

SUPPLEMENT TO THE AGENDA FOR

Employment panel

Friday 20 January 2017

2.00 pm

Committee Room 1, Shire Hall, St. Peter's Square, Hereford

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5. PAY POLICY STATEMENT	
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Pay Policy Statement 2017

1. This document meets Section 38(1) of the Localism Act 2011 that requires councils to produce an annual pay policy statement that articulates the council's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and lowest paid employees. It does not apply to schools.
2. The purpose of this statement is to provide transparency with regard to the council's approach to setting the pay of its employees (excluding staff working in schools etc) by identifying the:
 - Methods by which salaries of all employees are determined;
 - Detail and level of remuneration of the council's most senior staff;
 - Remuneration of the council's lowest-paid employees; and
 - Relationship between the remuneration of senior officers and those employees who are not.
3. The statement is subject to an annual review. Council has delegated authority to the monitoring officer to make in year amendments to reflect changes to post holder details or approved changes to local or national pay policy.

Pay structure / national frameworks

4. Herefordshire Council is committed to fair pay and grading determined by a robust and objective job evaluation process. The National Joint Council job evaluation scheme is used for all posts up to HC7 and the Hay job evaluation scheme for all posts above this level.
5. Based on the application of the job evaluation process, the council uses the nationally negotiated pay spine as the basis for its local pay rates in relation to job grades. This determines the salaries of the large majority of the workforce, together with the use of other nationally defined rates where relevant. The pay structure is in appendix 1.
6. 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.
7. The terms and conditions of employment applicable to officers on director grade and above are as determined by the Joint Negotiating Committee for Chief Officers of Local Authorities (or Joint Negotiating Committee for Chief Executives of Local Authorities) as amended/supplemented or superseded by decisions on conditions of service made by the

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council from time to time and contained within the council's employment policies and procedures.

8. Nationally or locally determined rates apply for other employee groups including:
 - Employees whose pay and conditions are determined by the Soulbury Committee;
 - Employees who have transferred from the NHS to the council and retain their former terms and conditions of employment;
 - Employees who have retained terms and conditions of employment from other employers following a TUPE transfer to the council.
9. 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.
10. All employees, including senior employees, receive annual increments until the top of their salary grade has been reached. The first increment is paid when the employee has been in post for 12 months or six months after appointment, whichever is the later. This does not apply to the chief executive or directors who are on a spot salary.
11. In response to the financial challenges facing all councils, since 2013 all employees are required to take two days unpaid leave; this does not affect pensionable pay.
12. 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. As appropriate a welcome payment and/or retention payment may be applied to specific hard to fill posts. These are regularly reviewed.

Senior management remuneration

13. 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 grade.
14. The contract for services budget amount should not be confused with or interpreted as a salary that an interim chief officer would receive through a contract for service arrangement as the budget covers the cost of the service provided, including national insurance, pension contributions and 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.

	Post Title	Salary grade	Contract for services budget (£)	Notes
	CEO Herefordshire Council (head of paid service)	CX		
	Solicitor to the council (0.3 fte) (monitoring officer – 0.7fte))	HC13 HoS2		1

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	Post Title	Salary grade	Contract for services budget (£)	Notes
Statutory chief officers				
	Director of children's wellbeing	DIR1		
	Director for adults and wellbeing	DIR1		
	Chief finance officer (section 151 officer)	DIR2		
	Director of public health		59,800	2
Non statutory chief officers				
	Director for economy communities and corporate	DIR1		
Deputy chief officers				
	Assistant director safeguarding and family support	HOS1		3
	Assistant director adults and wellbeing commissioning (acting)	HOS2		
	Assistant director commissioning and education	HOS1		
	Assistant director environment and place	HOS1		
	Assistant director communities	HOS1		
	Assistant director operations and support	HOS1		
	Programme director – housing and growth	HOS2		
	Head of human resources and organisation development	HOS2		
	Head of corporate finance (deputy S151 officer)	HC13		
	Head of corporate governance	HC11		
	Head of management accounting	HC13		
	Strategic business intelligence manager	HC10		
	Finance business partner (0.6 fte)	HC13		
	Enterprise zone managing director (0.8 fte)		76,138	
	Consultant in public health	£84,667		4, 5
	Health improvement specialist	£57,640		4
	Public health specialist (0.6 fte)	HC13		

1. Reflects percentage split for substantive role and monitoring officer responsibilities
2. This function is provided under a shared services agreement with Shropshire Council
3. Market Forces Supplement of £5,000
4. On TUPE'd pay rates
5. Plus clinical excellence award of £492.83 a month

Additions to salary

15. The chief executive is the returning officer for Herefordshire. No additional payment is made for fulfilling this duty for local elections as this is built into the overall salary, although

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there is an additional payment for national elections at a nationally set rate. Employees who undertake election duties are paid a fee that is set by the returning officer depending on the duties undertaken.

