

**BASSETLAW DISTRICT COUNCIL**

**COUNCIL**

**4 MARCH 2013**

**REPORT OF THE INTERIM CHIEF EXECUTIVE**

**PAY POLICY STATEMENT**

Cabinet: Policy  
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**1. Public Interest Test**

- 1.1 The author of this report, Neil Taylor, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 To present the draft Pay Policy Statement for 2013/14 for consideration and agreement by Members of the Council.

**3. Background and Discussion**

- 3.1 Section 38 (1) of the Localism Act 2011 required English and Welsh local authorities to produce and publish a Pay Policy Statement by 1 April 2012 and for each financial year thereafter. The Statement must be approved by full Council by the end of March prior to the year to which it relates, and must be published on the Council's website. It can be amended in-year.

- 3.2 In summary, the Pay Policy Statement must set out the Authority's policies relating to the pay of both statutory and non-statutory chief officers and their deputies, to compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid. The Council's Constitution defines chief officers as the Chief Executive and Directors, and deputy chief officers as Heads of Service.

- 3.3 In more detail, the elements to be included are the Authority's policies on:

- The level and elements of remuneration for each chief officer, which includes pay, charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments;
- The remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and reason for adopting that definition);
- The relationship between the remuneration of its chief officers and other officers;
- The policy on other specific aspects of chief officers' remuneration: on recruitment, use of performance-related pay and bonuses, termination payments, and transparency;
- Increases and additions to remuneration for each senior officer;
- The use of performance-related pay for senior officers;
- The use of bonuses for senior officers;

- The approach to the payment of senior officers on their ceasing to hold office under or to be employed by the Authority; and
- The publication of and access to information relating to remuneration of senior officers.

3.4 The Act also requires the Authority to have regard to any statutory guidance on the subject issued or approved by the Secretary of State. This includes the publication of a pay multiple, which is the ratio between the remuneration of the Authority's top earner and that of its average earner. A broader set of statutory guidance has also been published in relation to the publication of pay policy statements. This recommends the following additional policies to be included in pay policy statements:

- Those relating to other terms and conditions for chief officers (e.g. making it explicit whether or not JNC conditions of service for chief executives and chief officers are incorporated into those officers' contracts of employment);
- Any additional arrangements relating to chief officers that are a charge on the public purse;
- The policies in relation to discretionary payments on early termination of employment, increasing an employee's total pension membership and on awarding additional pension.

3.5 In compliance with the requirements of the Act, the Pay Policy Statement drawn up for the financial year 2012/13 has been reviewed and the revised version is attached to this report, which sets out the Authority's policies in relation to each of the requirements identified above. It also provides some contextual information in relation to the responsibilities of the Authority's chief officers.

3.6 Attention is drawn particularly to the following key changes since the last Policy was issued:

- Section 2 – "Our Corporate Management Team" makes reference to the Council holding a Director post vacant in addition to the two Heads of Service posts referred to previously, with an estimated total budget saving of £230,000 across the three vacant posts;
- Section 3.3 – "What are Senior Officers paid?" makes reference after the Pay Bands table to the decision of the Council in December 2012 to reduce the pay of the Chief Executive when a permanent appointment is made;
- Section 3.4 – "What Other Payments are Made?" makes reference to associated changes to car lease payments for the Chief Executive post;
- Section 5.1 – "How do we decide what to pay staff below Chief Officer level?" makes references to the Council's commitment to work towards the adoption of the Living Wage.

#### **4. Implications**

a) For service users

The publication of the Pay Policy Statement will ensure transparency and clarity for service users.

b) Strategic & Policy

The Authority must ensure it complies with the terms set out in its Pay Policy Statement when it sets the terms and conditions for a chief officer.

c) Financial – Ref: 13/559

None arising directly from the approval of this Policy Statement.

d) Legal – 68/03/13

The approval of this Policy Statement will ensure that the Council's legal obligations in relation to the formulation and approval of a Pay Policy Statement are met for the financial year 2013/14.

e) Human Resources

No direct implications.

f) Community Safety, Equal Opportunity, Environmental

No direct implications.

g) Whether this is a key decision, and if so the reference number.

No.

