

<b>SUBJECT:</b>	Pay Policy Statement 2018/19
<b>REPORT OF:</b>	Bob Smith, Chief Executive
<b>RESPONSIBLE OFFICER</b>	Louise Cole, HR Manager
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<b>WARD/S AFFECTED</b>	N/A this relates to a pay statement

## 1. Purpose of Report

To seek Council approval to the statutory Pay Policy Statement for 2018/19.

### RECOMMENDATIONS

1. That the Pay Policy Statement 2018/19 attached be adopted as recommended by the Joint Staffing Committee at its meeting on 18<sup>th</sup> January 2018.

## 2. Reasons for Recommendations

The Localism Act 2011 requires each council to produce and publish annually a pay policy statement. The statement should be approved by 31 March each year, at a meeting of the full councils, and then be published on their websites.

## 3. Content of Report

**3.1** Since 2015/16 Chiltern District Council and South Bucks District Council have had a joint pay policy. This policy statement is a technical document prescribed by the Localism Act and accompanying statutory guidance. The 2018/19 statement is currently unchanged from last year as at the present time the local pay award has not been determined and therefore pay uplifts have not been applied and pay remains at the same level as in 2017/18.

**3.2** The 2018/19 Pay Policy Statement, which is attached at appendix 1, sets out:

- an introduction by way of context
- information about the remuneration of chief officers which includes a comparison with other officers
- information on the lowest paid employees

## 4. Consultation

Not Applicable

## 5. Corporate Implications

This is a statutory requirement under the Localism Act 2011.

**6. Links to Council Policy Objectives**

There is no direct link to the Council's objectives but openness and transparency on Council policies supports good governance.

**7. Next Step**

Subject to its agreement and adoption by Council the Pay Policy statement will be published on the web site.

<b>Background Papers:</b>	None other than referred to in this report and Appendix.
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## **Appendix 1**

### **Pay Policy Statement 2018/19**

#### **1. INTRODUCTION**

- 1.1 This is a joint statement of Chiltern and South Bucks District Councils.
- 1.2 The Localism Act 2011 requires each council to produce and publish annually a pay policy statement. The statement must be approved by a meeting of the full council, and must then be published on their websites. The pay policy statement may be amended during the year by further resolution of the council.
- 1.3 The pay policy statement must as a minimum include details of the council's policy on:
  - the remuneration of its chief officers
  - the remuneration of its lowest-paid employees
  - the relationship between the remuneration of its chief officers and other officers.
- 1.4 For the purposes of the Localism Act 2011 and this statement, the term "chief officers" is defined by Section 2 of the Local Government and Housing Act 1989. For these councils, the term "chief officers" refers to the chief executive, directors and heads of service. These officers make up the Joint Management Team for Chiltern and South Bucks District Councils.
- 1.5 Chief officers are expected to work across both District Councils on an equal basis and are employed under the same terms and conditions. Chief officers may be employed by either council, and are placed at the disposal of the other by means of an agreement made under Section 113 of the Local Government Act 1972.

#### **2. REMUNERATION OF CHIEF OFFICERS**

- 2.1 Chief officers' pay was independently assessed in 2012 by the Local Government Association (LGA) which was commissioned to undertake an independent review of the job descriptions for the new Joint Management posts. When making a recommendation about remuneration, regard was had to the size of the new job role, the emphasis on the need to contribute corporately to meet the needs of the two Councils, the economic climate and the regional location of the two authorities.
- 2.2 Members of the Joint Appointments and Implementation Committee agreed the salary ranges recommended by the LGA and the proposal to assimilate the successful applicants onto a spot salary which accommodated the additional allowances previously paid. The salaries were set above the median to attract and retain suitably skilled chief officers as recommended by the LGA.

All chief officers (Heads of Service, Directors and Chief Executive) have benefitted from a 1% pay award in 2016/17 and a 1% in 2017/18.
- 2.3 Following an independent review of the chief officers' pay structure in November 2015 the LGA confirmed that the pay structure remains competitive in its ability to

recruit and retain staff with the necessary management and strategic skills and experience.