16. The council does not apply any bonuses, pension enhancements or performance related pay at this time to its chief officers, other than a clinical excellence award as indicated in the table under para 14.
17. Relocation for new employees and mileage are classed as expenses, i.e. are not tax deductible and relate to additional costs incurred.

Recruitment

18. 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&MIId=4894&Ver=4&Info=1>

Payments on termination

19. 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.
20. The council operates a mutual early resignation scheme (MERS) under which an individual employee, in agreement with the council, chooses to leave employment in return for a severance payment or, if in the Local Government Pension Scheme and aged over 55, a pension that is not actuarially reduced. It is not a redundancy or a voluntary redundancy.

Re-employment having received a severance payment

21. Any officer previously employed by Herefordshire Council in receipt of a severance, redundancy or MERS 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 required to meet exceptional circumstances (in which case the payment would be claimed back on a pro-rata basis). If an individual does return to the council within one month they would be required to repay any MERS payment in full.

Broader workforce perspective

22. 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 5 Dec 2016, this is scp10. The council employs apprentices who are not included within the definition of 'lowest paid employees' as they are engaged on a learning agreement.

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23. The relationship between the rate of pay for the lowest paid and chief officers is determined by the job evaluation process used for establishing the grading of posts and grade/role profiles as set out earlier in this policy statement.

Accountability and decision making

24. 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 (in respect of 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.
25. 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.
26. 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.

Publication

27. After approval by Council, this statement will be published on the council's website. In addition, statutory employees (chief executive, directors, including the chief finance officer, and monitoring officer) are disclosed in the council's annual statement of accounts (available at: <https://www.herefordshire.gov.uk/government-citizens-and-rights/democracy/council-finances>) 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 April 2017 Appendix 1			
Grade	National SCP (scp50 & above are local)	Annual Pay Rate £	Hourly Pay Rate £
HC1	6	15,014	7.78
	7	15,115	7.83
HC2	7	15,115	7.83
	8	15,246	7.90
	9	15,375	7.97
	10	15,613	8.09
HC3	10	15,613	8.09
	11	15,807	8.19
	12	16,123	8.36
	13	16,491	8.55
HC4	13	16,491	8.55
	14	16,781	8.70
	15	17,072	8.85
	16	17,419	9.03
HC5	17	17,772	9.21
	18	18,070	9.37
	19	18,746	9.72
	20	19,430	10.07
	21	20,138	10.44
HC6	21	20,138	10.44
	22	20,661	10.71
	23	21,268	11.02
	24	21,962	11.38
	25	22,658	11.74
	26	23,398	12.13
HC7	26	23,398	12.13
	27	24,174	12.53
	28	24,964	12.94
	29	25,951	13.45
	30	26,822	13.90
	31	27,668	14.34
HC8	31	27,668	14.34
	32	28,485	14.76
	33	29,323	15.20
	34	30,153	15.63
	35	30,785	15.96
	36	31,601	16.38
HC9	36	31,601	16.38
	37	32,486	16.84
	38	33,437	17.33
	39	34,538	17.90
	40	35,444	18.37
HC10	41	36,379	18.86
	42	37,306	19.34
	43	38,237	19.82
	44	39,177	20.31
	45	40,057	20.76

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HC11	46	41,025	21.26
	47	41,967	21.75
	48	42,899	22.24
	49	43,821	22.71
	50	45,011	23.33
HC12	51	46,231	23.96
	52	47,488	24.61
	53	48,781	25.28
	54	50,104	25.97
	55	51,465	26.68
HC13	56	52,866	27.40
	57	54,302	28.15
	58	55,778	28.91
	59	57,294	29.70
HoS2		72,103	37.37
		74,050	38.38
		76,048	39.42
HoS1		78,102	40.48
		80,211	41.58
		82,374	42.70
Director 2		99,970	
Director 1		122,412	
CX		147,915	

