

Senior Pay Policy Statement – Fin. Year 2018 - 19

1. Purpose

The purpose of this Statement is to publish the Council's policy and procedure governing the pay and reward of its Senior Officers in the context of the pay and reward of the wider workforce. The policy statement is reviewed and approved annually by Full Council, and is published on the Council's website.

2. Scope

The Policy Statement is applicable to the following posts:

- Chief Executive (Head of Paid Service)
- Corporate Directors (Chief Officers)
- Statutory Officers – Section 151 and Monitoring Officers
- Group Managers (Deputy Chief Officers)

The above posts are hereafter referred to collectively as “Senior Officers”.

3. Principles

The Council's success in meeting its objectives and delivering effective services to local communities, rests largely on the expertise and contribution of its staff.

The Council's overarching principle in relation to the pay, terms and conditions of its Senior Officers is that they should be fair, transparent and consistent with those of the wider workforce, whilst recognising that pay and certain terms and conditions are relative to the scale and complexity of the work and responsibilities involved.

For this reason decisions on pay, terms and conditions for any post within the authority should not be taken until that post has been properly described, assessed and evaluated under the Council's job evaluation process.

The Council's pay scales may be subject to review from time to time to ensure that it can continue to attract and retain high-quality Senior Officers dedicated to the service of its citizens, whilst also representing value for money for local taxpayers.

4. Context

The Council employs 370 (376 in 2017) staff as at 31st December 2017 which includes 12 apprentices and 3 trainees. This represents a full-time equivalent of 315 (321.9 in 2017). There are no “zero hours” contracts in operation.

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5. Terms and Conditions of Service

The Council's Chief Executive and Chief Officers are employed under national terms and conditions of service set by the Joint National Council (hereafter referred to as JNC) for Chief Executives and Chief Officers respectively.

The Group Managers are employed under national terms and conditions of service set by the National Joint Council (hereafter referred to as the NJC).

All jobs are evaluated using an analytical job evaluation scheme.

5.1 Remuneration and Pay Scales for Senior Officers

5.1.1 Chief Executive

The Leader of Council, after taking independent pay advice from South West Councils or equivalent, recommends the remuneration package for the post of Chief Executive to Full Council for approval. This should only take place once the responsibilities and duties of the post have been properly described, assessed and evaluated under the Council's job evaluation process. Terms and conditions for this post follow the national agreement for the Joint National Council (JNC) for Chief Executives and by local policy approved by the Executive or Full Council, as appropriate.

The Council confirmed the permanent appointment of a new Chief Executive in December 2017. A revised local pay scale was agreed at the same time, having taken account of data, advice and evidence from South West Regional Employers' Organisation.

5.1.2 Chief Officers

The Leader of Council, after taking independent pay advice from South West Councils or equivalent, recommends the remuneration package for Chief Officers to Audit and Governance Committee for approval. This should only take place once the responsibilities and duties of the posts have been properly described, assessed and evaluated under the Council's job evaluation process. Terms and conditions for these posts follow the national agreement for the Joint National Council (JNC) for Chief Officers and by local policy approved by the Executive or Full Council, as appropriate.

Chief Officers are remunerated on a local pay scale agreed by the Trade Unions on the implementation of Single Status in 2007.

5.1.3 All other Senior Officer posts, including Statutory Officers (see 4 above)

The Leader of Council, after taking independent pay advice from South West Councils or equivalent, recommends the pay scale for the Statutory Officers and all other Senior Officer posts within the scope of this Policy Statement to Audit and Governance Committee for approval. This should only take place once the

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responsibilities and duties of the posts have been properly described, assessed and evaluated under the Council's job evaluation process. Terms and conditions for these posts are defined by the National Joint Council (NJC) terms and conditions and by local policy approved by the Executive or Full Council, as appropriate.

The Statutory Officers and all other Senior Officer posts are remunerated on a local pay scale agreed with the Trade Unions on the implementation of Single Status in 2007.

6. Job Evaluation

All posts within the scope of this Policy Statement are evaluated under the Council's job evaluation process, introduced in April 2007. Changes in duties and responsibilities are subject to a re-evaluation where those changes have a significant impact on the level and nature of those responsibilities.

7. Increase and Additions to the Remuneration of Senior Officers

Pay scales for all posts within the scope of this Policy Statement have been approved by Full Council.

Cost of living adjustments are paid in accordance with nationally negotiated settlements under either JNC or NJC Agreements, as applicable. Since April 2009 cost of living adjustments for both JNC and NJC staff have either been frozen or severely curtailed in line with Government policy.

The Audit and Governance Committee will make recommendations to Full Council on the pay and remuneration of either the Chief Executive or Chief Officers under review. All other elements of remuneration follow the relevant JNC or NJC National Agreements on Pay and Conditions or local policy approved by the Executive or Full Council, as appropriate.

