

## PAY POLICY STATEMENT 2012/13

This Pay Policy Statement forms part of Huntingdonshire District Council's pay and reward strategy and provides information about the Council's policies relating to the pay and reward of chief officers and other employees, as required by sections 38-43 of the Localism Act 2011.

This Statement is available on the Council's website and contains hyperlinks to associated documents. The Council's website also includes separately published data on pay and reward for senior Officers which can be accessed from this link: <http://www.huntingdonshire.gov.uk/Councils%20and%20Democracy/Council/Council%20Finance/Pages/Chief%20Officer%20Salaries%20and%20Expenses.aspx>

### **Terms and conditions of employment – decision making**

Terms and conditions for employees are a non-executive function and responsibilities for decisions on these matters are delegated by full Council to Employment Panel and Senior Officers Panel. Information about these Panels and our staff consultative body is listed below.

#### **Employment Panel:**

The Employment Panel is a committee of Councillors appointed by Full Council to consider matters to do with the general terms and conditions of employment. Its membership is representative of the political balance of the Council. The Panel meets four times per year and is supported by the Managing Director (Resources) and other officers as required. Full constitutional arrangements can be found in the Council's Constitution, which can be accessed from this link:

<http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Document/Democratic%20Services%20documents/Constitution.pdf>.

#### **Senior Officers Panel:**

The Senior Officers Panel is a committee of Councillors appointed by Full Council to consider matters to do with the appointment and termination of office of senior staff. The Panel meets as required and is currently chaired by the Deputy Leader. Full constitutional arrangements can be found in the Council's Constitution.

#### **Employee Liaison Advisory Group (ELAG):**

The Council places great emphasis on the value of strong employee consultation and engagement. The majority of staff are not in a trade union. The Council has established a staff consultative body which consists of up to 15 volunteer staff elected by staff – ELAG Staff Side (ESS). The Managing Director (Resources) works with ESS representatives to address matters of staff interest and concern and to establish an agenda which is discussed during formal meetings with Members who are drawn from the Employment Panel. ESS is the body that

undertakes collective bargaining and consultation on a formal basis. The Council also recognises that approximately 25% of the contracted workforce are members of Unison and maintains close contacts with this union as required. Terms of Reference for ELAG can be accessed from this link:

<http://applications.huntsdc.gov.uk/moderngov/documents/s31400/Employment%20Panel%20-%2025.05.10%20-%20Terms%20of%20reference%20and%20constitution%20of%20the%20Employee%20Liaison%20Advisory%20Group%20final1.docAPPENDIX.pdf>

### **The Council's senior managers**

The Council's employees are managed by two Managing Directors. The position of Head of Paid Service is held by the Managing Director (Communities, Partnerships and Projects). The Managing Director (Resources) holds the positions of Returning Officer, Electoral Registration Officer and s151 Officer.

For the purposes of this Statement only, the Council has determined that the definition of the term "chief officer" in section 43 of the Localism Act includes the Managing Director posts plus nine Heads of Service, the One Leisure General Manager and the Corporate Team Manager who all report directly to the Managing Directors.

### **Basic salary**

The current salary scales for the Managing Directors, Heads of Service and Corporate Team Manager are shown in the table below.

<b>Post</b>	<b>Grade</b>	<b>Minimum Grade Point</b>	<b>Maximum Grade Point</b>
Managing Directors (x2)	1	£98,514	£147,768
Heads of Service (x5)	3	£51,802	£77,705
Heads of Service (x4)	4	£44,929	£67,393
One Leisure General Manager (x1)	5	£38,981	£58,477
Corporate Team Manager (x1)	6	£33,701	£50,554

### **Car allowances**

The Managing Directors are both eligible for a car allowance which currently pays £8,570 per year. Heads of Service and the One Leisure General Manager are eligible for a car allowance valued at £6,232. The values of these allowances are adjusted every three years in line with the Retail Price Index.

Until October 2011, those eligible for a car allowance were given the option of having a lease car in lieu of this allowance. While this option has been withdrawn, some chief officers will retain their lease cars until the expiry of the lease.

