

## BABERGH AND MID SUFFOLK DISTRICT COUNCILS

<b>From: Head of Corporate Organisation</b>	<b>Report Number: N116</b>
<b>To: COUNCIL</b>	<b>Date of meeting: 25 February 2014</b>

### PAY POLICY STATEMENT 2014/15

#### 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 each year by 31 March to cover the financial year ahead. This is the policy statement for 2014/15
- 1.2 The Pay Policy Statement being recommended for adoption is attached at Appendix 1. As the integration between Babergh and Mid Suffolk Councils has now achieved a single organisational structure with harmonised pay, grades, terms and conditions of service, this is a single pay policy statement which covers both Councils.

#### 2. Recommendations

- 2.1 The Council is asked to approve the proposed Pay Policy Statement for 2014/15 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 This report is most closely linked with the Council's Corporate / Significant Business Risk No. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Legal risk of non compliance	Low	Low	Formal approval by Council
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. Equal pay audit undertaken

## 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 This is a single pay policy reflecting the integrated workforce across both Councils.

## 8. Key Information

8.1 The Localism Act 2011 and supporting guidance provide information and detail on the matters that must be included within this statutory pay policy. However, they also emphasise 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. 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 those in Chief Officer posts.

8.2 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
(a) Pay Policy	Attached

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## **BABERGH AND MID SUFFOLK DISTRICT COUNCILS PAY POLICY STATEMENT 2013/14**

### **1. Introduction**

- 1.1 Babergh and Mid Suffolk District Councils recognise 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. In particular, it is recognised that senior management roles in local government are complex and diverse, functioning in a politicised environment where often national and local pressures conflict.
- 1.3 The Councils' ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is critical if the Councils are to retain and improve their current performance levels and to deliver for local people. The challenges ahead in the next period will continue to present a demanding and complex and for senior leaders and staff.

### **2. Context**

- 2.1 Babergh and Mid Suffolk District Councils have now implemented their integrated workforce structure, supported by a new single pay and grading structure and supporting policies, terms and conditions of service through a collective agreement across both Councils.
- 2.2 The national job evaluation schemes for local government were used to create the grading structure for all posts within the operational delivery teams and the management structure
- 2.3 The new salary grades are significantly different from the previous grades and pay scales they have replaced at both Councils. There are now less grades in use, the salary points between the grades do not overlap as they did previously and each grade has fewer incremental points ( between a minimum of 4 and a maximum of 7 across the grades).

### **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 the Pay Policy Statement being recommended for adoption.

- 3.3 This statement must include the Councils' policy on the following:
- (a) Level and elements of remuneration for each chief officer this is defined as Chief Executive, Strategic Directors and Heads of Service).
  - (b) The remuneration of the Councils' lowest paid employees.
  - (c) The relationship between the remuneration of the Councils' 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'), during this period of transition, the Councils currently use a total of 11 grades. The Chief Executive Grade is the highest, and grade 1 is the lowest. The grades have between 4 and 7 increments (significantly less than in the previous Babergh and Mid Suffolk grades) Posts have been allocated to a pay band through a process of job evaluation.
- 4.2 There is also a group of staff on the 'National Agreement on Pay and Conditions of Service for Local authority Craft and associated Employees (commonly known as the 'Red Book'). The Councils use a spot salary for this staff group and all are currently paid at £26,180 per annum (p.a.)
- 4.3 For the purpose of this Policy Statement, employees (this excludes those on apprenticeship training schemes) on grade 1 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 this grade. At 31 March 2014, the full time equivalent (FTE) annual value of the lowest increment used within Grade 1 is £14,880 (point 11).
- 4.4 The values of the Spinal Column Points (SCPs) in these pay grades are up-rated 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 Councils share the following posts at this level

Chief Executive  
Strategic Directors x 4 (including one interim post)  
Heads of Service x 6

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 Councils' Head of Paid Service. As at 31 March 2014, the annual FTE salary range for the grade of this post will be £100,110 - £116,738. There are five incremental points in the grade.
- 5.2.2 It is the Councils' 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 grade 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 up-rated by the pay awards notified from time to time by the national Joint Negotiating Committee for 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 2014, the annual FTE range for the grade of this post will be £73,730 - £86,860. There are five incremental points in the grade.
- 5.3.2 It is the Councils 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 grade 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 2014, the annual FTE salary range for the six Head of Service posts will be £53,530 - £66,660. 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 grade 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 up-rated by the pay awards notified from time to time by the Joint Negotiating Committee for Local Authorities.

## 5.4 Section 151 and Monitoring Officers

- 5.4.1 The Councils Monitoring Officer is shared with Mid Suffolk District Council and employed by this Council directly. The current grade for this post is grade 8 (salary range points 54 - 60, £46,671 to £52,916 p.a.) and in addition there is an allowance for undertaking a statutory officer role across two councils within the range £7,500 - £11,000 p.a. The Section 151 Officer for Babergh District Council is currently employed on a fixed point within the protected Director grade (points 1-8, £69890 to £82767) and the section 151 Officer for Mid Suffolk District Council is employed on a Head of Service grade.

## 5.5 Corporate Managers

5.5.1 r Corporate 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 Councils' organisational structure in force at any given time.

5.5.2 Following job evaluation, Corporate Managers posts have been appointed across three grades, with allocated pay bands. As at 31 March 2014, Corporate Manager posts will be on a range of grades from Grade 8 (salary range incremental points 54 to 60, £46,671 to £52,916 p.a.) to Grade 6 (salary range incremental points 40 to 46, £33,998 to £39,351p.a.).

## 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 Councils 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 arrangements within the grade will be dependant upon competency and performance.

6.3 The new integrated proposed Grades and terms, conditions and benefits will not include any performance bonus payments.

6.4 On ceasing to be employed by the Councils, 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 settlement agreement.

6.5 Any decision to re-employ an individual, who was previously employed by the Councils and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Councils will not however, normally engage such an individual under a contract for services.

6.6 The Councils do not offer or pay market supplements.

6.7 The Councils do not currently offer or pay honoraria awards.

6.8 The Councils pay Essential and Casual Car User allowances in accordance with agreed policy. These allowances are in accordance with 'Green Book' rates, although the Councils do not pay 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 The current subsistence allowances that are paid are linked to those last recommended by the East of England Local Government Association two years ago. Future updates will need to be determined locally as this update will no longer be provided by EELGA.

## **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 2015/16 and will be submitted to Full Council for approval

7.2 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.