

AGENDA

Employment Panel

Date: **Wednesday 14 January 2015**

Time: **2.00 pm**

Place: **Committee Room One, Shire Hall, St Peter's Square,
Hereford HR1 2HX**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

Governance Services

Tel: 01432 260201

Email: councillorservices@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format, please call Governance Services on 01432 260201 or e-mail councillorservices@herefordshire.gov.uk in advance of the meeting.

Agenda for the Meeting of the Employment Panel

Membership

Chairman

Councillor AW Johnson

Councillor KS Guthrie

Councillor PM Morgan

Councillor AJW Powers

Councillor R Preece

Councillor GA Vaughan-Powell

AGENDA

	Pages
1. APOLOGIES FOR ABSENCE	
To receive any apologies for absence.	
2. NAMED SUBSTITUTES (IF ANY)	
To receive details of any Member nominated to attend the meeting in place of a Member of the Panel.	
3. DECLARATIONS OF INTEREST	
To receive any declarations of interest by Members in respect of items on this agenda.	
4. MINUTES	7 - 8
To approve and sign the Minutes of the meeting held on 3 June 2014.	
5. PAY POLICY STATEMENT	9 - 28
To consider a draft pay policy statement for recommendation to council; to recommend to council approval of salary packages in accordance with the provisions of the Localism Act 2011; and to update the employment panel on plans to progress permanent recruitment to senior management roles.	

The Public's Rights to Information and Attendance at Meetings

YOU HAVE A RIGHT TO: -

- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

Public Transport Links

- The Shire Hall is a few minutes walking distance from both bus stations located in the town centre of Hereford.

RECORDING OF THIS MEETING

Please note that filming, photography and recording of this meeting is permitted provided that it does not disrupt the business of the meeting.

Members of the public are advised that if you do not wish to be filmed or photographed you should let the governance services team know before the meeting starts so that anyone who intends filming or photographing the meeting can be made aware.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

FIRE AND EMERGENCY EVACUATION PROCEDURE

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit and make your way to the Fire Assembly Point in the Shire Hall car park.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.

The Chairman or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.

HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Employment Panel held at Council Chamber, Brockington, 35 Hafod Road, Hereford, HR1 1SH on Tuesday 3 June 2014 at 3.30 pm

Present: Councillor AW Johnson (Chairman) Councillor (Vice Chairman)

Councillors: WLS Bowen, PM Morgan and AJW Powers

Officers: A Brookes (Governance Manager), A Neill (Chief Executive); TJ Postles (Head of Workforce and Organisational Design).

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor KS Guthrie.

2. NAMED SUBSTITUTES

There were no named substitutes.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES

RESOLVED: That the Minutes of the meeting held on 7 January 2014 be approved as a correct record and signed by the Chairman.

5. STATUTORY OFFICERS

The Chief Executive outlined the current interim arrangements regarding the Chief Financial Officer and the Director of Adults Wellbeing; given the need for continuity of leadership in these two key areas of the council's activity undergoing significant change, it was proposed to maintain these arrangements to 30 September 2015. It was also noted that the role of the Solicitor to the Council had evolved and extended considerably in recent months; it was recommended that, in recognition of the significance of these changes, the job title and salary be amended.

Panel members were assured that, with the deletion of the post of Assistant Director Organisation Development, there would be a net reduction in senior management costs.

It was requested that a briefing be provided on new roles and responsibilities within the new governance service.

RESOLVED:

- That
- (a) the current arrangements set out in the report for the post of Chief Financial Officer (Section 151 Officer) be extended until 30 September 2015;
 - (b) the current arrangements set out in the report for the post of Director of

- Adults Well-Being (DASS) be extended until 30 September 2015;**
- (c) the post of Solicitor to the Council be renamed Assistant Director, Governance; and**
 - (d) the post of Assistant Director, Governance receive a salary at spot grade £90,000 (being grouped for job evaluation purposes with the post of Chief Financial Officer) effective from 1 April 2014.**

EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act (as amended) paragraph 1 (being information relating to any individual) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

(The following is the complete Minute of the proceedings during which the public were excluded.)

6. PUBLIC HEALTH RESTRUCTURE

Panel members received a briefing on an ongoing restructure designed to better integrate commissioning health & social care commissioning activity across the council. An associated application under the council's mutual early resignation scheme had been received from the Director of Public Health.

RESOLVED: That the mutual early resignation scheme application received from the Director of Public Health be approved with effect from 30 June 2014.

The meeting ended at 4.37 pm

CHAIRMAN



MEETING:	Employment panel
MEETING DATE:	14 January 2015
TITLE OF REPORT:	Pay policy statement
REPORT BY:	Chief executive

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

County-wide

Purpose

To consider a draft pay policy statement for recommendation to council; to recommend to council approval of salary packages in accordance with the provisions of the Localism Act 2011; and to update the employment panel on plans to progress permanent recruitment to senior management roles.

