

## **1. Introduction**

- 1.1. This Pay Policy Statement sets out the Council's position in relation to pay for its senior managers and lowest paid employees in compliance with the Localism Act 2011 (the Act) section 38 and the statutory and supplementary guidance on Openness and Accountability issued under section 40 of the Act.
- 1.2. The policy outlines the Council's approach to how it manages pay for its senior managers and also that of its lowest paid employees.
- 1.3. This is the sixth annual statement and covers the financial year, beginning 2017/18. The statement will be updated and approved annually by full Council. This statement is published on the Council's website.
- 1.4. Since the last annual statement in 2016/2017 the Community Housing Trust has been brought back in house to the Council. This statement therefore covers a much larger organisation than previously.

## **2. Scope of Pay Policy**

- 2.1. The policy applies to all Chief Officers.
- 2.2. The definition of Chief Officers (as set out in section (43(2)) of the Act is not limited to heads of paid service or statutory chief officers. It also includes those who report directly to the head of paid service or statutory chief officers (non-statutory chief officers), to those who report directly to non-statutory chief officers (deputy chief officers).
- 2.3. The Council's post holders who fall within the definition of Chief Officers are as defined within the Council's Constitution and are shown in the following table:

Head of Paid Service	Chief Executive
Directors	Executive Director, Public Protection, Planning and Governance Executive Director, Housing and Communities Executive Director, Resources, Environment and Cultural Services (proposed Section 151 Officer)
Heads of Service	Head of Environment Head of Resources (proposed deputy Section 151 Officer) Head of Law and Administration (Monitoring Officer) Head of Public Health and Protection Head of Housing and Community Head of Planning Head of Policy and Culture Head of Property Services Head of Operations
Service Managers	Client Support Services Manager Corporate Property Manager

	Finance Manager (deputy Section 151 Officer) Governance Services Manager Human Resources Manager Risk and Resilience Manager Development Management Services Manager Planning and Policy Implementation Manager Repairs and Maintenance Manager Legal Services Manager
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### **3. General Terms and Conditions of Employment and Remuneration of Employees**

- 3.1. All employees of the Council are employed as part of the Single Status Agreement, under either the National Agreement on Pay and Conditions of Service of the National Joint Council (NJC) for Local Government Services (commonly known as the 'Green Book'), or the Joint Negotiating Committee (JNC) for Chief Officers and Chief Executives.
- 3.2. The Council uses a pay spine that commences at national Spinal Column Point (SCP) 6 and ends at local SCP 50. This pay spine is divided into 12 pay bands, with each containing four incremental points with the exception of Scale A, containing only one. Scale A is the lowest and Scale M is the highest of these pay grades. Posts are allocated to a pay scale through a process of job evaluation. We use the National Local Government Job Evaluation Scheme for that purpose.
- 3.3. With effect from 1 April 2017 the Council will withdraw spinal column point 5 to fall in line with the NJC pay agreement. This will mean that scale A will contain only one point, SCP 6. Those staff currently on SCP 5 will be moved onto SCP 6 accordingly.
- 3.4. For the purpose of this Policy Statement, employees on Scale A are defined as our lowest paid employees. At 1 February 2017, the full-time equivalent (FTE) annual values of these two SCPs are £15,000 (SCP 5) and £15120 (SCP 6). Figures are inclusive of Outer Fringe Allowance currently £579 per annum.
- 3.5. The lowest paid employees do not include apprentices for whom there are separate pay arrangements.
- 3.6. The values of the SCPs in these pay grades are increased in line with the national pay awards agreed by the NJC for Local Government Services.
- 3.7. With effect from 1 April 2017 the pay scales will be enhanced by 1%, as per the national agreement.
- 3.8. The Outer Fringe Allowance will also be subject to the 1% increase, with effect from 1 April 2017.

