Fair and transparent Executive Pay

New responsibilities for Public Sector suppliers following the Hutton Pay Review
Fair Pay in the Public Sector

As reported in extensive media coverage, Will Hutton’s government sponsored enquiry has called for more openness in setting senior pay.

The review, undertaken in response to major political and public debate on senior pay, requires transparency allowing the public to hold public sector organisations to account.

It calls on organisations to establish fair and transparent processes for deciding the weight and scope of executive roles and appropriate pay levels.

The review’s recommendations impact on all organisations who supply to the Public Sector.

Eventually its features are likely to be formally incorporated into procurement processes.

Prior to this it will be possible to gain competitive advantage over other suppliers by evidencing voluntary compliance with the Fair Pay Code.
Benefits of an independent audit

We offer an independent certified Audit which can be attached to your tender bids.

Ways HR Consulting is an independent specialist reward consultancy with a track record of providing guidance to a wide range of major Public Sector organisations.

In addition to enabling your competitiveness when bidding, our proven, specialist reward consultancy services can recommend best practice.

Effective Executive Pay

Your Executive Pay processes may already fully comply with the code.

If so, our independent Audit provides certified evidence and allows you to differentiate when competing for Public Sector contracts. We can particularly advise on the issues of new and potentially competing requirements on disclosures.

Your pay processes may also need to be reviewed during development prior to an eventual formal Audit. In either case Ways HR Consulting can provide a confidential process to match your specific requirements.
Hutton’s main recommendations

Relevant to external suppliers

A universal standard in executive pay disclosures

Hutton’s recommendations reject formal caps on earnings. Instead the review recommends a universal standard in executive pay disclosures.

Ways HR Consulting can help prepare your organisation for open public disclosure requirements. We can confirm that its position in the sector aligns with expectations.

We can also help to develop a workforce and reward framework that complies with Hutton’s Fair Pay Code.

This informs individual remuneration decisions at all organisational levels and the framework can be readily updated.
Executive remuneration & responsibility disclosures

To enable public understanding of executive remuneration and the nature of executive responsibilities, from 2011-12, Hutton recommends that all organisations delivering public services disclose in precise numbers the full remuneration of all executives. This is alongside an explanation of the responsibilities of each role and how executives’ pay reflects individual performance.

Under the proposals, public organisations will be required to submit executive pay data through an online template to allow citizens to hold public service organisations to account.

An independent audit of your pay arrangements would establish internal relativities and the relationship with the external market place to inform the disclosure of executive remuneration and contextualise this.

Fair Pay Code

To embed fairness principles and ensure fair process in executive remuneration, all public service organisations should adopt the Fair Pay Code.

A Ways HR Consulting Audit provides reassurance that your organisation already complies or can show how to achieve this.

A Ways HR Consulting Audit would also show how to make a pay framework compliant with Hutton’s Fair Pay principles.
Establishing or auditing a Fair Pay Code

Hutton's recommendations and how Ways HR Consulting can assist:

Fair & appropriate pay levels

To ensure reward is proportional to:

**Role weighting** – We can audit the job sizing method using our expertise in all proprietary Job Evaluation schemes.

**Individual performance** – We can audit your organisation’s performance pay systems and help devise effective reward arrangements.

---

Fair Pay process

Ways HR Consulting can help:

- **Establish independent, fair and transparent processes** that are open and transparent to allow detailed public scrutiny.
- **Develop a formal workforce and reward framework**, to inform individual remuneration decisions at all levels of the organisation.
- **Support remuneration committees** by providing independent, expert advice on all aspects of executive reward.
- **Ensure compliance with the Fair Pay Code** and provide independent authoritative explanations of your pay arrangements.

---

*We are well placed to analyse salaries in relevant niche markets to ensure that executive salaries both attract and retain talent and represent value for money to the public purse.*
The audit process & outcomes

Processes vary to some degree dependant on the degree of analysis that has already been undertaken.

Where an organisation has already formally defined roles and pay structures, these can be examined and audited to provide in a transparent report on existing these arrangements for scrutiny purposes.

Where arrangements are less well established, Ways HR Consulting can assist with the more fundamental analysis of roles, benchmarking of salaries and review of reward polices and associated terms.

In each case the Audit is a partnership approach with the Commissioners to define specific requirements for process, outcomes and reporting.

All services are provided in a commercially sensitive and confidential manner.

Why Ways HR Consulting?

Ways HR Consulting is a specialist fully independent expert consultancy with a track record of working with hundreds of organisations in all economical sectors.

Ways HR Consulting has been commissioned by all sectors of government to examine reward issues and has associated breadth of experience and external credibility.

We are expert users of all pay data sources and job evaluation methodology but independent of them all. Our reward expertise is therefore broader and more independent than providers of particular data sets and methods.

Our reward audits are rooted in a practical understanding of our client’s requirements including the need for effective, affordable and workable solutions.

Ways HR Consulting, 1 Portland Street, Manchester  M1 3BE
E. enquires@wayshrc.com
T. 0870 980 9882