Recommendation(s)

THAT:

- (a) the pay policy statement summarising existing council policies (at Appendix A) be recommended to council for approval;
- (b) the director of adults and wellbeing salary of £120,000 be recommended to council for approval, being over £100,000 pa;
- (c) new salary packages are agreed for the following two posts based on the outcome of job evaluation that will be reported to committee verbally.
 - Director of public health
 - Director of resources (section 151 officer)
- (d) it be noted that a recruitment campaign will commence in February 2015 to permanently recruit to a number of senior roles, including:

Further information on the subject of this report is available from
Alistair Neill, chief executive on Tel (01432) 260044

- **Director of adults and wellbeing**
- **Director of public health**
- **Director of resources (section 151 officer)**
- **Assistant director – adults commissioning**

Alternative Options

1. There are no alternative options to recommendation a); the approval by council of a pay policy statement for the authority is a statutory requirement and the statement does not of itself make any policy changes, but provides a summary of those policies already in place.
2. The alternative options for recruitment to the listed statutory roles could be:
 - a. To redesign roles and responsibilities to combine chief officer roles. This has been considered but not pursued as significant reduction of the senior team has already taken place and the council's leadership/ management of over £350m gross expenditure pa, over 1,000 staff, substantial external contracts and key strategic partnerships is now led by a small number: the CEx, three strategic directors and the director of resources (see below for new role description). There are significant ongoing and new accountabilities, transformations and challenges to be met and delivered; hence it is considered that it would risk destabilising the good progress already made were these key roles to be internally combined.
 - b. Continue with interim arrangements. This option has been considered but not seen as the optimum approach, due to the need for stability and continuity over the next three to five years to deliver strategic outcomes, and for organisational leadership: it is important that Herefordshire Council 'leads from the front' where possible, in seeking to appoint permanent employees for 'core' medium-to-long-term roles. The S151 officer is required by law to be an employee of the council.
 - c. To consider sharing chief officer roles with other local authorities. This option is not currently possible as overtures made to neighbouring authorities have not led to any advanced new shared leadership models being developed for the above roles – a pre-requisite to consideration of any financial, operational or strategic benefits; and Herefordshire is not at a point of transformation that would readily support a shared leadership model at this time. This position will be kept under ongoing review, but we currently view the optimum way forward for Herefordshire Council as being led/ managed by a small core group of permanent senior officers.
3. Alternative salary options have been considered: we believe that we will be at our most effective in recruitment and retention by expressing Herefordshire Council's strengths as a 'package', of which salary is an important component, as are wider aspects of the employment contract. Further consideration will be given to these wider terms and conditions to ensure that the costly process of recruitment is competitive with its recruitment package. We need to reflect the approved salary structure and existing reward policies, but in a competitive talent market Herefordshire Council must also take account of internal and external relativities (i.e. job evaluation and benchmarking) and the current recruitment market.

Further information on the subject of this report is available from
Alistair Neill, chief executive on Tel (01432) 260044

Reasons for Recommendations

4. To provide transparency with regard to the council's approach to setting the pay of its employees in compliance with the provisions of the Localism Act 2011 and the Local Government Transparency Code 2014.
5. To comply with the guidance issued by the Secretary of State for Communities and Local Government to which the Authority is required to have regard under Section 40 of that Act. This includes the requirement for council approval for salary packages in excess of £100,000.

Key Considerations

6. The Localism Act places a requirement on local authorities to produce an annual pay policy statement for each financial year and for this statement to be approved by council before the start of the financial year to which it relates.
7. The statement must set out the council's policies relating to:
 - 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 employees who are not chief officers.
8. The statement must include the council's definition of 'lowest paid employees' and the reasons for adopting that definition.
9. The statement must include policies relating to:
 - a) The level and elements of remuneration for each chief officer
 - b) Remuneration of chief officers on recruitment
 - c) Increases and additions to remuneration for each chief officer
 - d) The use of bonuses for chief officers
 - e) The approach to the payment of chief officers on their ceasing to hold office under, or to be employed by the authority; and
 - f) The publication of and access to information relating to remuneration of chief officers
10. The local government transparency code came into effect in August 2014. Local authorities must, under this code, publish the pay multiple on their website, defined as the ratio between the highest paid taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole of the authority's workforce. The measure must:
 - a. Cover all elements of remuneration that can be valued (eg. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)
 - b. Use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year, and

Further information on the subject of this report is available from
Alistair Neill, chief executive on Tel (01432) 260044

- c. Exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.
11. The pay multiples presented in the pay policy statement comply with the transparency code requirements. In future the pay multiples will be included in the statement of accounts at the time of publishing.
 12. The statement draws together factual material and provides a summary of the current pay policies of the council.
 13. **Living Wage:** Management board has considered an initial review of the implications for moving from paying lowest paid workers at the national minimum wage to the living wage as a minimum level. They have requested further analysis to better understand the financial and non-financial implications for the council and bodies such as schools and organisations contracted to undertake work for the council. There are now only a very small number of posts within the council in this category and it is likely that following a review of distribution of duties, those roles may be evaluated at a higher grade which will be above the living wage. Following the resolution passed at Council on Friday 12 December 2014, a further report will be brought to Employment Panel once the more detailed work requested by Management board has been completed.
 14. All posts, whether chief officer or not, have their level of remuneration established through assessment by a nationally recognised and independent job evaluation scheme. Council have the opportunity to vote on any new salary packages exceeding £100,000.
 15. In order to attract suitably qualified and experienced candidates for roles across the organisation we need to consider reviewing our reward and grading structure, as well as elements of our terms and conditions of employment, to ensure that they are competitive both regionally and nationally.
 16. In line with our priority to be clear about good performance standards across our service areas, a key focus for Herefordshire Council in 'raising its game' in the next financial year will be reviewing and implementing a new approach to ensure a robust individual/service performance management system. This will be designed to encourage good performance, whilst identifying unacceptable performance and addressing it and will complement the existing quarterly performance review process and the continuous performance improvement programme (C-PiP) that is corporate wide.
 17. In approving its statement, council must have regard to any guidance issued by the secretary of state. This has been taken into consideration in the development of the statement.
 18. The pay policy statement follows a previous format and has been updated to reflect current data relating to roles, salaries and financial information.

