

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Assistant Director - Corporate Resources	Report Number: S34
To Babergh District Council Mid Suffolk District Council	Date of meeting: 28 June 2016 29 June 2016

AMENDED PAY POLICY STATEMENT FOR 2016/17

1. Purpose of Report

- 1.1 The Pay Policy Statement for 2016/17 was approved by Council in February 2016. Amendments to this Policy are required in view of a change to the Chief Executive salary range, in advance of the recruitment of a new Joint Chief Executive, the introduction of a Deputy Chief Executive post and some other minor changes as outlined in paragraph 10.5.

2. Recommendations

- 2.1 That the amended Pay Policy Statement for 2016/17, as attached at Appendix A, be approved.

3. Financial Implications

- 3.1 The resignation of the current Joint Chief Executive and the need to recruit a successor has prompted a review of the salary range contained within the Pay Policy, to ensure it is still competitive and will attract a suitable candidate.
- 3.2 The current salary range for the Joint Chief Executive role is £103,335 - £120,499. As a result of the review the salary range has been increased slightly to £110,000 - £128,000 and the Pay Policy Statement updated to reflect this change.
- 3.3 The top of the new salary range for the Joint Chief Executive is £7,500 higher than the current range. This will be built into the budgets of the two councils as and when the new post holder reaches the top of the grade. There may be an initial saving depending upon where the successful candidate is appointed within the grade.
- 3.4 The Deputy Chief Executive role is a new post in the structure, so needed to be included within the Pay Policy Statement and has been funded from the savings achieved from the recent focused management review.
- 3.5 The employment costs (salary and on-costs) of the Chief Executive and Deputy Chief Executive are shared equally between Babergh District Council and Mid Suffolk District Council.

4. Legal Implications

4.1 The Council is required by the Localism Act 2011 to annually approve and publish a pay policy statement that sets out:

- (a) the remuneration of its chief officers
- (b) the remuneration of its lowest paid employees, and
- (c) the relationship between – the remuneration of its chief officers and the remuneration of its employers who are not chief officers.

This report is seeking to amend the annual pay policy statement that was approved in February 2016.

5. Risk Management

5.1 This report is not directly linked to the Council's Corporate / Significant Business Risks, but the key risk is set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
That the salary ranges for the Chief Officers are set too low to attract suitable candidates or too high, thus attracting adverse publicity.	Unlikely	Noticeable	The salary ranges are based on current market data.

6. Consultations

6.1 There is no requirement to consult on this policy statement.

7. Equality Analysis

7.1 The publication of the Pay Policy Statement supports the Council in delivering its equality duty and links closely with the duty to publish workforce data.

8. Shared Service / Partnership Implications

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

9. Links to Joint Strategic Plan

9.1 The pay policy supports our enabled and efficient organisation outcomes.

10. Key Information

10.1 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, which is the purpose of this report, 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.

- 10.2 In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees, but at the same time needs to avoid being unnecessarily generous.
- 10.3 In reviewing the current Chief Executive salary range, in preparation for external recruitment of the new Joint Chief Executive, information was gathered on the salary for Chief Executive posts within the market. Regional median salaries, 40 Authorities which have a shared Chief Executive and local Councils were used for comparison to ensure a competitive salary was identified. This data has been used to amend the salary range from the current £103,335 - £120,499 to £110,000 to £128,000.
- 10.4 Limited data exists with regard to salaries for Deputy Chief Executives, but what could be sourced has been used to establish the new grade to sit between the Strategic Director and Chief Executive salary ranges and has been included in the amended Pay Policy Statement.
- 10.5 Some changes to the Policy are required as a result of this report and some other minor amendments since it was approved. The changes are;
- (a) Addition of Deputy Chief Executive to the list of chief officers (Paragraphs 3.3 and 5.1).
 - (b) Salary scale information has been amended for the Chief Executive and added for the Deputy Chief Executive (Paragraph 5.4).
 - (c) Reporting lines have been amended to reflect the Deputy Chief Executive post (Paragraphs 5.4.2 and 5.5.1).
 - (d) Heads of Service have been retitled Assistant Directors (Paragraphs 3.3, 5.1, 5.5.4).
- 10.6 The amended Pay Policy Statement for 2016/17 is attached at Appendix A for approval and will be published on the Councils' websites.

11. Appendices

Title	Location
A Amended Pay Policy Statement for 2016/17	Attached.

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BABERGH AND MID SUFFOLK DISTRICT COUNCILS' PAY POLICY STATEMENT 2016/17

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.
- 1.4 The Councils publish their joint Pay Policy Statement and details of their Chief Officers' remuneration on their websites: www.babergh.gov.uk and www.midsuffolk.gov.uk.

2. Context

- 2.1 Babergh and Mid Suffolk District Councils have an integrated workforce structure, supported by a single pay and grading structure and supporting policies, terms and conditions of service which were achieved through a collective agreement across both Councils.
- 2.2 The national job evaluation scheme for local government was used to create the grading structure for all posts within the operational delivery teams and the management structure.

3. Legislation

- 3.1 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year.
- 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 by the Councils as Chief Executive (Head of Paid Service), Deputy Chief Executive, Strategic Directors (Non Statutory Chief Officers), Assistant Director - Corporate Resources (Section 151 Statutory Chief Officer), Assistant Director - Legal and Governance (Monitoring Officer) and Assistant Directors (Deputy Chief Officers).

