# BEDFORD BOROUGH COUNCIL

# PAY POLICY STATEMENT 2013 / 2014

## 1. Background

1.1 In recognition of the Borough's Unitary Status from 1st April 2009, the Council addressed its pay policy and grading structure at that time and worked with its recognised trade unions to enter into a collective agreement to harmonise pay and terms and conditions of employment for its amalgamated workforce. This agreement was reached in February 2011.

1.2 All posts within the Council are subject to job evaluation to determine the level of pay and grading.

1.3 In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous.

1.4 With that in mind, the Council has agreed to use the National Joint Council (NJC) for Local Government Services nationally negotiated pay rates for all but its management grades. The management grading structure and pay rates are locally agreed and to ensure these are set at the appropriate level an independent review has been undertaken. The Council commissioned the Hay Group for this purpose and the recommendation that these pay rates be based at the 'median' within the Public/Not for Profit Sector for the South East of England was approved by the Council's General Purposes Committee.

1.5 The exercise was supported by an Equality Analysis and Equal Pay Audit in order to eradicate any potential inequality and unfairness in relation to pay. Further analysis will be undertaken in advance of any future changes.

1.6 This document sets out Bedford Borough Council's Pay Policy for 2013/2014 and governs aspects of pay and in particular the remuneration of its senior employees (chief officers) and its lowest paid employees. It does not apply to school based employees.

1.7 Given the agreement reached in February 2011 (see 1.1 above) there will be an external review of senior management pay every four years commencing in June 2015. This will enable each new Council to set the parameters by which its staff should be remunerated.

## 2. Strategic Aims

The Council's Pay Policy has three strategic aims:

- To recruit and retain high quality employees with the skills necessary to deliver the Council's values, aims and objectives.

- To ensure that senior remuneration packages are tightly constrained in the current financial climate, that remuneration packages remain affordable and sustainable and that value for money is secured.

- To continue to work towards making sure that pay is fair and non-discriminatory.

## 3. Definition of a 'Senior Employee' for the purpose of the statement

- the head of the authority's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- monitoring officer (the officer responsible for legal matters) designated under section 5(1) of that Act;
- statutory chief officer under section 2(6) of that Act;
- a non-statutory chief officer under section 2(7) of that Act;
- deputy chief officer mentioned in section 2(8) of that Act,
- Heads of Service who report directly to the Chief Executive or a Chief Officer.

## 4. Definition of 'Lowest-Paid Employees for the purposes of the statement

- Employees who fall within the lowest pay grade in use by the Council.

The Council has in place a harmonised pay and grading structure that is applicable to all posts within the authority. Terms and conditions of employment have also been harmonised across the Council and therefore by using the lowest pay grade within the Council, any comparisons made and relationships to this can be easily identified and understood.

## 5. Remuneration for Senior Employees falling within the definition at Section 3.

5.1 Salary Band

| **Post** | **Salary Band** |
|---|---|
| Chief Executive | £153,000 - £170,000 |
| Executive Director, Children's, Schools & Families | Not directly employed by the Council but employed via a contract with SOLACE Enterprises. |
| Executive Director Adult & Community Services | £122,501 - £133,575 |
| Executive Director, Environment & Sustainable Communities | £122,501 - £133,575 |
| Director of Finance & Corporate Services | £102,000 - £129,883 |

