

# AGENDA

## Employment panel

Date: **Friday 20 January 2017**

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Time: **2.00 pm**

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

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

For any further information please contact:

**Ben Baugh, Democratic Services**

Tel: 01432 261882

Email: [bbaugh@herefordshire.gov.uk](mailto:bbaugh@herefordshire.gov.uk)

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If you would like help to understand this document, or would like it in another format, please call Ben Baugh, Democratic Services on 01432 261882 or e-mail [bbaugh@herefordshire.gov.uk](mailto:bbaugh@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the meeting of the Employment panel**

## **Membership**

<b>Chairman</b>	<b>Councillor AW Johnson</b>
<b>Vice-Chairman</b>	<b>Councillor PM Morgan</b>
	<b>Councillor H Bramer</b>
	<b>Councillor RI Matthews</b>
	<b>Councillor AJW Powers</b>

## AGENDA

		Pages
1.	<b>APOLOGIES FOR ABSENCE</b>  To receive any apologies for absence.	
2.	<b>NAMED SUBSTITUTES (IF ANY)</b>  To receive details of any member nominated to attend the meeting in place of a member of the panel.	
3.	<b>DECLARATIONS OF INTEREST</b>  To receive any declarations of interest by members in respect of items on this agenda.	
4.	<b>MINUTES</b>  To approve and sign the minutes of the meeting held on 6 December 2016.	7 - 8
5.	<b>PAY POLICY STATEMENT</b>  To consider the 2017 pay policy statement for recommendation to Council.	9 - 20
<b>EXCLUSION OF THE PUBLIC AND PRESS</b>		
<b>In the opinion of the Proper Officer, the next item will not be, or is likely not to be, open to the public and press at the time it is considered.</b>		
<b>Recommendation:</b>		
<b>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) as indicated below.</b>		
6.	<b>APPOINTMENT OF DIRECTOR FOR CHILDREN'S WELLBEING</b>  To make interim arrangements to fill the post of director for children's wellbeing following the resignation of the current post holder.  <b>This report is exempt from publication by virtue of paragraph 1 (information relating to an individual).</b>	21 - 24



## **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 The Council Chamber - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Tuesday 6 December 2016 at 3.30 pm**

**Present:** Councillor AW Johnson (Chairman)  
Councillor PM Morgan (Vice-Chairman)  
  
Councillors: H Bramer, RI Matthews and AJW Powers

**Officers:** Geoff Hughes, Alistair Neill and Tracey Sampson

**11. APOLOGIES FOR ABSENCE**

None.

**12. NAMED SUBSTITUTES (IF ANY)**

None.

**13. DECLARATIONS OF INTEREST**

None.

**14. MINUTES**

The minutes of the previous meeting were received.

**RESOLVED:** That the minutes of the meeting held on 12 October 2016 be approved as a correct record.

**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) as indicated below.**

**This report is exempt from publication by virtue of paragraph 1 (information relating to an individual).**

**15. APPOINTMENT OF CHIEF FINANCE OFFICER AND S151 OFFICER**

Summary of exempt proceedings

After a full and rigorous appointment process, including final interviews earlier in the day, the employment panel was unanimous in its view that, subject to there being no valid objections, Andrew Lovegrove be appointed as the council's chief finance officer and it be recommended to Council that the post of chief finance officer be designated as s151 officer.

**RESOLVED: That**

- (a) subject to there being no valid objections received from cabinet members by 5.00pm on 7 December, Andrew Lovegrove be appointed as the council's chief finance officer; and**
- (b) it be recommended to Council that the post of chief finance officer be designated as s151 officer.**

The meeting ended at 3.39 pm

**CHAIRMAN**





<b>Meeting:</b>	<b>Employment panel</b>
<b>Meeting date:</b>	<b>20 January 2017</b>
<b>Title of report:</b>	<b>Pay policy statement</b>
<b>Report by:</b>	<b>Head of HR and OD</b>

## Classification

Open

## Key decision

This is not an executive decision.

