

APPOINTMENTS COMMITTEE

Appointments Committee Date	3rd March 2015
Planned Dates	Approval to Full Council on 25 March 2015
Officer	Dilys Wynn

Purpose of Report	Compliance with Chapter 8 Pay Accountability of the Localism Act 2011.
Recommendations	To approve the council's Pay Policy Statement and recommend it to Full Council for approval
Resource Implications	Officer time

MAIN REPORT CONTENTS

1 Purpose of Report.

The Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The statement must be approved by Full Council no later than 31st March of each year; the latest requires approval by the end of March, 2015.

By way of background, the paper on Fair Pay in the Public Sector by Will Hutton (March 2011) heavily influenced the content of the Act and the overall purpose is to ensure a greater transparency and accountability to the public, on how public money is spent on remuneration. In doing so the statement has due regard to the Local Government Transparency Code (2014) and Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act.

The Localism Act requires that the scope of the statement must cover a specific group of chief officers as defined within the Act as well as the councils' lowest paid, which the council is required to define and give reasons for adopting the definition.

The policy statement must set out the council's policies for remuneration for both groups above. It must include its policies relating to the:

- level and elements of remuneration**
- remuneration on recruitment including reengagement
- increases and additions to remuneration
- use of performance-related pay
- use of bonuses
- approach to payment on ceasing to hold office
- publication and access to information relating to remuneration.

**Remuneration is defined as salary, bonuses, charges or fees, allowances, benefits in kind, any increase in or enhancement to pension entitlement, any amounts payable on ceasing to be employed or other amounts that may be payable by an enactment.

As a result the pay policy statement will require the council to make reference to other related publications such as the councils' Pension Policy Statement, policy on severance pay under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the salaries of employees as published in the councils' Statement of Accounts as defined by the Finance and Audit Regulations 2011.

The statement must also set out the relationship between the remuneration of its chief officers and its employees who are not chief officers and the government has provided guidance on how this should be calculated (Local Government Transparency Code 2014).

Specifically the revisions are:

- updates to reflect the changes to staff numbers and budget;
- 'lowest paid' definition updated to reflect the introduction of the discretionary Living Wage supplement. This was introduced in September 2014 for GCC employees.

Two additional revisions will be made to the statement if the Appointments Committee approve agenda item 8.

Recommendation

The Appointments Committee are asked to approve the attached revised Pay Policy Statement and to recommend its adoption by the Council at Full Council on March 25th 2015.

Gloucestershire County Council The Pay Policy Statement 2015-16

What is it?

This statement sets out the council's policies for the financial year 2015-2016 relating to the:

- remuneration of chief officers
- remuneration of the lowest paid employees
- relationship between the remuneration of chief officers and employees who are not chief officers

Remuneration for the purposes of this statement includes:

- basic salary
- any other allowance or fee arising from employment
- pension
- redundancy pay

The term 'chief officer' refers to those defined within the Localism Act. In simple terms the policy covers the Chief Executive and those posts which report directly to him/her and also the next management tier below (excluding any secretarial or clerical roles).

The term 'lowest' paid is defined as a full time employee on the bottom point of grade B of the [Green Book pay scales](#). These are the lowest paid employees other than apprenticeships, which are paid less to reflect the nature of the training and development role. Gloucestershire County Council has paid a discretionary 'Gloucestershire Living Wage supplement' (currently at a rate of £7.65 per hour) to eligible employees at Grade B and C since 1 September 2014.

Why has it been developed?

Its purpose is to provide a clear and transparent policy to the public, which demonstrates accountability and value for money. The policy also meets the council's obligations under the Localism Act (2011) and the associated statutory guidance set out in the Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act (2012) together with the Local Government Transparency Code (2014).

The council's pay arrangements reflect the need to recruit, retain and motivate skilled employees to ensure high levels of performance balanced with accountability to the public purse. It recognises flexibility, which is essential in delivering a diverse range of services, and is underpinned by the principles of fairness and equality.

Who does it apply to?

This pay policy statement applies to all non-schools employees of Gloucestershire County Council.

About the Council

The council is a large and complex organisation which is accountable for the provision of a wide range of key services to a population of in excess of 600,000.

These services range from the maintenance of over 3,300 miles of roads; managing the disposal of over 280,000 tonnes of waste; the provision of the county's registration and coroner's services; ensuring that the community are protected from illegal trading practices; planning for emergencies; and the provision of services for the most vulnerable children and adults in our communities. The council is also responsible for providing the Fire and Rescue Service and takes a leading role to promote a thriving economy through supporting economic regeneration. All these demands need to be balanced against a very tight resource base.

The nature of these services requires some of the management team to have a statutory role, making them individually accountable in law for the services they provide. This includes the Chief Fire Officer, Director: Strategic Finance (Section 151 officer), the Monitoring Officer and two directors who are accountable for safeguarding vulnerable adults and children.

The complexity and diversity of these services requires the senior management team to make judgements across a wide range of professional disciplines, work with key partners including government departments and local partners in health and the police; and manage considerable resources.