Recruitment to statutory roles:

19. It is acknowledged that the organisation has made significant progress to respond to the financial challenges and transformation of service delivery over the last two years with significant challenges cited for the foreseeable future. It is important that our organisation continues to recruit quality candidates at best value to the core roles which are required to ensure that we have high calibre people working in our organisation to continue to lead and deliver further significant changes across the public services and in particular the continued challenges to local authorities.
20. Following the report to employment panel in relation to statutory officers on 3 June 2014 and the associated decisions made, we propose to commence a recruitment campaign in February for the recruitment to the posts listed below to put in place a permanent position for the medium term.
21. The statutory roles planned to be included in the recruitment campaign include the director of adults & wellbeing; director of public health; director of resources (section 151 officer) (encompassing previous chief financial officer role). For the panel's information, during the course of next year, in line with good practice there will be a review of posts filled by agency staff, and recruitment to those posts where they are long term core roles, although recruitment to those posts is not a responsibility of the panel. The first of these will be the assistant director – adults & wellbeing commissioning.
22. **Director of resources.** Following the 2013 departure of the corporate services director (deputy chief executive) and the chief officer (finance and commercial services) the decision was taken in mid-2013 to recruit to the chief financial officer role with a specific finance focus to enable prioritisation of fully addressing the financial challenges to the council. The council's financial position and its financial control has improved despite the extraordinary new yearly financial challenges placed upon the council and in April 2014 the post-holder took additional responsibility for ICT services and in December 2014 for property and estates services. This has enabled the deletion of two senior posts, the assistant director organisational development and directorate change manager. It is considered that these changes should be made permanent as director of resources although the principal focus of the role will remain finance. Streamlining the governance arrangements with Hoople Ltd may also enable further efficiencies to be made by appointing to this new post. It is therefore proposed that we start the recruitment process to this role. The salary for this post will be consistent with the council's current grading structure and subject to job evaluation. The spot salary for this post based on previous job evaluation is £90,000. It is anticipated that this role may attract an enhanced spot rate salary in line with the outcome of the job evaluation process.
23. The recruitment process will be defined and carried out in line with recruitment policies and procedures, and will comply with the requirements of the constitution and any legislative requirements specific to the Director of Public Health post.

Shortlisting	<ul style="list-style-type: none">• Employment panel• Chief executive and/or Herefordshire Council director (as appropriate)• Professional body• Cabinet lead
--------------	--

Further information on the subject of this report is available from
Alistair Neill, chief executive on Tel (01432) 260044

Selection process	<ul style="list-style-type: none"> • Employment panel • Cabinet lead • Chief executive and/or Herefordshire Council director (AWB, CWB or ECC), • specialist professional body e.g. Public Health England, DAS, CIPFA, • partner organisations as appropriate e.g. CCG, • representative from appropriate forum or board e.g. health & wellbeing, safeguarding boards
Interview and Appointment decision	<ul style="list-style-type: none"> • Employment panel • Public Health England

24. It is anticipated that the recruitment campaign will launch in February 2015 with anticipated start dates for appointed candidates from June 2015 to September 2015.
25. The role profile for the director for adults and wellbeing position has been subject to a job evaluation process and the salary applied is consistent with existing director level roles. The director salary level is a spot salary at £120,000 as detailed in the pay policy statement.

Community Impact

26. The council, as an employer, has a significant role to play in the local economy. We have an explicit corporate objective related to increasing the average wage and the number of people that work in Herefordshire. Consideration should continue to be given to the degree to which the commissioning approach adopted by the council may be used to influence pay policies of local contractors who supply goods or services on behalf of the authority. The council continues to ensure that the resources available are used in the most effective way.

Equality and Human Rights

27. The statement makes clear that the council’s employment policies, and the processes by which pay levels for a post are set, have full regard to relevant equality legislation.
28. When conducting further living wage analysis, an equality impact assessment will be completed.

Financial Implications

29. There are no financial implications relating to the pay policy statement arising from the report; the statement simply summarises current policies and pay levels. Council has the opportunity to vote on any proposed pay packages exceeding £100,000.
30. There will be a cost for the recruitment campaign and any costs for using specialist agencies to source good quality candidates. The anticipated cost for this would be £60,000 (£10,000 to £15,000 per post) which would include agency fees and attraction. This will be covered from existing budgets.

Further information on the subject of this report is available from
Alistair Neill, chief executive on Tel (01432) 260044

31. The ongoing cost of appointments at this level would be within the existing budgets and subject to council approval as defined by the Localism Act 2011.

Legal Implications

32. Sections 38 – 43 of the Localism Act 2011 require that the Authority prepare a pay policy statement for each financial year. It must be prepared and approved before 31 March and once approved published. This policy statement meets the requirements of the Localism Act and also meets the requirements of the guidance issued by the Secretary of State for Communities and Local Government to which the Authority is required to have regard under Section 40 of that Act

Risk Management

33. Failure to approve and publish a statement would result on non-compliance with a statutory requirement. Arrangements are in place to ensure publication of the statement following approval by council.
34. Failure to recruit to statutory roles for the long-term would risk the delivery of strategic transformation across our services.
35. The annual governance statement and action plan highlights the risks associated with high levels of interim senior management cover, the proposed recruitment actions contribute to the mitigation of that risk.

