

## BABERGH DISTRICT COUNCIL

<b>From: Head of Corporate Organisation</b>	<b>Report Number: L163</b>
<b>To: Council</b>	<b>Date of meeting: 23 February 2012</b>

### ADOPTION OF SENIOR OFFICER PAY POLICY STATEMENT

#### 1. Purpose of Report

- 1.1 In accordance with section 38 (1) of the Localism Act 2011, local authorities are required to produce a Pay Policy Statement for 2012/13 by 31 March 2012 and for each financial year thereafter.
- 1.2 The Pay Policy Statement being recommended for adoption is attached at Appendix 1. The specific detail within Appendix 1 relates to the current pay arrangements for this Council though the same format is being used for both Babergh and Mid Suffolk District Councils. It is anticipated that a single Pay Policy Statement will be produced for both Councils from 2013/14.

#### 2. Recommendation

- 2.1 The Council is asked to approve the proposed Pay Policy Statement for 2012/13 attached as Appendix 1 to this report.

#### 3. Financial Implications

- 3.1 The pay policy has been produced within existing resources and there are no financial implications.

#### 4. Risk Management

- 4.1 Key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
Legal risk of non compliance	Low	Low	Formal approval by Council before 31 March
Transparency/reputational risk	Low	Low	Formal approval as above and annual reviews
Unfair application to all staff of pay policy	Low	Medium	HR involvement to ensure that policy is applied equally

#### 5. Consultations

- 5.1 There is no requirement to consult on this policy statement.

## 6. Equality Analysis

- 6.1 The publication of the Pay Policy Statement will support the Council in delivering its equality duty, and links closely with the duty to publish workforce data.

## 7. Shared Service / Partnership Implications

- 7.1 Although there will be separate statements for Babergh and Mid Suffolk District Councils (both following the same format) for the 2012/13 financial year, the intention is that, following the integration of the staffing structure, a single policy will be adopted for subsequent years.

## 8. Key Information

- 8.1 The Localism Act and supporting guidance provides information and detail on the matters that must be included within this statutory pay policy. However, it also emphasises that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be formally approved by Full Council by the end of March each year. The statement can be amended in-year, it must be published on the Council's website and it must be complied with when setting the terms and conditions of Chief Officer employees.
- 8.2 Further, the Regional Employer Organisation has provided guidance and support to all Councils on the production of Pay Policy Statements including the provision of an outline model policy, which has been followed.
- 8.3 This Pay Policy Statement includes a policy on:-
- a. Level and elements of remuneration for each chief officer (for this Council this is defined as Chief Executive, Strategic Directors and Heads of Service)
  - b. The remuneration of the Council's lowest paid employees
  - c. The relationship between the remuneration of the Council's chief officers and other officers
  - d. Other specific aspects of chief officers' remuneration, remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

## 9. Appendices

Title	Location
1 Pay Policy statement	Attached

### Authorship:

Name Jeanette Bray  
Job Title HR and OD Manager, Babergh District Council

Tel. 01473 825744  
Email: [jeanette.bray@babergh.gov.uk](mailto:jeanette.bray@babergh.gov.uk)

**PAY POLICY STATEMENT 2012/13**

**1. Introduction**

- 1.1 Babergh District Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.
- 1.2 It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market.
- 1.3 In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressures conflict. The Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial if the Council is to retain and improve its current performance levels and to deliver for local people. The next period will be a particularly complex and challenging time for senior leaders and staff.

**2. Context**

- 2.1 The requirement for statutory pay policy comes at a transitional period for Babergh and Mid Suffolk District Councils as we are progressing through the implementation of an integrated officer structure. The senior management structure has now been implemented, supported by new pay grades and evaluations using the National Senior Managers' job evaluation scheme. The integration of the staffing structure for all posts below Head of Service is progressing and all jobs in the new structure will be evaluated using the national job evaluation scheme for local government. A new single pay and grading structure is also being developed and appointments within the new structure will be on these new grades and pay scales. This Pay Policy Statement reflects the current transitional position and will be reviewed as work on the single pay and reward structure develops.

**3. Legislation**

- 3.1 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for 2012/2013 and for each financial year thereafter.
- 3.2 This document comprises that Pay Policy Statement being recommended for adoption. Mid Suffolk District Council will be following this same format and it is anticipated that a single Pay Policy will be produced for both Councils from 2013/2014.

- 3.3 This statement must include the Council's policy on the following:
- a. Level and elements of remuneration for each chief officer (for this Council this is defined as Chief Executive, Strategic Directors and Heads of Service).
  - b. The remuneration of the Council's lowest paid employees.
  - c. The relationship between the remuneration of the Council's chief officers and others.
  - d. Other specific aspects of chief officers' remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

#### **4. Remuneration of Employees**

- 4.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' (commonly known as the 'Green Book'), the Council currently use 14 pay bands, with the Chief Executive grade the highest, going down to performance grade (PG) 13. The grades have between 5 and 14 increments (PG13 originally had 20 increments but the lower half of the grade has not been in use for some time). Posts are allocated to a pay band through a process of job evaluation.
- 4.2 For the purpose of this Policy Statement, employees on PG13 are defined as our lowest-paid employees. This is because no employee of the Council is paid at an hourly salary level that is lower than a point contained in PG13. At 31 March 2012, the full-time equivalent (FTE) annual value of the bottom increment used within PG13 is £12,436 (point 10) and the top is £16,208 (point 20).
- 4.3 The values of the Spinal Column Points (SCPs) in these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services.