- (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 who are not Chief Officers

- 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 Councils currently use a total of 11 pay grades. Posts have been allocated to a pay band through a process of job evaluation.
- 4.2 Each grade has between 1 and 7 increments. The value of the pay increments (known as the "Spinal Column Points") increases when the Councils are notified of an increased pay award by the National Joint Council for Local Government Services. In addition, the Councils review all pay levels every April, to determine who is eligible for incremental progression.
- 4.3 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 £26,757 per annum (p.a.)
- 4.4 For the purpose of this Policy Statement, employees on the lowest increment within the Grade 1 pay band 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 this grade. At 31 March 2016, the full time equivalent (FTE) annual value of the lowest increment used within Grade 1 will be £15,207, which is the same as the national Spinal Column Point 11. This rate exceeds the National Minimum Wage and the Living Wage set by the Living Wage Foundation. This excludes apprentices who are paid the National Minimum Wage rates for apprentices.

5. Remuneration of Chief Officers

- 5.1 The Councils share the following posts, which fall within the definition of "Chief Officer" for the purposes of this Pay Policy:
 - Chief Executive (the Councils' head of paid service)
 - Deputy Chief Executive
 - Strategic Directors x 2 (reporting directly to the Deputy Chief Executive)
 - Assistant Directors x 7
- 5.2 The posts were evaluated in 2011 using the Local Government Senior Managers' job evaluation scheme. The pay grades for these posts were established following recommendations by an independent Local Government Association (LGA) consultant who drew on current data on salary levels within the sector.

- 5.3 The value of the incremental points or Spinal Column Points within each of the pay grades will be increased by the pay awards notified from time to time by the Joint Negotiating Committee for Local Authorities.
- 5.4 Chief Executive and Deputy Chief Executive
- 5.4.1 The Chief Executive is the Councils' head of paid service. As from 1 September 2016, the annual Full Time Equivalent (FTE) salary range for the grade of this post will be £110,000 - £128,000. There are five incremental points in the grade.
- 5.4.2 The Deputy Chief Executive reports to the Chief Executive and has line management responsibility for the Strategic Directors and Statutory Officers (other than Head of Paid Service). As from 1 June 2016, the annual FTE salary range for the grade of this post will be £89,658 - £103,335. There are five incremental points in the grade.
- 5.4.3 It is the Councils' policy that the FTE salary range for the post of Chief Executive and Deputy Chief Executive will normally be no greater than 8 x the FTE salary range of a Grade 1 'Green Book' employee. The FTE salary for Chief Executive and Deputy Chief Executive does not exceed this range.
- 5.4.4 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. Fees for conducting UK Parliamentary Elections, European Parliamentary Elections and national referenda are determined by way of a Statutory Instrument.
- 5.5 Strategic Directors and Assistant Directors
- 5.5.1 The Strategic Directors and Statutory Officers (other than Head of Paid Service) report to the Deputy Chief Executive. As at 1 April 2016, the annual FTE range for the Strategic Director Grade will be £75,352 - £88,771. There are five incremental points in the grade.
- 5.5.2 It is the Councils' policy that the FTE salary range for the post of Strategic Director will normally be no greater than 7 x the FTE salary range of a Grade 1 'Green Book' employee. The FTE salary for Director does not exceed this range.
- 5.5.3 The Assistant Directors (excluding Statutory Officers), report to a Strategic Director. As at 1 April 2016, the annual FTE salary range for the Assistant Director Grade will be £54,708 - £68,127. There are five incremental points in this grade.
- 5.5.4 It is the Councils' policy that the FTE salary range for the Assistant Director posts will normally be no greater than 4.5 x the FTE salary range of a Grade 1 'Green Book' employee. The FTE salary for Assistant Directors does not exceed this range.
- 5.5.5 The Councils' Monitoring Officer and Section 151 Officer are shared between both councils at Assistant Director grade (Salary £54,708 - £68,127). In addition, there is an allowance for the Council's Monitoring Officer and Section 151 Officer for undertaking a statutory officer role across two councils within the range of £7,665 - £11,242 per annum.

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

Recruitment

6.1 On recruitment, individuals (including Chief Officers) will be placed on an appropriate pay increment 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.

Pay increases

6.2 Pay increments within the grades may increase as a result of the Joint Negotiating Committee for Local Authorities. Individuals (including Chief Officers) may also progress within their pay grade. Individuals cannot progress beyond the top increment within their pay grade. Progression arrangements within the grade will be dependent upon competency and performance.

Termination of office/employment

6.3 On ceasing to hold office or be employed by the Councils, individuals (including Chief Officers) 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.

Additional remuneration

6.4 The Councils do not currently pay market supplements, but will keep pay under review and may develop a policy on this if required.

6.5 The Councils do not pay honoraria awards.

6.7 The Councils pay Essential and Casual Car User allowances in accordance with agreed policy. The rates for essential car user mileage are based on the rates set by the National Joint Consultative Council for Local Government Services. The Councils only apply the rates up to a 1199cc engine size; and do not pay the 1200cc to 1450cc (ie the top) band. The rates for casual car user mileage are based on the rates set by HMRC. There are also rates in force for individuals who use their bicycle or motorcycle which are also based on the rates set by HMRC.

6.8 Subsistence allowances that are paid will be determined locally.

6.9 Chief Officers are not paid a bonus or any other performance-related pay.

7. Review

7.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each financial year. Our next Statement is scheduled to be for 2017/18 and will be submitted to Full Council for approval.

7.2 If it should be necessary to amend this 2016/17 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

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