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Jeff Hughes
Head of Democratic and Legal
Support Services

MEETING : LOCAL JOINT PANEL
VENUE : ROOM 27, WALLFIELDS, HERTFORD
DATE : WEDNESDAY 24 FEBRUARY, 2016
TIME : 3.30 PM

MEMBERS OF THE PANEL

EMPLOYER'S SIDE:

Councillors E Buckmaster, L Haysey, A Jackson (Vice-Chairman) and G McAndrew

Substitutes:

G Cutting

STAFF SIDE – UNISON (One Vacancy)

Ms F Brown, Mr S Ellis and Mr A Stevenson (Chairman)

Substitutes: S Gray and J Francis

(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)

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DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.

4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

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AGENDA

1. Apologies

To receive apologies for absence.

2. Minutes (Pages 5 - 8)

To confirm the Minutes of the meeting held on 2 December 2015

3. Chairman's Announcements

4. Declarations of Interest

To receive any Member's Declarations of Interest.

5. Reports by Secretary to the Employer's Side

(A) Senior Management Pay Proposals_(Pages 9 - 66)

(B) Pay Policy Statement 2016/17_(Pages 67 - 82)

6. Reports by Secretary to the Staff Side

There are no reports from the Staff Side.

7. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE
LOCAL JOINT PANEL HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON WEDNESDAY 2
DECEMBER 2015, AT 2.30 PM

PRESENT: **Employer's Side**

Councillors E Buckmaster, G Cutting,
A Jackson and G McAndrew

Staff Side (UNISON)

Andy Stevenson (Chairman),
S Ellis

OFFICERS IN ATTENDANCE:

Lorraine	- Democratic Services
Blackburn	Officer
Emma Freeman	- Head of Human Resources and Organisational Development

11

EXPENSES POLICY

The Secretary to the Employer's Side submitted a report on a revised Expenses Policy and provided a summary of the changes.

The Secretary to the Employer's Side explained that the policy had been considered by the Local Joint Panel and then referred to the Joint Secretaries for negotiation. It was noted that the Joint Secretaries had agreed to the incorporation and development of a Green Travel Plan to support sustainable travel which had the support of UNISON.

The Secretary to the Employer's Side explained that the Joint Secretaries had also agreed a scheme based on HMRC and had agreed a compensation payment. She stated that a compensatory lump sum would be paid to eligible employees in January 2016.

In response to a query from Councillor E Buckmaster regarding “salary sacrifice”, the Secretary to the Employer's Side explained that if this progressed, this would be presented to the Local Joint Panel for Members' consideration.

The Panel Chairman reiterated UNISON's support of the Green Travel Plan, including the introduction of a pool car as part of sustainable travel arrangements.

In response to a query from Councillor G McAndrew regarding forms being made available on the intranet, the Secretary to the Employer's Side explained that the new payroll system encouraged a “self - service” approach to forms. She stated that she would support an approach where a copy of a receipt could be attached to a claim form.

The Panel recommended to Human Resources Committee, approval of the revised Expenses Policy.

RECOMMENDED – that the Expenses Policy, as now submitted, be approved.

11 APOLOGY

An apology for absence was submitted on behalf of Councillor L Haysey. It was noted that Councillor G Cutting was substituting for Councillor L Haysey.

12 MINUTES

RESOLVED – that the Minutes of the meeting held on 30 September 2015 be confirmed as a correct record and signed by the Chairman.

13 CHAIRMAN'S ANNOUNCEMENTS

The Panel Chairman stated that there were no reports to consider from the Secretary to the Staff Side.

The meeting closed at 2.45 pm

Chairman

Date

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EAST HERTS COUNCIL

LOCAL JOINT PANEL – 24 FEBRUARY 2016

REPORT BY SECRETARY TO THE EMPLOYER'S SIDE

SENIOR MANAGEMENT PAY PROPOSALS

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

- Members are invited to approve the senior management pay proposals which are made in the context of the Senior Management Restructure and to make a recommendation or not to Human Resources Committee.

RECOMMENDATIONS FOR LOCAL JOINT PANEL:

That Human Resources Committee be advised that:

(A)	the pay scales for Grade 13 be approved and pay increments for Grade 13 and directors be made on the basis of performance rather than time-served increments;
(B)	the Council's S151 Officer; Monitoring Officer and Head of Paid Service be given a payment of £5,000 per year; and
(C)	Grade 13 and above be restricted from participating in the Flexi-time scheme.

1.0 Background

- 1.1 Consultation on the senior management restructure commenced with employees and Unison on 5 January to 3 February 2016.
- 1.2 The purpose of the restructure is to create a strong leadership team which:

- operates together in a corporate space, leading from the front;
- is able to react quickly and without the need for unnecessary bureaucracy;
- avoids the duplication of a number of layers of management meetings and structures (CMT, DMTs, SMG);
- releases Directors to lead organisation-wide or partnership projects (such as Channel Shift, Devolution, commercialisation, Old River Lane etc)
- ensures that Heads of Service are accountable for their own service areas and able to make decisions about their services.

Further detail on the restructure can be found at **Essential Reference Paper 'C'**

2.0 Report

2.1 To support the changes in the new Leadership Team, pay proposals were made as part of the consultation process. To summarise:

- A. The proposal is to change SCP in grade 13 to remove the overlap with grade 12 and to increase the scale points to recognise the increase in responsibilities for the Head of Service roles.
- B. Progression through the proposed pay range and scale points will be based on performance and linked to the PDRS process for directors and Grade 13.
- C. For Statutory posts to receive a payment of £5,000 per year (currently £10,000).
- D. Grade 13 employees and above are restricted from participating in the Flexi-time scheme.

2.2 The report on senior management pay proposals can be found at **Essential Reference Paper 'B'**. Supporting documents as detailed in the report are **Essential Reference Paper 'D' to 'G'**

2.3 The senior management restructure proposals include a decrease of FTEs at SMG level from 16 to 12 and an increase of 1 post at manager level. The total reduction in headcount is 3 FTE posts.

- 2.4 The current SMG structure costs £1,303,616 including on-costs (NI, pension). The proposed new senior management structure costs £1,093,181 which includes the salary adjustments as proposed in the supporting report on the new leadership team and the creation of a new Housing Manager post. The savings identified in the new structure are approximately £210k.
- 2.5 The Pay Policy statement 2016/17 has been updated to reflect the proposals made.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	People This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.
Consultation:	The senior management pay proposals have been consulted with SMG and Unison as part of the formal consultation process between 5 January and 3 February on senior management restructure proposals.
Legal:	The redundancy policy and best practice have been followed as part of the consultation process.
Financial:	As detailed in the report
Human Resource:	As detailed in the report. The Council's pay policy statement 2016/17 supports the pay proposals made.
Risk Management:	The redundancy policy and best practice have been followed as part of the consultation process.
Health and Wellbeing:	The redundancy policy and best practice have been followed as part of the consultation process. Employee Assistance programme and Unison support have been provided to employees at risk.

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Senior Management Pay Review

Background

The Council is a member of the Local Government Employers association for national collective bargaining in respect of the Chief Executive, Chief Officers (directors) and other employees. There are separate negotiations and agreements in respect of each of these three groups. It is the Council's policy to implement national agreements. The Chief Executive and Chief Officers are under the Joint Negotiating Committee (JNC) conditions of service including pay. All other employees are under the National Joint Council (NJC) national agreement on pay and conditions of service.

All employees other than Chief Executive and Chief Officers (i.e. any post-holder on grades 1/2 to 13) have their basic pay determined by a job evaluation scheme (the Hay scheme) which ensures that different jobs having the same value are paid at the same rate. The "job score" determines the pay scale for the job range, within which there is provision for progression by annual increments until the top of the pay scale is reached.

The Chief Executive and Chief Officers posts are paid on a fixed spot salary basis (external benchmarking on pay is sought on appointment). The Chief Executive was appointed in July 2015. The new director post and new head of service post has been evaluated using Hays internally in January 2016

The Councils' 2015/16 Pay Policy Statement sets out the remuneration for statutory roles - a payment of up to £10,000 per year for the designated Head of Paid Services; Monitoring Officer and S151 Officer.

Reward/National Living Wage (NLW)

The Organisational Development strategy 2015-2019 sets out the council's actions and outcomes under Reward.

The actions linked to reward are to review and improve our employee engagement, communication and reward/recognition arrangements including celebrating successes, and to explore how the council can get more from the reward and benefit packages that give choice to employees and support work life balance. The council needs to remain competitive in the market and over the last few years attracting and retaining candidates has been an issue in some services.

HR is currently exploring voluntary benefits packages including salary sacrifice, discount and other benefit schemes that will support the wider reward outcomes.

Local Authorities face difficulties to recruit at senior and professional levels. Shortages of professionally qualified staff exist in areas such as finance, planning, building control and housing, and often the council is competing to recruit and retain staff with other public sector bodies or the private sector.

The council faces the challenge of introducing the National Living Wage (NLW) in the coming years, which creates an increase at the bottom pay point of potentially 32%.

The NLW will impact on the pay scales for the council, with an increase from £7.05 to £7.20 per hour from 1 April 2016 increasing to at least £9.35 per hour by 2020. This will impact on job evaluated pay and grading structures and differentials between employee and supervisor roles, and oncosts of commissioned services. The National Employers are in consultation with the unions on how the NLW can be met within our current grading structures and have as at December 2015 made a final offer to the unions on the pay award for April 2016 and April 2017. If this offer is agreed, the majority of employees will receive an uplift of one per cent on 1 April 2016 and a further one per cent on 1 April 2017, with those on lower salaries (below £17,714 per annum) receiving higher increases to take account of the NLW. The offer is designed to meet the council's obligations under the NLW and to start the progress of moving towards the expected level of the Living Wage by 2020. Further negotiations which will impact on the pay structure and SCP of the council will continue in coming years.

