



PAY POLICY STATEMENT 2012/13

1. Introduction

1.1 The Localism Act 2011 introduces a requirement for public authorities to publish annual pay policy statements. It states, in the main, that a relevant authority must prepare a pay policy statement for the Financial Year 2012/13 and each subsequent year.

1.2 Pursuant to the Act and the associated guidance and other supplementary documents, this pay policy statement sufficiently summarises Bromley Council's approach to the pay of its workforce and, in particular, its "Chief Officers". In summation, the statement covers the Council's policies for the 2012/13 Financial Year, relating to:

- i) remuneration of its Chief Officers;
- ii) remuneration of its lowest paid employees;
- iii) the relationship between (i) and (ii) above.

1.3 In relation to "Chief Officers" the pay policy statement must describe the Council's policies relating to the following:

- i) the level and elements of remuneration for each Chief Officer;
- ii) remuneration of Chief Officers in recruitment;
- iii) increases and additions to remuneration for each Chief Officer;
- iv) the use of performance related pay for Chief Officers;
- v) the use of bonuses for Chief Officers;
- vi) the approach to the payment of Chief Officers on their ceasing to hold office under, or to be employed by, the authority; and
- vii) the publication of access to information relating to remuneration of Chief Officers.

1.4 As required by the Act and the supporting statutory guidance which, in turn, reflects the Local Government and Housing Act 1989, the definition of Chief Officer for the purpose of the pay policy statement covers the following roles:

- i) the Chief Executive/Head of Paid Service;
- ii) the Monitoring Officer;
- iii) a statutory Chief Officer and non-statutory Chief Officer under Section 2 of the Local Government and Housing Act 1989;
- iv) a Deputy Chief Officer responsible and accountable to the Chief Officer. However, it does not include those employees who report to the Chief Executive or to a statutory or non-statutory Chief Officer but whose duties are solely secretarial or administrative or not within the operational definition or the meaning of the Deputy Chief Officer title.

2. Exclusion

2.1 The Act does not apply to schools staff, including teaching and non-teaching staff.

3. Context: Key Issues and Principles

3.1 General Context – clearly there are a number of internal and external variables to consider in formulating and taking forward a pay policy. Reward and recognition is a key plank of the Council's agreed HR Strategy. This includes establishing strong links between performance and reward and celebrating individual and organisational achievements.

The HR Strategy is based on an assumption that all staff come to work to do a good job and make a difference. The Council expects high standards of performance from staff at all levels and seeks, in return, to maintain a simple, fair, flexible, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce.

3.2 Industrial relations: Recruitment and Retention

The Council aims to enhance its ability to recruit and retain high quality staff by being competitive in the labour markets. This is still the case even in the current financial straitened times. As Members make difficult and unpalatable financial decisions and staff step up to the challenges of delivering more (or the same) with less resources, the Council faces the challenges of retaining a motivated and flexible workforce which is adequately remunerated and valued for their contribution to “Building a Better Bromley”. We will keep our pay policy updated and align it to reflect the “Bromley Council employee of the future” characterised by innovation, flexibility, empowerment, leadership and individualised rewards for exceptional performers.

3.3 Contractual/Legal context:

- i) Currently most Bromley Council employees, other than teachers, are employed on terms and conditions which fall within a national/regional pay and conditions framework including employees under:
 - the NJC for Local Government Services (Green Book);
 - the NJC for Youth and Community workers;
 - the Soulbury Committee (Education Advisers, Educational Psychologists)

- ii) additionally, with the exception of their pay and grading arrangements, the contracts for employees on the Bromley Management grades incorporate either the conditions of service of the JNC for Chief Officers of local authorities or the NJC Green Book. Likewise, although their pay and grading structure is negotiated locally, many of the terms and conditions of the lecturers at Bromley Adult Education College are aligned with the “Green Book”.