Consultees

36. Management board, trade unions and employees will continue to be engaged as appropriate on future thinking and associated plans to make any further changes to elements of the pay policy, or terms and conditions of employment.

Appendices

Appendix A – Draft pay policy statement

Appendix B – Organisation charts

Background Papers

None identified.

DRAFT - Pay Policy Statement 2015

Appendix A

Introduction and purpose

1. The purpose of this statement is to set out the council's approach to setting the pay of its employees (excluding those working in local authority schools) by identifying:
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff (chief officers), as defined by the relevant legislation;
 - who is responsible for ensuring the provisions set out in this statement are applied consistently throughout the council, and for recommending any changes to council.
2. Once approved by council, this policy statement will come into immediate effect and will be subject to an annual refresh.

Legislative framework

3. Section 38(1) of the Localism Act 2011 requires local authorities to produce an annual pay policy statement.
4. Under section 112 of the Local Government Act 1972, the council has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit', subject to the provisions of section 41 of the Localism Act (namely for decisions in relation to terms and conditions of chief officers to comply with the pay policy statement).
5. In determining the pay and remuneration of all of its employees, Herefordshire Council will comply with all relevant employment legislation. With regard to the equal pay requirements contained within the Equality Act, the council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

Organisational context

6. All local authorities are reducing services as the government has indicated that it will continue to significantly reduce the funding it provides to local government across England. Direct government funding is being cut by over 40% in the worst cases.
7. In addition Herefordshire Council serves ever more people, particularly in essential areas such as children's safeguarding and adult social care. Nonetheless we must reduce expenditure in total by approximately £33m in the period 2014/15 – 2016/17; to hit this target we must make savings of £9m in 2015/16, on top of the £34m savings delivered in the previous three financial years.
8. We have managed to reduce our costs substantially by working in better ways and being more efficient, including a reduction in the number of senior posts, and a reduction in the salary levels of chief officer posts. We will keep doing this but there is little opportunity left to reduce costs without reducing our services further.
9. We have less, so, even after efficiencies, we must do less.

10. Our priority areas are, within the resource available to us, to keep children and young people safe, and give them a great start in life, enable residents to live safe, healthy and independent lives, and invest in projects to improve roads, create jobs and build more homes.
11. To continue to fund those priority services we have to radically reduce, or stop completely, the funding of all other services. Even in our priority areas we have to make reductions to balance our budget. This means changing the way those services are provided and by managing demand.

Pay structure / national frameworks

12. Herefordshire Council is committed to fair pay and grading determined by a robust and objective job evaluation process. The *national job evaluation scheme* is used for all posts up to HC7 and the *Hay job evaluation scheme* for all posts above this level.
13. Based on the application of the job evaluation process, the council uses the nationally negotiated pay spine (attached at Appendix 1) as the basis for its local pay rates in relation to job grades. This determines the salaries of the large majority of the non-school based workforce, together with the use of other nationally defined rates where relevant. National pay increased by 2.2% in January 2015.
14. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and or as determined by council policy. In determining its grading structure and setting remuneration levels for all posts, the council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times those services are required.
15. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate.
16. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. In accordance with the council's policy on market forces, where this is necessary the council will ensure the requirement for such a market forces supplement is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector. Any market forces supplement will be payable for a pre-determined fixed period and will be subject to ongoing review.
17. The council does not make use of performance related pay for any of its employees.

Senior management remuneration

18. For the purpose of this statement 'senior management' means 'chief officers' as defined within section 43 of the Localism Act. The posts falling within this definition are listed below, with details of their remuneration (excluding standard pension contribution) as at 3 November 2014.
19. An organisation chart at Appendix B shows the current reporting structure of chief officers and their direct reports. The structure shows evidence of removing management roles and increasing the spans of control i.e. number of direct reports, which means fewer layers between the head of paid service and junior staff.

Permanent posts	*Annual salary (excluding on costs) £	**Total pay £
CEO Herefordshire Council (<i>head of paid service</i>)	145,000	
Director for economy communities and corporate	120,000	120,181
Director of children's wellbeing (0.9 fte)	108,000	
<i>Section 151 officer (1 day a week)</i> <i>Annual salary of future appointment to be in place by September 2015 (subject to job evaluation)</i>	33,800 (90,000)	
<i>Director of public health</i> <i>Annual salary of future appointment to be in place by September 2015 (subject to job evaluation)</i>	(80,751)	(95,751)
Public health consultant	84,667	
Public health consultant	84,667	
Assistant director governance (<i>monitoring officer</i>)	90,000	
Assistant director commissioning and education	80,751	
Assistant director economic environmental and cultural services	80,751	
Assistant director place based commissioning	80,751	
Head of community and customer services and project director broadband	70,682	
Head of adult safeguarding and transformation	70,682	
Programme director – housing and growth (effective 1 March 2015)	74,550	
Head of practice development	56,165	
Health improvement programme manager	49,473	
Head of communications and web	53,232	
Finance business partner	54,679	
Head of technical accounting	45,320	
Management accountant (0.92 fte)	40,594	
Head of corporate assets management	50,451	
Property services manager	50,451	
Service manager – ICT commissioning	44,414	

* Annual salaries quoted are effective 1 January 2015 and not inclusive of on costs which are typically an additional 24%. Also excluded are two days unpaid annual leave deducted annually as per contracts of employment.