Current pay structure

The council uses the NJC spinal column scale up to Spinal Column Point (SCP) 49. The pay scales at East Herts continue up to SCP 66 and the nationally agreed pay increases apply to all of the spinal points in the scale. East Herts have grades 1/2 – 13 (up to and including Heads of Service) which were agreed with Unison in 2001, when all grades were reviewed by Hay as part of the Single Status process (see ERP D). Heads of Service are paid between scale point 61 £47,056 to £57,239, scale point 66. Directors and the Chief Executive are paid fixed spot salaries and their terms and conditions of service are in accordance with JNC. Heads of service receive 28 days annual leave, are part of the flexi scheme, receive local weighting allowance and 2% local award. Chief Officers receive a spot salary, 28 days annual leave and do not receive local weighting, local award or participate in the flexi scheme.

Independent Review

Epaycheck partnership (Local Government pay benchmarking service) completed an independent review of senior management pay in September 2015 (See ERP E for the full report).

Key findings:

- Current base pay for Chief Executive Tier 1 (data source: Shire District) is aligned with the median of the market. The market median is £106,800 (data source: type of authority) and £110,924 (data source: East of England Shire District). The Chief Executive base salary is £90,000 increasing to £100,000 following a 6 month successful probation period. The Chief Executive also receives an allowance of £10,000 per annum for the designated role of Head of Paid Services.
- Current base pay for Directors Tier 2 (data source: Shire District) is aligned and competitive with the median of the market. The market median (data source: type of authority) is £75,904 and £76,681 (data source: East of England Shire District) and Directors base salary is between £74,541-£81,600. Directors also receive an allowance of £10,000 per annum for the designated roles of S151 Officer and Monitoring Officer.
- Current base pay for Heads of Service Tier 3 (data source: Shire District) is **below** the median of the market. The market median (data source: type of authority) is £59,554 and £62,210 (data source: average pay by working population >80000). Heads of service base salary is between £47,056 -£57,239.
- If other cash benefits for Heads of Service are taken into consideration (including London allowance of £573 and 2% local award) then the base salary is between £48,570 - £58,957, which is **still below** the median of the market.

- An organisational pay benchmark exercise was completed comparing base salary levels with Stevenage Borough Council (SBC) for senior management, as the two councils work in partnership on shared services. SBC Head of Service base salary is £55,790 - £64,841. SBC Assistant Director base salary is £62,326 - £72,437, Directors base salary is £75,056 - £87,231.
- East of England completed a survey in December 2015 on Statutory Officer Payments (see ERP F) which summarised that most district councils incorporate the remuneration for statutory roles into base salary and for those that do not, a range of £2,000 - £10,000 is paid as an additional allowance.

Proposals

The senior management restructure commenced on 5 January 2016 proposing a new structure at senior level. Pay proposals have been included for senior management as part of the consultation process.

The council use the NJC spinal column scale up to SCP 49. The pay scales for the council continue up to scale point 66 and were agreed locally as part of the single status agreement in 2001. The council recognises that the scale points for the current grade 13 overlap grade 12 and are not numbered consecutively (jumping from SCP 54 to starting again at SCP 61).

Grade 12 = SCP 48 - SCP 54 (£42,053 - £52,048) (7 SCPs in the grade)
 Grade 13 = SCP 61 - SCP 66 (£47,056 - £57,239) (6 SCPs in the grade)

Grade 13 currently overlaps by four SCPs with grade 12, and with only 6 SCPs in the grade there is very little differential between grades (see ERP C).

The proposal is to change the spinal column points in grade 13 to remove the overlap with grade 12 and to increase the starting point for grade 13. This is to reflect the fact that the proposed new Head of Service role is to have increased responsibilities and decision making and reflects that the direct line into directors has been removed. Directors and the Chief Executive will provide a mentoring role rather than direct line management support.

The proposed pay scale is set out in ERP G.

These proposals reflect the market data and the council's imperative to remain competitive for senior management in the market. Additional scale points have been created to allow the progression through the scales for Heads of Service.

It is proposed that progression through the proposed pay range and scale points for the directors and heads of service will be based on performance (measured through a performance review process) rather than by annual increments. This process will be designed by the Head of HR and OD in consultation with the Leadership team and Unison.

The differential between scale points in the current pay grades ranges, so an average differential of 2.6% has been used for the new scale points in Grade 13.

On transfer to the new scale points, Heads of Service will be slotted to the nearest scale point based on their current base pay. For example a Head of Service on SCP 66 £57,239 will commence on SCP 58 £57,675 as this is the nearest SCP to their current base pay. On appointment to new roles Heads of Service starting scale point will be discussed as part of the appointment process to take into consideration responsibilities and size of role.

It is proposed that the Heads of service and above do not participate in the flexi-time scheme and manage their hours to meet the requirements of their role taking into consideration the council's policies on flexible working and work-life balance.

It is also proposed to define the current pay range for Director spot salaries between £75,000 - £90,000 base pay. This is to reflect the market.

It is proposed that the posts designated as the Council's S151 Officer; Monitoring Officer and Head of Paid Service will receive a payment of £5,000 per year.

The Pay Policy statement 2016/17 has been updated based on these proposals.

**Emma Freeman
Head of HR and OD
February 2016**

Senior Management Restructure

**Information Document following formal
consultation process**

**Consultation information for
employees and Unison**

February 2016

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SENIOR MANAGEMENT TEAM

CONSULTATION DOCUMENT

This document should be read together with the Council's Redundancy Policy (July 2012)

1 PURPOSE

To create a strong leadership team which:

- operates together in a corporate space, leading from the front;
- is able to react quickly and without the need for unnecessary bureaucracy;
- avoids the duplication of a number of layers of management meetings and structures (CMT, DMTs, SMG);
- releases Directors to lead organisation-wide or partnership projects (such as Channel Shift, Devolution, commercialisation, Old River Lane etc)
- ensures that Heads of Service are accountable for their own service areas and able to make decisions about their services.

2 BACKGROUND

East Herts Council is already performing well. It's also a place where staff generally like to work – as demonstrated by the 2014 Staff Survey, which showed a significant improvement in nearly all areas compared to the 2011 staff survey. But as finances become tighter, and the public sector landscape changes dramatically, we need to change too.

3 DRIVERS FOR CHANGE

- **Funding regime** – the recent CSR and proposed local government settlement creates significant funding gaps for East Herts from 2017 onwards, and we need to be prepared to deliver these savings with a strong leadership team. Furthermore, the future of district council funding lies in our ability either to cut costs, generate new business rates, increase the taxbase, or raise our own funds through more commercial activity. By 2019 our financial future will be in our hands. This means we will need to understand how and why businesses start or expand in East Herts, and how we can influence that collectively (whether through Planning, Housing, Environmental Services, Quality of Life offers through Leisure, and Economic Development).

The changing role of local government and the wider public sector - Working as a single leadership team with fewer boundaries and less bureaucracy will create a corporate space in which we can seize opportunities and respond quickly to change. We will also need to look seriously at where we might

seize new commercial opportunities ourselves (such as the possibility to establish a Housing Company). Creating Director posts without functional responsibilities effectively frees up two Directors to lead such projects. Heads of Service will need to be accountable for their own service area, but will also be expected to operate as a senior leadership team, working across service boundaries, taking ownership of organisational challenges, and acting as leaders of the organisation.

- **Devolution** – 2016 will be the ‘year of devolution’. While Hertfordshire has taken a cautious approach to devolution, the idea is gathering momentum, and as a council we need to be able to engage in, drive and lead change that will deliver the best outcome for our residents and businesses.
- **Refreshed Corporate Strategy** – the refreshed strategy (16/17-19/20) has some challenging objectives and we need to ensure that the leadership team is able to drive these forward with enthusiasm and determination. The draft priorities (to be agreed by the council in Q1 of 2016 are set out as an Appendix H to this document.
- **Digital by design and Channel shift** – many of our customers are ready for digital service access. We need to be ready to provide it. The project will be led by one of the directors, taking a whole council approach to moving as many of our services online as possible. This will cut out inefficient systems and create staff time for higher value work.
- **Communications and Policy** – as all of these changes above start to influence what we do and how we do it, we need a strong Communications, Strategy and Policy team to ensure that we have enough capacity to guide and shape policy (across all areas) and also to ensure that all of our customers and stakeholders are properly informed and engaged.