| | |
|---|---|
| Assistant Chief Executive Governance | £77,300 - £85,400 |
| Assistant Chief Executive Human Resources & Corporate Policy | £91,200 - £100,900 |
| Director of Public Health* | £98,214 |
| Assistant Director, Chief Education Officer | £91,200 - £100,900 |
| Assistant Director, Transformation & Chief Social Worker | £91,200 - £100,900 |
| Assistant Director, Community Care Services | £91,200 - £100,900 |
| Assistant Director, Business Support & Operational Housing | £91,200 - £100,900 |
| Assistant Director, Highways & Transport | £77,300 - £85,400 |
| Assistant Director, Planning & Housing | £77,300 - £85,400 |
| Assistant Director, Environment Community | £77,300 - £85,400 |
| Assistant Director, Regulatory Services | £77,300 - £85,400 |
| Assistant Director, Financial & Corporate Services | £77,300 - £85,400 |
| Assistant Director, Corporate Finance | £77,300 - £85,400 |
| Assistant Director, Revenue, Benefits & Risk | £77,300 - £85,400 |
| Public Health Consultant* | £79,170 |
| Public Health Consultant* | £79,170 |
| Public Health Consultant* | £65,270 |
| Head of Economic Development | £62,293 - £70,496 |
| Head of Leisure & Culture | £62,293 - £70,496 |
| Head of Internal Audit | £62,293 - £70,496 |
| Head of Property Services | £62,293 - £70,496 |

5.1.1 Senior Employees and ultimately the Chief Executive as the head of paid service are highly accountable to the public for the provision of quality value for money services to a diverse community. High levels of performance are therefore expected from all employees at all times.

5.1.2 For Senior Employees, incremental progression will not be automatic but will be subject to the annual appraisal of performance against agreed service and corporate objectives in accordance with the Council's senior management performance measurement regime.

5.2 Bonuses and Performance Related Pay

The Council will not make a payment in the form of a bonus. The Director of Public Health who TUPE transferred to the Council on 1 April 2013 has a right to PRP as defined by the NHS VSM scheme.

5.3 Charges, Fees or Allowances Payable

5.3.1 The Chief Executive will receive a fee arising from the duties of the local returning officer for elections as performed.

5.3.2 Allowances are as attached at Appendix 1

5.4 Benefits in Kind

5.4.1 Access to the Council's Assisted Car Purchase Scheme where the employee is a designated car user, ie: the job requires the employee to use their own vehicle for business purposes. In these circumstances, the employee is eligible to apply for a loan from the Council in order to purchase a car.

5.4.2 Government approved salary sacrifice schemes:

- child care vouchers
- cycle to work
- car parking at or near an employees place of work

5.5 Increase in or enhancement to pension entitlement where the increase or enhancement is as a result of a resolution of the authority

In accordance with the Council's discretions policy in relation to the Local Government Pension Scheme Regulations, no increase or enhancement will be applied to pension entitlement.

5.6 Payments by the Council to a Senior Employee on ceasing to hold office under or be employed by the authority, other than amounts that may be payable by virtue of any enactment.

Where the reason for leaving is redundancy/early retirement, payments will be in accordance with the Council's redundancy/early retirement severance policy which sets out that the Council:

- will not exercise its discretion under the provisions of the Discretionary Compensation Regulations 2006 to enhance the

number of weeks' compensation in relation to severance payments.

- will exercise its discretion under the provisions of the Discretionary Compensation Regulations 2006 in that severance payments will be calculated using an employee's actual weekly pay.

- will calculate the number of weeks compensation in accordance with the Employment Rights Act 1996 (the Statutory Scheme) which provides for up to a maximum of 30 weeks.

- will release pension for this purpose in accordance with the Local Government Pension Scheme Regulations

**6. Remuneration for the Lowest Paid Employees, falling within the definition at Section 4.**

6.1 Salary Band

| Pay Grade | Salary Band |
|---|---|
| Grade 1 | £12,145 – £12,489 |

6.1.1 This grade represents 0.6% of the Council's workforce

6.2 Bonuses Payable

The Council will not make a payment in the form of a bonus.

6.3 Allowances Payable

As attached at Appendix 2.

6.4 Benefits in Kind

As that set out for Senior Employees.

6.5 Increase in or enhancement of the employee's pension entitlement where the increase or enhancement is as a result of a resolution of the authority

As that set out for Senior Employees.

6.6 Payments by the Council to the employee on ceasing to be employed by the authority, other than any amounts that may be payable by virtue of any enactment.

As that set out for Senior Employees.