8. Remuneration of Senior Officers on Appointment

The remuneration package on appointment for any of the Senior Officer posts falling within the scope of this Policy Statement is determined in accordance with the procedures outlined in clause 5.1.

9. Use of Own Vehicle/Lease Cars

The Chief Executive and Chief Officers are reimbursed for the use of their own vehicles on Council business on the same terms as all other staff. Any disbursements paid to these Officers are disclosed in the annual Statement of Accounts. The Council does not operate a lease car scheme.

10. Professional Subscriptions

Senior Officers are entitled to claim the costs of one professional subscription annually, so as to maintain their professional competence. The Group Manager with

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responsibility for HR has delegated responsibility (within the Council's Constitution) for approving the payment of professional subscriptions.

11. Performance Related Pay or Bonus Schemes

No performance related pay or bonus schemes are in operation for any section of the Council's workforce.

12. Performance Assessment

All staff are subject to an annual performance review, which combines an assessment of individual performance over the previous 12 months, the setting of objectives for the year ahead and the identification of individual development needs. The Chief Executive's performance is reviewed by the Leaders of the respective political groups; in turn the Corporate Directors' performance is reviewed by the Leaders Liaison Group and the Chief Executive, with Group Managers' performance being reviewed by the three Corporate Directors. The annual employee appraisal process for this year only was moved to late autumn, starting with the Chief Executive and Senior Officers in October with all staff reviews completed by the end of January 2018.

13. Honoraria

The Council has a policy on the use of Honoraria/Staff Recognition payments, where an employee undertakes for a period of a month or more some or all of the duties of a higher graded post, or takes on additional duties of an equivalent graded post. This policy is reviewed from time to time and operates for all levels within the workforce. There are currently two honoraria or recognition payments being paid to Senior Officers, in respect of additional responsibilities for Homes in Sedgemoor, which are separate to their responsibilities within the Council. Honoraria/Staff recognition payments are subject to regular review and are approved by Management Team.

14. Market Supplements

The Council has a policy to pay a market supplement in circumstances where there is clear evidence that it is unable to satisfactorily recruit or retain staff because the salary package is below those available elsewhere. This policy is reviewed from time to time and operates for all levels of the workforce. Currently there are no market supplements paid to Senior Officers. Approval must be obtained from Full Council or the Audit and Governance Committee (see 5.1.1. and 5.1.2) before a market supplement may be awarded to the Chief Executive or a Chief Officer. The award of a market supplement for a Group Manager will be approved by Management Team in accordance with the Council's policy.

15. Appointment of Senior Officers

The appointment of a Senior Officer is confirmed in accordance with the Council's Constitution: Officer Employment Rules.

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Full Council confirms the appointment of the Chief Executive, following recommendation of a Committee or Sub-Committee of the Council. That Committee or Sub-Committee must include at least one member of the Executive.

Full Council may only confirm the appointment of the Chief Executive where no well-founded objection has been made by any member of the Executive.

Chief Officers, Statutory Officers and Group Managers are appointed by a Committee or Sub-Committee of the Council. That Committee or Sub-Committee must include at least one member of the Executive.

An offer of employment as a Chief Officer, Statutory Officer or Group Manager shall only be made where no well-founded objection from any member of the Executive has been received.

16. Termination payments

From time to time the Council may need to make changes to its organisation and staffing to meet new priorities. When this occurs everything possible is done to secure an alternative post within the organisation for any staff who are displaced through restructuring. The Council manages any termination situation in accordance with the relevant policies. These policies are reviewed from time to time and operate for all levels of the workforce. Any termination payments to a Senior Officer ceasing to hold office or be employed by the authority will comply with the Council's Redundancy Policy. No additional termination payments will be made to a Senior Officer without the approval of the Audit and Governance Committee or Full Council as appropriate. Termination payments include any Compromise Agreement, under which both parties are bound by a confidentiality clause.

17. Remuneration of Senior Officers who return to Local Authority employment

Where the Senior Officer:

Was a previously employed Senior Officer who applies to re-join/ join the authority as a Senior Officer or under a contract for services

The authority will consider any such applications entirely on merit.

Is in receipt of a Local Government Pension

If an ex-Local Authority employee in receipt of a Local Government pension is offered employment the pension payable may be subject to abatement/suspension depending on whether their earnings in the new position plus pension exceed the earnings in the former post and on the abatement policy of the Somerset Pension scheme. This is a matter for the employee and Somerset Pension Scheme and will not affect the appointment decision.

18. Employer Pension Discretions

All employer pension discretions apply equally to the whole workforce and are subject to the approval of Full Council.