## **5. Recommendations**

5.1 That Members note the information contained within this report and approve the Pay Policy Statement attached to this report, for publication by 1 April 2013.

**Background Papers**

**Location**



*Blossom In Bassetlaw...*



**BASSETLAW**  
DISTRICT COUNCIL  
NORTH NOTTINGHAMSHIRE

**BASSETLAW DISTRICT COUNCIL**

# **PAY POLICY STATEMENT**

**APRIL 2013**

**HUMAN RESOURCES**



# 1 OUR POLICY STATEMENT

## 1.1 What is this Policy Statement about?

This Policy Statement explains how Bassetlaw District Council makes decisions about pay and reward for staff, including its senior officers.

The Statement includes information about the levels of pay and reward for the financial year 2013 / 2014. Where information for 2013 / 2014 was not available at the time of publication, the latest available information is provided.

## 1.2 What are the Statement's intentions?

- To ensure that the Authority's approach to pay and reward is clear and transparent, and open to public scrutiny.
- To meet legal requirements to produce a pay policy statement each year, as required by the Localism Act 2011.
- To supplement and complement the information published by the Authority on our website in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency.

# 2 OUR CORPORATE MANAGEMENT TEAM

## 2.1 Who are they and what do they do?

The Authority's senior officers are its Corporate Management Team, which comprises the Chief Executive, three Directors and six Heads of Service, supported by two Senior Support Managers. Two of the Heads of Service posts have been held vacant for over a year to achieve savings, with their responsibilities primarily being absorbed by the remaining members of the Management Team. Furthermore, a Director post has been held vacant since August 2012. These vacancies have resulted in savings of around £230,000 for 2012/13.

Together, the Management Team is the key officer decision-making body, and works alongside and for the elected Councillors to deliver services to the people of Bassetlaw. These services include such things as waste collection, street cleaning, parks and open spaces, housing, benefits, planning, and developing and regenerating the Bassetlaw area.

The Management Team is responsible for an annual gross expenditure budget of over £76 million, around 425 staff and it leads and directs an organisation that represents the interests of the people of Bassetlaw to national Government and works in partnership with other organisations, including the voluntary sector, to secure a better quality of life for Bassetlaw residents.

The Council continues to focus upon the regeneration of the district both in terms of infrastructure and communities. We have already commenced an ambitious redevelopment of Bridge Street in Worksop and have successfully delivered the Worksop Creative village which will attract high calibre and innovative industries. The work that has been carried out in Worksop has received national recognition.

Officers have attracted a number of new business to the area most notably Charcon Industries who now employ over 60 people and are looking forward to further expand.

The Bassetlaw Games has received local, regional and national recognition with over 50,000 people participating in sporting events and various programmes.

The Council has worked closely with its ALMO A1 Housing and is set to complete the £60m investment into its properties under the Decent Homes Funding. In the area of energy efficiency the Council's partnership approach with the company has pro-actively sourced additional funding in the form of renewable energy grants from Central Government and Utility providers. We have secured in excess of £1 million in additional funding, which has been inwardly invested into the Decent Homes programme and contributed towards the installation of 147 Ground Source Heating systems and 230 Air Source systems. To-date, the District of Bassetlaw now benefits from CO2 emissions being reduced by 27,768 tonnes.

The Council has also developed a new Local Council Tax Benefit scheme for Bassetlaw, kept down the rent increase at 2.54%, and frozen the level of council tax for the fourth financial year in a row. The Council also strengthened its Anti-Poverty Strategy leading to active support for the establishment of two Food Banks in Bassetlaw, and helped the transfer of the Two Counties Credit Union and Citizens Advice Bureau in Worksop to Queens Buildings as part of the start of a local service hub.

## **3 OUR POLICY ON SENIOR OFFICER PAY**

### **3.1 How do we decide what to pay our Senior Officers?**

In setting the pay and reward of its senior officers, the Authority has regard to the national guidance documents published by the Joint Negotiating Committees for Local Authority Chief Executives and Chief Officers.

In compliance with this guidance, the approach to pay and reward for senior officers was determined following an independent review and pay benchmarking exercise in 2006. The objectives in carrying out this review were:

- (a) to ensure that pay levels reflected the appropriate market rates, and
- (b) that the authority is able to attract and retain suitable and experienced senior staff.

