

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



TO ALL MEMBERS OF THE GENERAL PURPOSES COMMITTEE

02 February 2012

Dear Councillor

GENERAL PURPOSES COMMITTEE – THURSDAY, 9 FEBRUARY 2012

Further to the agenda for the above meeting, previously circulated, please find attached the following report which was marked to follow:-

7. Pay Policy Statement 2012/13

To consider adopting the proposed Pay Policy Statement for 2012/13.

Should you have any queries regarding the above please contact me.

Yours sincerely

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Committee Services Officer

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Meeting: General Purposes Committee
Date: 9 February 2012
Subject: Pay Policy Statement 2012/13
Report of: Deb Clarke, Assistant Chief Executive, People & Organisation
Summary: The report proposes the adoption of a pay policy statement which is a legislative requirement under the Localism Act 2011. The pay policy statement must be approved by the Council before 31 March 2012.

Advising Officer: Catherine Jones, Head of HR Policy & Development
Contact Officer: Catherine Jones, Head of HR Policy & Development
Public/Exempt: Public
Wards Affected: N/A
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

- This report and the attached Pay Policy Statement does not directly support the Council's priorities but meets the requirements of the Localism Act 2011. The Pay Policy sets out how the Council pays and rewards its employees in a fair and equitable manner taking account of market pressures so that the Council is able to attract and retain the people required to secure the delivery of its priorities.

Financial:

1. There are no direct financial implications arising from this report or the attached Pay Policy Statement.

Legal:

2. The attached Pay Policy Statement complies with Sections 38-43 of the Localism Act 2011. The Act requires all local authorities to prepare, approve and publish a pay policy statement for the financial year 2012/13 and for each subsequent year. The Statement attached at Appendix A been prepared to fulfil this statutory obligation.

Risk Management:

3. There are no risks for the Council arising from this report as it brings together into one document previously published information.

Staffing (including Trades Unions):

4. The attached Pay Policy Statement has been shared with the Trade Unions although the Pay Policy brings together a number of other policies already published which have previously been the subject of trade union consultation. Any feedback from trade union consultation will be presented to the Committee.

Equalities/Human Rights:

5. The Pay Policy Statement will apply to all employees (regardless of their protected characteristic) as appropriate to their level in the organisation and the relevant terms and conditions of employment.
6. The Pay Policy Statement brings together information from existing policies and documents. These documents have previously been scrutinised to ensure that they comply with the Council's equalities duties.
7. The Statement should have a positive impact in terms of equality by helping to promote openness and transparency in relation to pay.
8. Where the provisions of the Localism Act require disclosure of data relates to individuals, this is permitted by Article 8 (2) of the Human Rights Act and Section 35 (1) of the Data Protection Act. The Council will not publish more information than is necessary to comply with the Act.

Community Safety:

9. Not Applicable.

Sustainability:

10. Not Applicable.

Procurement:

11. Not applicable.

RECOMMENDATION(S):

The Committee recommends the Council to:

1. **approve the attached Pay Policy Statement 2012/13 and agree that it will be published on the Council's web site before 31 March 2012.**

Background

12. In November 2011, the Localism Act received Royal Assent. Sections 38-43 of the Act require all local authorities to prepare, approve and publish a pay policy statement.

13. This legislation extends the existing requirements under the Code of Transparency to publish Chief Officer remuneration on the Council's website. The Council already complies with this requirement.
14. The legislation draws on Hutton's Fair Pay Review in the Public Sector 2011 introducing requirements to compare the policies on remuneration of chief officers and other employees in the authority and set out a policy on the lowest paid. The Act does not apply to local authority schools.

Pay Policy 2012/13

15. The attached draft Pay Policy Statement 2012/13 (Appendix A) meets the requirements of the Localism Act and refers to information regarding existing policies and terms and conditions that have been previously agreed either through the Shadow Executive in the year prior to the establishment of Central Bedfordshire Council, or subsequently agreed by the General Purposes Committee or Corporate Management Team where applicable.

Responsibility for decisions on remuneration

16. The provisions of the Act bring together three strands of increasing accountability, transparency and fairness in setting local pay.
17. Under the existing terms of reference for the General Purposes Committee the attached policy would be approved by the Committee and adopted by the Council. Details of Chief Officer pay is covered by the Appointments Committee at the time of appointing to the post.
18. However one of the requirements of the Act is that the Pay Policy Statement and any subsequent amendments must be approved by Full Council and provides that this should take place before 31st March 2012.
19. The Act seeks to ensure that policies and decisions on the pay and reward of the most senior staff are set within the context of the pay of the wider workforce.

Appendices:

Appendix A – Draft Pay Policy Statement 2012/13

Background Papers: (open to public inspection)

The Localism Act 2011

Communities and Local Government – Code of Recommended Practice for Local Authorities on Data Transparency

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CENTRAL BEDFORDSHIRE COUNCIL**PAY POLICY STATEMENT 2012/13****1. INTRODUCTION**

This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011 and with regard to the guidance issued by the Secretary of State under Section 40 of the Act.

It is made available on the Council's website. The Council's website also includes separately published [salary information](#) relating to Chief Officers as part of the Transparency Code.

2. SCOPE

The Localism Act sets out the posts that are considered to be Chief Officers. In terms of Central Bedfordshire this will cover the Chief Executive as Head of Paid Service, Directors and Assistant Chief Executives, the Monitoring Officer, Section 151 Officer and a number of Assistant Directors and Heads of Service who are regarded as Deputy Chief Officers.

In accordance with the Act, the Pay Policy Statement provides information about the remuneration paid to the Council's Chief Officers and other prescribed categories of employee. It covers all employees of Central Bedfordshire Council irrespective of legacy terms and conditions where they remain.

