

Senior Pay Remuneration Panel Membership and Terms of Reference

1. Background and purpose

Section 38(1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for each financial year, which has to be approved by a resolution of the full Council by 31 March. There are various requirements within the Localism Act specific to Chief Officer pay policies and how local decisions on senior pay are made.

The purpose of establishing and maintaining a remuneration panel is to ensure good governance in the Councils approach to senior pay. It will provide a verified and accountable process for recommending levels of senior pay and reward, ensuring that decisions are made in an open and accountable way.

2. Definition of senior pay in Norwich City Council

The remuneration panel will review and make recommendation on the pay and reward relating to the chief executive and posts defined in the Local Government and Housing Act 1989 as statutory or non statutory chief officer posts, excluding head of service posts. These include:

- Executive head of business relationship management and democracy
- Executive head of customers, communications and culture
- Executive head of strategy, people and neighbourhoods
- Executive head of regeneration and development

3. Composition

The remuneration panel will consist of:

- Portfolio holder for Resources (Chair of the Panel)
- 1 x Cabinet member
- 1 x Representative of each political group
- 1 x independent representative (optional)

The Head of HR and learning will act as Advisor to the panel and will engage independent external pay market and grading advice, as required.

The Cabinet member representative will be selected by the Portfolio holder for Resources in consultation with the Leader of the Council.

Political group representatives will be selected by Group Leaders.

There is no requirement for the panel to be politically balanced.

The Head of HR and learning in consultation with the Group Leaders will propose suitable candidates for the independent representative.

It would be advantageous to have continuity of knowledge and build expertise of panel members. Panel members are therefore encouraged to remain on the remuneration panel for a period of three years, subject to any change in circumstances which mean they are not eligible to be panel members.

Substitutes: substitutes will not be permitted.

4. Remit

The panel will provide advice and make recommendations to Cabinet on the Council's senior pay and reward in relation to the posts of Chief Executive and Executive heads of service.

The panel will make recommendations on elements of the remuneration package and strategy, which are not set nationally. These will include pay levels; pay relativities – job sizing, pay structure and recruitment and retention. Should a post covered by the senior pay arrangements become vacant and it is anticipated that there will be difficulties recruiting the panel may be asked to review the senior remuneration package outside of the normal cycle.

Cabinet will consider and approve recommendations made by the remuneration panel. Any changes will be incorporated into the annual pay policy statement for approval at full council.

The Head of HR and learning will ensure appropriate consultation on proposed changes with employees affected and trade unions.

5. Exclusions

The remuneration panel will not consider new appointments to posts covered by these arrangements, which will be conducted in accordance with the Council's constitution.

The remuneration panel will not consider whether any annual pay award negotiated and awarded as part of national terms and conditions of employment will apply.

6. Protocols

The remuneration panel will agree to abide by the following protocols

- Maintain confidentiality regarding all discussions, and not disclose information in respect of Panel recommendations or Cabinet/Council decisions until these are published.
- Undertake to attend panel meetings and relevant training and carry out any pre panel preparation
- Act with respect towards officers whose remuneration is being discussed and other panel members
- Agree that recommendations will be made by consensus

- Be accountable for all recommendations made irrelevant of personal views

7. Process

The Panel will meet in accordance with an agreed timetable and at twice each year.

Suggested meeting cycle and topics for consideration:

April	<p>Briefing on latest trends and report on current issues and external market competitiveness.</p> <p>Review total remuneration composition for senior posts</p> <p>Determine requirement for formal review of the relevant pay market and identify benchmarking data required.</p> <p>Identify other areas to be reviewed as part of overall pay and reward strategy.</p> <p>If necessary, commission relevant research and analysis.</p>
July	<p>Review outcomes of market analysis and benchmarking</p> <p>Propose initial recommendations to be modelled.</p> <p>Review pay ratio and dispersion</p>
December	<p>Review and agree recommendations</p> <p>Report to Cabinet on activity and any recommendations (to include report on risk)</p> <p>Review panels effectiveness and value added</p> <p>Review effectiveness of external and internal advice</p>

The Panel will make recommendations based on data, advice and evidence. Data to be reviewed may include:

- information on current workforce profile and issues
- national and regional employers information
- independent external pay data and benchmark information
- ALACE/SOLACE
- projections for future needs

8. Review of Remuneration Panel and terms of reference

The requirement for a remuneration panel and the panel terms of reference will be reviewed annually.