

## PAY POLICY STATEMENT 2016 - 17

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.

The 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/media/1636/statement-of-accounts-2014-15.pdf>

### **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 (Head of Paid Services) 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/council-democracy/meetings-and-decision-making/>

#### **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 a Chair is elected during the first annual meeting of the Panel. Full constitutional arrangements can be found in the Council's Constitution.

#### **Staff Council:**

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 – Staff Council. The Managing Director works with Staff Council 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. Staff Council 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 Staff Council can be accessed from this link:

<http://applications.huntsdc.gov.uk/moderngov/documents/s31400/Employment%20Panel%20-%2025.05.10%20->

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

The Council's employees are managed by one Managing Director, two Corporate Directors, six Heads of Service and a Corporate Team Manager. The position of Head of Paid Service is held by the Managing Director. The Managing Director holds the positions of Returning Officer and Electoral Registration Officer, s151 officer role is held by the Head of Resources and the Monitoring Officer is held by the Corporate Director, Services.

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 post, two Corporate Directors, six Heads of Service and the Corporate Team Manager who all report directly to the Managing Director or Corporate Directors.

### **Basic salary**

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

**Table 1**

Post	Grade	Minimum Grade Point (£)	Maximum Grade Point (£)
Managing Director	MD	117,500	132,500
Corporate Directors (x2)	AD	77,000	87,000
Heads of Service (x6)	SM	59,000	67,000
Corporate Team Manager (x1)	I	47,511	53,474

### **Payment of professional fees**

Huntingdonshire District Council do not pay personal subscription fees for any professional bodies with the exception of the Section 151 Officer.

### **Other allowances**

Standby and closed attendance allowance arrangements are utilised in some services to ensure 24/7 cover and/or to provide additional cover at particular peaks in demand and/or to undertake duties outside the agreed normal working week.

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

### **Expenses**

The Council's expenses rates were endorsed by Employment Panel in October 2014 and mileage costs are aligned to the HMRC benchmark rates. Employees are not entitled to reimbursement for

subsistence allowances whilst undertaking Council business, other than pre-approved overnight meal allowances

### **Election fees**

The Managing Director holds the positions of Returning Officer and Electoral Registration Officer. Fees in respect of District Council elections are included in the salary of the Managing Director post. Additional fees may be payable for other elections, with fees for certain polls set by Statutory Instrument.

Other employees may receive additional payment for specific election duties according to scales set by the Returning Officer but derived from fees set by the Cabinet Office and other guidance.

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

As required by guidance under section 40 of the Localism Act, full Council are given the opportunity to vote before 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 MD in the current pay structure, 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.

Salaries on appointment to all posts, including senior managers, are determined in accordance with the Council's Pay Policy. The Pay Policy is attached as an appendix to this statement.

### **Head of Paid Service/ Managing Director**

The full Council will approve the appointment of the Head of Paid Service following the recommendation of such an appointment by a panel of the Council appointed for that purpose, and before an offer of appointment is made to the selected candidate and any salary packages that exceed £100,000 are proposed. That panel must include the relevant Executive Councillor and salary will be within the pay grade MD in table 1.

Salaries on appointment to the Managing Director post is currently set within the scale for Grade MD employees. The Managing Director was appointed on a salary of £125,000.

### **Other Chief Officers (as defined for the purposes of this Statement only)**

Salaries on appointment are made in line with pay grades shown in table 1, as appropriate to the post.

### **Recruitment of Chief Officers**

The Council's policy and procedures with regard to recruitment of chief officers is outlined in the Employment Procedure Rules as set out in the Constitution.

Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'.

These will be sourced through the relevant procurement processes ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

## **Salary progression**

A new appraisal scheme has been implemented at HDC, which provides employees with the opportunity to be advanced within their grade subject to performance. In 2015/2016 no performance increments were paid to any staff due to the introduction of the new appraisal system.

The Pay Policy framework also sets out how salaries will be determined on promotion, regrading of current post to a higher grade, transfer or acting up.

## **Annual Pay Award**

There is no automatic cost of living increase. The Council has local arrangements for negotiating the cost of living pay award with relevant parties, including Staff Council. For 2016/17 the cost of living award, if any, has not yet been determined.

## **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 12.5% of their salary while the Council currently contributes 17.8% in respect of ongoing service.

## **Relationship to lowest paid employees**

This Statement defines lowest-paid employees as those on the bottom of Grade A (spinal point 1).

The current highest total salary paid by the Council including allowances is £125,000 to the Managing Director. The maximum basic salary that could be paid is £132,500 at spinal column point 56 on the MD grade.

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 on the next page.

The mean basic FTE salary paid by the Council for posts filled by contracted employees at 1st April 2015 is £25,778.00.

The ratio between the mean FTE salary and the current highest total salary is 1:4.8. The ratio between the mean FTE salary and the maximum possible basic salary is 1:5.1

The median basic FTE salary is £20,854.00.

The ratio between the median basic FTE salary and the current highest total salary is 1:6. The ratio between the median basic FTE salary and the maximum possible basic salary is 1:6.4.

The lowest pay point on our new salary scales for contracted employees is currently £13,029.00, which is the minimum FTE starting salary for employees on spinal column point 1 (within Grade A).

The ratio between the lowest salary and the current highest salary is 1:9.6. The ratio between the lowest salary and the maximum possible salary is 1:10.2

The Hutton Review of Fair Pay in the public sector analysed whether a 1 to 20 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 and the Council will not usually re-employ or re-engage a person who has been made redundant into a similar role any time in the future. In exceptional circumstances re-engagement to a significantly different role with different responsibilities may be possible.

### **Employment of those in receipt of an LGPS pension**

When a Local Government Pension Scheme pensioner is re-employed within the local government sector and combined earnings and pension exceeds final salary in the original employment when adjusted for inflation, the pension will be abated.

### **Receipt of Local Government Pension Scheme pension while employed**

Employees aged 55 or over who are members of the Local Government Pension Scheme 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.

### **Severance payments**

Severance payments are made in accordance with the Council's Redundancy Policy as approved by Employment Panel in August 2014 and are the same for all staff.

Employees with more than two years' service will be entitled to redundancy pay in line with local government guidelines and statutory calculations. Where the employee is entitled to a redundancy payment, the calculation is based on the employee's actual weekly pay.

Settlement agreements will only be used in exceptional circumstances where they represent best value for the Council.

### **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 2016/17 Statement during the year that it applies, an appropriate resolution will be made by Full Council. This statement will be submitted to Full Council for approval by 31st March 2016.

**January 2016**