

AGENDA ITEM NO.19	
COUNCIL	
Date	27 FEBRUARY 2014
Title	SENIOR MANAGER PAY POLICY STATEMENT

1. PURPOSE/SUMMARY

The purpose of this report is for Council to adopt the Senior Manager Pay Policy Statement for 2014/15 attached to the report.

2. KEY ISSUES

- Last year, Members approved the Council’s Senior Manager Pay Policy Statement as part of the Localism Act 2011 (s38) on the 21st February 2013. The act also states that this must be reapproved ever year by the 31st March.
- The statement has been updated for 2014/15 to reflect national pay awards and the proposed changes to employee pension contribution rates from April 2014.
- The policy must include pay and remuneration for chief officers and other employees, including the lowest paid.
- This statement does not change any policies regarding remuneration and is a set of principles and does not concern data relating to a particular individual.
- Since 2010, the Senior Managers of the Council have been reduced, and overall staff savings have delivered £3.8m of annual savings for the Council and taxpayers (£1.3m in management), whilst ensuring the Council continues to deliver excellent services.

3. RECOMMENDATIONS

It is recommended that Council adopts the Senior Managers Pay Policy Statement for 2014/15 at Appendix 1 as required by the Localism Act 2011.

Wards Affected	n/a
Forward Plan Reference No.	Not applicable
Portfolio Holder(s)	Councillor Alan Melton, Leader of the Council Councillor Chris Seaton, Deputy Leader of the Council Councillor Michael Humphrey, Portfolio Holder for Finance Councillor Derek Stebbing, Chairman of Staff Committee
Report Originator	Sam Anthony, Head of HR & OD
Contact Officer(s)	Paul Medd, Chief Executive Rob Bridge, Corporate Director and Chief Finance Officer Sam Anthony, Head of HR & OD
Background Paper(s)	DCLG Guidance ‘Openness and Accountability in Local Pay’: Draft Guidance under section 40

1. INTRODUCTION

- 1.1 The Localism Act 2011 (s38) requires English local authorities to produce a pay policy statement for 2013/2014, and for each financial year thereafter. Council approved the 2013/14 statement last year as set out in the act and the 2014/15 statement has been updated to reflect national pay awards and the potential employee contribution rate changes for pensions.
- 1.2 The Act states that the policy must include pay and other remuneration for chief officers and other employees, including the lowest paid. The Act defines remuneration widely, to include pay, charges, fees, allowances, benefits in kind, pension and termination payments.
- 1.3 This policy has been developed in response to this, and sets out Fenland District Council's approach to the pay and remuneration of the Council's Senior Managers.
- 1.4 This statement does not change any policies regarding remuneration and is a set of principles and does not concern data relating to a particular individual.

2. CONSIDERATIONS

- 2.1. As stated, the Localism Act 2011 requires local authorities to produce a pay policy statement. This follows Will Hutton's 2011 Review of Fair Pay in the Public Sector which has been a key driver for the Government's aim for greater transparency and value for money in terms of senior public sector pay.
- 2.2. Fenland District Council, under the direction of the Leader and Cabinet, has been at the forefront of ensuring value for money in the Council's senior management arrangements by looking at business need, capacity and management savings.
- 2.3. A number of reviews have taken place since 2010 which has seen the Corporate Management Team reduce from 11 to 6 members and further restructuring which has reduced the number of Heads of Services and Managers.
- 2.4. Overall staff savings have delivered £3.8m of annual savings for the Council and taxpayers (£1.3m in management), whilst ensuring the Council continues to deliver excellent services
- 2.5. During this time the Council has continued to provide excellent services and has been recognised nationally winning three MJ awards in 2010 and receiving commendation from the LGC as well as recognition from the Council's External Auditors of the strong financial management within the Council during tough economic times.
- 2.6. In addition, the Council has recently been shortlisted for the 2014 LGC awards under the efficiency category which is recognition for the approach and savings delivered by the Council.
- 2.7. Therefore it is important that the Council's approach to Senior Manager's pay is a balance between securing and retaining employees to continue delivering member priorities and quality services whilst providing value for money.
- 2.8. Appendix 1 sets out the Council's Senior Manager's Pay Policy Statement for 2014/15 in line with the Localism Act 2011 for adoption by the Council.