** Total pay includes any additional payments e.g. market forces supplements, allowances, benefits-in-kind as defined in the local government transparency code 2014.

Additions to salary of chief officers

20. The chief executive is the returning officer for Herefordshire. No additional payment is made for fulfilling this duty.
21. The council does not apply any bonuses, pension enhancements (subject to para. 26 below) or performance related pay at this time to its chief officers or to other staff within its workforce. No other pay benefits are paid to chief officers at the time of producing this statement. Relocation for new employees and mileage are classed as expenses, ie are not tax deductible and relate to additional costs incurred.

Recruitment of chief officers

22. Herefordshire Council's rules with regard to employment of staff are set out within the employment rules contained within section 4.9 of the constitution, available at the following link:
<http://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=332&MId=4894&Ver=4&Info=1>
23. Where the council requires short term focus on a particular transformation or turnaround priority, it will consider and utilise engagement of specialist consultancy companies under 'contracts of service' rather than employing individuals. Currently, there are three areas where this is applicable. These are children's safeguarding performance improvement; adult wellbeing, public health and commissioning transformation; and financial/resources stability. In the case of the first two, the contracts of service are costing no more than any substantive post at this level including on costs. The contract of service cost for finance/resources transformation will cost slightly more and this was previously agreed with the employment panel on 3 June 2014. These services will continue to be sourced through a relevant procurement process in accordance with the council's contracts procedure rules, ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

Contract of Service provision	Annual budget £000	Equivalent people
Adult care, public health & commissioning transformation	143	1
Public health	125	1
Adults wellbeing commissioning	105	1
Finance/resources transformation	117	1
Safeguarding and early help	103	1
Adults wellbeing operations	97	1

These figures should not be confused with or interpreted as a salary that an interim person would receive through a contract for service arrangement as the budget covers the cost of the service provided, plus the cost of the agency managing the contract and does not directly relate to the value of the remuneration paid to the individuals carrying out the work.

24. Any officer previously employed by Herefordshire Council in receipt of a severance or redundancy payment when their employment ceases may not be re-employed by the authority (including under a contract of service or as an agency worker) until a period of at least six months has elapsed, unless through exceptional circumstances (in which case the payment would be claimed back on a pro-rata basis).

25. Any officer appointed to the council who has been made redundant within the previous two years from an organisation covered by the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 (as amended) (which applies to local authorities and related bodies) will have their previous continuous service taken into account for the purpose of calculating annual leave, sick pay, maternity / paternity entitlements. For the purpose of redundancy, the calculation of service would be the date of return to Herefordshire Council.

Payments on termination

26. The council's policy on termination of employment of employees prior to reaching normal retirement age, in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 (as amended), is to base redundancy payments on the statutory calculation multiplied by 1.5.
27. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made in accordance with the relevant process as set out in the council's employment rules.

Pensions

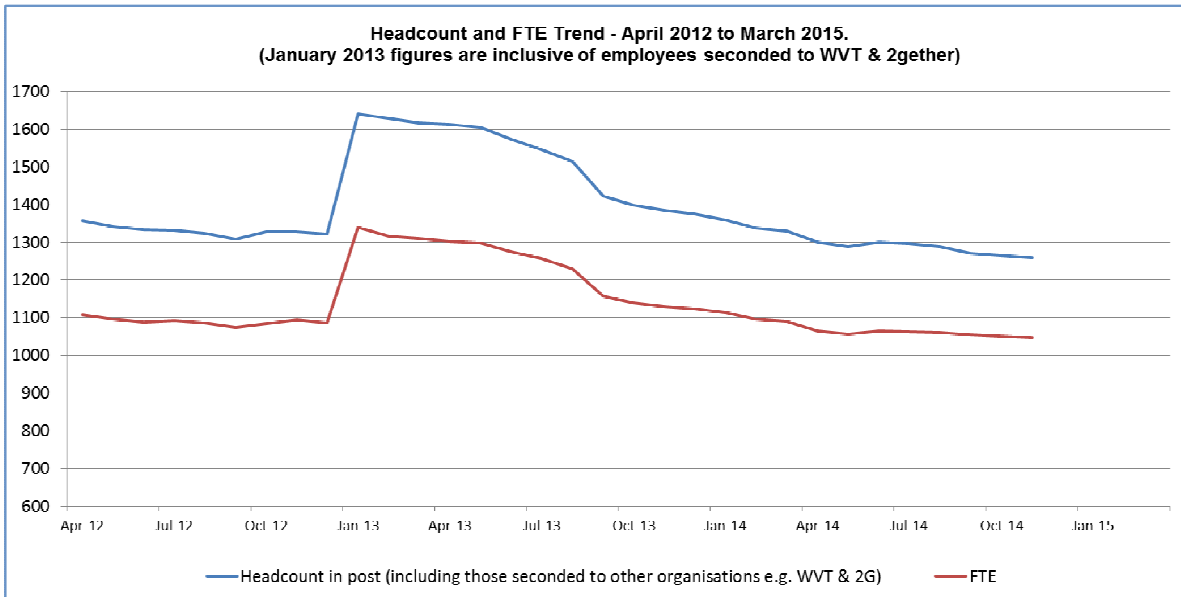
28. Subject to qualifying conditions, employees have a right to join the nationally determined local government pension scheme. The employee contribution rates, which are defined by statute, are as of 1 April 2014:

Whole time pay rate	Contribution rate
Up to £13,500.99	5.5%
£13,501.00 to £21,000.99	5.8%
£21,001 to £34,000.99	6.5%
£34,001.00 to £43,000.99	6.8%
£43,001.00 to £60,000.99	8.5%
£60,001.00 to £85,000.99	9.9%
£85,001.00 to £100,000.99	10.5%
£100,001.00 to £150,000.99	11.4%
£150,001.00 and above	12.5%

29. Scheme members have the right to opt to pay half rate contributions in return for half the benefits.
30. The employer contribution rates are set by actuaries advising the pension fund; these are reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current rate, as of 1 April 2014 is 24%. This includes an element of past service deficit funding.

Broader workforce perspective

31. This section of the pay policy statement applies to the non-schools workforce only.
32. The overall spend of Herefordshire Council is approximately £319 million. Approximately £36 million is spent on employing the non-schools workforce in relation to basic salaries (including national insurance and superannuation) of directly employed staff to which this policy relates. As at 3 November 2014 (the most recent data available at time of drafting) there were 1049.21 full-time equivalent (FTE) posts across the organisation.



NOTE: The increased headcount and FTE figures in January 2013 are due to the inclusion of Herefordshire Council employees who were seconded to Wye Valley Trust to September 2013, and those who continue to be seconded to 2gether. This data was not previously recorded in the council's figures. The headcount and FTE trend continues to fall.

33. As at 3 November 2014, the median basic salary was £22,443 (excluding national insurance and superannuation). The mean average salary (workforce cost exclusive of national insurance and superannuation divided by headcount) is £25,717 which has reduced from £28,343 in December 2013. The median chief officer annual salary is £70,682 (excluding national insurance and superannuation) this has reduced from £79,013 last year.
34. For the purpose of this pay policy statement, and in accordance with the provisions of section 38 of the Localism Act, Herefordshire Council defines "lowest paid employees" as those paid on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the council's grading structure. As at 3 November 2014, this is scp10 £14,013 per annum – there are three people paid at this level. The council employs apprentices who are not included within the definition of 'lowest paid employees'.
35. The current pay levels within the council define the multiple between the lowest paid (full time equivalent) employee and the chief executive as 1:10 (reduced from 1:11) and; between the lowest paid employee and average chief officer as 1:5 (reduced from 1:7). The multiple between the median full time equivalent earnings and the chief executive is 1:6 and; between the median full time equivalent earnings and median chief officer is 1:3 (reduced from 1:4). The multiple between the median salary and the chief executive is 1:5. This data will be refreshed in line with the publishing of the statement of accounts and will be available within the statement of accounts and on the website.
36. The authority implemented two days unpaid leave through collective bargaining in May 2013 that applies to all roles within the organisation (excluding schools, TUPE transferred NHS staff and those employed on a term time only contract). The two days are confirmed by the organisation and coincide with the christmas bank holidays. Local decisions in relation to leave are taken within critical services that continue through this period.
37. The council values the contribution that interim workers make to achieving organisational objectives. They enable a flexible employment model that makes it possible for the council to attract expertise that is not otherwise internally or locally available. Where the nature of the work is time limited utilising interims may be the more cost effective approach by mitigating

long-term substantive costs and potential redundancy circumstances. It is normal for organisations going through significant transformation to have a flexible workforce model to achieve the challenging priorities and respond to the associated budget pressures.

38. That said, the agency worker market also needs to operate within a cost and quality model which is affordable. The council has signed up to the west midlands children's agency social worker protocol which seeks to be transparent about cost and ensure consistent quality.

Accountability and decision making

39. In accordance with the council's constitution, the employment panel (in respect of the chief executive, monitoring officer, Section 151 officer and directors) or the chief executive (all other employees) is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the council.
40. For those pay accountability matters identified within the Localism Act as being reserved to council, the employment panel will be the body accountable for formulating recommendations to council including the undertaking of an annual review of this statement before recommending its approval to council as one of the suite of documents council approves as part of its medium term financial strategy. The pay policy statement therefore forms part of the budget and policy framework of the council.
41. In addition to approval of this statement, the right of approval of new salary packages over £100,000 is reserved to council. In such circumstances the employment panel will be the body accountable for developing recommendations to council.

Member pay

42. This pay policy statement does not relate to councillors. Information on councillor allowances can be found at <http://councillors.herefordshire.gov.uk/ecSDDisplay.aspx?name=allowances>.