**7. Pay Relationship**

7.1 The Council will measure and track pay relationships to ensure its pay policy is fair, non discriminatory and remains fit for purpose. To this

end, the pay relationship between the Council's Chief Executive (Head of Paid Service) and the Council's median earner and also the mean average salary has been measured.

7.2 For the period 2013/2014, the ratio of pay of the Chief Executive to that of the median earner is 5 :1.

7.3 For the period 2013/2014, the ratio of pay of the Chief Executive to that of the mean average salary is 6 :1 .

## 8. The remuneration of Senior Employees on recruitment

8.1 Senior employees would normally be appointed at the minimum of the grade. However, the Chief Executive or in the case of the appointment of the Chief Executive, the Council does have the discretion to appoint at another point within the grade.

8.2 It is not permitted to appoint above the top of the grade.

8.3 A valid reason for offering more than the normal starting salary must be demonstrated and evidence provided that it will not generate inequality within the work group.

8.4 Where a new appointment is made and the salary or the grade of the post is above £100,000 the approval of Council will be required.

8.5 The Council will consider the value for money to the whole of the public sector and will not put into place remuneration arrangements for senior appointments that could be perceived to minimise tax payments.

## 9. Increases and additions to remuneration for each Senior Employee

9.1 Pay increases will be in accordance with the incremental progression criteria as set out at paragraph 5.1.2 and/or in accordance with any cost of living increase negotiated nationally by the Joint Negotiating Committee (JNC) for Chief Executives and Chief Officers. For the Head of Service posts this will be in accordance with the NJC for Local Government Services employees.

9.2 Any additions to remuneration will be in accordance with the Council's locally agreed policies, for example

i) <u>Honorarium and Acting Up Payments</u>
An honorarium payment may be considered where an employee undertakes significant additional duties outside the scope of the job description for an extended period of time or an acting up payment may be considered where an employee undertakes the work of a higher graded post.

ii) <u>Market Rate Supplements (MRS).</u>
Used in response to problems experienced in recruiting and retaining certain roles, and attempt to bridge the gap between salary levels and market rate pay. In order to establish whether

a MRS is required, an independent survey will be undertaken to gather the market data which will then determine whether a MRS is needed and if so, the level of the payment.

iii) Accelerated Increments.
Progression within the grade beyond the standard incremental review process can be considered for recruitment and retention purposes in exceptional circumstances and in accordance with strict criteria. By doing this, it could avoid the need to consider or apply a MRS and the costs that can be associated with this. In addition it could avoid unnecessary recruitment spend.

## 10. The use of Performance Related Pay

Performance Related Pay will not be used for Senior Employees.

## 11. The Council's policies for the financial year relating to the other terms and conditions applying to Senior Employees

11.1 Terms and Conditions

The terms and conditions applying to the Chief Executive, Directors and Assistant Directors are those set out in the JNC for Local Authority Chief Executives and Chief Officers. For Head of Service posts the terms and conditions are those set out in the NJC for Local Government Services employees.

11.2 Collective Agreements

In addition, Senior Employees are subject to:

i) the collective agreement in relation to the harmonisation of terms and conditions of employment.

11.3 Flexible Retirement

11.3.1 The Council has exercised its discretion under the Local Government Pension Scheme Regulations to provide flexible retirement to scheme members. A scheme member who has attained the age of 55 and who, with the Council's consent, reduces their hours of work or grade, may make a general request in writing to the Council to receive all or part of their pension benefits and the Council may pay those benefits even though the employee has not retired from that employment.

11.3.2 In accordance with the Council's flexible retirement policy, the reduction in hours or grade should be by at least 40% and the employee's new pay plus pension must not be more than they received prior to flexible retirement.

11.3.3 Flexible retirement provides a facility for the Council to retain the expertise of employees who may otherwise retire fully; assist the transfer of skills and knowledge from those employees to other workers and facilitate reorganisation. For the employee, it provides the opportunity to phase into retirement.