<b>2017/18</b>	<b>Starting Salary</b>	<b>2</b>	<b>3</b>	<b>4</b>
Joint Chief Executive	£127,513	£130,573	£133,633	£136,693
Joint Director	£89,483	£92,605	£94,686	£97,807
Joint Head of Service	£67,259	£71,464	£73,567	£78,818

- 2.4 The salaries remunerate officers for their full range of duties and hours of work. Chief officers do not receive any performance-related pay or bonuses. Joint posts are shared equally between the two Councils and business mileage is reimbursed at HMRC rates, currently 45p per mile. Some chief officers have private medical insurance and paid membership of a relevant professional body.
- 2.5 Appointments to these posts are on a spot salary and progression up the salary scale is based on performance against agreed objectives. An annual appraisal takes place for the Joint Chief Executive with members which can be facilitated by an external independent advisor if required. The Directors are appraised by the Chief Executive and the Heads of Service by their corresponding Director.
- 2.6 The annual pay review for the Chief Executive and the two Directors is determined by the Joint Negotiation Committee for Chief Executives and Chief Officers, respectively. The annual pay review for Heads of Service is determined locally. The pay award for 2016/17 was 1% and the pay award for 2017/18 was 1%.
- 2.7 Appointments to the Joint Chief Executive and officers allocated statutory responsibilities require full Council approval within each of the Councils. Appointments to the Joint Directors require the approval of the Joint Staffing Committee.
- 2.8 The Chief Executive has been appointed as the councils' returning officer. In this role he receives additional remuneration, which varies from year to year. He employs the two directors as deputy returning officers and may employ other chief officers to support him in his work. Any fees for elections are paid separately. The amount of the fee is not fixed and is based on electorate/postal votes and the type of election. The Head of Paid Service has the authority to increase election fees in line with inflation and to keep them comparable with Parliamentary election fees.
- 2.9 All employees are automatically enrolled in the local government pension scheme when they join either Council, they may opt out if they wish. Chief officers' contributions are determined by their salary and the rules of the scheme. More comprehensive details of the Bucks Pension Scheme are available on their website. It is not the usual policy of either Council to enhance retirement benefits.

- 2.10 The Councils have a joint approach to organisational change which it applies to all employees without differentiation. In cases of redundancy those employees with 2 or more years' continuous service are entitled to a redundancy payment which is calculated using the statutory redundancy calculator based on actual salary. The maximum number of years of service taken into account is 20 and the resulting maximum payment is 30 week's pay.
- 2.11 The Councils do not provide any additional payment to employees leaving the Councils' employment other than in respect of accrued leave which by agreement is untaken at the date of leaving.
- 2.12 In certain circumstances the Councils may agree for an employee's employment to come to end by way of a Settlement Agreement which may involve the payment of severance pay. In calculating any severance package the Councils will take into account any contractual and statutory entitlements, the employee's previous performance, value for money and minimising any reputational damage to the Councils.
- 2.13 It is not normal practice for the Councils to re-employ or re-engage a chief officer following a severance or redundancy payment on either a new contract of employment or a contract of services.

### **3. LOWEST-PAID EMPLOYEES**

- 3.1 Following agreement with staff and UNISON the Councils have implemented, a collective agreement which harmonises terms and conditions of employment, including a new harmonised Pay Spine for both Councils. The minimum salary on this pay spine is set at £15,702, significantly above the Statutory Living Wage rate of £7.50 per hour effective from 1 April 2017. Employees from both Councils have progressively moved onto the new pay spine following a review and the joining up of services across Chiltern and South Bucks District Councils. All staff have moved to the new pay spine with the exception of a small group of staff at South Bucks District Council. The lowest paid employee at South Bucks District Council was paid at £15,702 (the full time equivalent).

The lowest paid employee at Chiltern District Council was paid at spinal point 1A at £15,702 (the full time equivalent).

- 3.2 The Chief Executive's salary is 8.12 times the salary of the lowest-paid employee.

### **4 REMUNERATION OF CHIEF OFFICERS COMPARED WITH OTHER OFFICERS**

- 4.1 Employees who are not chief officers have been moved on to the new harmonised pay spine. They will be paid in accordance with the collective agreement agreed with staff and UNISON in July 2014. In the interim we have a small number of employees at South Bucks District Council on the South Bucks District Council pay spine. All these pay scales increased in line with the National Joint Council Pay Award Agreement for Local Government Officers of May 2016 to cover the time period from April 2016 to March 2018.
- 4.2 The median salary for all officers at Chiltern District Council is £30,073. The Chief Executive's salary 4.24 times the median salary at Chiltern District Council.
- 4.3 The median salary for all officers at South Bucks District Council is £34,149. The Chief Executive's salary is 3.73 times the median salary at South Bucks District Council.

- 4.4 In terms of overall remuneration packages the Councils' have put in place harmonised terms and conditions across the two authorities to have a simple, flexible and equitable pay and reward structure where roles are evaluated using HAY job evaluation framework to ensure pay levels reflect differences in roles and responsibilities.