

APPENDIX 4 - DRAFT: Pay Policy Statement 2012-13

Background

- 1.1 The Localism Act which received Royal Assent on 15th November 2011. refers to 'Pay Accountability' and sets out the requirements for councils to determine and publish annual pay policy statements.
- 1.2 A pay policy statement must be approved by the authority, i.e. not delegated as an executive or committee function, in advance of the financial year to which it relates and the first such statement must be prepared for 2012/13. The authority must publish the statement on its website and may choose to expand the publication in other ways as part of its approach towards transparency.

General principles& practice

Principles:

Bath & North East Somerset Council values all its employees and aims to apply a consistent and fair approach to pay and benefits in line with the following principles:

- ❖ To work within financial constraints and use those limited funds in the most effective way to support the Council's in the provision of quality cost effective services and its workforce needs
- ❖ To aim for consistency and fairness in the processes used to manage pay and benefits, as appropriate to service delivery and in line with its commitment to remaining within the framework of the relevant national pay and conditions agreements
- ❖ To promote an equal pay agenda by ensuring that pay and job evaluation systems, processes and systems meet legislative requirements and to actively work towards reducing any unjustified gender pay gaps
- ❖ To ensure that our pay and benefits processes and policies are transparent and accessible to all employees
- ❖ To be mindful of the market in making decisions about pay and benefits
- ❖ To be clear about how we recognise and reward performance, whether at whole organisation, service, team or individual level
- ❖ To support a flexible approach to the acceptance of changes to tasks, duties and responsibilities by employees and allow for flexibility between posts.
- ❖ To enable the Council to attract and retain its employees and in order to do so, respond to situations where market forces dictate the necessity to apply supplements to established salaries.
- ❖ Any pay structure must be affordable to introduce and maintain
- ❖ To aim to retain a core set of benefits for all employees

Practice:

Basic pay is determined by

- The job role and it's accountability in the overall context of the Council's services and responsibilities using the HAY job evaluation process which is based on objective criteria and free from discriminatory bias.
- All employees are dealt with on this basis with no distinction being made for senior management appointments including Chief Officers and their Deputies

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- The terms of the relevant national agreements on pay and conditions of service
- The amount available for the pay review process is also impacted by what the Councils which are party to the National Agreements can collectively afford.
- A comprehensive pay and grading structure has been adopted that positions the Council's against median salary benchmarking compared to a national data base maintained by the Hay Group, is affordable and offers recruitment and retention incentive. This is kept under review.

Pay on appointment

- Staff are normally appointed at the bottom scale point of the grade at which the post has been evaluated.
- Managers have discretion to appoint at a higher scale point within the grade band if the appointee can demonstrate that they are currently earning more than the minimum salary for the grade.

Pay review dates

- Grade progression (i.e. movement from a lower to a higher salary scale point (scp) within a grade) takes place on 1st April of each year until the highest scp is reached.
- Grade progression is subject to satisfactory performance (and may be withheld if performance has been unsatisfactory) and a minimum of 6 months service in the grade. Where 6 months service cannot be achieved by 1 April, progression is considered on the anniversary of six months service.
- Where an increase in pay has been negotiated through the national negotiation framework, it will be implemented with effect from 1st April of the appropriate year. If the negotiations have not been concluded by 1st April, the increase will be paid at the earliest opportunity together with back pay from 1st April.

Ensuring consistency

The Council seeks to ensure consistency through the following processes:

- All departments are provided with the same quality of internal support in the job evaluation process
- The Human Resources Service (in partnership with senior managers, as appropriate) has an on-going responsibility to review pay levels across the Council and highlight any potential anomalies.
- If there is an exceptional need to review pay outside of the normal pay review timetable, proposals will be considered and signed off by the relevant Director and the Head of Human Resources.

Honoraria

- Work outside the scope of the post can be recognised by the award of an honorarium. The conditions and framework are set out in the 'Recognition for work outside the scope of the post' policy, Where it is identified and accepted that, assessment and payment will be based on non-discriminatory objective criteria.

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Equal pay

The Council is committed to the principle of equal pay for all posts of the same size and value and implemented the national 'single status agreement with effect from 1st April 2007. In order to put its commitment to equal pay into practice the Council:

- reviews regularly its pay grade and rates for all current staff and starting pay for new staff in line with Equality and Human Rights Commission guidance in line with the Council's Equality policy.
- informs employees of how these practices work and how their own pay is arrived at
- provides training and guidance for managers and supervisory staff involved in decisions about pay and benefits.
- regularly monitors pay and grading data and statistics