Publication

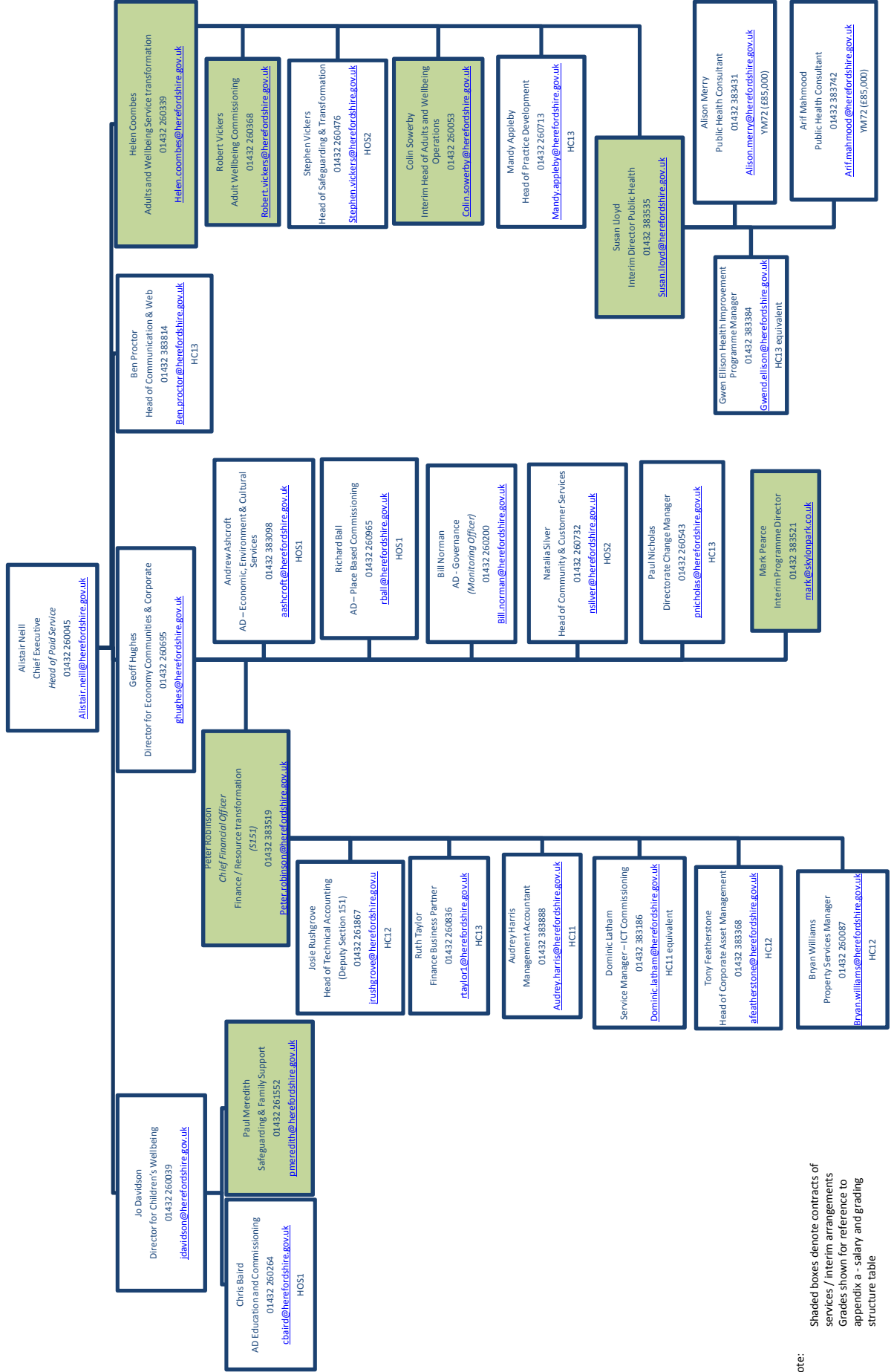
43. After approval by council, this statement will be published on the council's website. In addition, senior employees (directors and staff who report to directors who are employed on head of service pay grades) are included in the council's annual statement of accounts (available at: <https://www.herefordshire.gov.uk/government-citizens-and-rights/democracy/council-finances/>) that includes a note setting out the total amount of:
- Salary, fees or allowances paid to or receivable by the person in the current and previous year.
 - Any bonuses so paid or receivable by the person in the current and previous year.
 - Any sums payable by way of expenses allowance that are chargeable to UK income tax.
 - Any compensation for loss of employment and any other payments connected with termination.
 - Any benefits received that do not fall within the above.

Herefordshire Council pay and grading structure – 1 January 2015
Appendix 1

Grade	National SCP (scp50 & above are local)	Annual Pay Rate	Hourly Pay Rate(£)
HC1	5	£13,500	6.9974
	6	£13,614	7.0565
	7	£13,715	7.1088
HC2	7	£13,715	7.1088
	8	£13,871	7.1879
	9	£14,075	7.2954
	10	£14,338	7.4317
HC3	10	£14,338	7.4317
	11	£15,207	7.8822
	12	£15,523	8.0460
	13	£15,941	8.2626
HC4	13	£15,941	8.2626
	14	£16,231	8.4129
	15	£16,572	8.5897
	16	£16,969	8.7955
HC5	17	£17,372	9.0043
	18	£17,714	9.1816
	19	£18,376	9.5247
	20	£19,048	9.8731
	21	£19,742	10.2328
HC6	21	£19,742	10.2328
	22	£20,253	10.4976
	23	£20,849	10.8066
	24	£21,530	11.1595
	25	£22,212	11.5130
	26	£22,937	11.8888
HC7	26	£22,937	11.8888
	27	£23,698	12.2833
	28	£24,472	12.6845
	29	£25,440	13.1862
	30	£26,293	13.6283
	31	£27,123	14.0585
HC8	31	£27,123	14.0585
	32	£27,924	14.4737
	33	£28,746	14.8998
	34	£29,558	15.3207
	35	£30,178	15.6420
	36	£30,978	16.0567
HC9	36	£30,978	16.0567
	37	£31,846	16.5066
	38	£32,778	16.9897
	39	£33,857	17.5489
	40	£34,746	18.0097
HC10	41	£35,662	18.4845
	42	£36,571	18.9557
	43	£37,483	19.4284
	44	£38,405	19.9063
	45	£39,267	20.3531