### **Payment of professional fees**

Professional fees for employees, including chief officers, are paid in accordance with the Council's policy for the payment of professional fees at section 3.2 of this document:

<http://applications.huntsdc.gov.uk/moderngov/documents/s803/Professional%20Fees.pdf>

### **Other allowances**

The 'sanctionable pay' system previously in place for some Operational staff (mainly those working in refuse/recycling, grounds maintenance and street cleansing) will be replaced by the Attendance Allowance from 1st April 2012. This is a payment of £150 per month which will be reduced if an employee accrues more than 5 working days of unauthorised absence in the previous 12 months. This allowance is not payable to any chief officers.

A range of other allowances may be paid for employees undertaking specific duties and these are due to be reviewed in 2012/13. These include the Open Contact Allowance which is paid to a small number of employees, including the Managing Directors and one Head of Service. An Open Attendance Allowance is paid to a small number of employees, including one Head of Service.

The Managing Directors both receive £25 per month as an Open Contact Allowance.

Short-term honorarium payments may be made for acting up or additional duties.

### **Expenses**

The Council's expenses rates were endorsed by Employment Panel on 21st September 2011 and mileage and subsistence costs are aligned to the HMRC benchmark rates.

### **Election fees**

The Managing Director (Resources) holds the positions of Returning Officer and Electoral Registration Officer. The salary for this post is inclusive of fees in respect of District Council elections. Additional fees may be payable for other elections, with fees for certain functions set by Statutory Instrument.

Other employees, including chief officers within the scope of this Statement, may receive additional payment for specific election duties according to scales set by the Returning Officer but derived from guidance from the Electoral Commission and similar guidance.

### **Salaries on recruitment/appointment**

Salaries on appointment to all posts, including chief officer posts, are determined by their line managers, in accordance with the Council's 'Framework for Salaries on Appointment, Promotion, Transfer or Acting-Up'.

This states that the commencing salary will be determined using the following criteria:

- ◆ qualifications obtained,
- ◆ skills, competence and experience relevant to the job, either directly or indirectly,
- ◆ current salary and benefits package,
- ◆ comparisons with existing employees' salaries where relevant,
- ◆ the relevant local and national salaries market for that type of job (permanent and temporary posts),
- ◆ appointment at or below grade mid-point where the market allows, and
- ◆ any other factor considered relevant by the Head of Service or Managing Director (Resources).

The 'Framework for Salaries on Appointment, Promotion, Transfer or Acting-Up' can be found at the following link:

[http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Document s/Personnel%20documents/starting\\_salaries\\_framework.pdf](http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Document s/Personnel%20documents/starting_salaries_framework.pdf)

Salaries on appointment to the Managing Director posts are currently set within the scale for Grade 1 employees. The Managing Directors were appointed on a salary of £125,000 with effect from 1st June 2011. Salaries for the Managing Directors have been fixed until 31st May 2013.

As required by guidance under section 40 of the Localism Act, full Council will be offered the opportunity to vote from 1st April 2012 before large salary packages in excess of £100,000 are offered in respect of new appointments. This is likely to only apply to appointments to posts on Grade 1 but will include any posts where salary packages (including salary, bonuses, fees, allowances and any benefits in kind) exceed £100,000. This £100,000 threshold will be amended if Government guidance changes.

### **Salary progression**

Employees' salaries may be advanced within their grade in accordance with the Council's 'Framework for Salaries on Appointment, Promotion, Transfer or Acting-Up'. This framework also sets out how salaries will be determined on promotion, regrading of current post to a higher grade, transfer or acting up (payment of honoraria).

Employees on fixed spot salaries such as those on short fixed-term contracts, those receiving sanctionable pay (to be replaced by Attendance Allowance from

1st April 2012) are not eligible for incremental progression but there is limited progression within some of these posts. Where different levels of pay are set dependent on qualifications, it is possible to move to a higher level by obtaining a specific qualification. Otherwise progression may be possible where an employee changes post or takes on additional responsibility such as a team leader role.

In addition, all employees may be awarded a cost of living pay award each year. This cost of living award is determined by the Employment Panel following negotiations with staff representatives. For 2012/13, the cost of living award is nil.

In recognition of the difficult financial situation that the Council is in, it has also been agreed with staff representatives that no incremental pay rises will be awarded as a result of the 2012 appraisals.

### **Bonus pay and performance-related pay**

For 2012/13, it has been agreed that staff normally eligible for incremental pay awards will be eligible for non-consolidated bonuses of up to £500. The value of the bonus will depend upon each individual's appraisal score. The majority of employees are on the incremental progression scheme, including the Heads of Service, OneLeisure General Manager and the Corporate Team Manager.

