

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Council

25 February 2013

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
11.	(Pages 1 - 6)	2013/14 Corporate Plan, Revenue & Capital Budgets and Treasury Strategy Appendix 6 – Senior Officer Pay policy 2013/14	Head of Finance and Procurement	Appendix amended with updated information

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Pay Policy Statement 2013-14

1. Definition and Scope

This Pay Policy Statement sets out the Councils' policies towards a range of issues relating to the pay of the workforce, in particular Chief Officers and the lowest paid staff.

In accordance with the requirements of the Localism Act 2011, the Pay Policy Statement will be agreed by the Councils for each financial year and will be published on the Councils' websites. This statement can be amended during the financial year, providing any changes are approved by full Council at both Councils.

All decisions on pay and reward for Chief Officers will comply with this pay policy statement.

Councillors at both Councils will be given the opportunity to vote before salary packages are offered in respect of any new appointment to a shared role where the annual salary package is £100,000 or over. In the event that the relevant post is not shared the Councillors of the Council concerned will be given this opportunity.

Chief Officer is defined as all officers employed by either Council on the JNC terms and conditions for Chief Officers. This includes all Members of the Joint Management Team (JMT) that is 1 Chief Executive, 3 Directors and 8 Heads of Service.

The Joint Management Team includes officers employed by each Council, currently 5 members of the team are employed by Cherwell District Council and 7 members of the team are employed by South Northamptonshire Council. A decision on which Council employs members of the joint management team is made in relation to each appointment but salary and all other terms and conditions are identical irrespective of which organisation has the employment relationship.

At a time when the Councils and the wider economy are facing considerable financial pressure and uncertainty, it is understandable that there are high levels of interest in, and scrutiny of, the Council's senior management pay and reward structures.

In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and being seen as such).

2. Determination of Pay Levels

Following a job evaluation and benchmarking exercise conducted under the HayGroup Job Evaluation Scheme ('Hay Scheme') in 2011, the Councils formally adopted a salary scale for Chief Officers. The 'Hay Scheme' is a systematic process for ranking jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation. This Chief Officers' salary scale is published on the

Councils' websites.

Any new posts will be evaluated using the Hay Scheme and paid in accordance with the published salary scale.

3. Determination of individual pay levels within grade

(a) On appointment

The Chief Executive is appointed to a spot salary of £125,000 per annum.

Other Chief Officers are appointed to a salary within a range as below.

Director	
	£
DIR001	79,000
DIR002	81,500
DIR003	84,000
DIR004	86,500
DIR005	88,000

Head of Service	
	£
HOS001	52,000
HOS002	53,000
HOS003	54,000
HOS004	55,000
HOS005	56,000
HOS006	57,000
HOS007	58,000
HOS008	59,000
HOS009	60,000
HOS010	61,000
HOS011	62,000
HOS012	63,000
HOS013	64,000
HOS014	65,000
HOS015	66,000
HOS016	67,000
HOS017	68,000
HOS018	69,000
HOS019	70,000
HOS020	71,000
HOS021	72,000
HOS022	73,000

The salaries above are before the consideration of a pay award for 2013-14.

The point at which officers are appointed to the scale is determined by Members of the Joint Personnel Committee when the offer is made. Factors taken into account are:

- Skills and experience
- Current salary
- Market factors

Where the conditions of the scheme are met, new appointments may also access financial support for relocation up to the amount specified within the policy which is published on the Council's websites.

The Councils do not currently operate a system of 'earn-back' pay for Chief Officers, where an element of their pay is 'at risk' and has to be earned back each year through meeting pre-agreed objectives.

(b) Progression through the pay scales

Progress through the Chief Officer pay scale each year is subject to the overall organisation objectives being met as detailed within the corporate plans and subject to there being no individual performance issues. In the latter case incremental progression can be withheld pending improvement. For individuals who perform exceptionally well there is discretion to accelerate progression within the scale. This discretion is delegated to the Chief Executive in consultation with the Leader of each Council. In the event that organisational objectives are not met there is no incremental progression.

(c) Additional pay

Chief Officers do not receive any bonus payments or performance related pay.

