

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



**TO ALL MEMBERS OF THE
GENERAL PURPOSES COMMITTEE**

27 November 2017

Dear Councillor

GENERAL PURPOSES COMMITTEE – THURSDAY, 7 DECEMBER 2017

Further to the agenda and papers for the above meeting, previously circulated, please find attached the following report:

7. Pay Policy Statement 2018/19

To recommend to Council the proposed Pay Policy Statement for 2018/19.

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

Yours sincerely

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Committee Services Officer

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Central Bedfordshire Council

GENERAL PURPOSES COMMITTEE

7 December 2017

PAY POLICY STATEMENT 2018/19

Report of Charles Warboys, Director of Resources

Advising Officers:

Vikki Chapman, Assistant Director - People
(vikki.chapman@centralbedfordshire.gov.uk)

Purpose of this report

The report sets out the details of the Pay Policy Statement 2018/19 which is a requirement for the Council to adopt by 31 March 2018.

RECOMMENDATIONS

The Committee is asked to:

1. Approve the attached Pay Policy Statement for 2018/19
2. Recommend to Full Council that the Pay Policy be adopted and published on the Council's website with effect from 1 April 2018.

Overview and Scrutiny Comments/Recommendations

1. Under the Council's Constitution, this is a matter for the General Purposes Committee and therefore has not been submitted to Overview and Scrutiny.

Background

2. The Localism Act sets out requirements for all Local Authorities to publish a comprehensive Pay Policy Statement which is reviewed and updated annually.
3. The 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.

4. The attached draft Pay Policy Statement 2018/19 (Appendix 1) reflects existing terms and conditions that have been secured at the appropriate level through the Council's governance arrangements.
5. The Constitution sets out that all chief officer level senior appointments must be made by the Appointments panel and this provides the necessary checks within the Council to ensure that salary packages are appropriate and proportionate to the roles and responsibilities held and relevant market forces and existing pay arrangements already in place are taken into account.
6. The Pay Policy Statement also sets out that in the event of an exceptional discretionary payment being proposed as part of a severance package, which is outside our statutory or contractual arrangements, General Purposes Committee would need to make a recommendation to Full Council for approval.

Issues

7. The Pay Policy Statement reflects the existing pay arrangements following the national pay award that covers the period to 31 March 2018.
8. As the Government is proposing to introduce a cap on Public Sector Termination payments and a requirement to make a Recovery of Exit payments to high earning employees in particular circumstances, the attached Pay Policy Statement will need to be amended to reflect the details of the Regulations when finalised. This is likely to be during 2018. Any revised Pay Policy Statement will be brought to General Purposes Committee for consideration prior to being presented to Full Council.

Responsibility for decision on remuneration

9. The provisions of the Localism Act bring together accountability, transparency and fairness in setting local pay, with Councillors being given a defined role in determining pay, ensuring that decisions are taken by those who are directly accountable to local people.
10. Under the existing terms of reference for the General Purposes Committee the attached Policy Statement would be approved by the Committee and no further consideration would be required.
11. However one of the requirements of the Localism Act is the Pay Policy Statement and any subsequent amendments must be approved by Full Council and this should be in time for publication from 1 April each year.
12. The recommendations set out in this report deal with this requirement.
13. 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 of the wider workforce.

Reason for decision

14. To meet the statutory requirement to publish annually a Pay Policy Statement that has been approved by Full Council.

Council Priorities

15. This report and the attached Pay Policy Statement do 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.

Corporate Implications

Legal Implications

16. 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.

Financial Implications

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

Equalities Implications

18. 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.
19. 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 and equality impact assessments carried out as appropriate.
20. 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 the legislation.

Appendices

Appendix A – Draft Pay Policy Statement 2018/19

Background Papers (open to public inspection)

- The Localism Act 2011
- Communities and Local Government –Local Government Transparency Code
- Openness and accountability in local pay: guidance under Section 40 of the Localism Act 2011.
- Openness and accountability in local pay: guidance under Section 40 of the Localism Act 2011 Supplementary guidance February 2013.

CENTRAL BEDFORDSHIRE COUNCIL PAY POLICY STATEMENT 2018/19

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 2018

2. SCOPE

The Localism Act sets out the posts that are considered to be Chief Officers. In terms of Central Bedfordshire, this covers the Chief Executive as Head of Paid Service, Directors, the Monitoring Officer, Section 151 Officer and a number of Assistant Directors/Chief Officers/ Group Managers 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. This is currently paid as a spot salary.

The decision to award any salary increase to the Chief Executive is made by the Leader.

The starting salary paid to the Chief Executive is determined by the Appointments Sub-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

All Directors are paid on a spot salary. The range in which the spot salary is determined is decided by the Appointments Sub-Committee, taking into consideration guidance from the JNC National Framework and market forces.

The Chief Executive has delegated powers to make amendments to Directors salaries within the overall currently agreed range of salaries paid to Directors, to provide flexibility to respond to organisational changes from time to time.

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

Assistant Directors/Chief Officers/Group Managers and Heads of Service

Terms and Conditions for Assistant Directors/Chief Officers/ Group Managers 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/Group Managers - the salary scale is determined by the job-evaluated grade for the post but will be within the range £63,944 to £93,800. 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 £49,207 - £64,122. These are across two separate pay bands each of with 3 incremental points.

Section 151 Officer and Monitoring Officer

The post of the Council's Chief Finance (Section 151) Officer is held by the Director of Resources who is paid on a spot salary.

The role of Monitoring Officer is undertaken by Quentin Baker, the Executive Director of LGSS Law Ltd which provides legal services to the Council. Mr Baker is an employee of another local authority who second him to Central Bedfordshire Council pursuant to

s.113 of the Local Government Act 1972 in order to fulfil this role.

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/ Group Managers, 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. To protect lowest earners, salaries at or below £21,519 (scp 25) were exempt 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 and any non-consolidated payments as determined by the national pay awards.

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 £15,014 to £47,727. All employees are paid on or above the National Living Wage except Level 2 Apprentices in their first year of their apprenticeship for which the National Apprenticeship Wage is paid.

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 2018 has a salary of £15,014.

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 2017/18, the ratio of pay of the Chief Executive to that of the median earner is 7.2:1 and to that of the mean average salary is 6.4:1.

Both these ratios are below the expected multiples of 8.1f or 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

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 2019/20 and will be submitted to Full Council for approval by 31 March 2019.

Should it be necessary to amend this 2018/19 Statement during the year that it applies, an appropriate resolution will be made by Full Council.