### **3.2 How do we decide on pay increases?**

The Authority applies the nationally negotiated pay settlements agreed by the national Joint Negotiating Committees for Local Authority Chief Executives and Chief Officers. No pay increases have been agreed or applied since 1 April 2008.

### **3.3 What are Senior Officers paid?**

The pay of the Chief Executive, individual Directors and Heads of Service is based on 4 incremental salary points, and the rates are as set out in the table on the following page.

**Pay Bands as at 1.4.12 (unchanged since 1.4.08)**

<b>Post</b>	<b>Point 1</b>	<b>Point 2</b>	<b>Point 3</b>	<b>Point 4</b>
Chief Executive	£100,788	£102,888	£104,988	£107,088
Director of Resources	£74,541	£76,644	£78,741	£80,841
Director of Corporate Services and Monitoring Officer	£74,541	£76,644	£78,741	£80,841
Director of Community Services	£74,541	£76,644	£78,741	£80,841
Head of Finance and Property Services and Section 151 Officer	£59,844	£61,944	£64,044	£66,141
Head of Revenues and Customer Services	£55,644	£57,747	£59,844	£61,944
Head of Community Prosperity	£55,644	£57,747	£59,844	£61,944
Head of Human Resources and Organisational Development	£55,644	£57,747	£59,844	£61,944
Head of Community Engagement and Performance*	£55,644	£57,747	£59,844	£61,944
Head of Environment and Housing*	£55,644	£57,747	£59,844	£61,944

\*Vacant and unfunded

Progression to a higher point within the grade is dependent upon satisfactory performance linked to the Authority's performance appraisal system.

Following the retirement of the previous Chief Executive, a benchmarking exercise was undertaken, examining typical salary levels for Chief Executive posts in comparable organisations. As a consequence of this work, the Council in December 2012 made a decision that, upon appointment of a new permanent Chief Executive, a new (reduced) salary will apply. This will be at a starting point of £96,891, with two incremental points of £1,500 each, ie rising to a maximum of £99,891 per annum.

### 3.4 What other payments are made?

There are no additional bonus, performance, honoraria or ex-gratia payments made to Chief Officers for carrying out their duties.

#### Lease Cars

It is the Authority's policy to provide a lease car or cash equivalent allowance to the Chief Executive and Executive Directors. The allowance is not pensionable and is reviewed on an annual basis by reference to the Retail Price Index. The value of this allowance during 2011/12 was as follows:

Chief Executive : £8,034 per annum  
 Director : £4,536 per annum

Following the retirement of the previous Chief Executive, the Council in December 2012 made the decision that the lease car arrangement for this post would be withdrawn upon appointment of a new permanent Chief Executive, to be replaced by an "essential user" car allowance which comprises a fixed payment, currently set at £963 per annum, and payment for mileage undertaken.

#### Payment of Professional Fees (under review)

All staff, including senior officers, who are required to retain full membership of a

professional body relevant to their current post may claim reimbursement of the one annual professional fee. Where an employee is undertaking an approved course of study, the relevant subscription may be reimbursed. On completion of the approved course of study, any conversion fees to full membership will be paid, subject to the course of study being relevant to the employee's current post.

### **Reimbursement of Telephone Line Rental and Official Calls (under review)**

Specific officers, including senior officers, are eligible to receive reimbursement of home telephone line rental and official calls, because it is a requirement of their job to be available to respond to urgent situations outside of normal office hours. Alternatively or in addition a Council mobile phone may be provided.

### **Other Conditions of Service**

Other Conditions of Service are prescribed by the Joint National Council (JNC) conditions of service for Chief Executives/JNC conditions of service for Chief Officers.

### **Returning Officer Fees**

Special fees are paid for Returning Officer duties which are not part of the postholder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role. The Returning Officer for this Authority is the Chief Executive, who is appointed under the Representation of the People Act 1983. Whilst appointed by the Authority, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from the Officer's duties as an employee of the Authority. As Returning Officer a separate allowance is paid for each election for which the Officer is responsible.

The allowance payable is determined on an annual basis by the Nottinghamshire Group of Electoral Services Managers by reference to the national guidelines and rates set. Any administration fees paid to other officers for election duties are set by this Group and approved by the Returning Officer.