19. Publication of information relating to the remuneration of Senior Officers

The remuneration of Senior Officers earning a salary over £50,000 per annum is published on the Council's website, under Open Data /Senior Officer salaries. (<http://www.sedgemoor.gov.uk/index.aspx?articleid=7208>). This information is published in accordance with the Government's Code of Practice on Data Transparency 2011 and section 40 of the Localism Act.

20. Election payments

A Senior Officer is appointed to the posts of Electoral Registration Officer and Returning Officer for local council elections. These appointments are separate from their post as a Senior Officer.

The Returning Officer is recompensed for their duties by means of a fee payable only when the duties are performed. The scale of fees paid to Returning Officers is governed by Statute and the fee itself is pensionable. The posts of Electoral Registration Officer and Returning Officer for this Council are held by the Chief Executive. Other senior officers may also be appointed to undertake election duties (other than as returning officer) which are separate from their post as a senior officer and for which recompense would be by means of a fee payable only when duties are performed.

21. Policy on the remuneration of the lowest paid staff and pay multiples

The lowest paid staff are those defined as paid on Band A, the entry point into the Council's pay structure. The Council has committed to pay the living wage as defined by the Living Wage Foundation, which is different to the National Living Wage introduced by the Government on 1st April 2016 for all employees age 25 and over. The Living Wage Foundation rate for 2018 is £8.75 per hour, as opposed to the National Living Wage rate of £7.50 per hour, (£7.83 per hour w/e 1st April 2018).

In order to honour our commitment to maintain the Living Wage Foundation rate the Council agreed to reset the grade boundaries for Bands A – C. There is an additional cost to the Council for this which has been included within the Medium-Term Financial Plan. The only exception to this hourly rate would be any students who are undertaking an apprenticeship with the authority. The Council has twelve apprentices at the present time.

The Hutton Review of Fair Pay in the Public Sector recommends a maximum ratio of 1:20 between the highest earned remuneration and the lowest earned remuneration for the whole workforce (including relief staff, where applicable). In accordance with the Code of Recommended Practice the 'pay multiple' is presently defined as the ratio between the highest paid salary and the median salary of the whole workforce.

The Council's highest paid employee is the Chief Executive. The definition of salary in this instance is the total of all taxable elements of an individual's remuneration package and includes salary, allowances, overtime and the cash value of any benefits in kind.

The ratio between the highest paid salary and the median salary for the whole workforce (including relief staff) has been calculated on the taxable earnings for the 2016/17 tax year, ending 5th April 2017.

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The median salary based on the taxable earnings for all employees during the 2016/17 tax year is £20,012.63 per annum. The ratio between the median and the highest paid post in the authority is 1:5.91 (1:5.52 LY).

Should the multiplier between the median annual remuneration (FTE) and the annual remuneration paid to the highest paid full-time Senior Officer be greater than 10 then this will be reported by the Leader of Council to Full Council for consideration.

The mean average salary (excluding PT staff) and based solely on 247 (258 LY) full-time employees is £ 27,751.23 per annum (£27,575 LY). The ratio between the mean average (FT staff only) and the highest paid post in the authority is 1:4.0 (1:4.85 LY).

The mean average salary based on FTE salaries for all staff (PT included) is £27,873.23 per annum (£26,560 LY). The ratio between the mean average salary (FTE for all staff) and the highest paid post in the authority is 1:4.0 (1:5.04 LY)

The median salary based on basic salary is calculated to be £21,962 per annum, which equates to a Band E scale point 24 salary. The ratio between the median and the highest paid post in the authority is 1.5.0 (1:5.95 LY).

All the above figures are calculated as at 31st December 2017 and **include** the 12 apprentices, who are currently paid an apprentice rate that is outside of the Council's pay scale.

22. Trade Union Facility Time

Union Representatives undertake a variety of roles both on behalf of their members and corporately. Such roles include working with management, collective bargaining, influencing HR processes, communicating with their members and representing individual members on grievance and disciplinary matters. There are positive benefits for the Council, employees and union members in encouraging the efficient performance of union representatives in supporting the resolution of problems and conflicts at work. Both UNISON and GMB trade unions are represented within the Council's workforce. There are a total of eleven union representatives across both unions. Union representatives typically devote less than 5% of their time to union activities (estimated). The UNISON Branch Secretary who is arguably required to devote a greater percentage of time to union activities than other representatives, relative to the size of the membership and the responsibilities of the function of Branch Secretary, recorded 1.0% of their available working time on union activities during 2017 (estimated). There are no union representatives within the Council who devote 50% and more of their available working time to union activity

23. Data Transparency

The Council has adopted the Code of Recommended Practice for Local Authorities on Data Transparency in respect of the publications and access to information relating to the remuneration of the Senior Officers. Pay levels are published on our website. (<http://www.sedgemoor.gov.uk>)