4 PROPOSALS

Following the consultation process from 5 January 2016 to 3 February 2016 the final proposals of the new Leadership team are:

- Directors roles to be responsible for corporate projects and priorities, to provide mentoring roles to Heads of service and line management responsibilities for PA.
- Creation of five new Heads of Service posts; Head of Communications, Strategy and Policy; Head of Housing and Health; Head of Operations; Head of Strategic Finance and Property; Head of Democratic and Legal Services
- Deletion of eight Heads of Service posts (Head of Business Development; Head of Communications, Engagement and

Culture Services; Head of Environmental Services and Leisure; Head of Customer Services, Information and Parking; Head of Community Safety and Health; Head of Governance and Risk Management; Head of Strategic Finance; Head of Democratic and Legal Services)

- Deletion of the Manager of Housing Services post. Creation of a new role of Housing Manager, reporting line to Head of Housing and Health
- New role of Head of Strategic Finance and Property to include the S151 Officer role and hold a CCAB accountancy qualification and membership (or equivalent)
- New role of Head of Democratic and Legal Services to include the Monitoring Officer role and hold a legal qualification and membership (or equivalent)
- Adjustments to the responsibilities of the Head of Planning and Building Control
- Adjustments to the responsibilities of the Head of Shared Revenues and Benefits Service and Head of Shared Business and Technology Services
- Adjustments to the responsibilities of Head of Human Resources and Organisational Development.
- A decrease of FTEs at SMG level from 16 to 12. Increase of 1 post at manager level. Total reduction in headcount of 3 posts.
- Heads of Service an above to not participate in the Flexi-time scheme and manage their hours in accordance with the requirements of the role; taking into consideration the council's ethos on work life balance and flexible working.
- A change in formal reporting lines to Chief Executive, with informal mentoring roles provided to Heads of Service by the Chief Executive and both Directors.
- New leadership team to replace CMT, DMTs and SMG. All Heads of Service to have increased accountability and decision making as part of the leadership team
- All Directors and heads of service to have generic job descriptions.

The current management structure is set out in Appendix A.

The proposed management structure is set out in Appendix B(1) and B(2).

The proposed job descriptions for Director and Head of Service are set out in Appendix C and D.

The proposed job description for Housing Manager is set out in Appendix I.

The draft job descriptions for Head of Service, Director and Housing Manager have been evaluated using the Hays evaluation scheme. New pay proposals are set out in this document.

Organisational Design

The proposed structure is based on the organisational design model that works to remove unnecessary layers in the organisation and ensure that management roles are really managing and decision-making is happening in the right part of the organisation, with the right accountability.

The council's proposed organisational design principles are set out in Appendix E.

Pay

The council use the NJC spinal column scale up to SCP 49. The pay scales for the council continue up to scale point 66 and were agreed locally as part of the single status agreement in 2001. The council recognises that the scale points for the current grade 13 overlap grade 12 and are not numbered consecutively (jumping from SCP 54 to starting again at SCP 61). The proposal is to change SCP in grade 13 to remove the overlap with grade 12 and to increase the scale points to recognise the increase in responsibilities for the Head of Service roles.

The proposed pay scale is set out in Appendix F.

It is proposed that progression through the proposed pay range and scale points will be based on performance and linked to the PDRS process for directors and Grade 13.

It is also proposed to introduce a pay range for Directors spot salaries between £75,000 - £90,000.

It is proposed that the posts designated as the Council's S151 Officer; Monitoring Officer and Head of Paid Service will receive a payment of £5,000 per year. The Pay Policy statement 2016/17 has been updated and will go to a special Local Joint panel meeting in February; together with the pay proposals.

5 STAFF AFFECTED BY THE PROPOSALS

Posts deleted, posts continuing and posts created

Chief Executive	New direct reports – leadership team
Director of Neighbourhood Services	Change to Director post with new job description and responsibilities
Director of Finance and Support Services	Change to Director post with new job description and

	responsibilities
Head of Strategic Finance	Delete post
Head of Environmental Services and Leisure	Delete post
Head of Customer Services, Information and Parking	Delete post
Head of Communications, Engagement & Cultural Services	Delete post
Head of Community Safety and Health	Delete post
Head of Business Development	Delete post
Head of Governance and Risk Management	Delete post
Head of Democratic and Legal Services	Delete post
Manager of Housing	Delete post
Director	One Vacant
Head of Strategic Finance and Property	New role: S151 Officer Accountancy Transactional Finance Treasury Management Property and Estates Engineering and Drainage Facilities Procurement Risk/Insurance Audit
Head of Communications, Strategy and Policy	New role: Communications Customer Services Information Web New Media Business Development Performance Strategy Policy Equalities Agenda Corporate Consultation Graduate support
Head of Housing and Health	New role: Housing Environmental Health Licensing Community Safety Public Health Engagement & Partnerships Health & Wellbeing Public Health Safeguarding

	Pest Control Animal warden Emergency Planning
Head of Operations	New role: Leisure Services Waste Management Parks and Open Spaces Economic Development Market Operations Environmental Inspection Hertford Theatre Parking
Head of Democratic and Legal Services	New role: Monitoring Officer Democratic Services Legal Electoral Services Member Support Land Charges Civic Support Scrutiny FOI Data Protection
Housing Manager	New role: Housing Services Reporting into Head of Housing and Health
Head of Planning and Building Control	New generic job description and responsibilities
Head of HR and OD	New generic job description and responsibilities Health and Safety
Head of Shared Revenue and Benefits Services	New generic job description and responsibilities
Head of Shared Business & Technology Services	New reporting line and responsibilities

Employees who are at risk of redundancy will be able to join the Redeployment register early and take advantage of support available, should they request to do so.

Assimilating, ring-fencing, open competition and pay protection

Head of Services or Managers not affected by these changes are not required to go through this process.

Director of Finance and Support Services; Head of Planning and Building Control; Head of Shared Revenue and Benefits Services; Head of Shared Business and Technology Services and Head of HR and OD will be assimilated into their current roles with a new generic job description.

Heads of Service and managers at risk will be subject to a selection process. The selection process will be done through an assessment centre process, including interview, presentation, psychometric questionnaire and written test.

All members of the leadership team will complete the psychometric questionnaire to support the development of their personal learning and development plan 2016/17.

For timetable of selection process please view Appendix G.

New Head of service and new Housing Manager posts will be ring fenced to the senior management team who are at risk of redundancy. Employees applying for ring fenced posts will be assessed (as described above), and if successful, will be appointed on their existing grades, or, where the post is at a higher grade, be promoted to the lowest point of the new grade.

Pay protection arrangements will apply where employees are offered and accept a post on a lower grade than their existing substantive grade as an alternative to compulsory redundancy.

Where employees are redeployed to a lower graded posts (but no more than two grades below), protection arrangements will be as follows:

The rate of pay (not grade) at the time staff take the lower graded post will be frozen (i.e. no future increments or pay awards) for 3 years;

At the end of the 3 year period staff will be paid at the top of the new (lower) grade;

But, if the top of the new (lower) grade catches up, through national pay increases, before the 3 years is up, the protection will cease at that point.

From that date onwards the rate of pay of the new (lower) grade will be paid.

Priority Application Process

In the event that you compete for but are unsuccessful in being appointed to the new structure, East Herts Council is committed to securing alternative employment for displaced employees wherever possible.

All eligible employees will therefore be placed on the Redeployment register when they are issued notice of redundancy. For more information and the procedure please see the Redeployment Policy.

Legal Rights - In the event that suitable alternative employment cannot be found then all staff are entitled to the following legal rights:

- To have paid time off to look for another job, attend interviews or to arrange training during the notice period
- A redundancy payment based on hours of work and length of service without enhancement
- Those aged 55 and over and contributing to the Local Government pension scheme will be entitled to early retirement and be able to draw their pension based on their years of qualifying service

6 VOLUNTARY REDUNDANCY

Applications for Voluntary Redundancy can be made by Heads of Services or managers at risk of redundancy by 25 February 2016.

Voluntary redundancy may be available:

- If you are part of a ring fence in an area where there is significant pressure for available posts such that individuals within that ring fence may ultimately be declared 'at risk' of redundancy; and
- If your release presents no specific problems for continuity of services;
- If your release presents no specific problems in relation to the need to retain an appropriate balance of skills and experience in the new structure;
- In the context of all of the above, your release is affordable for the Service and the council.

If you are interested you will be provided with an estimate of the redundancy payment that will be payable on receipt of a written request. If you are:

- Aged 55 or over, you will also receive an estimate for any retirement benefits as appropriate

Applications for voluntary redundancy will only be approved if it is considered to be in the council's interest. There will be no right of appeal against a decision not to grant an application for voluntary redundancy.

7 TIMETABLE

7.1 The key dates are set out below.

Event	Target Date
Section 188 letter issued to Unison	5/1/16
Formal Consultation started	5/1/16

Formal Consultation Period (including 1:1 meetings)	5/1/16-3/2/16 (30 days)
Proposals following consultation issued to Unison and employees for comments (5 working days)	8/2/16
Comments on proposals to LW	5pm on 12/2/16
Final proposals issued to Unison and employees	15/2/16
Provisional letters issued to staff including - final proposals and response to consultation - selection process	15/2/16
Applications for voluntary redundancy received	25/2/16
Deadline for return of expressions of interest	25/2/16
Selection process/interviews for new jobs	29/2 or 1/3
Outcome of the selection process confirmed in writing to affected employees. New posts offered or intention of redundancy. Right of appeal.	4/3/16
Appeals deadline	21/3/16
Issue notices of termination Employees added to the Redeployment register. Notice period commences 12 weeks	March 2016
New structure fully implemented	To be agreed with successful candidates

8 CONSULTATION AND COMMUNICATION

Staff Consultation

8.1 Staff consultation was held from 5/1/16 until 3/2/16.

8.2 121 with affected employees, staff briefings, Unison meetings and Staff Forum were held to allow all employees to comment on the proposed structure of the senior management team. All the feedback and questions raised as part of the consultation process have been collated and summarised into one document (Appendix J). The document includes Liz Watts response to points raised.

Trade Union Consultation

8.3 Unison was consulted on the proposals from 5/1/16 until 3/2/16. Unison submitted a formal response as part of the consultation process (Appendix K). Liz Watts response to the points raised by Unison is included.