### **4. General Principles Applying to Remuneration of Employees**

- 4.1. On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. This decision will be made by the appropriate Director or Head of Service and will take various factors into account, including the experience of the candidate, the level of competition for the post and the difficulty of recruiting to the post.
- 4.2. Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. In exceptional circumstances (e.g. examination success), individuals will receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 4.3. The Council does not apply performance-related pay or bonuses. However, there is one post which has been transferred from the Community Housing Trust to the Council, which has the potential to receive a fixed, annual, performance-related bonus of £3000. This payment is subject to the Transfer of Undertakings (Protection of Employment) Regulations.
- 4.4. The minimum point of a pay grade will not be lower than the maximum point of the preceding pay grade.
- 4.5. On ceasing to be employed by the Council, individuals will only receive compensation:
  - a) in circumstances that are relevant (e.g. redundancy); and
  - b) that is in accordance with our published Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), (Annex A); and/or
  - c) that complies with the specific term(s) of a settlement agreement.
- 4.6. Under the circumstances of a settlement agreement the compensation will not exceed the amount that would have been paid under a redundancy situation.
- 4.7. The Council allows flexible retirement under its pension discretions. This is where an employee draws their pension and carries on working at a lower grade and/or on reduced hours. It is available to LGPS members who are aged 55 or over, and who, with the Council's consent, permanently reduce their hours and/or reduce their grade. The employee's pension is actuarially reduced if paid before normal state pension age. This policy applies to all grades including Chief Officers, however, this is at the Council's discretion giving due regard to the implications for succession planning.
- 4.8. Any decision to re-employ an individual, who was previously employed by the Council and, on ceasing to be employed was in receipt of a severance or redundancy payment, will be made on merit. The Council will not however, normally engage such an individual under a contract for services.
- 4.9. Any Market Supplement and honorarium will only be paid in exceptional circumstances as agreed by Directors.
- 4.10. Employees that need to use their cars on a frequent basis for work related travel receive a car user allowance of £846 per annum irrespective on their car's engine size. This rate was applied for existing employees following a

review in 2012. Employees who met the following criteria “Essential users are those staff who are required to have a motor car at their disposal because it is necessary for them to leave the office to undertake frequent visits, monitoring or inspection activities, often at short notice.” New employees, from 1 April 2012, are not eligible to receive the essential user allowance.

4.11. These employees are able to claim the essential user mileage rates of:

Essential Users	451-999cc	1000-1199cc	1200cc+
Rate per mile:	36.9p	45.0p	45.0p

4.12. Employees that only use their cars on an occasional basis are refunded mileage only at the rate of 45 pence irrespective of their car’s engine size.

4.13. The Housing Trust were not subject to the 2012 car allowance review. Housing staff in roles that meet the eligibility criteria are paid an allowance in line with the NJC agreement.

4.14. Employees that joined the Council from the Trust under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE), receive car allowances at the following rates:

<b>ESSENTIAL USERS</b>	<b>451-999cc</b>	<b>1000-1199cc</b>	<b>1200cc+</b>
Lump Sum:-	£846	£963	£1,239
Rate per mile:-			
Up to 8500 miles	36.9p	40.9p	50.5p
Over 8500 miles	13.7p	14.4p	16.4p

#### **CASUAL USERS**

Rate per mile:-

Up to 8500 miles	46.9p	52.2p	65.0p
Over 8500 miles	13.7p	14.4p	16.4p

4.15. A review of car allowances will be conducted in 2017; employees will need to be consulted about any changes proposed.

4.16. Any subsistence allowance that is paid will normally be no higher than the rates notified from time to time by the East of England Local Government Association (EELGA).

## **5. Apprenticeships**

**5.1.** The Council is committed to offering apprenticeships to local people wishing to gain experience whilst working towards a qualification. Apprentices are contracted under a learning agreement and receive a minimum of £207.20 per week.

## **6. Remuneration of Executive Board**

**6.1.** The remuneration of the Chief Executive and Directors was subject to a full and wide ranging review carried out by independent specialist consultants in 2009. The recommendations of the consultants were considered by Council Members (including both Leaders of the Opposition) and formed the basis of the agreement made by Members in October 2009. Chief Officers are currently paid in line with those recommendations.

## **7. Chief Executive**

**7.1.** The Chief Executive is the Council's Head of Paid Service. As at 31 March 2017, the annual FTE range for the grade of this post is £115,278 - £125,703. There are three incremental points in this grade. Figures are inclusive of Outer Fringe Allowance currently £579 per annum.

**7.2.** With effect from 1 April 2017 the Chief Executive salary range will be enhanced by 1%, as per the national agreement.

**7.3.** The Chief Executive receives a Returning Officer fee in respect of Borough, Town and Parish Council Elections. The fee for undertaking this role in 2016/17 was £7623. A fee of £3461 is funded by HM Treasury in respect of fulfilling the duties of Acting Returning Officer for the UK Parliamentary elections. A fee of £4248 is funded by Government for fulfilling the duties of acting as returning officer for the Police Crime Commissioner election.

## **8. Directors**

**8.1.** We have three Executive Directors reporting to the Chief Executive namely; Executive Director, Public Protection, Planning and Governance; Executive Director, Housing and Communities; Executive Director, Resources, Environment and Cultural Services (proposed Section 151 Officer). As at 31 March 2017, the annual FTE range for the grade of these posts is £86,601 - £94,422.

**8.2.** There are three incremental points in the grade. Figures are inclusive of Outer Fringe Allowance, currently £579 per annum.

