

PART A

Report to: Full Council
Date of meeting: 30 January 2018
Report of: Interim Head of Human Resources
Title: Council Pay Policy Statement

1.0 **Summary**

- 1.1 The Council's success relies on the talent and contribution of its workforce enabling and ensuring it meets its objectives. The Council's Pay Policy Statement seeks to ensure the Council is able to attract, recruit, retain and engage the right people in order to achieve this.
- 1.2 The Pay Policy Statement pulls together all the elements that make up the Council's financial reward practices. It provides assurances of our consistency, fairness and transparency and gives clarity to all our stakeholders about how and what our people are rewarded for. It defines the level and elements of remuneration for Chief Officers in accordance with the requirements of section 38(1) of the Localism Act 2011.
- 1.3 The Localism Act 2011 requires the Council to publish its position on 1 April each year in relation to specific areas of chief officers pay as follows: - remuneration levels, all other payments, incremental progression, performance related pay, bonus payments, redundancy, severance/ compensation, and retirement payments, and the Council's policy on the re-engagement of chief officers. This Pay Policy Statement sets out the Council's position in these areas. The report is the same as in previous years with updated staffing and pay rate information.
- 1.4 The recommendation of the Hutton Report into "Fair Pay in the Public Sector" as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation should be published. This is set out in Section 19 of the Pay Policy Statement, which shows the ratio to be 1:4.6. The Council does not have a policy on maintaining or reaching a specific pay multiple but is conscious of the need to ensure that the salary of the highest paid employee is not excessive but is consistent with the needs of the

Council as expressed in this policy statement.

- 1.5 The Hutton report raised concerns about multiples in the order of 1:20 or higher between the lowest and highest paid employees in local authorities. The Council's current lowest to highest ratio is 1.7, which, is considerably lower. The lowest pay in use by Watford Borough Council is within Band 3 paying £9.28 per hour including LW. This is above the national living wage.

2.0 **Risks**

2.1

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(Treat, tolerate, terminate, transfer)</i>	Risk Rating (the combination of severity and likelihood)
Non-Compliance with requirements of the Localism Act 2011	Reputation/Fine	Agree and publish to time	Treat	2

Recommendations

- 3.0 That Council approve the Council Pay Policy Statement.

Contact Officer:

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Report approved by: Nicola Houwayek, Interim Head of HR

4.0 **Implications**

4.1 **Financial**

4.1.1 The Shared Director of Finance comments that there are no financial implications as a result of this report.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that it is a requirement of the Localism Act 2011 that this be reported annually to Council.

4.3 **Equalities/Human Rights**

4.3.1 Having had regard to the council's obligations under s149, it is considered that as this is not a new policy and the data does not indicate any equalities issues that no updated EIA is required.

Appendices

- Pay Policy Statement 2018

Background Papers

- No papers were used in the preparation of this report

File Reference

None