9 SUPPORT AND INFORMATION

9.1 Support for staff directly affected by these proposals is available from:

- **Chief Executive**
- **Head of HR and OD**
- **Unison** members can contact Steve Ellis (Branch Secretary) who is aware of the content of this document.
- Independent support and advice can also be sought through the Employee Assistance Programme by calling PPC 0800 282 193.

10 APPEAL PROCESS FOR REDUNDANCY

Employees have the right to appeal against redundancy on the following grounds:

- Their post is not redundant
- They believe they should have been assimilated into a new post
- That the selection criteria were unfairly applied

Please refer to the Appeals Policy for further information on the process and timetable for appeal.

Any decision made at the appeal is final, and there is no further right of appeal. An employee cannot use the Grievance policy by way of further challenge to the decision.

JANUARY 2015 - 2016

SCP	Basic Salary	SCP	Basic Salary	SCP	Basic Salary	Local Weightg	Hrly LW	Total Salary	SCP	Hrly Rate	A/L Notice	Mnthy (Cal mnth)				
grade 1/2 6-17	6 £13,614								£573	0.30	£14,187	6	7.0565	22	1	£1,134.50
	7 £13,715								£573	0.30	£14,288	7	7.1089	22	1	£1,142.92
	8 £13,871								£573	0.30	£14,444	8	7.1897	22	1	£1,155.92
	9 £14,075								£573	0.30	£14,648	9	7.2955	22	1	£1,172.92
	10 £14,338								£573	0.30	£14,911	10	7.4318	22	1	£1,194.83
	11 £15,207								£573	0.30	£15,780	11	7.8822	22	1	£1,267.25
	12 £15,523								£573	0.30	£16,096	12	8.0460	22	1	£1,293.58
	13 £15,941								£573	0.30	£16,514	13	8.2627	22	1	£1,328.42
	14 £16,231	grade 3 14-21	14 £16,231						£573	0.30	£16,804	14	8.4130	22	1	£1,352.58
	15 £16,572		15 £16,572						£573	0.30	£17,145	15	8.5897	22	1	£1,381.00
	16 £16,969		16 £16,969						£573	0.30	£17,542	16	8.7955	22	1	£1,414.08
	17 £17,372		17 £17,372						£573	0.30	£17,945	17	9.0044	22	1	£1,447.67
	18 £17,714		18 £17,714						£573	0.30	£18,287	18	9.1816	22	1	£1,476.17
	19 £18,376		19 £18,376						£573	0.30	£18,949	19	9.5248	22	1	£1,531.33
	20 £19,048		20 £19,048						£573	0.30	£19,621	20	9.8731	22	1	£1,587.33
grade 5 21-28	21 £19,742	grade 4 17-24	21 £19,742						£573	0.30	£20,315	21	10.2328	22	1	£1,645.17
	22 £20,253		22 £20,253						£573	0.30	£20,826	22	10.4977	24	1	£1,687.75
	23 £20,849		23 £20,849						£573	0.30	£21,422	23	10.8066	24	1	£1,737.42
	24 £21,530		24 £21,530						£573	0.30	£22,103	24	11.1596	24	1	£1,794.17
	25 £22,212		25 £22,212						£573	0.30	£22,785	25	11.5131	24	1	£1,851.00
	26 £22,937		26 £22,937						£573	0.30	£23,510	26	11.8889	24	1	£1,911.42
	27 £23,698		27 £23,698						£573	0.30	£24,271	27	12.2833	24	1	£1,974.83
	28 £24,472		28 £24,472						£573	0.30	£25,045	28	12.6845	24	1	£2,039.33
	29 £25,440		29 £25,440						£573	0.30	£26,013	29	13.1862	26	1	£2,120.00
	30 £26,293		30 £26,293						£573	0.30	£26,866	30	13.6284	26	1	£2,191.08
grade 8 33-38	31 £27,123	grade 6 24-31	31 £27,123						£573	0.30	£27,696	31	14.0586	26	1	£2,260.25
	32 £27,924		32 £27,924						£573	0.30	£28,497	32	14.4738	27	1	£2,327.00
	33 £28,746		33 £28,746						£573	0.30	£29,319	33	14.8998	27	1	£2,395.50
	34 £29,558		34 £29,558						£573	0.30	£30,131	34	15.3207	27	1	£2,463.17
	35 £30,178	grade 9 35-40	35 £30,178						£573	0.30	£30,751	35	15.6421	28	2	£2,514.83
	36 £30,978		36 £30,978						£573	0.30	£31,551	36	16.0567	28	2	£2,581.50
	37 £31,846		37 £31,846						£573	0.30	£32,419	37	16.5066	28	2	£2,653.83
	38 £32,778		38 £32,778						£573	0.30	£33,351	38	16.9897	28	2	£2,731.50
	39 £33,857		39 £33,857						£573	0.30	£34,430	39	17.5490	28	2	£2,821.42
	40 £34,746		40 £34,746						£573	0.30	£35,319	40	18.0098	28	2	£2,895.50
grade 11 43-48	41 £35,662	grade 10 41-46	41 £35,662						£573	0.30	£36,235	41	18.4846	28	2	£2,971.83
	42 £36,571		42 £36,571						£573	0.30	£37,144	42	18.9557	28	2	£3,047.58
	43 £37,483		43 £37,483						£573	0.30	£38,056	43	19.4285	28	2	£3,123.58
	44 £38,405		44 £38,405						£573	0.30	£38,978	44	19.9064	28	2	£3,200.42
	45 £39,267		45 £39,267						£573	0.30	£39,840	45	20.3532	28	2	£3,272.25
	46 £40,217		46 £40,217						£573	0.30	£40,790	46	20.8456	28	2	£3,351.42
	47 £41,140		47 £41,140						£573	0.30	£41,713	47	21.3240	28	2	£3,428.33
	48 £42,053	grade 12 48-54	48 £42,053						£573	0.30	£42,626	48	21.7972	28	2	£3,504.42
	49 £42,957		49 £42,957						£573	0.30	£43,530	49	22.2658	28	2	£3,579.75
	50 £45,748		50 £45,748						£573	0.30	£46,321	50	23.7124	28	2	£3,812.33
	51 £47,326		51 £47,326						£573	0.30	£47,899	51	24.5303	28	3	£3,943.83
	52 £48,908		52 £48,908						£573	0.30	£49,481	52	25.3503	28	3	£4,075.67
	53 £50,478		53 £50,478						£573	0.30	£51,051	53	26.1641	28	3	£4,206.50
	54 £52,048		54 £52,048						£573	0.30	£52,621	54	26.9779	28	3	£4,337.33
grade 13 61-66	61 £47,056		61 £47,056						£573	0.30	£47,629	61	24.3904	28	3	£3,921.33
	62 £48,285		62 £48,285						£573	0.30	£48,858	62	25.0274	28	3	£4,023.75
	63 £52,850		63 £52,850						£573	0.30	£53,423	63	27.3936	28	3	£4,404.17
	64 £54,180		64 £54,180						£573	0.30	£54,753	64	28.0830	28	3	£4,515.00
	65 £55,609		65 £55,609						£573	0.30	£56,182	65	28.8237	28	3	£4,634.08
	66 £57,239		66 £57,239						£573	0.30	£57,812	66	29.6685	28	3	£4,769.92

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Epaycheck

Data Report

Senior Pay in Local Government

Published September 2015

About Epaycheck

Epaycheck is the national online pay benchmarking service, developed by local government for local government and delivered through the Regional Employers' Organisations. It enables participating councils to share and compare pay and reward data with other councils across hundreds of common roles within the sector.

In early 2015 the **Epaycheck** partnership led a project to specifically refresh chief executive and chief officer data following their respective pay agreements, including those that were not subscribing members of the service, to enable the collation of a robust data set on senior pay. The Local Government Association (LGA) then commissioned Myriad Research Limited to undertake a statistical analysis of senior pay data held within **Epaycheck**.

We are delighted to present this detailed **Epaycheck** Senior Pay Report which provides meaningful comparative data to subscribers to assist in transparent decision-making, benchmarking, pay policy development and workforce planning. It will also be an invaluable resource to the LGA in national policy discussions about senior pay.

The publication of this **Senior Pay Report** follows an earlier **Epaycheck** publication on **Social Work Pay, Recruitment and Retention**. These reports demonstrate the importance and value of this national shared service that is easily and readily available to all local authorities; providing real time pay data benchmarking and reporting for all users.

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Epaycheck Analysis Report

Senior Pay in Local Government

(published September 2015)

Introduction

The LGA commissioned Myriad Research Limited to undertake a statistical analysis of the senior pay data held within **Epaycheck**. The aims were:



- ✓ To review the **Epaycheck** senior pay data assessing what analysis can be done with confidence and identifying what additional secondary data would add the greatest value.
- ✓ To clean and analyse the latest data from **Epaycheck**, providing SPSS syntax files to facilitate future reproduction of the techniques used. This would include weighting the data for non-response if the data quality allows.
- ✓ To produce an analytic report of the senior pay data providing overview descriptive statistics and analysis of interesting correlations and data insights.

The reported data had a response rate of 70% of councils and encompassed over 4,000 senior posts in England and Wales. Data was reported by both job role and tier (tier being the position within the council hierarchy that a job role occupies - Tier 1 is the highest ranking position in the organisation, Tier 2 reports to Tier 1 and so on). The reported data is based on basic pay, excluding additional allowances or benefits.

This report provides an overview of the methods employed to analyse the data and examines the market characteristics that provide the best basis for benchmarking. It highlights how salary benchmarking can be improved by focusing on key shared characteristics of councils, such as working age population.