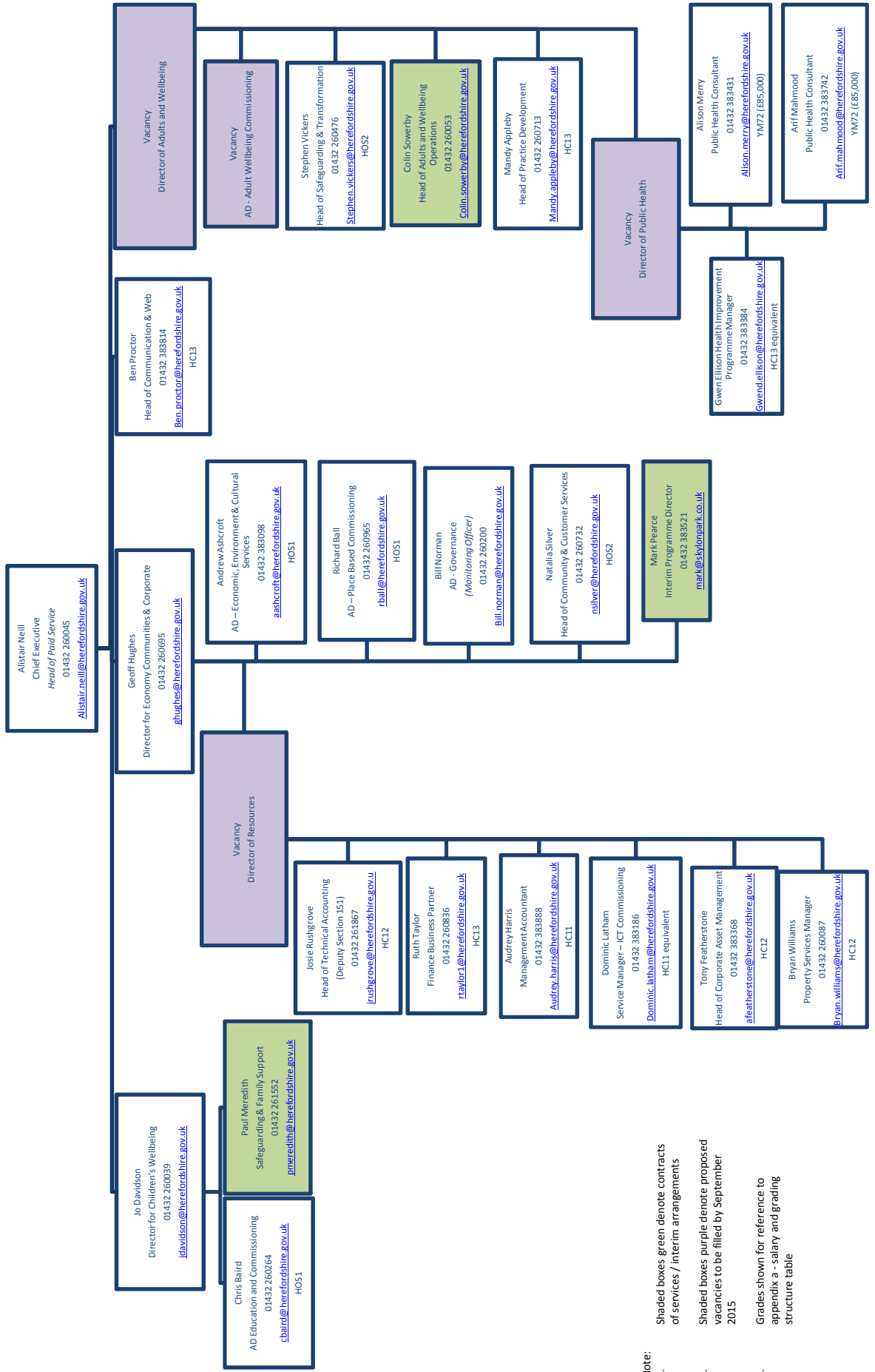
HC11	46	£40,217	20.8455
	47	£41,140	21.3239
	48	£42,053	21.7971
	49	£42,957	22.2657
	50	£44,124	22.8706
HC12	51	£45,320	23.4905
	52	£46,552	24.1291
	53	£47,820	24.7863
	54	£49,117	25.4586
	55	£50,451	26.1500
HC13	56	£51,824	26.8617
	57	£53,232	27.5915
	58	£54,679	28.3415
	59	£56,165	29.1117
HoS2		£70,682	36.6364
		£72,591	37.6258
		£74,550	38.6412
HoS1		£76,563	39.6846
		£78,631	40.7565
		£80,751	41.8554

Herefordshire Council Chief Officers and their direct reports
December 2014



- Note:
1. Shaded boxes denote contracts of services / interim arrangements
 2. Grades shown for reference to appendix a - salary and grading structure table

Proposed Herefordshire Council Chief Officers and their direct reports



- Note:
1. Shaded boxes green denote contracts of services / interim arrangements
 2. Shaded boxes purple denote proposed vacancies to be filled by September 2015
 3. Grades shown for reference to appendix a - salary and grading structure table