

Report for:	<b>Formal Shadow Executive</b>
Meeting Date:	<b>18/02/2020</b>

<b>Title of Report:</b>	<b>Buckinghamshire Council Pay Policy Statement</b>
Shadow Portfolio Holder	<b>Katrina Wood</b>
Responsible Officer	Sarah Murphy Brookman
Report Author Officer Contact:	Sandy Ayton <a href="mailto:sayton@buckscc.gov.uk">sayton@buckscc.gov.uk</a>
<b>Recommendations:</b>	<ul style="list-style-type: none"> <li>• <b>Approve the Pay Policy Statement;</b></li> <li>• <b>Approve the delegation of decisions on all employee remuneration and severance packages over £100,000 to the Pay Committee;</b></li> </ul>
Corporate Implications:	<p>Section 151 Officer: There are no direct financial implications associated with approving the pay policy.</p> <p>Monitoring Officer: None</p>
Options:	1) Accept the recommendations above;
Reason:	The policy statement is a statutory requirement. The recommendations regarding the delegated responsibilities to the Pay Committee are recommended as it allows for faster decision making and action in the case of remuneration and severance decisions higher than £100k, which will assist in the recruitment of senior leadership posts.

## 1. Purpose of Report

- 1.1 The Pay Policy Statement, attached in Annex 1, is a requirement in accordance with Section 38(1) of the Localism Act 2011 and must be updated annually. The pay policy statement sets out Buckinghamshire Council's policies relating to the pay of its corporate service workforce (excludes Schools employees) for the year 1 April 2020-31 March 2020.

## 2. Executive Summary

- 2.1 Each Year a local authority must produce and publish on its website a Pay Policy Statement. The pay policy statement sets out the Councils policies relating to the pay of its corporate service workforce. The pay policy statement covers all employees including those who have been Tupe'd on their current Terms and Conditions into Buckinghamshire Council from the District and County Councils on 1 April 2020.

- 2.2 The pay policy statement sets out Buckinghamshire Council's policies relating to the pay of its corporate service workforce (excludes Schools employees) for the year 2020-21; in particular:
- a) The remuneration of its Chief Officers
  - b) The remuneration of its "lowest paid employees"; and the relationship between:
    - (i) The remuneration of its chief officers; and
    - (ii) The remuneration of its employees who are not chief officers.
- 2.3 'Pay' in addition to salary includes charges, fees, allowances, benefits in kind, increases in or enhancements to pension entitlements and termination payments.
- 2.4 Chief Officers are both statutory and non-statutory officers.

### **Statutory officers**

- Head of paid service- Chief Executive
- Section 151 Officer
- Monitoring Officer
- Corporate Director Children's Service
- Corporate Director Adults Health and Housing
- Director of Public Health

### **Non-Statutory officers**

- Corporate Director Planning Growth and Sustainability
- Corporate Director Communities
- Corporate Director Resources

## **3. Content of Report**

- 3.1 Please see Annex 1 for the complete pay policy statement.

## **4. Financial Implications**

- 4.1 On 1 April the five separate Councils in Buckinghamshire will join to become Buckinghamshire Council. In preparation for this, the recruitment of the senior leadership team, Tiers 1-3 has been completed. Tiers 1-3 are the posts of Chief Executive, Corporate Directors and Service Directors. The new senior leadership team structure has delivered paybill savings of £1.75m for the new authority.
- 4.2 There are no additional direct financial implications associated with the pay policy.

## **5. Legal Implications**

- 5.1 The adoption of an annual Pay Policy Statement is required of all relevant authorities pursuant to the Localism Act 2011. The Statement must reflect the requirements of the Act and have regard to any guidance issued or approved by the Secretary of State.