### **Severance payments**

Severance payments are made in accordance with the Council's Redundancy Policy and are the same for all staff. The Redundancy Policy can be accessed at this [link:](http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Personnel%20documents/redundancy_policy.pdf)  
[http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Personnel%20documents/redundancy\\_policy.pdf](http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Personnel%20documents/redundancy_policy.pdf)

In the rare event that an employee or ex-employee claims or threatens to claim additional compensation as a result of loss of employment or any other reason, the Council will have due regard to making any appropriate payments where it is in the Council's best interests. Any such payments will be in accordance with contractual or statutory requirements and take into account the potential risks and liabilities to the Council, including legal costs, disruption to services, impact on employee relations and management time. No such payments were made to any chief officer in the last year.

### **Pension and pension entitlements**

The employees within the scope of this Statement are entitled to join the Local Government Pension Scheme (LGPS). Employees contribute between 5.5% and 7.5% of their salary while the Council currently contributes 17.8% in respect of ongoing service. Members of the LGPS earning £81,101 or more contribute 7.5% of their salary.

### **Relationship to lowest paid employees**

This Statement defines other employees, including “lowest-paid employees”, as all other contracted employees of the Council. This excludes those employed on a casual or variable hours basis as they do not work under any terms and conditions other than receiving an hourly rate of pay and annual leave at the minimum level under the Working Time Regulations and there is no obligation on the Council to provide work, no guarantee of regular work and no obligation for the individual to accept any work offered. It is therefore considered that these employees are a totally separate entity and their remuneration should not be compared with contracted employees.

The current highest total salary paid by the Council including allowances is £133,870 to the Managing Directors. The maximum basic salary that could be paid is £147,768 at the top of Grade 1. Adding this to the allowances currently paid to the Managing Directors, the maximum total salary that could be paid by the Council is £156,638.

The Hutton Review of Fair Pay in the Public Sector recommends that public sector organisations should publish pay multiples which should be calculated on the basis of all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind. Pay multiples comparing the current highest total salary and the maximum total salary against mean, median and lowest salaries are listed below.

The mean basic FTE salary paid by the Council for posts filled by contracted employees at 31st December 2011 was £24,333. The ratio between the mean salary and the current highest salary is 1:5.5. The ratio between the mean salary and the maximum possible salary is 1:6.4.

The median basic FTE salary paid by the Council for posts filled by contracted employees at 31st December 2011 was £20,380. The ratio between the median salary and the current highest salary is 1:6.6. The ratio between the median salary and the maximum possible salary is 1:7.7.

The lowest pay point on our salary scales for contracted employees is £12,441, which is the minimum FTE starting salary for employees on grades 13, 14 and 15. There are lower salary points on our scales for employees aged under 18 appointed to certain posts but there are currently no contracted employees in this age group.

The ratio between the lowest salary and the current highest salary is 1:10.8. The ratio between the lowest salary and the maximum possible salary is 1:12.6.

The Hutton Review of Fair Pay in the public sector analysed whether a 20 to 1 pay multiple might be justified as promoting fairness in public sector pay. Hutton’s Final Report concluded that this was not justified but that all public service organisations should publish their top to median pay multiples each year to allow

the public to hold them to account. The Government has agreed with this type of approach.

In line with Hutton's recommendations, the Council does not have a policy to maintain or achieve a specific pay ratio between the highest and lowest paid employees but it will publish its pay multiples each year.

#### **Re-engagement of ex Huntingdonshire District Council staff**

All permanent or fixed term posts are advertised in accordance with the Council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the Council's procurement policies and the provisions for services.

The Council will not engage an ex chief officer of Huntingdonshire District Council (as defined in this Statement) outside of these arrangements.

#### **Receipt of Local Government Pension Scheme (LGPS) pension while employed**

Employees aged 55 or over who are members of the LGPS may apply to take flexible retirement where working hours or pay grade are reduced and pension benefits accrued prior to this point may be drawn down.

Applications from all officers, including chief officers, will be considered on merit and only agreed where there is no detrimental effect on the service. It is the Council's policy not to accept any such applications if there is a cost to the Council unless a business case can be made on economic grounds.

#### **Review**

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each financial year. If it should be necessary to amend this 2012/13 Statement during the year that it applies, an appropriate resolution will be made by Full Council. Our next Statement is scheduled for 2013/14 and will be submitted to Full Council for approval by 31st March 2013.

**February 2012**