Grossed data on average pay and paybill is provided for tiers 1 and 2. Information is also presented on average pay across the remaining tiers of local government management teams. It also has data relating to job role, areas of responsibility, additional pay and salary ranges.

A glossary of some of the terminology used in this report is provided in Annex 1.

Key Findings

- ✓ Authority type, working age population, council expenditure and number of employees all have stronger correlations to senior pay rates than regions. These types of organisational and market characteristics should be considered when benchmarking pay.
- ✓ There were a total of 357 tier 1 posts across the 375 councils in England and Wales. In total, 41 authorities shared a Chief Executive, 3 authorities had replaced the Chief Executive post with two Executive Directors, and 331 authorities had a single Chief Executive.
- ✓ The grossed median annual basic pay for tier 1 posts in 2014/15 was £122,210 which varied from £175,313 in London Boroughs to £106,800 in Shire Districts.
- ✓ The total paybill for tier 1 posts was £47.1 million, which was 6% lower in 2014/15 than it was in 2010/11 (a real terms decrease of 11.3%).
- ✓ Median pay for tier 1 posts fell by 5.3% between 2010/11 and 2014/15. All authority types showed decreases, with the percentage change largest in English Unitaries (-7.8%) and smallest in Shire Districts (-2.3%).
- ✓ The data on pay changes can be compared to the basic pay figures for Chief Executives and Senior Officials in the 'Annual Survey of Hours and Earnings' which saw a drop in basic pay between 2011 and 2014 of 2.4%.
- ✓ Shared Chief Executives had significantly more variance in pay levels than those responsible for a single council, likely reflective of the range of responsibilities and arrangements.
- ✓ There is a strong positive correlation between the size of the working age population of an area and tier 1 pay levels. This is true for both single tier/counties and shire districts.
- ✓ The grossed median annual basic pay for tier 2 posts in 2014/15 was £97,950. Comparable median pay was not available but the grossed mean average pay was £96,562 in 2014/15 compared to £101,300 in 2010/11, a fall of 4.7% (9.9% in real terms).
- ✓ Median pay for tier 2 posts in shire county/single tier authorities is highest in London (£128,300) but is closely followed by East Midlands (£124,562) and West Midlands (£117,186).
- ✓ Over half of all tier 2 posts with a responsibility for either adult or children and young people (CYP) social care had responsibility in both areas. Adult social care was slightly more likely to include other areas of responsibility than CYP social care, with housing services, environmental health and trading standards the most frequently identified.
- ✓ Although CYP social care roles get slightly higher pay (£116,113 at tier 2 compared to £114,623 for adults) this difference is not statistically significant.
- ✓ Nearly two thirds (63%) of tier 1 posts in Met Districts are on spot salaries compared to just 38% of London Boroughs, who are also significantly less likely to pay spot salaries to tier 2 or 3 posts.
- ✓ Accounting for the overall level of pay there is little difference in the salary ranges used across different job levels, with tier 1 posts being slightly more likely to have a smaller range than tiers 2 or 3.
- ✓ London Boroughs have significantly higher salary ranges than all other authority types.
- ✓ 18% of responding authorities reported paying essential and lease car allowance. Only 6% of responding councils reported paying any performance related pay.



Response

The initial data had a good overall response rate of 66% of all councils in England and Wales. The distribution between type and region was fairly representative although response was lower in the North East and East Midlands and some data was added from Statement of Accounts 2013/14 to ensure representative coverage.

This brought the overall response rate up to 70% and ensured that no type/region combination had less than 25% response (only three of 28 region/type combinations had less than 50% response). This involved a total of over 4,000 senior posts.

The full response by region and type is provided in Table 1.

Table 1: Region and Type Response by Council and Post

	Total Councils	Respondent Councils	Response Rate	Posts in Responses	Average Posts Per Council
Type of authority					
English Unitary	56	43	77%	1,012	24
London Borough	33	30	91%	498	17
Met District	36	32	89%	913	29
Shire County	27	20	74%	371	19
Shire District	201	118	59%	979	8
Welsh Unitary	22	20	91%	299	15
Region					
East Midlands	45	16	36%	232	15
East of England	52	35	67%	417	12
London	33	30	91%	498	17
North East	12	8	67%	115	14
North West	41	37	90%	695	19
South East	74	27	36%	396	15
South West	41	37	90%	577	16
Wales	22	20	91%	299	15
West Midlands	33	33	100%	460	14
Yorkshire and Humber	22	20	91%	383	19
Total					
England and Wales	375	263	70%	4,072	15

Methodology

The data was cleaned to remove obvious outliers and data for tiers 1 and 2 were grossed to allow for non-response, using statistically robust techniques, as outlined in Annex 2. This removes any variation in data caused by differing response rates in councils with particular characteristics. Data relating to tier 3 and 4 posts is presented ungrossed due to variation in post counts.¹ Pay data has been suppressed when based on a base of less than ten respondents.

The **Epaycheck** data provides minimum and maximum basic pay. This reflects just the basic salary, without any additional allowances or benefits. The majority of the data presented in this report has focused on the mid-point salary data to facilitate simple presentation and enable comparison. There is a separate section on the salary ranges themselves (the difference between the maximum and minimum salary).

Building upon the analysis undertaken on the data for grossing purposes, we looked to establish whether there were market factors which correlated significantly with senior pay levels which could have the potential to produce more accurate benchmarking models.

This “nearest neighbour” model of benchmarking would provide councils with a more accurate and statistically robust way to benchmark. Our analysis, provided in Annex 3, demonstrates that the following characteristics all have significant correlation with senior pay:

✓ type of authority	✓ employee FTE	✓ median pay for the local area
✓ working age population	✓ average monthly rent for the local area	
✓ revenue expenditure		

Instead of comparing councils simply by region or authority type, it would be beneficial to assess which factors are most influential for a particular council, and then find those councils which have similar characteristics. **This “nearest neighbour” model of benchmarking would provide councils with a more statistically robust approach to benchmarking.**

Throughout this report therefore, we have provided data by the traditional region and authority type divisions and also by **banded working age population**. This is just a ‘taster’ of the potential of **Epaycheck** data, with the real ability to make relevant local comparisons to be found in **Epaycheck** itself.



Tier 1 paybill and average pay

Tier 1 posts are the highest ranking position in the organisation (Chief Executive, Head of Paid Service, or Executive/Managing Directors).

There were a total of 357 tier one posts across the 375 councils in England and Wales. In total, 41 authorities shared a Chief Executive (including one instance where three authorities were sharing), three authorities had replaced the Chief Executive post with two Executive Directors, and 331 authorities had a single Chief Executive.

The most recent available comparison data for tier 1 pay was from a 2010/11 LGA collection of senior remuneration data from councils' websites (using either senior salary disclosures or data statement of accounts).²

The total number of posts fell by 1.7% which, combined with a fall in average pay, resulted in the overall paybill being 6.0% lower in 2014/15 than it was in 2010/11 as shown in Table 2. Accounting for inflation³ the paybill for tier 1 posts has fallen by 11.3% since April 2011.

Table 2: Tier 1 average pay and paybill 2010/11 and 2014/15

	2010/11	2014/15	% change
Numbers	363	357	-1.7%
Mean Basic Pay (£)	137,950	131,880	-4.4%
Basic Pay Bill (£)	50.1m	47.1m	-6.0%

Base: 261 posts.

The grossed median annual basic pay⁴ for tier 1 posts in 2014/15 was £122,210 which varied from £175,313 in London Boroughs to £106,800 in Shire Districts as shown in Table 3.

Table 3: Tier 1 grossed pay by type of authority 2010/11 and 2014/15

	Median (£) 2014/15	Median (£) 2010/11	% change	Ungrossed Base (posts)
English Unitary	147,489	160,000	-7.8%	42
London Borough	175,313	187,613	-6.6%	29
Met District	160,000	165,425	-3.3%	32
Shire County	173,643	184,228	-5.7%	20
Shire District	106,800	109,260	-2.3%	118
Welsh Unitary	127,642	131,645	-3.0%	20
Total	122,210	129,092	-5.3%	261

Note: In all tables the 'ungrossed base (posts)' represents the actual records held in **Epaycheck**, but actual analysis is based on figures which are "grossed" to represent the equivalent of a full sample.

² As the data collected differs from the Epaycheck data (notably in the actual pay received vs a mid-point of salary ranges) any comparisons should be treated with caution. Additional analysis shows that even if the maximum salary was used for 2014/15 (as opposed to mid-point of ranges) this only accounts for about 2% of the change from 2010/11.

³ Calculated from April 2011 to April 2015 using <http://fxtop.com/en/inflation-calculator.php>

⁴ Taken from the mid-point of the salary range and grossed for non-response as discussed in the Methodology Annex

Median pay for tier 1 posts fell between 2010/11 and 2014/15 across all authority types, with the percentage change largest in English Unitaries (-7.8%) and smallest in Shire Districts (-2.3%). This can be compared to the basic pay figures for Chief Executives and Senior Officials⁵ in the Annual Survey of Hours and Earnings which saw a drop in basic pay between 2011 and 2014⁶ of 2.4%.

Comparing Shire Districts with different management arrangements, as shown in Table 4, we can see that shared Chief Executives get paid slightly more (£111,332) than Chief Executives of a single council (£106,621). Interestingly, the interquartile range for shared Chief Executives (which is indicative of the variance in pay rates) is almost treble that of Chief Executives of a single council.