## **6. Other Key Risks**

6.1 Not Applicable

## **7. Dependencies**

7.1 Not Applicable

## **8. Consultation**

8.1 Not Applicable.

## **9. Communications Plan**

9.1 This will be a publicly available document published on the internet from 1 April 2020.

## **10. Equalities Implications**

10.1 Not required. A neutral impact is expected.

## **11. Data Implications**

11.1 Not Applicable

## **12. Next Steps**

12.1 Once the pay policy statement has been approved it will be published on the Councils website.

<b>Background Papers</b>	<b>None.</b>
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## **Annex 1**

### **Buckinghamshire Council Pay Policy Statement 1<sup>st</sup> April 2020**

#### **1. Purpose**

This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and will be updated annually. This pay policy statement sets out Buckinghamshire Council's policies relating to the pay of its corporate service workforce (excludes Schools employees) for the year 2020-21; in particular:

- a) The remuneration of its Chief Officers
- b) The remuneration of its "lowest paid employees";
- c) and the relationship between:
  - (i) The remuneration of its chief officers; and
  - (ii) The remuneration of its employees who are not chief officers.

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

**2.1** The Pay Policy statement covers the following roles at Buckinghamshire Council:

- I. Chief Executive (Head of Paid Service);
- II. Corporate Directors;
- III. Service Directors;
- IV. Corporate Service Employees.

**2.2** The Pay Policy Statement covers all employees including those who have been Tupe-d on their current Terms and Conditions into Buckinghamshire Council from the District and County Councils on 1 April 2020.

#### **3. Definitions**

For the purpose of this pay policy statement the following definitions will apply:

**3.1** "Pay" in addition to salary includes charges, fees, allowances, benefits in kind, increases in or enhancements to pension entitlements and termination payments.

**3.2** "Chief Officer" refers to the following roles within Buckinghamshire Council:



**Table 1- Chief Officers**

<b>Definition under the Localism Act 2011</b>	<b>Post Held at Buckinghamshire Council</b>
The Head of Paid Service	Chief Executive Officer
The Monitoring Officer	Deputy Chief Executive
Section 151 Officer	Service Director Corporate Finance
Statutory Chief Officers	Corporate Director Children's Service Corporate Director Adults Health and Housing Director of Public Health
Non-Statutory Officers	Corporate Director Planning Growth and Sustainability Corporate Director Communities Corporate Director Resources

**3.3** The definition of “Lowest paid employees” refers to those staff employed within Range 1A from the population of Tupe'd employees on the lowest pay point of their pay scale.

#### **4. Remuneration levels**

**4.1** The Shadow Authority has delegated responsibility to the Senior Pay and Appointments and Committee (SPAC), with the exception of the Chief Executive Officer, for the approval of remuneration packages in excess of £100,000 (to include salary, bonus, fees allowances and benefits in kind) offered in respect of a new appointment; and for severance payments in excess of £100,000.

**4.2** The general approach is that remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not, nor is seen to be, unnecessarily excessive. Councils have a responsibility for balancing these factors and every Council faces its own unique challenges and opportunities in doing so and will need to retain flexibility to cope with various circumstances that may arise to necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate.

**4.3** It is essential for good governance that decisions on pay and reward packages for Chief Executives and Chief Officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries. Pay for the “lowest paid employees” and “all other employees’ including Chief Officers” is determined by SPAC. SPAC comprises elected Councillors from the main political parties and has responsibility for managing locally determined pay for employees.

**4.4** The lowest paid full-time equivalent employee in the period 2020/21 will be paid at £16,823 per annum full time equivalent (FTE). The definition of lowest paid employee is a



fully competent employee undertaking a defined role and excludes apprentices who are undertaking approved training. The highest paid employee is the Chief Executive who will be paid in the period a salary of £210,000.

**4.5** The pay multiple between the highest paid employee, the Chief Executive at £210,000 and the median salary of the rest of the workforce at £31,034 is 6.77:1.

## **5. Pay**

**5.1** The council's corporate service pay is determined locally. Grades are determined by recognising what people do – their jobs and responsibilities – and paying them accordingly using HAY job evaluation. Job evaluation is a consistent process used for determining the relative worth of jobs. Whilst the process is not a science, it is based on the systematic analysis of the different factors found within all jobs.