## **4 SENIOR OFFICER RECRUITMENT**

### **4.1 How are Senior Officers recruited?**

The **Chief Executive** is the Authority's designated Head of Paid Service. The Authority's Constitution sets out the process that will be followed when making an appointment to this post. In particular:

- The Appointments Panel has delegated authority, within relevant legislation, Council policies and agreed appointment procedures, to recommend to Council the appointment for the position of Chief Executive (Part 3, page 3.31). The Appointments Panel is made up of nine elected members.
- The Council has the authority to confirm the appointment of the Head of Paid Service (part 3 page 3.1). The Council is made up of all 48 elected members.

In confirming the appointment, the Council will also approve the remuneration package that will apply. Any changes that are subsequently proposed to the remuneration package of the Chief Executive that fall outside the scope of the



nationally negotiated pay settlements will be subject to approval by the Council.

The appointment of **Chief Officers** is governed by the Authority's Constitution, which sets out in particular:

The Appointments Panel has delegated authority, within relevant legislation, Council policies and agreed appointment procedures, to make appointments to posts of Directors and Heads of Service within the Council's agreed officer structure (Part 3 page 3.31).

In confirming the appointment, the Appointments Committee will also approve the remuneration package that will apply, within the established pay range for the post. Any changes that are subsequently proposed to the remuneration package of a Chief Officer that fall outside the scope of the nationally negotiated pay settlements will be subject to approval by the Council.

## **5 STAFF BELOW CHIEF OFFICER LEVEL**

### **5.1 How do we decide what to pay staff below Chief Officer level?**

Grades of jobs are determined by an evaluation of the job duties and the knowledge, skills and experience required to undertake those duties. This ensures that grades are fair and non-discriminatory. Basic pay is in accordance with the evaluated grade and the agreed pay structure.

The agreed pay and grading structure is that defined by the National Joint Council for Local Government Services, known as the National Pay Spine.

The Authority applies the nationally negotiated pay settlements agreed by the NJC for Local Government Services. No pay increases have been agreed or applied since 1 April 2009.

For 2013/14 the lowest rate of basic pay applicable is that attached to spinal point 4, which is £12,145 based upon 37 hours per week, or £6.30 per hour. The pay spine ranges from this point to £41,616 per annum. The Council has expressed a commitment to work towards the adoption of the Living Wage rate as a minimum for its employees. This rate is currently set at £7.45 per hour, and work is being undertaken to achieve this.

Other Conditions of Service are prescribed by the NJC National Agreement on pay and conditions of service.

## 5.2 What is the “pay multiple”?

The Authority has regard to the Department for Communities and Local Government’s Code of Recommended Practice for Local Authorities on Data Transparency. This sets out the requirement to publish a pay multiple. The Authority’s pay multiple is based upon the ratio between the highest paid salary and the mean average salary of the whole of the Authority’s workforce.

The pay multiple for 2010/11 is not yet available and will be calculated after the end of the financial year. The pay multiple for 2011/12 is 4.3 to 1.

The Authority will track the pay multiple year on year in order to identify and analyse any shifts in the relationship.

## 6 PAY ON RECRUITMENT AND TERMINATION

### 6.1 How do we decide on starting salaries?

The Authority’s policy on starting salaries is the same for all staff, including senior officers, which is to offer an appointment to the minimum point of advantage of the appropriate salary scale or range that is attached to the post. However in order to secure the services of the best candidate, the Authority recognises that it may be necessary to offer appointment at a higher point within the appropriate salary scale or range. Individual members of the Corporate Management Team have the authority to make such a decision except in relation to the appointment of Chief Officers. In the case of Chief Officers the Appointments Panel (or the Council in the case of the Chief Executive) makes the decision, as set out in Section 4.

### 6.2 How do we exercise our discretions on pay when staff leave?

The Authority’s policy on discretionary payments when employment ends is the same for all staff, including senior officers. The power to award discretionary payments is contained in the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, and the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

These Regulations provide for the following discretions, and the Authority’s policy is stated beneath each one:

#### **Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007**

**Regulation 12** - the Authority may increase a member's benefits by awarding additional membership of the pension scheme up to a maximum of 10 years.