PEOPLE POLICY:

**SENIOR MANAGER'S PAY
POLICY STATEMENT**

1.0 Introduction

The Localism Act 2011 (s38) requires English local authorities to produce a pay policy statement for 2012/2013, and for each financial year thereafter. The Act states that the policy must include pay and other remuneration for chief officers and other employees, including the lowest paid. The Act defines remuneration widely, to include pay, charges, fees, allowances, benefits in kind, pension and termination payments.

This policy has been developed in response to this, and sets out Fenland District Council's approach to the pay and remuneration of the Council's Senior Managers.

The Council is committed to equality and fairness for all staff. This policy has been developed for Fenland District Council and with specific reference to national terms and conditions and legislative requirements.

2.0 Scope

The Council's senior managers are classified in the following groups:

- Chief Officers
- Corporate Management Team
- Heads of Service

2.1 Chief Officers

At Fenland District Council, the Chief Officers are:

- The Chief Executive (Head of Paid Service)
- The Chief Finance Officer / Section 151 Officer (a statutory Chief Officer role with responsibility for financial governance)
- The Monitoring Officer (a statutory Chief Officer role with responsibility for legal governance)

These posts are currently also part of the Corporate Management Team.

2.2 Corporate Management Team

At Fenland District Council, there are six posts that fall within this category which include the Chief Officer posts set out in 2.1.

2.3 Heads of Service

At Fenland District Council, there are eleven posts that fall within this category.

3.0 Remuneration

Major decisions on pay, such as annual pay awards, are determined for most local authorities in England and Wales by the National Agreement on Pay, arrived at through a system of central collective bargaining between representatives of the Local Government Employers and representatives of the relevant trades unions on the National Joint Council.

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POLICY STATEMENT****3.1 Heads of Service**

a) For Heads of Service 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 uses a Hay Management pay spine that commences at Hay 1, SCP - 1 and ends at Hay 4, local SCP - 4. This pay spine is divided into 4 pay bands, which each contain a number of incremental points. Hay 1 is the lowest and Hay 4 is the highest of these management pay grades. Posts are allocated to a pay band through a process of job evaluation.

b) The values of the 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. In addition to this, these pay grades will receive an annual increment, subject to the top of their grade not being exceeded.

c) The salary range for these posts is shown below at 4.0.

3.2 Corporate Management Team

a) For Corporate Directors 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 uses a Senior Management pay spine that commences at £56,000 and ends at £105,000.

b) Salaries within these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services. In addition to this, progression through the pay grade is also determined by assessment of the employee's performance in line with the Council's Performance and Development Review process, assessed by the Chief Executive in consultation with the Leader of the Council.

c) The salary range for these posts is shown below at 4.0.

d) Chief Officers within the Corporate Management Team may also be subject to the Conditions of Service determined by the Joint Negotiating Committee for Chief Officers of Local Authorities.

3.3 Chief Executive

a) The terms and conditions of employment for the Chief Executive are determined in accordance with collective agreements, negotiated by the Joint Negotiating Committee for Chief Executives.

b) The Chief Executive's salary grade will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities in consultation with the Leader of the Council.

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c) The Chief Executive also receives a Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role is calculated in accordance with a formula approved annually by the Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. These fees currently are £373 for each contested District ward and £55 for each uncontested District ward, and £104 for each contested Town/Parish ward and £28 for each uncontested Town/Parish ward. If a Town/Parish ward is contested along with a District ward the fee is £34 for the Town/Parish element. Fees for conducting Parliamentary Elections, European and Police and Crime Commissioners are determined by way of a Statutory Instrument.

d) Annual increments for progression to the next scale point are subject to successful performance assessed by a Members' Appraisal. This will include the Leader of the Council and two other members nominated by the Leader.

e) The Chief Executive also receives healthcare provision of £2,000 per year.

f) The salary range for the Chief Executive is shown at 4.0 below.