## 12. The Council's approach to final payments to Senior Employees when they leave the authority

In accordance with the Council's redundancy/early retirement severance policy, in exceptional circumstances consideration may be given to cases of early retirement in the efficient interest of the service. In these circumstances, the provision to pay up to 30 weeks payment at actual weekly pay may be applied.

## 13. Re-employment of Senior Employees in receipt of a severance payment

Where a Senior Employee is in receipt of a severance payment, the post they were employed in will no longer exist in the Council's structure. Senior Employees can be re-employed in an alternative post at a later date provided that there is a break in service in accordance with the Redundancy Payments Modification Order.

## 14. Re-employment of Senior Employees in receipt of a pension from the Local Government Pension Scheme

The Council will not re-employ Senior Employees who are in receipt of a local government pension other than where they are employed on a contract for service via a third party provider to undertake a one off piece of short term consultancy where it is in the interest of the Council to use an external consultant.

## 15. Review

In accordance with the Localism Act 2011 the Council will prepare a Pay Policy Statement for each financial year. The next statement which will be for 2014/2015 will be submitted to a meeting of full Council for approval by 31st March 2014.

Should it become necessary to amend the 2013/2014 Pay Policy Statement during the year, the appropriate changes will be considered by full Council.

## 16. Publishing the Pay Policy

The pay policy statement for 2013/2014 has been approved at the meeting of full Council on 27 March 2013. The policy is available to view on the Council's website at www.bedford.gov.uk .

**Appendix1**

# ALLOWANCES PAYABLE

The following sets out the Council's allowances for Senior Employees in accordance with the Collective Agreement with its recognised trade unions to harmonise terms and conditions of employment as a result of Unitary Status.

**1. First Aid Allowance – where appointed as a First Aider**

A voluntary duty where a small annual payment is made

**2. Fire Warden Allowance – where appointed as a Fire Warden**

A voluntary duty where a small annual payment is made

**3. Mileage Payments**

Employees who use their car for business purposes are able to claim for the business miles travelled. These are paid in accordance with the HMRC mileage rate of 45p per mile for the first 10,000 miles and 25p thereafter.

**Appendix 2**

# ALLOWANCES PAYABLE

The following sets out the Council's allowances in accordance with the Collective Agreement with its recognised trade unions to harmonise terms and conditions of employment as a result of Unitary Status.

## 1. Overtime /Additional Hours

| | |
|---|---|
| Monday – Saturday | Time and a half |
| Sunday and Public and Extra Statutory Holidays | Double time |

Employees in receipt of basic pay above spinal column point 28 will have these rates capped at spinal column point 28.

## 2. Work on Public / Ex-Statutory Holidays – as part of the normal working week

In addition to normal pay, employees will be paid at plain time for all hours worked within their normal working hours. Time off in lieu shall also be allowed at a later date.

Employees in receipt of basic pay above spinal column point 28 will have these rates capped at spinal column point 28.

## 3. Night Work

Employees who work at night as part of their normal working week are entitled to receive an enhancement of time and one third for all hours worked between 8.00pm and 6.00am.

## 4. Standby / Call Out Payments

To cover emergency situations.

Employees in receipt of basic pay above spinal column point 28 will have these rates capped at spinal column point 28.

## 5. First Aid Allowance – where appointed as a First Aider

A voluntary duty where a small annual payment is made

## 6. Fire Warden Allowance – where appointed as a Fire Warden

A voluntary duty where a small annual payment is made

**7. Sleep In / Waking Nights**

An allowance paid to employees who are required to sleep in at various residential establishments.

**8. School Crossing Patrol Time**

Small payment made for walking from home to the school twice per day as employees are not required in between those sessions.

**9. Tool Allowance**

A small allowance payable to trade posts such as carpenters who are required to purchase their own tools.

**10. Mileage Payments**

Employees who use their car for business purposes are able to claim for the business miles travelled. These are paid in accordance with the HMRC mileage rate of 45p per mile for the first 10,000 miles and 25p thereafter.