisions to the Pay Policy Statement are underlined for Members' attention.

## **1.6 Decision options:**

**1.6.1** The following decision options are available for consideration by Council:

### Option 1

Approve the Pay Policy Statement for 2012/13.

### Option 2

Not approve the Pay Policy Statement for 2012/13.

## **1.7 Reasons for recommended option:**

**1.7.1** Option 1 is recommended for the following reasons:

The proposed Pay Policy Statement is a representation of how the Council manages its current pay decisions and complies with the requirements of the Localism Act 2011.

## **1.8 Appendices:**

Appendix 1: Report to Council – 15 March 2012 – Pay Policy Statement

Appendix 2: North Tyneside Council Pay Policy Statement 2012/13 (as revised)

## **1.9 Contact officers:**

Alison Lazazzera, Strategic HR Manager, tel. 643 5012

Carol Murphy, Assistant HR Manager, tel. 643 5027

Stephen Ballantyne, Lawyer Specialist – Governance and Employment, tel. 643 5329

Janice Gillespie, Senior Manager Corporate Finance, tel. 643 5701

## **1.10 Background information:**

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) Localism Act 2011
- (2) Openness and accountability in local pay: Guidance under section 40 of the Localism Act – Department for Communities and Local Government February 2012.
- (3) The Code of Recommended Practice for Local Authorities on Data Transparency – Department for Communities and Local Government September 2011.
- (4) Hutton Review of Fair Pay in the public sector March 2011.
- (5) Localism Act: Pay Policy Statements Guidance for Local Authority Chief Executives – Local Government Association and Association of Local Authorities Chief Executives (ALACE). November 2011.
- (6) Local Government and Housing Act 1989

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

2.1.1 The Council must ensure that what is agreed in its Pay Policy is applied in practice and where there are financial thresholds these must be adhered to.

2.1.2 There are no other financial implications arising from this report.

### **2.2 Legal**

2.2.1 The Localism Act 2011 requires a Pay Policy Statement to be prepared for each financial year, beginning with 2012/13, approved by the end of March each year by Full Council and published.

2.2.2 The attached Pay Policy is compliant with Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation)(England and Wales) Regulations 2006, and regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008.

2.2.3 The definition of the terms “chief officer” and “deputy chief officer” in the attached pay policy statement is in accordance with the definition of a statutory chief officer, non statutory chief officer and deputy chief officer in Section 2 of the Local Government and Housing Act 1989.

## **2.3 Consultation/community engagement**

### 2.3.1 Internal Consultation

The relevant Cabinet Member and Mayor have been briefed on the proposed Pay Policy Statement.

### 2.3.2 External Consultation/Engagement

The Senior Leadership Team and Trades Unions have been given the opportunity to comment on the Pay Policy Statement.

The Pay Policy Statement is a description of what the Council applies currently as part of its Constitution or through HR Policy and process all of which have been through the agreed consultation channels with managers and recognised trades unions.

As part of the requirements of the Localism Act 2011 any decisions on the pay and terms and conditions of employment affecting the workforce must be reflected in annual pay policy statements. National agreements cover the pay and terms and conditions of employment of the workforce and any proposed changes to these agreements would be shared and consulted on with the trades unions as part of an ongoing dialogue to comply with appropriate legal obligations on consultation.

## **2.4 Human rights**

2.4.1 The proposals in this report support the Council’s adherence to Human Rights legislation.

## **2.5 Equalities and diversity**

2.5.1 The proposals in this report support the Council’s equality and diversity standards.

## **2.6 Risk management**

2.6.1 The proposals in the Pay Policy Statement reflect the application of the Council’s job evaluation schemes and pay and grading structures. Any deviation from this could destabilise the pay and grading structures leading to inconsistencies and a risk of further equal pay claims against the Council. In the last staff survey most employees stated that they perceived their pay to be fair.

2.6.2 Risks around pay and grading are managed through corporate risk management responsibilities.

## **2.7 Crime and disorder**

2.7.1 The proposals in this report do not relate to crime and disorder.

## 2.8 Environment and sustainability

2.8.1 The proposals in this report have no impact on the environment.

### PART 3 - SIGN OFF

- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Director with  
Responsibility for Community  
Engagement