This policy does not apply to staff employed by local authority schools as the Localism Act does not include them.

3. REMUNERATION OF CHIEF OFFICERS

The Chief Executive and Directors Terms and Conditions are in line with the National Conditions of Service for Chief Executives and Chief Officers.

Chief Executive

The Chief Executive is the Council's Head of Paid Service. As at 31 March 2012, the annual FTE range for the grade of this post is £161,700 - £186,200. There are 5 incremental points in the grade.

Incremental progression for Chief Officers is not automatic but is awarded following the achievement of set performance objectives. The decision to award an incremental increase to the Chief Executive is made by the Leader.

The starting salary paid to the Chief Executive will be that determined by the Appointments Committee, taking in to consideration guidance from the NJC National Framework and market forces.

In addition to the above salary, the Chief Executive is entitled to a business mileage related lump sum allowance of £375. This amount is as determined under the Council wide scheme.

The Head of Paid Service is additionally the Council's Returning Officer. The responsibility of this role is one of a personal nature distinct from duties as an employee of the council. The fee paid to the Returning Officer is determined by legislation and the recovery of the costs of the Returning Officers' services and expenses at a UK or European Parliamentary election is met from Central Government funds and so does not constitute a cost to the Council. Where local elections occur a scale of fees and charges, approved by the Council, determines the total overall amount the Returning Officer may expend in connection with an election. The fees paid to staff who undertake election duties are broadly in line with central government rates.

Directors

The salary scale for the Council's Directors is £115,461 - £140,561. There are 6 incremental points within this grade. The starting salary will be that determined by the Appointments Committee, taking in to consideration guidance from the NJC National Framework and market forces.

Incremental progression for Chief Officers is not automatic but is awarded following the achievement of set performance objectives and the authorisation of the Chief Executive.

The Director of Children's Services is entitled to an additional duties allowance of £13,051.56 per year as Council's Deputy Chief Executive and to a business mileage related lump sum allowance of £375. This amount is as determined under the Council wide scheme.

The Council's Assistant Chief Executive is employed as an interim via Carlisle Managed Solutions and is not directly employed by the Council.

Assistant Directors and Heads of Service

Terms and Conditions for Assistant Directors and Heads of Service are in accordance with the National Joint Council (NJC) conditions of service for Local Government Services.

The Council's pay scales for these posts are as follows:

Assistant Directors - the salary scale is determined by job evaluation for the post but will be within the range £60,728 - £89,082. These are across 4 separate pay bands each with 3 incremental points.

Heads of Service - the salary scale is determined by job evaluation grade for the post but will be within the range of £46,733 - £50,982, or £56,646 - £60,896, Each grade has 3 incremental points.

Section 151 Officer and Monitoring Officer

The Council's Chief Finance (section 151) Officer and Monitoring Officer are graded at £80,000 - £84,999 and £56,646 - £60,898 respectively. The Monitoring Officer also receives an annual allowance £5,000 for additional responsibilities as the Council's Monitoring Officer.

Currently the Council does not have any performance related pay systems or bonus schemes in place for any Chief Officers

4. REMUNERATION OF OTHER EMPLOYEES

Terms and Conditions for Assistant Directors, Heads of Service and remaining officers are in accordance with the National Joint Council (NJC) conditions of service for Local Government Services.

The pay spine used by the Council is aligned but not directly comparable to the national pay spine, following a 2% reduction to pay implemented in October 2011. In order to protect lowest earners, salaries at or below £21,519 have been exempted from this reduction.

Pay rates are negotiated at a national level through the NJC, therefore the Council will apply any cost of living pay awards to the revised pay scales.

All posts up to spinal column point (scp) 37 are evaluated under the NJC job evaluation scheme. Posts on and above scp 37 are evaluated under the Hay job evaluation scheme. The pay scale ranges from £12,145 - £45,325.

The Council does not have any performance related pay systems or bonus schemes in place for any employees.

Any Market Supplement that is paid for specifically identified posts will be in accordance with the Council's Market Rate Supplement policy.

Employees may be eligible for a business mileage related lump sum car allowance in accordance with the published scheme.

5. PAY COMPARISONS

For the purposes of the Pay Policy Statement, the Council's pay scales define the lowest paid employees as scp 4. As at 31 March 2012 this is £12,145pa.

The current pay multiple demonstrating the relationship between the Council's highest paid employee and the median salary package of the Council's workforce is 6.7. This is below the expected multiples of 8.1-12.1 for the public sector as identified in the Hutton Review of Fair Pay in the Public Sector (March 2011) Report.

It is the Council's policy that the salary of the Chief Executive will be no greater than 8x the median salary package of the Council's workforce.

6. PENSIONS PROVISIONS

The Local Government Pension Scheme (LGPS) is open to all employees up to 75 years of age and with a contract of more than 3 months' duration. Details are set out on the [LGPS website](#)

No additional pension payment to the Local Government Pension Scheme is made to Chief Officers

7. SEVERANCE PROVISIONS FOR ALL EMPLOYEES INCLUDING CHIEF OFFICERS

The Council will normally pay severance in redundancy situations based upon the Statutory Redundancy Payment Scheme using actual weekly salary where this is greater than statutory redundancy pay. Any employee with 2 years' continuous service, including Chief Officers, irrespective of hours worked, is eligible for a redundancy payment should he or she be dismissed by reason of redundancy.

Any request for early retirement on the grounds of efficiency of the service must receive member approval.

8. REVIEW

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2013/14 and will be submitted to Full Council for approval by 31 March 2013.

If it should be necessary to amend this 2012/13 Statement during the year that it applies, an appropriate resolution will be made by Full Council.