Senior pay

- The remuneration of the Chief Executive and other senior management appointments in the Council (see Annex 1) is undertaken by external analysts using the Hay Job Evaluation process. Levels of pay have been market-related by being compared to a national data base maintained by the Hay Group of similar posts in a wide range of public and not for profit sector organisations. Six pay bands are in place for the most senior officers as set out in the Annex 1.
- Any increases in pay rates will be in line with those negotiated nationally by Joint Negotiating Committees (JNC's) for Chief Executives and Chief Officers respectively. The pay policy, whilst agreed in advance of the financial year to which it relates, can be amended during the course of the year to incorporate a pay award negotiated nationally or for other reasons.
- Where there is a pay range for a job the Council's adopted aim is to offer an appointment to the minimum point of the appropriate salary band. In order, however, to secure the services of the best candidate it may be necessary to offer a higher amount. In these circumstances approval by the employing Director or members of the appointing Member committee as appropriate, in consultation with the Head of Human Resources, is required
- Where a pay band consists of a number of different salary points, any progression to the next incremental point is subject to satisfactorily meeting performance criteria agreed in advance with the Chief Executive or Strategic Director, as appropriate (in consultation with the Group Leader(s)). Any increase is paid from 1 April subject to 12 months service in that pay band and the maximum not being exceeded.
- This is no provision for the Council to pay any bonuses, charges, fees or allowances, benefits in kind to senior employees or any other employees other than expenses necessarily incurred in the performance of their duties.
- Senior staff are not differentiated from other members of staff in terms of remuneration on resignation or termination. The Council's general arrangements for severance and scheme for discretionary payments apply to this staff group as to all employees.

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- Paragraphs 23 to 25 of the draft guidance require the Council to set out its policies relating to discretionary payments, severance packages, employment of staff in receipt of pension and re-engagement of former staff under contracts for services. The Council has in place a policy for flexible retirement which is specifically authorised by statute whereby individual staff may draw their pension and continue in employment at a lower pay grade/working shorter hours. Other than this the Council considers all proposals on their individual merits but would not take any action beyond that authorised by existing policy without reference to the appropriate Council decision making body.
- Other conditions of service are those determined nationally by the JNC's specifically for these appointments or, as locally determined for all other Council staff.
- The Council's threshold level for disclosure of senior staff salaries for future years will be at £58,200 and above (the current minimum point of the senior civil service pay scale).

Relationship between senior pay and the 'lowest paid council employee'

The grading structure and pay line determine the salary of the lowest paid Council employee. This is currently £12,145.00 per annum (based on a standard 37 hour week). Under the Code of Recommended Practice for Local Authorities on Data Transparency, the Council will publish the ratio between the highest paid salary and the median average salary for the whole of the authority's workforce in light of the published Guidance on Openness and Accountability in Local Pay. The Council will review this data during the year to determine its future policy in this respect.

Publication

The Council's approach to the publication of and access to information on the remuneration of Chief Officers is to include it on its website as part of its requirements under the Code of Recommended Practice for Local Authorities on Data Transparency.

Implementing the Future Council

The Council is in the process of implementing a new organisational model supported by different senior management arrangements based upon principles and a general approach agreed on 16 November 2010. Overall it is expected that implementation will be completed by 2013-14 with a timetable intended to prioritise those elements that deliver efficiencies and those that have statutory deadlines (taking account of the Government's legislative timetable, severity of cuts imposed etc.).

In order to recruit a new Chief Executive, it has been necessary to determine the level of remuneration and conditions of employment using the general senior pay policy practice and principles set out above. The rate of pay has been established taking the advice of independent analysts and the Hay data base and is as set out below. Further work will be completed during the coming year to establish the level of remuneration for other posts in the new senior management arrangements within the terms of this policy and the Council's constitutional arrangements.

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RECOMMENDATION:

The Council is recommended to adopt the policy set out in this statement

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Annex 1

SENIOR MANAGEMENT PAY & GRADING

BAND	MIN/MID/MAX POINTS	Terms & Conditions
CHIEF EXECUTIVE & HEAD OF PAID SERVICE		
Band 1	Fixed/Spot	<ul style="list-style-type: none"> A fixed salary within the range £145,000 to £155,000 pa taking account of current public sector market median data provided by the independent analysts and the Council's general starting salary policy No variable element within the remuneration package. All other conditions in accordance with overall Council pay policy.

BAND	MIN/MID/MAX POINTS	SALARY	COMPOSITION
STRATEGIC DIRECTORS			
Band 2	Minimum	£118,893	<ul style="list-style-type: none"> Children's Services [statutory roles for Children's' & Adult Services]
	Middle	£124,293	
	Maximum	£129,699	
Band 3	Minimum	£102,678	<ul style="list-style-type: none"> Delivery Resources & Support Services
	Middle	£108,081	
	Maximum	£113,490	

DIVISIONAL DIRECTORS/Heads of Service			
Band 4	Minimum	£91,869	<ul style="list-style-type: none"> Learning and Inclusion Service, Strategy and Management Safeguarding, Social Care and Family Services Planning & Transport Development Finance [S.151 officer] Property & Facilities [Chief Property Officer] Legal & Democratic [Monitoring Officer]
	Middle	£94,572	
	Maximum	£97,275	
Band 5	Minimum	£81,063	<ul style="list-style-type: none"> Programme Director -Non-Acute Health, Social Care, Housing and Supported Living Strategic Planning Skills and Employability Environmental Services Tourism, Leisure & Culture Policy & Partnership Improvement & Performance Project Management
	Middle	£83,763	
	Maximum	£86,469	
Band 6	Minimum	£70,254	<ul style="list-style-type: none"> Revenues & Benefits, Customer Access Audit, Risk & Information Transformation Human Resources
	Middle	£72,957	
	Maximum	£75,657	

There has been no annual pay award to any of this staff group since April 2008