Table 4: Shire district tier 1 average pay by Chief Executive arrangement

Shire District	Councils	Posts	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£)
Single Chief Executive	158	158	103,512	106,621	110,161	6,649
Shared Chief Executive	40	19	106,890	111,332	125,000	18,110

The impact that authority type has on regional averages should be noted. For example, the high concentration of Shire Districts in the South East results in a lower regional average than, for example, the North East. We have therefore split all regional data by shire county/single tier and shire district⁷ as shown in Table 5.

Median pay for tier 1 posts in shire county/single tier authorities is highest in London (£175,313), closely followed by East Midlands (£173,528) and East of England (£171,700). The lowest pay is in Wales (£127,642) and the North East (£149,373).

Median pay for tier 1 posts in shire districts is highest in East of England (£110,924) and lowest in the North West (£101,924).

Table 5: Tier 1 average pay by region and single tier/county and shire district

Region	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£) ⁸	Ungrossed Base (posts)
Shire County/Single Tier	East Midlands	158,692	173,528	177,483	18,791
	East of England	147,033	171,700	180,000	32,967
	London	164,634	175,313	188,978	24,344
	North East	145,112	149,373	159,874	14,762
	North West	142,157	158,820	170,000	27,843
	South East	141,285	150,701	176,902	35,617
	South West	137,175	150,000	159,409	22,234
	Wales	111,100	127,642	140,000	28,900
	West Midlands	139,000	166,433	182,500	43,500
	Yorkshire and Humber	142,188	160,000	175,190	33,002

5 SOC 2010 code 1115

6 The latest available data but provisional statistics so liable to change

7 Further disaggregation (by region and authority type for example) would provide additional insight but is not practical in this report. This analysis can, however, be undertaken within ePayCheck.

Table 5: Tier 1 average pay by region and single tier/county and shire district

Region	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£) ⁸	Ungrossed Base (posts)
Shire District	East Midlands	104,660	106,819	108,244	3,584
	East of England	106,727	110,924	122,773	16,046
	North West	93,840	101,511	106,000	12,160
	South East	105,705	107,492	111,332	5,627
	South West	88,257	103,224	110,000	21,743
	West Midlands	94,690	104,308	107,574	12,884
	Yorkshire and Humber	93,000	104,460	105,757	7

There is a strong positive correlation between tier 1 salary and the size of the working age population of an area as shown in Table 6. This means that the larger the working age population of an area, the higher the level of tier 1 pay. This is true for both single tier/counties and shire districts.

Table 6: Tier 1 average pay by working age population and single tier/county and shire district

	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£)	Ungrossed Base (posts)
Working Age Population - banded	Shire County/Single tier: < 100000	113,625	130,000	143,939	30,314
	Shire County/Single tier: 100000 - 175000	144,077	152,029	164,634	20,557
	Shire County/Single tier: 175000 - 250000	158,692	172,500	180,000	21,308
	Shire County/Single tier: 250000 - 325000 ⁹	-	-	-	7
	Shire County/Single tier: >325000	172,253	178,860	185,735	13,482
	Shire District: < 50000	94,610	103,229	105,721	11,111
	Shire District: 50000 - 60000	104,217	106,400	109,986	5,769
	Shire District: 60000 - 70000	101,421	106,886	108,172	6,751
	Shire District: 70000 - 80000	104,484	107,486	110,142	5,658
	Shire District: >80000	107,060	111,666	115,909	8,849

⁸ The interquartile range is the difference between the upper and the lower quartiles.⁹ Pay data for this group has been suppressed as base is less than ten.

Tier 2 paybill and average pay

Tier 2 posts are any posts that report directly to tier 1 posts. There were a total of 1,279 tier 2 posts across the 375 councils in England and Wales as shown in Table 7. This was significantly down (-18.6%) on the 1,572 posts reported in the previous senior pay report from 2010/11, although this figure should be treated with caution as the data may not be comparable and post counts in 2014/15 showed significant variance.¹⁰

Table 7: Tier 2 average pay and paybill 2010/11 and 2014/15

	2010/11	2014/15	% change
Numbers	1,572	1,279	-18.6%
Median Basic Pay (£)	-	97,950	-
Mean Basic Pay (£)	101,300	96,562	-4.7%
Basic Pay Bill (£)	157.4m	123.5m	-21.5%

Base: 896 posts.

The grossed median annual basic pay¹¹ for tier 2 posts in 2014/15 was £97,950, which varied from £128,300 in London Boroughs and £125,957 in Shire Counties to £75,904 in Shire Districts as shown in Table 8.

Comparable median pay was not available¹² but the grossed mean average pay was £96,562 in 2014/15 compared to £101,300 in 2010/11, a fall of 4.7% (9.9% in real terms).

Table 8: Tier 2 grossed pay by type of authority

	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Interquartile Range (£)	Ungrossed Base (posts)
English Unitary	102,654	107,156	115,000	12,346	170
London Borough	126,025	128,300	138,175	12,150	87
Met District	103,000	110,199	120,000	17,000	167
Shire County	121,997	125,957	130,600	8,603	81
Shire District	71,912	75,904	78,668	6,756	319
Welsh Unitary	87,471	97,958	104,670	17,199	72
Total	76,224	97,950	114,692	38,468	896

Median pay for tier 2 posts in shire county/single tier authorities is highest in London (£128,300), East Midlands (£124,562) and West Midlands (£117,186). The lowest pay is in Wales (£97,958) and the North East (£107,732) as shown in Table 9.

Median pay for tier 2 posts in shire districts is highest in East of England (£76,681) and lowest in Yorkshire and Humber (£69,000).

¹⁰ There are two reasons to treat the change in post-count with caution. Firstly, the tiers in the data from 2010/11 were coded by the LGA from existing data (and so may differ in coding to the current data where the tier is provided by the council itself), and secondly the grossing methodology for post count in 2014/15 showed large variations in post-counts which raises question about the comparability of the two sets of data.

¹¹ Taken from the mid-point of the salary range and grossed for non-response as discussed in the Methodology Annex.

¹² As only mean average was included in the 2010/11 report.

Table 9: Tier 2 average pay by region and single tier/county and shire district

Region	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£)	Ungrossed Base (posts)
Shire County/Single Tier	East Midlands	113,962	124,562	126,014	12,052
	East of England	112,020	116,667	126,338	14,318
	London	126,025	128,300	138,175	12,150
	North East	104,269	107,732	110,199	5,930
	North West	100,305	110,882	120,492	20,187
	South East	104,021	108,039	126,630	22,609
	South West	98,202	109,375	122,500	24,298
	Wales	87,471	97,958	104,670	17,199
	West Midlands	105,307	117,186	123,015	17,708
	Yorkshire and Humber	103,000	108,783	115,000	12,000
Shire District	East Midlands	75,555	76,314	76,925	1,370
	East of England	70,244	76,681	81,144	10,900
	North West	64,292	72,327	74,441	10,149
	South East	75,805	76,639	78,583	2,778
	South West	57,632	72,548	78,668	21,036
	West Midlands	61,875	71,605	75,730	13,855
	Yorkshire and Humber	62,136	69,000	83,357	21,221

Again there is a strong positive correlation between the size of the working age population and tier 2 pay, as shown in Table 10. The banded groups also show a lower interquartile range (the difference between the upper and lower quartile) than the groups in Table 9: Tier 2 average pay by region and single tier/county and shire district9.

The smaller level of variance in the groupings, supports the suggestion that different approaches to benchmarking (moving away from regional distinctions to more nuanced methods) may lead to more useful results.

Table 10: Tier 2 average pay by working age population and single tier/county and shire district

		Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£)	Ungrossed Base (posts)
Working Age Population - Banded	Shire County/Single tier: < 100000	90,437	99,669	104,627	14,190	105
	Shire County/Single tier: 100000 - 175000	104,021	109,375	116,667	12,646	218
	Shire County/Single tier: 175000 - 250000	110,883	115,472	126,587	15,704	123
	Shire County/Single tier: 250000 - 325000	123,998	125,000	125,765	1,767	28
	Shire County/Single tier: >325000	120,492	125,957	130,787	10,295	103
	Shire District: < 50000	61,750	74,441	75,546	13,796	58
	Shire District: 50000 - 60000	71,912	75,522	76,425	4,513	72
	Shire District: 60000 - 70000	71,605	76,414	76,857	5,252	57
	Shire District: 70000 - 80000	73,125	76,639	77,736	4,611	57
	Shire District: >80000	74,911	79,435	83,507	8,596	75

Tier 3 and 4 average pay

Note: All figures in this section are ungrossed and so may be affected by response bias.

Tier 3 posts report directly to tier 2 posts and tier 4 report directly to tier 3 posts. The average median pay at tier 3 is highest in London (£91,879), followed by Shire Counties (£85,052), with the trends across authority types mirroring those at tiers 1 and 2 as shown in Table 11.

Table 11: Tier 3 ungrossed pay by type of authority

	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Interquartile Range (£)	Ungrossed Base (posts)
English Unitary	73,150	80,132	86,593	13,443	451
London Borough	84,015	91,879	98,438	14,423	343
Met District	75,225	83,549	88,446	13,221	357
Shire County	79,079	85,052	96,900	17,821	197
Shire District	55,676	59,554	66,582	10,906	436
Welsh Unitary	65,246	73,298	84,831	19,585	134
Total	67,575	79,635	87,554	19,979	1,918

There is a strong positive correlation between the size of the working age population and tier 3 pay in single tier/counties, as shown in Table 10: Tier 2 average pay by working age population and single tier/county and shire district10, but this does not hold true for districts.