The Chief Executive is also appointed by the Councils as their Returning Officer. This is a separate appointment to the Chief Executive's employment by Cherwell District Council. The Returning Officer's fee is paid separately from and in addition to the Chief Executive's salary. The Returning Officer's fee is set by the Councils for district and parish elections but determined either by central government or another determining body e.g. the County Council, European Parliament or Electoral Commission for other elections.

Election duties performed by Chief Officers are separate to their employment by the Council and are paid separately from their salary at levels determined by the Returning Officer. This reflects the very significant additional duties undertaken by staff volunteering to carry out election duties over and above their normal contractual council responsibilities and such staff are employed by the Returning Officer and not the Council for these duties. In setting fee levels, the Returning Officer takes into account a range of factors, including levels of responsibility and expertise required.

A flat rate special responsibility allowance of £2500pa is paid to the following officers:

- Monitoring Officer (Head of Law and Governance)
- S151 Officer (Director of Resources)

Detailed pay statements for the last financial year can be found on the Councils' websites.

[http://www.cherwell.gov.uk/index.cfm?articleid=1563/Statement of accounts 11 12.pdf](http://www.cherwell.gov.uk/index.cfm?articleid=1563/Statement%20of%20accounts%2011%2012.pdf)

[http://www.southnorthants.gov.uk/1491.htm/Statement of Accounts 2011-12.pdf](http://www.southnorthants.gov.uk/1491.htm/Statement%20of%20Accounts%202011-12.pdf)

4. When employment ends

A Chief Officer who ceases employment with the Council may be entitled to a severance payment if they are being dismissed either on grounds of redundancy or in the interests of the efficient exercise of the Councils' functions. The procedure applicable in these circumstances is governed by the Councils' Organisational Change Policy.

The council's Pensions Discretion Policy sets out the discretions which the Council is able to exercise in the case of Chief Officers (and all other employees). The procedure for approving the application of any pension discretion is contained within this policy.

The Pensions Discretion Policies of each Council make clear that the abatement provisions of the Local Government Pension scheme will apply if an employee, who is in receipt of a LGPS pension, is re-employed by the Council at a rate that results in their new pay plus pension being higher than the pay in the job from which they retired.

Officers who have received a redundancy payment and/or early access to their pension may only be re-employed by either Council on an exception basis for a specific purpose and explicit agreement of the Chief Executive in consultation with the Leader of each Council, must be given.

5. Terms and conditions of employment

Chief Officers' terms and conditions of employment are in accordance with the Scheme of Conditions of Service for the Joint Negotiating Committee (JNC) for Local Authorities' Chief Officers as supplemented by the Councils' Employment policies. These may be amended from time to time by the Council and agreements made with employee representative bodies.

6. Remuneration of the lowest paid employees

(a) Cherwell District Council

The remuneration of the lowest-paid employees at Cherwell District Council is determined by the application of the Greater London Provincial Council Job Evaluation Scheme ('GLPC Scheme'). The GLPC developed and adopted this scheme for use by London boroughs and later extended its use more widely. Its aim is to operate grading arrangements based on principles of fairness, transparency, and consistency.

The lowest paid employee is on Grade 1A of the pay scheme. The current rate of pay for this post is £13,651 per annum (including 1.5% pay award for 2013/14).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.53.

(b) South Northamptonshire Council

The remuneration of the lowest paid employees at South Northamptonshire Council is determined by the application of the Hay Scheme.

The lowest paid employee is on Grade 11 SCP 1 of the scheme. The current rate of pay for this post is £15,585 per annum (pay award from the 1 April 2013 not yet determined).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 3.85.

7. Relationship between the remuneration of the Council's chief officers and other officers

The Councils' policies in respect of Chief Officer pay and other officers vary only in the application of allowances for additional working hours and access to increments. Chief Officers are expected to work the number of hours required to properly perform their duties including out of hours and emergency cover. No additional allowances are paid in respect of these duties.

Chief officers' incremental progression is dependent on achievement of corporate objectives and individual performance and may be withheld or accelerated on this basis.

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