



## Joint Pay Policy Statement 2017-18

### 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 joint role where the annual salary package is £100,000 or over. In the event that the relevant post is not joint the Councillors of the employing Council concerned will be given this opportunity.

"Chief Officer" is defined as all officers employed by either Council on or equivalent to the JNC terms and conditions for Chief Officers. This includes:

1 Joint Chief Executive (Head of Paid Service)\*

3 Joint Directors

1 Cherwell only Director

1 Chief Finance Officer (Section 151 Officer)\*

8 Heads of Service (including Monitoring Officer)\*

\*Statutory appointments which the Councils' are required to have in the interests of effective corporate governance.

It should be noted that the organisations are part way through a senior management restructure. The first phase dealt with the Director posts and also created the Chief Finance Officer post.

The second phase will review the current Head of Service posts and therefore the detail included above may change for 2017-18.

Whilst the majority of Chief Officer roles are shared jointly between the two Councils, the Councils split responsibility for being the employer. The posts detailed above includes officers employed by each Council. From the 01 April 2016 five members of the team will be employed by Cherwell District Council and five members of the team will be employed by South Northamptonshire Council.

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A decision on which Council employs members of the 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 Hay Group 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. The salary scale for the Councils' Chief Officers is published on our websites.

The CDC Director post was evaluated using the Hay scheme in 2013. The three new joint Director posts and new Chief Finance Officer post were all evaluated using the Hay Scheme in 2015 and 2016 respectively (see note below). The results of the job evaluation process were then translated across to the salary scale.

Any subsequent 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 Joint Chief Executive and other Chief Officers are appointed to a salary within a range as below.

Note: The Councils have just completed phase 1 of a review of the Joint Management Team and as a result the salary grades for the new joint Directors and joint Chief Finance Officer are as described below.

Pending completion of phase 2 of the management restructure the salary levels for the current Heads of Service remain correct at the time of publishing this Pay Policy Statement (February 2016) but may change during the course of the year.

**Table 1: Chief Officers' Pay Structure**

<b>Joint Chief Executive</b>		£	<b>Joint Heads of Service</b>		£
	Point 1	132,500		HOS010	64,107
	Point 2	136,667		HOS011	65,157
	Point 3	140,833		HOS012	66,208
	Point 4	145,000		HOS013	67,259
<b>Joint Director</b>				HOS014	68,310
	DIR001	93,150		HOS015	69,361
	DIR002	96,188		HOS016	70,412
	DIR003	100,719		HOS017	71,463
<b>CDC Director</b>				HOS018	72,514
	DIR001	83,023		HOS019	73,565
	DIR002	85,650		HOS020	74,616
	DIR003	88,278		HOS021	75,667
	DIR004	90,905		HOS022	76,718
	DIR005	92,482			
<b>Joint Chief Finance Officer</b>					
	CFO001	84,544			
	CFO002	87,581			
	CFO003	91,125			

The point at which officers are appointed to the scale is determined by the Joint Commissioning 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 Councils' 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**

The Joint Chief Executive is employed on a pay scale where progression is subject to increased effectiveness and performance as agreed by the Joint Commissioning Committee (JCC). The salary is also subject to national pay awards as agreed by the Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities'.

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Progression through the Chief Officer pay scale each year for Directors, the Chief Finance Officer and Heads of Service 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 Joint Chief Executive in consultation with the Leaders of the Councils. In the event that organisational objectives are not met there is no incremental progression.

### **(c) Additional pay**

#### **Bonus/performance related pay**

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

#### **Cost of living pay awards (annual)**

The Councils conduct their own local annual pay negotiations with Unison to determine whether an annual cost of living pay award will be applied and what the value/terms may be.

The Councils' Chief Officers are not subject to these arrangements. Chief Officers' cost of living pay awards are considered separately by the Joint Commissioning Committee (JCC) annually following settlement or decision (as appropriate) in relation to the cost of living pay award's for mainstream staff and takes into account a range of factors including national agreements, local agreements, the economy, affordability and so on. This approach ensures that any cost of living pay award for Chief Officers is set in the context of the annual cost of living pay award for mainstream staff of the two organisations.

#### **Returning Officer fees**

The Joint Chief Executive is also appointed by the Councils as their Returning Officer. This is a separate appointment to the Joint Chief Executive's substantive employment.

The Returning Officer's fee is paid separately from and in addition to the Joint 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.

#### **Elections fees**

Election duties performed by Chief Officers' are separate to their substantive employment by the Councils and are paid separately from their salary at levels determined by 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. Such staff are employed by the Returning Officer and not the Councils for these duties. In setting fee levels, the Returning Officer takes into account a range of factors, including levels of responsibility and expertise required.

#### **Special Responsibility allowances**

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

- Monitoring Officer (Head of Law and Governance)

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

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[http://www.cherwell.gov.uk/media/pdf/8/t/CDC\\_Statement\\_of\\_accounts\\_2015\\_16\\_final\\_audited\\_version\\_with\\_audit\\_opinion.pdf](http://www.cherwell.gov.uk/media/pdf/8/t/CDC_Statement_of_accounts_2015_16_final_audited_version_with_audit_opinion.pdf)

<http://www.southnorthants.gov.uk/SNCStatementofAccounts2015-16finalauditedversionwithauditopinion.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 Councils' Pensions Discretion Policy sets out the discretions which the Councils are 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 either 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 Joint Chief Executive in consultation with the Leader of each Council, must be given.

#### **5. Terms and conditions of employment**

The Joint Chief Executive's terms and conditions of employment are in accordance with the Joint Negotiating Committee (JNC) for Local Authorities' Chief Executives.

All other Chief Officers' terms and conditions of employment are in accordance with 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 Councils 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 structure. The current rate of pay for this post is £15,007 per annum (excluding an inflationary increase which is still subject to agreement for 2017/18).

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The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.18.

**(b) South Northamptonshire Council**

The remuneration of the lowest paid employees at South Northamptonshire Council is determined by the application of the Hay Job Evaluation Scheme and the pay structure.

The lowest paid employee is on Grade 11 SCP 4 of the pay structure. The current rate of pay for this post is £17,529 per annum (excluding an inflationary increase which is still subject to agreement for 2017/18).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.17.

**(c) National living wage**

In April 2017, the government will introduce a new mandatory national living wage for workers aged 25 and above, initially set at £7.50 – a rise of 30p relative to the current national minimum wage rate. With the exception of Apprentices both Cherwell District Council and South Northamptonshire Council will be compliant with the national living wage.

**7. Relationship between the remuneration of the Councils' Chief Officers and other Officers**

The Councils' policies in respect of Chief Officer pay and other mainstream employees 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.