Table 12: Tier 3 average pay by working age population and single tier/county and shire district

		Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£)	Ungrossed Base (posts)
Working Age Population - Banded	Shire County/Single tier: < 100000	68,085	75,166	80,497	12,412	236
	Shire County/Single tier: 100000 - 175000	73,425	82,032	87,550	14,125	493
	Shire County/Single tier: 175000 - 250000	79,560	85,802	93,589	14,029	451
	Shire County/Single tier: 250000 - 325000	85,000	86,855	93,051	8,051	85
	Shire County/Single tier: >325000	79,625	88,496	96,900	17,275	217
	Shire District: < 50000	55,104	61,620	63,954	8,850	42
	Shire District: 50000 - 60000	50,766	56,109	62,500	11,734	97
	Shire District: 60000 - 70000	56,355	56,789	61,200	4,845	70
	Shire District: 70000 - 80000	53,188	57,500	62,500	9,312	74
	Shire District: >80000	56,500	62,210	68,361	11,861	153



The average median pay at tier 4 is highest in Shire Counties (£83,126), followed by London Boroughs (£75,484). While Shire Districts still have the lowest average pay (£57,120), English Unitaries are only slightly higher (£57,500) as shown in Table 13.

Table 13: Tier 4 ungrossed pay by type of authority					
	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Interquartile Range (£)	Ungrossed Base (posts)
English Unitary	53,283	57,500	62,025	8,742	286
London Borough	64,020	75,484	84,667	20,647	22
Met District	54,887	62,973	80,000	25,113	255
Shire County	72,704	83,126	89,986	17,282	46
Shire District	45,122	57,120	61,512	16,390	95
Welsh Unitary	62,500	66,256	72,500	10,000	33
Total	53,283	59,359	71,156	17,873	737



Senior job roles

In addition to tiers Epaycheck also collected data on the generic job roles for each post:

✓ Chief Executive/Head of Paid Services	✓ Corporate/Executive/Strategy Director	✓ Assistant Director
✓ Deputy Chief Executive (or equivalent)	✓ Director	✓ Head of Service

The number of posts reported under each job role is provided in Table 14. Data is not presented for Chief Executives (as this was essentially the same as tier 1¹³ and we felt it would confuse reporting) or Deputy Chief Executives (as the response was too low to enable meaningful analysis).

Table 14: Response by generic senior job role

	Post count	% of total posts
Chief Executive / Head of Paid Services	251	6%
Deputy Chief Executive (or equivalent)	77	2%
Corporate/Executive/Strategic Director	388	10%
Director	714	18%
Assistant Director	707	17%
Head of Service	1,935	48%

Average annual salaries for all senior job roles were higher in London Boroughs than any other type of authority, ranging from £133,725 for Executive Directors to £84,667 for Heads of Service as shown in Table 15. The lowest average salaries are found within Shire Districts, ranging from £75,388 for Executive Directors to £58,511 for Heads of Service.

Table 15: Senior job roles ungrossed median pay by type of authority

	Executive Director	Director	Assistant Director	Head of Service
English Unitary	116,793	96,900	80,916	62,025
London Borough	133,725	102,977	89,869	84,667
Met District	113,384	91,377	82,414	62,973
Shire County	125,983	100,000	86,700	75,013
Shire District	75,388	77,148	61,200	58,511
Welsh Unitary	92,000	108,947	80,000	66,141
Total	108,678	93,589	82,414	63,226
Base (posts)	388	714	707	1,953

While London is typically the highest paying region, East of England has the highest pay for Directors (£117,209) in single tier/counties, as shown in Table 16, followed by Wales (£108,947).

Table 16: Senior job roles ungrossed median pay by region and single tier / county and shire district

Region	Executive Director	Director	Assistant Director	Head of Service
Shire County/Single Tier	East Midlands	125,983	83,456	83,346
	East of England ¹⁴	-	117,209	87,500
	London	133,725	102,977	89,869
	North East	115,383	101,000	78,020
	North West	110,000	90,497	80,000
	South East	124,605	99,460	83,126
	South West	125,000	96,463	82,049
	Wales	92,000	108,947	80,000
	West Midlands	118,892	95,931	82,850
	Yorkshire and Humber	113,109	82,720	83,681
Shire District	East Midlands	77,500	-	-
	East of England	-	80,505	67,382
	North West	72,327	68,985	50,070
	South East	-	79,741	66,582
	South West	79,458	-	61,200
	West Midlands	75,388	65,250	-
	Yorkshire and Humber	68,000	72,000	-
	Base (posts)	368	697	699
NB: Pay data has been suppressed for any groups where base was less than ten.				

Areas of responsibility

Note: New filters have been added to Epaycheck for the statutory roles of Director of Children's Services, Director of Adult Social Services, Monitoring Officer, Section 151 Officer and Director of Public Health. This data was not available for this report, but is included in live Epaycheck data reports.

The biggest challenge in accurately interpreting the data on areas of responsibility (for example “finance”) was identifying where the function was driving the level of pay and where it was an additional element of a wide-ranging role.

Area of responsibility was provided for 57% of all posts in the available data. Of those, the majority (60%) indicated a single area of responsibility. However, almost one tenth (9%) of posts had six or more areas of responsibility.

Due to the spread of the remaining responses, posts which had six or more areas of responsibility made up over a third of all respondents (see Table 17).

Table 17: Number of areas of responsibilities reported by area of responsibility

Area of Responsibility	1	2-3	4-5	=>6	Base
Finance	42%	19%	9%	31%	631
Children and Young People Social Care	57%	14%	4%	25%	499
Environmental Health	23%	29%	9%	39%	495
Governance-Democratic Services	12%	36%	11%	41%	483
Legal Services	15%	34%	11%	39%	480
ICT	23%	25%	11%	41%	465
Housing Services inc Housing mgt only	13%	34%	12%	41%	431
Adult Social Care	47%	20%	4%	29%	419
Building Control	22%	26%	9%	44%	399
Transformation	20%	24%	11%	45%	384
Housing Services inc. repairs maintenance direct stock	7%	32%	12%	49%	281
Trading Standards	9%	28%	10%	53%	250

Given the difficulties with accurately assessing the impact on pay of each particular area of responsibility, we have focused only on Adult and Children Social Care. This is because they are likely to be the primary area of responsibility (as illustrated by the highest percentages of single responsibilities in Table 17: Number of areas of responsibilities reported by area of responsibility17), but also as there is likely to be some comparability of functional responsibility despite different structural settings.

Table 18 shows the percentage of tier 2 and 3 roles that have either adults or children and young people (CYP) social care responsibilities that also have responsibilities in other areas. Over half of all tier 2 posts with a responsibility for either adult or CYP social care had responsibility in both areas. Adult social care was slightly more likely to include other areas of responsibility than CYP social care, with housing services, environmental health and trading standards the most frequently identified. Apart from roles with responsibility in both areas of social care, tier 3 posts are unlikely to have responsibility in any other areas.

Table 18: Adult and CYP roles that include other areas of responsibility

	Tier 2		Tier 3	
	Adult Social Care	CYP Social Care	Adult Social Care	CYP Social Care
Children and Young People Social Care	53%	-	17%	-
Adult Social Care	-	51%	-	15%
Housing Services inc. Housing mgt only	25%	19%	4%	2%
Housing Services inc. maintenance	19%	14%	3%	1%
Environmental Health	16%	14%	2%	1%
Trading Standards	17%	13%	1%	1%
Transformation	13%	10%	3%	2%
Finance	9%	10%	1%	1%
Governance-Democratic Services	10%	9%	1%	1%
<i>Base (posts)</i>	<i>106</i>	<i>110</i>	<i>124</i>	<i>144</i>

Table 19 compares the median salaries for tiers 2 and 3 roles in adult and CYP social care roles. Although based on quite a small sample, it suggests that while CYP social care roles get slightly higher pay (£116,113 at tier 2 compared to £114,623 for adults), this difference is not statistically significant.

Table 19: Median salary of tier 2 and 3 Adult and CYP social care roles

	Tier 2		Tier 3	
	Median (£)	Base	Median (£)	Base
Both Adult and CYP social care	120,371	56	88,274	21
Adult Social Care	114,623	106	82,610	124
Children and Young People Social Care	116,113	110	83,595	144

Salary ranges

This section provides an analysis of the salary ranges (the difference between the maximum and minimum salary) of each role as these too can be useful for benchmarking when setting salary rates.

The most common salary range across all senior job roles in England and Wales is £5,001 - £10,000 (30% of roles), followed by £0 - £5,000 (18%), while a quarter (25%) of senior roles are on a 'spot' salary (meaning the maximum and minimum were the same, as the role has a single pay rate). Just 4% of roles are in ranges over £25,000, as shown in Table 20. Spot salaries were significantly more likely to be paid to tier 1 posts than any other tier.

Table 20: Frequency of spot salaries and salary ranges by tier

	Tier 1	Tier 2	Tier 3	Tier 4	Total
Spot Salary	44%	27%	21%	27%	25%
0 - 5,000	6%	11%	15%	35%	17%
5,001 - 10,000	16%	30%	34%	26%	30%
10,001 - 15,000	14%	15%	14%	7%	13%
15,001 - 20,000	9%	6%	10%	2%	7%
20,001 - 25,000	6%	6%	3%	0%	3%
>25,000	5%	6%	4%	3%	4%
<i>Base (posts)¹⁵</i>	<i>243</i>	<i>844</i>	<i>1,873</i>	<i>737</i>	<i>3,697</i>

Table 21 shows the percentage of roles that are receiving spot salaries by tier and authority type. Nearly two thirds (63%) of tier 1 posts in Met Districts are on spot salaries compared to just 38% of London Boroughs, who are also significantly less likely to pay spot salaries to tier 2 or 3 posts.