4.0 Salary Ranges


The current salary ranges for Heads of Service, CMT and the Chief Executive are presented in the table below.

Post	Range	
	From	To
Head of Service	£40,256	£55,774
Corporate Management Team	£56,000	£105,000
Chief Executive	£125,000	£137,600

These salary ranges may change if pay awards are awarded within the financial year and before the next pay policy statement is produced.

5.0 Pensions

The employees within the scope of this Statement are entitled to join the Local Government Pension Scheme (LGPS). Employees contribute between 5.5% and 7.5% of their salary. For the purpose of this statement, employees included with the table in section 4.0 contribute between 6.8% and 7.5%, depending on where they are within the salary range. Changes to the LGPS regulations are expected in April 2014 and this is likely to change contribution rates for employers (proposals are between 5.5% and 12.5%) and change the scheme from a final salary to a career average (CARE) scheme.

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6.0 Remuneration on Recruitment

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.

All permanent or fixed term posts are advertised in accordance with the Council's recruitment Policy and Process, and appointment is made on merit, in accordance with the rules governing the recruitment of Chief Executive and Chief Officers set out in the Council's Constitution. (See Section 8).

Appointment of Heads of Service is the responsibility of the Chief Executive or his/her nominee. The salary on recruitment will be within the current salary range of these posts at that time.

6.0 Other Benefits

The expenses which may be payable to the Chief Executive, the Corporate Management Team or Head of Service are as follows:

- Re-imbursment of travel and subsistence – Any excess travelling allowance that is paid will be in accordance with the Council's established policies, and any subsistence allowance that is paid will normally be no higher than the rates notified from time to time by the East of England Local Government Association. All rail travel for officers will usually be second class unless there are exceptional circumstances.
- Payments under the Councils' Eye Test Policy.
- The employees within the scope of this policy are entitled to participate in the Council's Childcare Voucher scheme, whereby any employee can sacrifice part of their salary for childcare vouchers. These vouchers are exempt from income tax or National Insurance contributions and therefore represent a saving for employees who then use them to purchase childcare.
- Professional fees for employees, including Chief Officers, Corporate Managers and Heads of Service are paid in accordance with the Council's established process for the payment of professional fees for those employees whose role require this as part of the professional qualification and continued professional development.

There are no bonus arrangements payable to the Chief Executive, the Corporate Management Team or Heads of Service.

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7.0 Car Allowances

An annual car allowance is also currently payable to the Corporate Management Team and Heads of Service, but whilst this is subject to the normal deductions for tax and National Insurance, this does not count towards pensionable pay and no pension contributions are paid for it, either by the Council or by the employee. The car allowance is a percentage of a post holder's salary grade.

8.0 Relationship to the lowest paid employee

The lowest paid staff within the Council are on grade 1 of the Council's pay structure. This band is therefore defined as the lowest paid for the purposes of this policy.

Grade 1 currently ranges from £12,435 to £12,614, and therefore lowest pay point on the council's pay scale is currently £12,435 per annum.

The Chief Executive's salary scale is set out in section 4.

The current ratio between the lowest and highest pay points on grade 1 is - 1:11.1.

The current ratio between the actual lowest pay grade and actual Chief Executive's salary is – 1:10.9.

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

9.0 Termination of Employment

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.

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.

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10.0 Publication of this policy and salary data

Salary data for the Chief Officers is published on the Council's website within the Council's statement of accounts. This policy is also published on the website.

11.0 Equality

This policy has been Equality Impact Assessed. The policy aims to meet the diverse needs of the workforce, ensuring that none are placed at a disadvantage over others. The Equality Impact Assessment confirms that this policy meets the standards.

12.0 Review

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. This policy will therefore be reviewed at annual intervals to ensure that it remains fit for purpose, and it will be submitted to Full Council for approval by the end of March each year.

Please contact Human Resources for further information.

Author	Human Resources
Date	February 2012
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Date agreed	February 2013
Date for revision	February 2015
Links to other People Policies	N/A