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1 INTRODUCTION

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. This policy was considered and approved by the Full Council at the Council meeting which took place on 8 March 2012. This policy also has some connection with the data on pay and rewards for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011). It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex A to this policy statement.

2 DEFINITION OF OFFICERS COVERED BY THE POLICY STATEMENT

This policy statement covers the following posts:

1. Head of the Paid Service, which in this authority is the post of Chief Executive.
2. Statutory Chief Officers (as defined under the Localism Act), which in this authority is the post of Corporate Director (Section 151 Officer).
3. The Monitoring Officer
4. Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service) which in this authority are the posts of:
 - Head of Policy and Partnerships
 - Head of Planning and Housing
5. Deputy Chief Officers, (those who report directly to a statutory Chief Officer) which in this authority are the posts of:
 - Head of Corporate and Business Support
 - Head of Economy and Infrastructure
 - Head of Environment

3 POLICY ON REMUNERATING CHIEF OFFICERS

The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Annex B. The Chief Executive's and Corporate Director's (Section 151 Officer) remuneration packages are set by Elected Members. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time. The Chief Executive and Corporate Director (Section 151 Officer) are the only employees appointed by Elected Members.

4 POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment. The lowest pay point in this authority is spinal column point four of Grade one, this relates to an annual salary of £12,145 and can be expressed as an hourly rate of pay of £6.2951. This pay point and salary was determined by the authority as part of a pay scale for employees employed on Local Government Services Terms and Conditions in April 2004 and has been applied since that date. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.

5 POLICY ON THE RELATIONSHIP BETWEEN CHIEF OFFICER REMUNERATION AND THAT OF OTHER STAFF

The highest paid salary in this authority is £104,460 which is paid to The Chief Executive. The average median salary in this authority is £19,126. The ratio between the two salaries, the 'pay multiple' is 5.46:1. This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

6 POLICY ON OTHER ASPECTS OF CHIEF OFFICER REMUNERATION

Other aspects of Chief Officer remuneration which are appropriate to be covered by this policy statement, are defined as; recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an LGPS pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Annex C.

7 APPROVAL OF SALARY PACKAGES IN EXCESS OF £100K

The authority will ensure that prior to an offer of appointment is made, any salary package for any post that is in excess of £100k will be considered by Full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

8 FLEXIBILITY TO ADDRESS RECRUITMENT ISSUES FOR VACANT POSTS

In the vast majority of circumstances the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a

departure from this policy can be implemented except for appointment of the Chief Executive or Corporate Director (s151).

9 AMENDMENTS TO THE POLICY

It is anticipated that this policy will not need to be amended during the period it covers (April 2012 – 31 March 2013), however if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft policy will be presented to Full Council for consideration.

10 POLICY FOR FUTURE YEARS

This policy statement will be reviewed each year and will be presented to Full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

11 ANNEX A

The Secretary of State for CLG Code of Recommended Practice for Local Authorities on Data Transparency indicates that local authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and numbers of staff for all staff in receipt of a salary of more than £58,200
- An organisational chart of the staff structure of the authority including salary bands and details of currently vacant posts
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole authority workforce

The Accounts and Audit (England) Regulations (2011) require that the following data is included in the authority's accounts:

- Numbers of employees with a salary above £50k per annum (pro-rata for part time staff) in multiples of £5k
- Job title, remuneration and employer pension contributions for senior officers. Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act
- Names of employees paid over £150k per annum

<http://www.ryedale.gov.uk/pdf/Statement%20of%20Accounts%201%20April%202010%20to%2031%20March%202011.pdf> (page 59)

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year
- Bonuses paid or receivable for the current and previous year
- Expenses paid in the previous year
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment
- Total estimated value of non-cash benefits that are emoluments of the person

For the above pension contributions to include:

- The amount driven by the authority's set employer contribution rate
- Employer costs incurred relating to any increased membership or award of additional pension.

12 ANNEX B

Aspect of Chief Officer Remuneration	Ryedale District Council Policy
Recruitment	The post will be advertised and appointed to at the appropriate approved salary for the post in question unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the Council's policy and any variation will be approved through the appropriate decision making process.
Pay Increases	The Council will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The Council will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts subject to approval by the appropriate decision making process.
Additions To Pay	The Council would not make additional payments beyond those specified in the contract of employment.
Performance Related Pay	The Council does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed in accordance with appropriate Council Policy.
Earn-Back (Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Bonuses	The Council does not pay bonus payments to employees.
Termination Payments	The Council applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The Council also applies the appropriate Pensions regulations when they apply. The Council has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred regarding senior officers are published in the Council's accounts as required under the Accounts and Audit (England) Regulations 2011.
Transparency	The Council meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment	The Council is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The Council will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. Where a former employee left the Council due to Voluntary Severance (not Compulsory Redundancy) then he/she must not be permanently re-engaged with the Council.

13 ANNEX C

Post	Base Salary	Expenses	Bonuses	Performance Related Pay	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£104,460	Paid through normal authority procedures.	None	None	None	None	None	Election duty fees are paid in accordance with normal authority and national procedures.	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2012/13.
Corporate Director (s151)	£70,000	Paid through normal authority procedures.	None	None	None	None	None	Election duty fees are paid in accordance with normal authority and national procedures.	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2012/13.

Post	Base Salary	Expenses	Bonuses	Performance Related Pay	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Head of Policy and Partnerships	£54,558	Paid through normal authority procedures.	None	None	None	Paid through normal authority procedures, none planned.	Paid through normal authority procedures, none planned.	Election duty fees are paid in accordance with normal authority and national procedures.	None	The authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2012/13.
Head of Planning and Housing	£54,558									
Head of Corporate and Business Support	£54,558									
Head of Economy and Infrastructure	£54,558									
Head of Environment	£54,558									
Council Solicitor/Monitoring Officer	£53,332									