## Wards affected

County-wide

## Purpose

To consider the 2017 pay policy statement for recommendation to Council.

## Recommendation(s)

**THAT:**

- (a) the pay policy statement summarising existing council policies (at appendix A) be recommended to Council for approval.**

## 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.

## Reasons for recommendations

- 2 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.

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Further information on the subject of this report is available from  
Tracey Sampson, head of HR and OD, on 01432 383715

## Key considerations

- 3 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.
- 4 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.
- 5 The statement must include the council's definition of 'lowest paid employees' and the reasons for adopting that definition.
- 6 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 performance related pay for chief officers;
  - e) The use of bonuses for chief officers;
  - f) The approach to the payment of chief officers on their ceasing to hold office under, or to be employed by the authority; and
  - g) The publication of and access to information relating to remuneration of chief officers.
- 7 The statement draws together factual material and provides a summary of the current pay policies of the council.
- 8 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 must approve any new salary packages, or severance payments, exceeding £100,000.
- 9 In approving its statement, Council must have regard to any guidance issued by the secretary of state. In reviewing the content of previous statements it is apparent that additional information has been included. This has been taken into consideration in the development of the 2017 statement so that it more closely aligns to the statutory requirement.

## Community impact

- 10 The council continues to ensure that the resources available are used in the most effective way.

## **Equality duty**

- 11 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.
- 12 The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of policies and in the delivery of services.

## **Financial implications**

- 13 There are no financial implications relating to the pay policy statement arising from the report; the statement simply summarises current policies and pay levels.

## **Legal implications**

- 14 Sections 38 – 43 of the Localism Act 2011 require that the council 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 council is required to have regard under Section 40 of that Act.

## **Risk management**

- 15 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.

## **Consultees**

- 16 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

## **Background Papers**

None identified.



## **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. Technical amendments may be made in year.

### **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 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 JNC for Chief Officers of Local Authorities (or JNC for Chief Executives of Local Authorities) as amended/supplemented or superseded by decisions on conditions of service made by the 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:

**Appendix A**

- 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. 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**

12. 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.
13. 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.

	<b>Post Title</b>	<b>Salary grade</b>	<b>Contract for services budget £</b>	<b>Notes</b>
	CEO Herefordshire Council (head of paid service)	CX		
	Solicitor to the council people and regulatory(0.3 fte) (monitoring officer – 0.7fte))	HC13 HoS2		1
	<b>Statutory chief officers</b>			
	Director of children's wellbeing	DIR1		

**Appendix A**

	<b>Post Title</b>	<b>Salary grade</b>	<b>Contract for services budget £</b>	<b>Notes</b>
	Director for adults and wellbeing	DIR1		
	Chief finance officer (section 151 officer)	DIR2		
<b>Non statutory chief officers</b>				
	Director for economy communities and corporate	DIR1		
<b>Deputy chief officers</b>				
	Assistant director safeguarding and family support	HOS1		2
	Assistant director adults and wellbeing commissioning	HOS1		
	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 transformation	HC13		
	Head of strategic asset management	HC12		
	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	

1. Reflects percentage split for substantive role and monitoring officer responsibilities
2. Market Forces Supplement of £5,000

**Additions to salary**

14. 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 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.
15. The council does not apply any bonuses, pension enhancements or performance related pay at this time to its chief officers.

**Appendix A**

16. Relocation for new employees and mileage are classed as expenses, i.e. are not tax deductible and relate to additional costs incurred.

**Recruitment**

17. 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**

18. 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.
19. 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**

20. 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**

21. 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.
22. 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**

23. 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



## Appendix A

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.

24. 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.
25. 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

26. 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 A**
**Appendix 1**

<b>Grade</b>	<b>National SCP (scp50 &amp; above are local)</b>	<b>Annual Pay Rate £</b>	<b>Hourly Pay Rate £</b>
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

**Appendix A**

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	



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