**5.2** The Senior Leadership Team comprising of, Chief Officer, Corporate Directors and Service Directors are paid on a Leadership Pay Broad Band and are appointed on a personal contract on a spot salary with the opportunity for a discretionary additional annual non-consolidated performance payment to those who have 'exceeded' expectations for their role. Each role has pay set individually based on the following components:

- The size of the job as determined by Job Evaluation
- The benchmark data for the market and sector rate for the post
- The assessed quality of the applicant including skills and experience balanced against candidate expectations
- Scarcity of the required skills

**5.3** Senior Leadership pay will be reviewed annually by SPAC and there is no guarantee of a pay uplift or performance payment.

**5.4** Pay awards for all corporate service staff will be considered annually after consultation with the Trades Unions and employees. Any pay award is determined by SPAC who consider inflation and any significant considerations from elsewhere in the public sector; SPAC will undertake a pay review each year.

**5.5** The Council's main pay scale comprises Grade 1 to Grade 14 (table 2). Each pay grade has three pay points with progression through a grade subject to individual employees achieving satisfactory performance. Employees may also receive annual additional payments based on exceeding or outstanding performance awarded as a percentage of the individual's salary as a Non-Consolidated Payment.



**Table 2: Main Pay Grades**

<b>Grade</b>	<b>Pay points</b>		
	<b>1</b>	<b>2</b>	<b>3</b>
1	£20,247	£20,766	£21,285
2	£21,894	£22,455	£23,017
3	£24,081	£24,698	£25,316
4	£27,024	£27,717	£28,410
5	£29,121	£29,642	£30,384
6	£32,394	£33,224	£34,056
7	£36,984	£37,932	£38,881
8	£41,860	£42,933	£44,007
9	£48,894	£50,148	£51,402
10	£55,457	£56,879	£58,301
11	£61,818	£63,403	£64,989
12	£68,486	£70,242	£71,999
13	£77,414	£79,398	£81,383
14	£86,103	£88,310	£90,518

## **6. Charges, fees or allowances**

**6.1** No specific fees or allowances are made to Chief Officers or others in the Leadership team. The Council offers childcare vouchers, annual leave purchase and bicycle purchase through salary sacrifice schemes to all employees. The Council has negotiated various discounts with local suppliers, including gym memberships and local restaurants, which are available to all employees through the schools website and intranet. The Council reimburses mileage and travel expenses.

**6.2** Market Premiums, Recruitment and/or Retention allowances may be paid to certain 'Hard to Fill' posts, e.g. Children's Social Workers, in accordance with the Council schemes.

**6.3** The Council does not award additional fees to Chief Officers for any local election duties they may undertake.

## **7. Severance Payments**

**7.1** In the event that an employee ceases to hold office and is eligible for a severance or redundancy payment, such payment is determined in accordance with the Council's redundancy policy and procedure that applies to all employees or any protection rights accrued from a predecessor Council in Buckinghamshire. In exceptional circumstances and in the best interest of the Council a termination payment may be made to an employee. Any such payment requires signed approval by the Chief Executive or Corporate Director as appropriate, the Section 151 Officer, and the Monitoring Officer. Where the payment exceeds £100,000 it must go to the SPAC for approval. Severance Payments will be subject to "Public Sector Exit Payment Regulations" when they come into effect.

**7.2** If the Council employs a Chief Officer already in receipt of a Local Government Pension Scheme pension, the Council will apply the normal pension abatement rules that apply to all employees.

**7.3** If the Council re-employs any employee, including Chief Officers, in receipt of a severance or redundancy payment from the Council within five weeks of termination of prior employment, re-employment is subject to repayment of the severance or redundancy payment. Anyone returning to the Council or any other public sector body within 12 months will be subject to the 'Public Sector Exit Payment Regulations' when they come into effect

## **8. Transparency**

**8.1** In accordance with Chapter 8 of the Localism Act 2011, the Council will prepare a Pay Policy Statement each year in accordance with the Localism Act and related guidance under section 40 provided by the Secretary of State. The annual Pay Policy Statement may be amended from time to time. The Pay Policy Statements and amendments will be approved by Full Council of Buckinghamshire Council.

**8.2** The Council's annual Pay Policy Statement and any amendments will be published on its website along with details of remuneration of the Council's Chief Officers:

**8.3** Publication of the Pay Policy Statement, any amendments and details of remuneration will be in accordance with the Localism Act 2011 and with the Accounts and Audit (England) Regulations 2011.