The senior management team is accountable for delivering these services within a gross budget of £420m, through a staff complement of 3594 (including the Fire and Rescue Service), in addition to employing [circa](#) 6,000 in the county's maintained schools.

It is essential for the maintenance of public services that councils and other public bodies can attract talented people into leadership roles, although this must be balanced with the prudent use of public funds.

Policy Statement

Job evaluation

1. The job evaluation (JE) process is applied to all jobs in the council unless the salary is set nationally, (for example, Fire Fighters), including both the highest and lowest paid. JE is the process by which organisations evaluate job size. The biggest and therefore most highly paid jobs are at the top and the smallest, lowest paid at the bottom. The council is committed to fairly determining pay in accordance with the equal pay legislation (now contained in the Equality Act 2010) and the local government 'single status' agreement 1997. The council applies nationally recognised job evaluation schemes, which were introduced in 2003 in consultation and agreement with our recognised trade unions.
2. The Hay job evaluation scheme is used to evaluate senior manager jobs within the council. The GLPC (Greater London Provincial Council) job evaluation scheme is used to evaluate all other posts within the council.

Grades and salary bands

3. Once a job has been evaluated, the score will determine the pay grade or band that will apply to the post.
4. The pay scale that applies to chief officers is called [Executive Reward Bands](#). These pay scales also apply to a number of senior managers (who do not meet the definition of chief officer under the Localism Act 2011).
5. There are two posts which are currently on a spot salary as follows:
 - The Chief Executive
The Chief Fire Officer, whose post is also a director with responsibility for a number of direct services
6. The council's policy is to apply the nationally negotiated NJC pay award for the following groups of employees:
 - Joint Negotiating Committee for Chief Executives – national Salary Framework and Conditions of Service Handbook
 - Joint Negotiating Committee for Chief Officers – Constitution of Conditions of Service Salaries (for employees attached to Executive Reward Bands)
 - National Joint Council for Local Government Services ('Green Book') conditions of service (for employees attached to Grades B-L)
 - National Joint Council for Brigade Managers of Fire and Rescue Services, Constitution and scheme of conditions of service (5th edition) ('Gold Book')
 - Soulbury Committee national negotiating body
 - National Joint Council for Local Authority Fire and Rescue Services (Grey book)

- Conditions of service in England and Wales (Burgundy book). This relates to staff employed directly by GCC outside of schools but in connection with supporting the Local Authority Educational Service.
- Changes to the council's pay scale/grading structure are developed in consultation with the relevant recognised trade unions and final approval is the responsibility of the council's Appointments Committee and Full Council. Full details of the council's Appointments Committee are set out in the [council's constitution](#)).

7. Senior salaries of over £100,000

The following senior employees have an FTE salary of £100k plus:

- Chief Executive
- Director: Strategic Finance (and Section 151 Officer)
- Commissioning Director: Children's and Families (and Statutory Director of Children's Services)
- Commissioning Director: Adults and DASS (and the Statutory Director of Adult Social Care)
- Chief Fire Officer

- Any future changes to salary scales for Chief Officers will be submitted to Full Council as an amendment to this Policy [Statement].

8. The council has introduced a discretionary Gloucestershire County Council Living Wage Supplement. The supplement has been paid to all eligible employees since 1 September 2014. Continuation of the Living Wage Supplement and the rate at which it is to be paid is at the council's discretion and annual review.

Remuneration on recruitment

9. The same recruitment policies apply to all employees regardless of grade, including both the most senior officers and the lower paid, who take up a new appointment with the council.
10. Where there are difficulties in recruiting and it is shown the council are paying below the market rate for the job, a market rate supplement (MRS) may be paid.
11. The amount of the MRS is based on market rate data and is reviewed annually. The MRS is removed or adjusted when market data shows that it is appropriate to do so, or otherwise at the council's discretion. In the case of certain senior chief officers the MRS would be agreed by Appointments Committee and for all other employees it must be agreed by the Chief Executive. Candidates are normally appointed on the minimum salary point of the grade for the post.

12. If a candidate is already being paid above the minimum point of the post they are applying for, the appointment may in some circumstances be on the next increment above their current salary, subject to the maximum of the grade.
13. The appointment of the Chief Executive and his/her direct reports, including any senior post which holds a statutory role, is undertaken by the Appointments Committee. Appointments to these roles are made within the approved salary range. Appointment of the Chief Executive is subject to the approval of full council.
14. Where it is necessary for a newly appointed employee to relocate in order to take up an appointment the council may, in exceptional circumstances, make a contribution towards the reimbursement of relocation expenses.
15. The council will only make interim appointments in exceptional circumstances, subject to an approved business case.
16. The council is conscious of the need to secure value for money in the arrangements for all appointments, including the need to ensure any individual is not inappropriately enabled to achieve a more favourable position in respect of their tax arrangements ('tax avoidance') than might otherwise apply. The council will have proper regard to this principle in determining the form of contract most appropriate to the particular circumstances of the engagement.