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- iii) for legal reasons this pay policy statement does not change or propose to change the existing terms and conditions of service. Any pay policy would need to take account of the Council's legal obligations to effect any contractual changes, either through collective agreement with recognised Trade Unions or individual agreements, or through the dismissal and re-engagement route;
- iv) that said, going forward, the Council, subject to further staff and Trade Union discussions and negotiation, is seeking to localise its terms and conditions for its entire workforce, except teachers. One of the key reasons behind the proposal is that local control will give greater emphasis to local circumstances and improve the Council's ability to innovate and flex in ways that the current nationally agreed terms have often not encouraged. In summary, the proposal will introduce a single local annual pay review mechanism to replace the current separate arrangements for Bromley employees under the Green Book, Soulbury Committee and Management Grade staff.

The detail of how the single annual pay review will operate has yet to be determined and will be the subject of consultation and discussion locally with staff and their representatives. It will have regard to:

- affordability, inflation;
 - market settlements elsewhere;
 - flexible reward package;
 - organisational performance;
 - local and national circumstances and being competitive in the labour markets;
 - firm but fair performance management culture;
 - non-consolidated payments for exceptional performers
- v) The outcome of the proposal and any subsequent changes to the current terms and conditions of staff and, in particular, "Chief Officers"

will be reported to a future meeting of Full Council for consideration and approval.

3.4 Accountability

3.4.1 The Act requires that pay policy statements and any amendments to them are considered by a meeting of Full Council and cannot be delegated to any Sub-Committee.

3.4.2 Such meetings should be open to the public and should not exclude observers.

3.4.3 All decisions on pay and reward for “Chief Officers” must comply with the agreed pay policy statements.

3.4.4 As stated above, the Council must have regard to any guidance issued/approved by the Secretary of State. The latest guidance recently issued by the Department of Communities and Local Government (DCLG) states in inter alia “that full Council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment.” The Secretary of State considered that £100,000, including salary, bonus, fees or allowances or any benefit in kind, is the right level to trigger Member approval.

4. Transparency

4.1 In line with the guidance, the pay policy statement will be published on the Council’s website and accessible for residents to take an informed view on whether local decisions on all aspects of remuneration are fair and reasonable.

4.2 The Council is also required to set out its approach to the publication of and access to information relating to the remuneration of “Chief Officers”.

Information on pay and reward for senior employees required to be published under the Code of Recommended Practice for Local Government on Data Transparency and by the Accounts and Audit (England) Regulations 2011 is already accessible on the Council's website at:

http://www.bromley.gov.uk/downloads/file/893/lb_bromley_statement_of_accounts_201011

For the purposes of the Code, senior employee salaries are defined as all salaries which are above £58,200. The information, including the posts which fall into this category, will be regularly up-dated and published.

5. Fairness

- 5.1 The Council must ensure that decisions about senior pay are taken in the context of similar decisions on lower paid staff. In addition, the Act requires the Council to explain the relationship between the remuneration of its Chief Officers and its employees who are not Chief Officers, and may illustrate this by reference to the ratio between the highest paid officer and lowest paid employee and/or the median earnings figure for all employees in the organisation.
- 5.2 Additionally, the Act specifically requires the Council to set out its policies on bonuses, performance related pay, severance payments, additional fees/benefits (including fees for Chief Officers for election duties), re-employment or re-engagement of individuals who were already in receipt of a pension, severance or redundancy payment, etc.

6. Position Statement

- 6.1 The Council's position on the requirement of the Act and the information that it is required to include its Pay Policy Statements is as summarised above and as set out in the attached table (Appendix 1).

- 6.2 This Statement is for the Financial year 2012/13.

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- 6.3 The Statement must be approved by Full Council. Once approved it will be published on the Council's website. Any amendments during the Financial Year must also be approved by a meeting of Full Council.
- 6.4 This Statement (including the Appended table) meets the requirement of the Localism Act 2011 and the Department for Communities and Local Government (DCLG) guidance.