

## PART A

**Report to:** Chief Officer Pay Panel  
**Date of meeting:** 1 March 2012  
**Report of:** Head of Human Resources  
**Title:** Chief Officer/ Senior Staff Reward Policy

### 1.0 **SUMMARY**

1.1 To present to the Panel the proposed Chief Officer/ Senior Staff Reward Policy.

### 2.0 **RECOMMENDATIONS**

2.1 That the policy is approved.

2.2 That the panel consider the recommendations in section 1.6 of the Policy and determine their remit regarding consultation on matters relating to all Senior Officer pay.

#### **Contact Officer:**

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**Report approved by:** N/A

### 3.0 **BACKGROUND**

3.1 The Chief Officer Pay Panel was established to review senior pay and agrees the arrangements for the council's Chief Officers, namely, the Managing Director, Executive Directors, and Heads of Service

3.2 There have been changes to legislation, and the introduction of the Localism Act (2011) extends the council's obligations to publish data relating to senior level pay. With effect from 1 April 2012, the council is required to publish its pay policy statements relating to not just the payment of Chief Officers, but also their direct reports (Deputy Chief Officers). In addition the council must articulate the following:

The relationship between the payment of Chief Officers/ Senior staff and the lowest paid employees, depicted as pay multiples.

The council's policy on other aspects of remuneration including appointment, increments, bonuses, termination payments, and enhancements to pension entitlements.

3.3 The council does not have any specific pay targets based upon pay multiples. The setting of a target based on a maximum of 1:20 was considered during the Hutton review of Fair Pay in the Public Sector (March 2011), however the decision from the review was not to implement a pay multiple target for the public sector.

3.4 Publishing the council's pay policy increases accountability, transparency and ensures fairness in the setting of local pay. Councillors have a greater role in determining pay levels ensuring decisions taken are approved by those who represent and are accountable to local people.

3.5 The council's pay policy has to be available to its communities who may determine whether the council's remuneration is appropriate and whether policies on the pay of the most senior staff are set clearly within the context of the pay of the wider workforce.

3.6 There is an opportunity to market what the council does and the contribution that it makes to its communities. By increasing public awareness there will be increased understanding of the purpose of the council, of what the council is doing, and of what it achieves. Linking achievements and successes to the performance of officers can persuade the worth of officer levels.

### 4.0 **DETAILS**

4.1 The attached pay policy pulls together all the current processes and practices that comprise the council's extrinsic reward policies and provides

a critique of the council's policies setting out what is paid and why.

4.2 The policy does not currently recommend any change to current practice. The time frame that would be required to research and design new proposals, gain agreement from Full Council and consult Officers/ Trade Unions would mean that the council could not meet the deadline for publication.

4.3 The facts are provided to allow an assessment to be made of whether the council's current practices reflect the aspirations of the council's strategic objectives. The following questions intend to stimulate thought relating to the council's strategy

Strategic context

What is the purpose of the council?

Objectives/ targets

What will the council be doing?

Performance model

What does good performance look like for Watford Borough Council?

How will we know when we have achieved it?

What value do Senior Officers add to council performance?

Performance management system

How do we design performance management systems and reward processes to recognise this value added?

5.0 **IMPLICATIONS**

5.1 **Financial**

5.1.1 There are no financial implications; implementing the policy incurs no additional cost

5.2 **Legal Issues**

5.2.1 The pay policy must be prepared and published and approved by Full Council by the 31 March 2012 to meet the requirements of the Localism Act (2011)

5.2.2 In preparing the statements the council must have regard to statutory guidance issued by the Secretary of State. Draft guidance was sent to Local Authorities for consultation in November 2011 and we await publication of the final guidance. If there are any changes as a result of consultation these will have to be reported at that time.

5.2.3 Discussion of pay policies does not engage the Data Protection Act as it

does not concern data relating to an individual.

### 5.3 **Equalities**

- 5.3.1 There are no equalities issues arising from this report. Previous equalities impact assessments have been undertaken on individual policies through the equal pay review process.
- 5.3.2 Any future changes to procedure or policy will require further Equality Impact Assessments

### 5.4 **Staffing and Other Implications**

- 5.4.1 There are no staffing implications, the policy presents current policy and practice.
- 5.4.2 There may be implications for the Customer Service Centre and the Communications Team as policies have to be externally published and accessible to citizens.

#### Attachment

Chief Officer/ Senior Staff Reward Policy

#### Background Papers

The Localism Act (2011)  
Draft guidance produced by Communities and Local Government “Openness and accountability in local pay: draft guidance under section 40 of the Localism Act (2011)”

The following council policies and procedures were accessed to compile the Reward policy. These policies may be accessed on the council’s Intranet.

Job Evaluation procedure  
Early retirement and early termination compensation policy  
Local Government Pension Scheme  
Market Forces payments  
Salary scales and structure charts  
Redundancy policy