

CALDERDALE MBC

WARDS AFFECTED: ALL

GOVERNANCE AND BUSINESS COMMITTEE

8 January 2018

PAY POLICY STATEMENT

Report of the Chief Executive

1. Issue

- 1.1 Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers.
- 1.2 This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of draft guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. Should the draft guidance change the policy will be amended to reflect any such changes.
- 1.3 This policy statement is required to be considered and approved by full Council at the Council meeting on 31 January 2018.
- 1.4 This policy statement does not cover or include school staff and is not required to do so.

2. Need for a Decision

- 2.1 The Governance and Business Committee is asked to agree the information contained in this report.

3. Recommendations

- 3.1 That the Governance and Business Committee agree and recommend to Council for approval the Council's Pay Policy Statement for 2018/2019 as set out in this report and the annexes attached.

4. Background

- 4.1 Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.

5. Definition of Officers Covered by the Policy Statement

- 5.1 This policy statement is required to cover the following posts:

- a) Head of the Paid Service, which in this authority is the post of:
 - i) Chief Executive

- b) Statutory Chief Officers, which in this authority are the posts of:
 - i) Director Adults and Children's Services
 - ii) Assistant Director Adult Health and Social Care (DAS)
 - iii) Head of Finance
 - iv) Head of Legal
 - v) Director of Public Health

- c) Non-statutory Chief Officers which in this authority are the posts of:
 - i. Director of Regeneration and Strategy
 - ii. Director Public Services
 - iii. Head of Human Resources and Organisational Development
 - iv. Assistant Director Children and Young People
 - v. Assistant Director Commissioning
 - vi. Assistant Director Learning
 - vii. Assistant Director Customer Services
 - viii. Assistant Director Neighbourhoods
 - ix. Assistant Director Strategic Infrastructure
 - x. Assistant Director Economy, Housing and Investment

6. Policy on Remunerating Chief Officers

- 6.1 The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Annex A. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time.

7. Policy on Remunerating the Lowest Paid in the Workforce

- 7.1 The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment. The lowest pay point in this authority is Scale 1, spinal column point 6 (Scale 1a/1b), this relates to an annual salary of £15,014 and can be expressed as an hourly rate of pay of £7.7822. This pay point and salary was determined by the authority as part of a pay scale for employees employed on Local Government Services Terms and Conditions on 1 April 2017 and has been applied since that date. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.
- 7.2 Since April 2014 the authority has applied a living wage supplement to bring the hourly rate of pay for the lowest paid employees in line with the cost of living. The living wage hourly rate is calculated according to the basic cost of living in the UK as determined by the Living Wage Foundation. The amount is currently set at £8.45 by the Council and will increase to £8.75 from 1 April 2018 - this equates to a salary of £16,881.30 (full time).

8. Policy on the Relationship between Chief Officer Remuneration and that of other Staff

- 8.1 The highest paid salary in this authority is £140,000 which is paid to the Chief Executive. The average median salary in this authority (not including Schools) is £22,658. The ratio between the two salaries is 6.17:1. This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

9. Policy on other Aspects of Chief Officer Remuneration

- 9.1 Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement, these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an LGPS pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Annex B.

10. Approval of Salary Packages in Excess of £100k

- 10.1 The authority will ensure that, at the latest before an offer of appointment is made, any salary package for any post (not including schools) that is in excess of £100k will be considered by full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

11. Addressing Recruitment and Retention Issues

- 11.1 In the vast majority of circumstances the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment/retention difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek full Council approval for a change of the policy statement.

Where there is any departure from this Pay Policy it will be justified and approved in accordance with the relevant policies and the recognised / prescribed appropriate authority decision making route, which is currently via the Council's Employment Committee.

12. Amendments to the Policy

- 12.1 As the policy covers the period April 2018 – end March 2019, amendments may need to be made to the policy throughout the relevant period. As the Localism Act 2011 requires that any amendments are approved by the Council by resolution, proposed amendments will be reported to the Governance and Business Committee for recommendation to the Council.

13. Policy for Future Years

- 13.1 This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

ROBIN TUDDENHAM
CHIEF EXECUTIVE

20 December 2017

FOR FURTHER INFORMATION ON THIS REPORT CONTACT:-

Jackie Addison, Corporate Lead for Human Resources Tel: 01422 28 8417

DOCUMENTS USED IN THE PREPARATION OF THIS REPORT:-

1. None

DOCUMENTS ARE AVAILABLE FOR INSPECTION AT:

Human Resources, 3rd Floor Westgate House, Westgate, Halifax, HX1 1PS

Annex A – Policy on Remunerating Chief Officers

| Post | Base Salary (nearest 1k) | Expenses | Bonuses | PRP | Earn-Back | Honoraria/ Recruitment/ Retention | Ex-Gratia Payments | Election Fees | Joint Authority Duties | Severance Arrangements |
|---|--------------------------|--|---|--|--|--|---|---|---|---|
| Chief Executive | £140, 000 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | The Returning Officers fee is based upon that payable at a national election and is variable dependent upon the type of election taking place | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Director for Adults and Children's Services | £126,696 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

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|---|--------------------------|--|---|--|--|--|---|--|---|---|
| Assistant Director Adult Health and Social Care (DAS) | £93,645 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Head of Finance | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

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| Head of Legal | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Director of Regeneration and Strategy | £123,432 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

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| Director Public Services | £118,332 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Director of Public Health | £101,970 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

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| Head of Human Resources and Organisational Development | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Assistant Director of Learning | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

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| Assistant Director Children and Young People | £93,645 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Assistant Director Commissioning | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

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| Assistant Director Economy Housing and Investment | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Assistant Director Customer Services | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

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| Assistant Director Neighbourhoods | £85,321 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |
| Assistant Director Strategic Infrastructure | £76,997 | Travel and other expenses are reimbursed through normal authority procedures | The terms of the contract of employment do not provide for the payment of bonuses | The terms of the contract of employment do not provide for PRP | The terms of the contract of employment do not provide for an element of base salary to held back related to performance | Only in exceptional circumstances and via authorisation in line with the Council's approved Honorarium, Recruitment and Retention Policies | There are no plans for the postholder to receive any ex-gratia payments | Election duty fees are accordance with normal authority procedures | There are no payments related to joint authority duties | The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2017/18. |

Annex B – Other aspects of Chief Officer remuneration

| Aspect of Chief Officer Remuneration | Authority Policy |
|---|--|
| Recruitment | The post will be advertised and appointed to at the appropriate approved salary for the post in question level unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the authority's policy and any variation will be approved through the appropriate authority decision making process. |
| Pay Increases | The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The authority will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts. |
| Additions To Pay | The authority would not make additional payments beyond those specified in the contract of employment. |
| Performance Related Pay | The authority does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously. |
| Earn-Back (Withholding an element of base pay related to performance) | The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously. |