## **9. Remuneration of other Chief Officers**

**9.1.** We have nine Heads of Service reporting to the three Executive Directors. In addition, there are ten Service Managers reporting to the Heads of Service. These posts are evaluated using a job evaluation methodology (using the HAY model) to ensure roles are graded fairly, accurately and consistently. The job evaluation methodology allocates each role a grade. Each grade is matched to a broad salary range. These salary ranges are set locally. Salary ranges aim to ensure that salaries for senior managers are positioned at the median level for

the market. Salary ranges are reviewed annually in April each year against an assessment of the local and national market.

**9.2.** The roles occupied by the Heads of Service are; Head of Environment, Head of Resources (proposed deputy Section 151 Officer), Head of Law and Administration (Monitoring Officer), Head of Public Health and Protection, Head of Housing and Community, Head of Planning, Head of Policy and Culture, Head of Property Services and Head of Housing Operations.

**9.3.** As at 31 March 2017, the annual FTE salary range for the nine Head of Service posts is £57,921 - £68,688. There are seven incremental points in this grade.

**9.4.** Figures are inclusive of Outer Fringe Allowance of £579 per annum.

**9.5.** The roles occupied by the Service Managers are; Client Support Services Manager, Corporate Property Manager, Finance Manager (deputy Section 151 Officer), Governance Services Manager, Human Resources Manager, Risk and Resilience Manager, Development Management Services Manager, Planning and Policy Implementation Manager, Repairs and Maintenance Manager and Legal Services Manager.

**9.6.** As at 31 March 2017, the annual FTE salary range for the ten Service Manager posts is £46,821 - £56,076. There are eight incremental points in this grade. Figures are inclusive of Outer Fringe Allowance of £579 per annum.

**9.7.** With effect from 1 April 2017 the increments for the Directors, Heads of Service and Service Manager grades will be enhanced by 1%, as per the national agreement.

**9.8.** In addition to their role, the Head of Law and Administration undertakes the duties of the Monitoring Officer for the authority. These duties attract a fixed annual payment of £5000.

**9.9.** Both the Section 151 Officer and the Monitoring Officer have appointed deputies. The deputy Monitoring Officer receives a fixed annual payment of £3000 in relation to these duties. For one of the deputy Section 151 officers these duties are in addition to their role and they receive a fixed annual payment of £3000 in relation to these duties.

**9.10.** An organisation chart is attached as appendix A, covering staff in the top four levels in the organisation including:

- Grade
- Job Title
- Department & Team
- Employment Status (Permanent or Fixed Term Temporary)
- Contact Details
- Salary in £5,000 brackets, consistent with the details published under 34 of the Transparency Code, and
- Salary Ceiling (the maximum salary for the grade).

## 10. Pay Multiples

10.1. The relationship between the remuneration of Chief Officers and all other staff for the year 2017/18 is given below:

	2017/18
Ratio Chief Executive's pay to the mean pay for the Council	5.40:1
Ratio of average Chief Officers' pay to mean pay for the Council	2.82:1
Ratio of the highest paid salary (which is currently paid to the Chief Executive) to the median pay for the Council "The pay multiple"	5.77:1
Ratio of average Chief Officers' pay to median pay for the Council	2.83:1

10.2. The Council is satisfied that these ratios reflect fairly the different levels of responsibility of the various posts and the pay multiple will be monitored and reported annually as part of this policy.

## 11. Trade Union Facility Time

11.1. The Data Transparency Code 2014 requests that local authorities publish the following information on Trade Union Facility Time:

- Total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives); 2 representatives, one at 37 hours and the other on 22.5 hours, equivalent of 1.6 FTE
- Total numbers (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union duties; 0
- Names of all trade unions represented in the local authority; and Unison and GMB
- A basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on unions duties multiplied by the average salary divided by the total pay bill). 0.000004% of total pay bill

## 12. Review

12.1. The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2018/19 and will be submitted to Full Council for approval by 31 March 2018.

12.2. If it should be necessary to amend this 2017/18 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

**12.3.** A copy of the Pay Policy will be published on the Council's website and the Corporate Governance group will be responsible for the implementation and publication of the Pay Policy.

**12.4.** Paragraph 35 of the Data Transparency Code 2014 requires local authorities to place a link on their website to this published data or place the data itself on its website, together with a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits-in-kind', for all employees whose salary exceeds £50,000. The key differences between the requirements under this Code and the Regulations referred to above is the addition of a list of responsibilities, the inclusion of bonus details for all senior employees whose salary exceeds £50,000 and publication of the data on the authority's website.

## **Background Documents**

- The Code of Recommended Practice for Local Authorities on Data Transparency.
- Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act.
- Supplementary Guidance February 2013
- Statements of Accounts 2014/15
- Welwyn Hatfield Borough Council Constitution
- Welwyn Hatfield Borough Council LGPS Discretionary Policy
- Car Mileage Allowances
- Flexible Retirement Policy
- Redundancy and Redeployment Policy