#### **5. Remuneration of Chief Officers**

- 5.1 The Council currently share the following posts at this level with Mid Suffolk District Council:

Chief Executive

Strategic Directors x 4 (including one interim post)

Heads of Service x 7 (including one interim post)

These posts were evaluated in 2011 on the Local Government Senior Managers' job evaluation scheme and the grades established following recommendations by an independent Local Government Association (LGA) consultant who drew on current data on salary levels within the sector.

## 5.2 Chief Executive

- 5.2.1 The Chief Executive is the Council's Head of Paid Service. As at 31 March 2012, the annual FTE salary range for the grade of this post is £99,119 - £115,582. There are five incremental points in the grade.
- 5.2.2 It is the Council's policy that the FTE salary range for the post of Chief Executive will normally be no greater than 8x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.
- 5.2.3 Notwithstanding 5.2.1, the value of the SCPs in the Chief Executive's grade will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.
- 5.2.4 The Chief Executive also receives a Returning Officer fee in respect of District and Parish Council Elections, and a Deputy Returning Officer fee for County Council elections. Each Council has agreed a scale of fees for this function dependent upon the number of contests at any given election. The level of fees is updated in line with national elections. Fees for conducting Parliamentary Elections are determined by way of a Statutory Instrument.

## 5.3 Strategic Directors and Heads of Service

- 5.3.1 The Strategic Directors report to the Chief Executive. As at 31 March 2012, the annual FTE range for the grade of this post is £73,000 - £86,000. There are five incremental points in the grade.
- 5.3.2 It is the Council's policy that the FTE salary range for the post of Strategic Director will normally be no greater than 7x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.
- 5.3.3 The Heads of Service report to a Strategic Director. As at 31 March 2012, the annual FTE salary range for the seven Head of Service posts is £53,000 - £63,000. There are five incremental points in this grade.
- 5.3.4 It is the Council's policy that the FTE salary range for the Head of Service posts will normally be no greater than 4.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.
- 5.3.5 Notwithstanding 5.3.1 and 5.3.3, the value of the SCPs in the Strategic Director and Head of Service grades will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.

#### 5.4 Section 151 and Monitoring Officers

The Council's Monitoring Officer is shared with Mid Suffolk District Council and employed by this Council directly. The grade for this post is performance grade 3 (salary range points 1 -14, £44525 to £62614). The Council's Section 151 Officer is currently employed on the recently superseded Director grade (points 1-8, £69890 to £82767).

#### 5.5 Service Managers

5.5.1 Our Service Managers are not subject to the Conditions of Service determined by the Joint Negotiating Committee for Chief Officers of Local Authorities, as they are 'Green Book' employees. Some of them may however, be classed as 'Deputy Chief Officers' under the Local Government and Housing Act 1989, due to the Council's organisational structure in force at any given time.

5.5.2 Because they are 'Green Book' employees, our various Service Manager posts are job evaluated before a pay band is allocated. As at 31 March 2012, Service Manager posts are on a range of grades from PG8 (salary range points 1 – 10, £28,894 to £36,540) to PG4 (salary range points 1 – 12, £40,461 to £53,951).

### **6. General Principles Applying to Remuneration of Chief Officers and Employees**

6.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.

6.2 Individuals may receive an annual increment, subject to the top of their grade not being exceeded. Progression within the grade for all staff is subject to good performance which is assessed annually in accordance with agreed policy and performance review criteria.

6.3 The Council does not apply performance-related pay or bonuses to the senior management grades. For performance grade posts the performance related pay bonus has been suspended by collective agreement.

6.4 On ceasing to be employed by the Council, individuals will only receive compensation:

- (a) in circumstances that are relevant (e.g. redundancy), and
- (b) that is in accordance with our published Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
- (c) that complies with the specific term(s) of a compromise agreement.

- 6.5 Any decision to re-employ an individual who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not however, normally engage such an individual under a contract for services.
- 6.6 The Council does not offer or pay market supplements.
- 6.7 The Council does not currently offer or pay honoraria awards.
- 6.8 The Council pays Essential and Casual Car User allowances in accordance with agreed policy. These allowances are in accordance with 'Green Book' rates, although the Council does not recognise the 1200cc to 1450cc (i.e. the top) band. There are also local rates in force for individuals who use their motorcycles or bicycles on official business.
- 6.9 Any subsistence allowance that is paid will be no higher than the rates notified from time to time by the East of England Local Government Association.

## **7. Review**

- 7.1 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.
- 7.2 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.