Council Policy: the Authority has resolved not to adopt this discretion at this time.

**Regulation 13** - the Authority may increase a member’s benefits by awarding additional pension up to a maximum of £5,000 per year.

Council Policy: the Authority has resolved not to adopt this discretion at this time.

**Regulation 18** - the Authority may give consent for a member aged 55 or more who reduces their grade or hours (or both) to receive all or part of their LGPS benefits immediately, even though they have not left the employer's employment.

If the benefits payable on flexible retirement would normally be reduced for early payment, the employer may agree to waive all or part of the reduction.

Council Policy:- the Authority has resolved to consider the adoption of Regulation 18 on a case-by-case basis in consideration of the factors set out in the Flexible Retirement Policy, as follows:

- The needs of the employee;
- Cost and associated savings arising from allowing the request (the outcome should be cost-neutral within the current financial year);
- Service implications;
- Ongoing workload management implications;
- Structural implications (which should be the subject of consultation with the trade unions and affected staff before any decision is made);
- Whether any structural changes are proposed or underway;
- Whether any disciplinary, attendance management or capability procedures are underway in respect of the employee.

The Council will not waive any reduction in benefits payable.

**Regulation 30** - the Authority may give consent for a member aged 55 who leaves its employment without an entitlement to immediate LGPS benefits to receive them straight away regardless. If the benefits payable would normally be reduced for early payment, the employer may agree to waive all or part of the reduction on compassionate grounds.

Council Policy: the Authority has resolved to consider the adoption of Regulation 30 on a case-by-case basis in consideration of the factors set out in the Early Retirement Policy, as follows:

- 1 cost of the early retirement (including any redundancy costs and/or employer pension strain);
- 2 savings to be achieved (e.g. salary) and, taking into account initial costs offset against potential savings, the savings should normally be recovered within a maximum 3-year period from the retirement date;
- 3 objective, material service benefits or concerns in respect of agreeing the request.

Requests for early release of pension benefits without actuarial reduction on compassionate grounds may be agreed by the Council. The grounds for compassionate early retirement are defined as: where an active member or deferred beneficiary needs to care full time for a close relative, spouse, partner or other dependant who, through illness, requires full-time or substantial care for the rest of their life expectancy which is anticipated to be in excess of 12 months from the date of the agreed medical advice.

## Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

**Regulation 5** - the Authority may use its discretion to calculate redundancy payments by reference to an individual's actual week's pay, rather than the statutory maximum, where it is greater than the statutory maximum.

Council Policy: the Authority has resolved to use actual pay in the calculation of a redundancy payment, rather than restricting pay to the statutory maximum amount, ie the amount set from time to time by the Secretary of State as the maximum week's pay for redundancy purposes.

**Regulation 6** - where an employee's employment is terminated due to redundancy or in the interests of efficiency the Council may pay the individual lump sum compensation of up to 104 weeks' pay.

Council Policy: the Authority has resolved not to adopt this discretion at this time. The overall value of compensation in the event of redundancy will be established by applying the statutory rules governing the calculation of redundancy compensation payment (using actual pay). The payment is capped at a maximum of 30 weeks' pay based on the last 20 years' service.

No redundancy payment will be made where employment is terminated in the interests of efficiency.

## 7 RE-EMPLOYMENT

The Authority's Recruitment and Selection Policy recognises the importance of making appointments on merit, and ensuring equality of opportunity. Consequently, as a general principle, individual applicants for employment will be considered in accordance with this Policy and will not be denied employment purely on the basis of having previously been employed by the Authority.

However, an individual in receipt of a severance payment and/or early retirement pension will not normally be immediately re-employed or re-engaged by the Authority, either under of a contract of employment or a contract for services. It is expected that the Authority, when agreeing severance arrangements, will do so in the context of anticipated future requirements and plan its resources accordingly.

It is, however, recognised that in some limited, exceptional circumstances re-employment or re-engagement would be in the Authority's interests, in which case approval may be given by the relevant Director, in consultation with Human Resources and the Chief Executive.

Where an employee retires on the grounds of ill health and later applies for employment this will be considered carefully in the context of the Equality Act and advice from the Authority's Occupational Health Advisor.