Increases and additions to remuneration

17. The council's policy is to apply any nationally negotiated pay awards to employees at all levels of the council. Exceptions to this will be when staff TUPE transfer to GCC and remain on their previous terms and conditions.
18. For chief officers on the Executive Reward Bands, incremental progression through the band is based on performance measured over a 12 month period. Increments are paid on 1st April each year subject to the performance review, and a minimum of six months service in post at that time. There is no provision for payment of an increment at any other time or in any other circumstances.
19. For employees on the Green Book pay scales, increments are awarded up to the maximum of the grade subject to the employee meeting the requirements of the job. Increments are paid on the 1st April each year, or six months after the start date (if starting date is between October and April) and there is no provision for the payment of an increment at any other time or in any other circumstances.

The use of bonuses

20. The council does not offer a bonus scheme.

Payment on ceasing to be employed by the council

21. Redundancy - The council operates the same redundancy policy for all staff, including chief officers and the lowest paid. The payment mirrors the statutory redundancy table but provides a multiplier of 1.75 and is paid on actual weekly pay.

The discretionary application of a multiplier is permitted under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) (LG Regulations 2006).

22. The Appointments Committee makes the decision to terminate the contract of those chief officers who report directly to the Chief Executive and will, when giving their approval, apply the council's policy as set out in 21 above.
23. The council will only make a payment in respect of pension in line with the relevant pension scheme regulations and its [Pension Policy Statement](#) which applies to all those staff who are scheme members, irrespective of grade. For those posts that fall within the remit of the Fire Fighters' Pension Scheme, redundancy pay is calculated using the statutory redundancy scheme but based on actual weeks' pay, rather than the statutory minimum. This group fall outside the LG Regulations 2006 as detailed above and therefore the council does not have the discretion to consider enhancing the redundancy payment further.
24. Any payments made in respect of early retirement for fire fighters will be as per the provisions of the [Fire Fighters Pension Scheme\(s\)](#).
25. An employee subject to the Burgundy Book (Teachers conditions of service) will receive only the statutory minimum redundancy payment if opting to take an enhanced pension under the Teachers Pension scheme.

Re-engagement

26. The council does not re-engage ex employees who have left with a redundancy or pension or other severance payment, for at least two years, unless in exceptional circumstances e.g. where an employee may have retrained in an area of skills shortage. A business case is required before a final decision is made and where any regulations on abatement of pension apply, they would be enforced. The same policy applies to all employees.

Any other allowances arising from employment

The following allowances apply to all employees, with the exception of teachers and fire fighters:

Payment for acting up or additional duties

27. Chief officers are expected to be flexible in managing changing requirements. Therefore honoraria would only be paid in exceptional circumstances at senior officer level.
28. In limited situations where when an employee may be required to complete work of a higher graded post or undertake duties outside the scope of their role, the council may consider a payment consistent with JE principles. Payments are subject to review and are only for limited periods.

Unsocial hours payments

29. The council does not have a policy to make unsocial hours payments to chief officers.

30. For other employees, the council recognises that certain roles and services require employees to work unsocial hours, or be available to work and therefore on standby. In these circumstances the council has a policy to provide additional payments or time off in lieu for eligible employees.

Recruitment and retention allowances

31. Whilst the council does not currently apply any recruitment or retention allowances it has the scope to locally agree such payments if necessary. The Appointments Committee would agree any such payments for chief officers and for all other employees the decision would be made by Head of Paid Service.

Car and motor cycle allowances

32. Reimbursement of approved business mileage is in accordance with the Council's mileage rates. These rates, which mirror the HMRC mileage allowance payments, are reviewed annually.

Election duties

33. Returning Officer Payment – The council is obliged to appoint a county returning officer who has specific duties in relation to council elections. A payment is made in relation to this role, which is reviewed every four years, in line with the council election period.

Additional payments for fire officer posts

34. Any additional payments made to fire officer posts are in line with the National Joint Council for Local Authorities Fire and Rescue Services (known as the 'Grey Book') and the National Joint Council for Brigade Managers of Local Authorities Fire and Rescue Services (known as the 'Gold Book').

The relationship between the remuneration of chief officers and employees who are not chief officers

35. The council does not have a policy on pay multiples but recognises that the Hutton Review of Fair Pay in the Public Sector recommends a maximum ratio of the highest remunerated post compared with the lowest remunerated post of 1:20.

36. In accordance with the Local Government Transparency Code (2014), the council uses the principle of pay multiples to give a wider understanding of the relationship between its highest and lowest paid employees. These multiples can be found [here](#)

Policy review

37. This policy will be reviewed no later than 31 March 2016 and thereafter on an annual basis.

38. The council may amend the policy at any time with full council approval. The revised version will be published on the website.

Publication of and access to information relating to the remuneration of chief officers

39. Further information is available in the following documents on the council's website:

- [Statement of Accounts](#)
- [Pension Policy Statement](#)
- [Pay multiples](#)