

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



TO ALL MEMBERS OF THE GENERAL PURPOSES COMMITTEE

14 January 2014

Dear Councillor

GENERAL PURPOSES COMMITTEE – PAY POLICY STATEMENT

Further to the agenda and papers for the meeting of the General Purposes Committee on 20 January 2014, previously circulated, please find attached the following report which was marked to follow:-

7. Pay Policy Statement 2014/15

To consider the proposed Pay Policy Statement for 2014/15.

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: 20 January 2014
Subject: Pay Policy 2014/15
Report of: Deb Clarke, Director of Improvement and Corporate Services
Summary: The report sets out details of the Pay Policy Statement 2014/15 which is a requirement for the Council to adopt by 31 March 2014.

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

CORPORATE IMPLICATIONS

Council Priorities:

This report and the attached Pay Policy does not directly support the Council's priorities but meets the requirements of the Localism Act. 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 resources required to support the delivery of its priorities.

Financial:

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

Legal:

2. The attached Pay Policy complies with Sections 38-43 of the Localism Act which requires that all authorities publish a Pay Policy to enable greater transparency towards Chief Officer pay.

Risk Management:

3. There are no risks for the Council arising from this report as it brings together into one document existing published information. There are reputational risks that may arise from not complying with the requirements of the Localism Act 2011.

Staffing (including Trades Unions):

4. The attached Pay Policy 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 will apply to all employees regardless of age, disability, gender, race, sexual orientation, religion/belief (or any other protected characteristic) as appropriate to their level in the organisation and the relevant terms and conditions of their employment.
6. The Pay Policy 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. Where the recommendations under the Localism Act regarding the 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 data than is required to comply with legislation.

Public Health

8. Not Applicable

Community Safety:

9. Not Applicable.

Sustainability:

10. Not Applicable.

Procurement:

11. Not applicable.

RECOMMENDATION:

The Committee is asked to:

1. **Approve the attached Pay Policy for 2014/15 and recommend to Full Council that the Pay Policy be adopted and published on the Council's website with effect from 1 April 2014.**

Background

12. In November 2011, the Localism Act received Royal Assent. Sections 38-43 of this legislation sets out a requirement for all Local Authorities to publish a comprehensive Pay Policy Statement which should be reviewed and updated annually.
13. This legislation extends further the existing requirements under the Code of Transparency to publish Chief Officer remuneration on the website and ensure that Full Council has the opportunity to approve senior appointments or severance arrangements outside of existing approved policies and pay arrangements.

14. The legislation draws on Will Hutton's Fair Pay Review in the Public Sector 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.

Pay Policy 2014/15

15. The attached draft Pay Policy 2014/15 (Appendix A) reflects existing policies and terms and conditions that have been agreed either through the Shadow Executive, Full Council or subsequently agreed by the General Purposes Committee or Corporate Management Team where applicable.
16. In response to the DCLG supplementary Guidance issues in February 2013 regarding Pay Policy Statements, we have made it clear as set out in track changes to the attached draft, that where an appointment for a Chief Officer is proposed with a salary package in excess of any salary grade already approved, then General Purposes would need to make a recommendation to Full Council.
17. In addition, in the event that a proposed severance package due to an exceptional discretionary payment being proposed is outside of existing statutory or contractual arrangements, General Purposes would need to make a recommendation to Full Council for approval.
18. These amendments to the draft are the only changes to the attached Pay Policy Statement other than the application of national collective bargaining pay awards that have uplifted the Council's salary scales.

Responsibility for decisions on remuneration.

19. The provisions of the Act bring together accountability, transparency and fairness in setting local pay. Councillors are required to take a greater role in determining pay, ensuring that decisions are taken by those who are directly accountable to local people.
20. Under the existing terms of reference for the General Purposes Committee the attached policy would be approved by the Committee and no further consideration would be required.
21. However one of the requirements of the Localism Act is that the Pay Policy and any subsequent amendments must be approved by Full Council and this should be in time for publication from 31 March 2014.
22. The recommendation set out in this report deals with this requirement.
23. Alongside the existing Code on transparency, the Act's provisions will ensure that communities have access to the information they need to determine whether remuneration, particularly senior remuneration, is appropriate and commensurate with responsibility.

24. The Act ensures that policies and decisions on the pay and reward of the most senior staff are set clearly within the context of the pay and wider workforce.

Appendices:

Appendix A – Draft Pay Policy 2014/15

Background Papers: (open to public inspection)

None

CENTRAL BEDFORDSHIRE COUNCIL**PAY POLICY STATEMENT 2014/15****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.

Salary ranges published in this policy are correct as at 31st March 2014

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, the Monitoring Officer, Section 151 Officer and a number of Assistant Directors/Chief Officers 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 JNC Conditions of Service for Chief Executives and Chief Officers.

Chief Executive

The Chief Executive is the Council's Head of Paid Service. [The Council has set the salary range for this post and as at](#) 31 March 2014, 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 JNC National Framework and market forces [and subject to it being within the published salary range](#)

Any appointment proposed above this published salary range would require a recommendation from General Purposes Committee to Full Council.

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

Council has set the salary range for Directors~~Historically when the Council was created a salary grade was established for the directors as . The salary range is~~ £115,461 - £140,561 with 6 incremental points. ~~In reviewing~~ However this approach ~~has been reviewed and~~ new appointments are now on a 'spot salary' basis within or below the salary range set by Council. ~~This allows for a~~ The spot salary ~~to be~~ determined by the Appointments Sub- Committee, taking into consideration guidance from the JNC National Framework and market forces.

Any appointment proposed above this published salary range would require a recommendation from General Purposes Committee to Full Council.

The Council will apply JNC nationally agreed cost of living pay awards to the salaries of Directors.

The Director of Children's Services is entitled to an additional duties allowance of £13,051.56 per year as the 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.

Assistant Directors/Chief Officers and Heads of Service

Terms and Conditions for Assistant Directors/Chief Officers 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/Chief Officers - the salary scale is determined by the job evaluated grade for the post but will be within the range £61,335 - £89,972. These are across 4 separate pay bands each with 3 incremental points.

Heads of Service - the salary scale is determined by the job evaluated grade for the post but will be within the range of £47,200 - £51,492, or £57,213 - £61,505, Each grade has 3 incremental points.

Section 151 Officer and Monitoring Officer

The Council's Chief Finance (Section 151) Officer and Chief Legal and Democratic Services (Monitoring) Officer are graded at £83,986 - £89,972 and £75,305 - £83,986 respectively.

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/Chief Officers, 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 were 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 £12,435 - £45,779.

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

Any Market Rate 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 those whose salary falls within the lowest grade which at 31 March 2014 has a salary range of £12,435 - £12,613pa.

The current pay relationship between the highest paid employee who is the Chief Executive (Head of Paid Service) and the Council's median earner and the mean average salary has been measured.

For the period 2014/15, the ratio of pay of the Chief Executive to that of the median earner is 1:7.28

For the period 2014/15, the ratio of pay of the Chief Executive to that of the mean average salary is 1:6.72

Both these ratios are 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 earner 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 council 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.

The Council will meet its statutory and contractual obligations in respect of any severance package, and does not make discretionary payments. However if in exceptional circumstances a discretionary payment is proposed, the details of the full package would require a recommendation by General Purposes Committee to Full Council for approval. ~~the approval of the relevant Executive member, the Deputy Leader and the Chairman of the General Purposes Committee in addition to the Head of Paid Service.~~

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 2015/16 and will be submitted to Full Council for approval by 31 March 2015.

If it should be necessary to amend this 2014/15 Statement during the year that it applies, an appropriate resolution will be made by Full Council.