Table 21: Percentage of roles in receipt of spot salaries by tier and authority type

	Tier 1	Tier 2	Tier 3
English Unitary	44%	34%	17%
London Borough	38%	7%	9%
Met District	63%	44%	45%
Shire County	50%	28%	19%
Shire District	38%	23%	16%
Welsh Unitary	45%	11%	18%
<i>Base (posts)</i>	<i>243</i>	<i>844</i>	<i>1,873</i>

Salary ranges are likely to be affected by the overall pay rate for the role, with higher ranges more likely to be observed in higher paying roles. To account for this difference we have calculated the salary range as a percentage of the minimum point of the range.

Table 22: Median salary range as percentage of minimum salary by tier and authority type

	Tier 1	Tier 2	Tier 3
English Unitary	8%	10%	11%
London Borough	15%	15%	18%
Met District	9%	10%	10%
Shire County	11%	14%	14%
Shire District	10%	10%	10%
Welsh Unitary	11%	9%	10%
Total	10%	10%	11%

Accounting for the overall level of pay there is little difference in the salary range across tiers, with tier 1 posts being slightly more likely to have a smaller range than tiers 2 or 3, as shown in Table 22. London Boroughs have significantly higher salary ranges than all other authority types.

Additional pay

As discussed in Methodology Annex 2, there were limitations on the level of analysis that was possible for additional pay. We have only presented information for those payments received by more than 100 posts and to base the average values for each category only on posts where a value was provided (i.e. all zero values are removed).

Table 23 shows the total number and percentage of councils who reported the most widely used additional pay elements. 47 Councils reported using essential and lease car allowance, equivalent to 18% of respondents. Just 6% of responding councils reported paying any performance related pay.

Table 23: Number and percentage of councils and posts reporting additional pay

	No of Councils	% of Respondents	Number of Posts	% of Posts Covered
Performance Related Pay	15	6%	155	4%
Essential Car Allowance	47	18%	351	9%
Lease Car Allowance	47	18%	245	6%
Other Pay	36	14%	250	6%

Table 24 shows the percentage of posts at each tier who reported receiving the most widely used additional pay elements. Only 3% of tier 1 posts received PRP, with tier 3 the most likely to receive it (although this still involves only 5% of posts). Tier 4 posts were the most likely to receive essential car allowance, while tier 1 were the most likely to receive lease car allowance.

Table 24: Percentage of posts at each tier reporting additional pay

	Performance Related Pay	Essential Car Allowance	Lease Car Allowance	Other Pay
Tier 1	3%	11%	9%	6%
Tier 2	3%	7%	6%	6%
Tier 3	5%	6%	8%	7%
Tier 4	3%	12%	2%	2%

Table 25 provides the average amounts received by the category of additional pay. The highest median amount paid was for performance related pay (£5,000) although only 155 posts reported receiving it (equivalent to just 3.8% of all posts covered).

Table 25: Average additional pay by type of additional pay

	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£)	Base (posts)
Performance Related Pay	4,050	5,000	6,565	2,515	155
Essential Car Allowance	963	1,239	1,239	276	351
Lease Car Allowance	3,042	3,807	4,395	1,353	245
Other Pay	1,586	3,732	6,320	4,734	250



Annex 1 Glossary

Chief Executive/Head of Paid Service

This is the most senior officer role with overall management responsibility (generally the 'Head of Paid Service' or sometimes Managing Director) and is the most senior officer in a local authority, supporting the Leader of the Council and the Cabinet to set the strategic vision of the council.

Deputy Chief Executive (or equivalent)

This role will act on behalf of or represent the Chief Executive and this post will normally (but not exclusively) directly manage a service portfolio. The key distinction is that this role is a single nominated and recognised deputy to the Chief Executive and this is expressly identified in the job description.

Corporate Executive/Strategic Director

The post holder is a member of the Senior Corporate Management Team, with responsibility for contributing to corporate decision making across all areas of council business. The post will manage a portfolio of themes, directorates or service areas, reporting directly to the Chief Executive.

Director

This post operates at a strategic level. The post holder is one of a group of designated officers chosen to be responsible for significant functions, directorates or service areas. Often this is a designated statutory officer i.e. Director of Children's Services, Director of Adult Social Services, Monitoring Officer, Section 151 Officer or Director of Public Health, who controls or governs the affairs of a council, normally within a specialist area or a number of linked specialist areas. This role may report directly to the Chief Executive or a Corporate/Executive Director.

Assistant Director/Head of Service

The determination of whether there is a distinction between these two officer levels will depend upon the number of 'tiers' in the council's management structure. Both posts will operate at a strategic level with responsibility for managing specific but significant service responsibilities, and can be expected to act on behalf of, or represent, the Director within their area of specialism. Where there is only a single tier of service managers reporting to a Director level post this should be attributed as 'Assistant Director'. Where there are two tiers of senior manager meeting the definition they should be distinguished accordingly, with the Assistant Director identified as the higher tier.



Tier

The position within the council hierarchy that a job role occupies; Tier 1 is always Chief Executive/ Head of Paid Service/Managing Director (or the highest ranking position in the organisation), Tier 2 reports to Tier 1 and so on.

Grossed/Ungrossed Data

To ensure statistical accuracy the data in a sample should be representative of the total population. Non-response can cause some groups to be over-represented or under-represented. Data can be corrected for non-response by using various techniques, commonly known as grossing or weighting adjustments.

Grossed data refers to a sample of data that has had one (or more) statistical adjustments applied to ensure it is representative of the total population. The adjustments applied in this report are detailed in Methodology Annex 2.

Ungrossed data has had no adjustments applied and so is representative of the sample only, and not the total population.

Median

The Median is the 'middle number' (in a sorted list of numbers). Medians are less likely to be skewed by outlying (or abnormal) values than the Mean.

Lower Quartile

The lower quartile value is the median of the lower half of the data.

Upper Quartile

The upper quartile value is the median of the upper half of the data

Interquartile Range

The difference between the upper and the lower quartile.



Annex 2 Methodology

To ensure representative coverage we inputted data from the Statement of Accounts 2013/14 for the following councils:

- ✓ 2 East Midlands Shire Counties
- ✓ 9 East Midlands Shire Districts
- ✓ 2 North East Unitaries
- ✓ 2 North East Met Districts

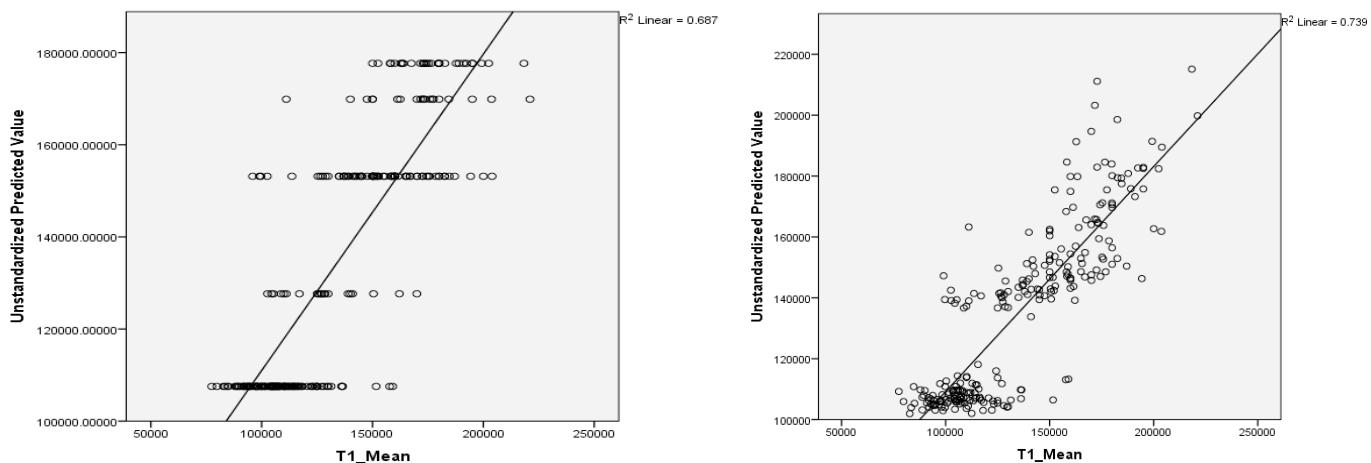
The data was cleaned to remove obvious outliers and mean average pay rates and post counts for tiers 1 and 2, by council, were produced. This data was then grossed and weighted to allow for non-response.

The data was initially grossed by using a linear regression model based on the authority type and region of each response. This model had an r^2 value (predictive power) of .687. We then built a model based on a wider range of market factors, listed below, which had an r^2 value of .739.

- ✓ London Borough
- ✓ Shire District
- ✓ Council employees
- ✓ Total population
- ✓ Working age population
- ✓ Median gross weekly pay
- ✓ Revenue expenditure per head

A comparison of predicted vs actual values of the two models, provided in Figure 1, highlights the benefit of more granular data to avoid arbitrary grouping of authorities.

Figure 1: Predicted vs Actual tier 1 Pay values (Type/Region Model vs Market Factors)



The regression model was used to produce a predicted average pay value for each non-responding council. For tier 1 (where there is typically only one post per council), existing data was used to account for shared Chief Executives or other arrangements. For tier 2, the grossed pay data was weighted by a grossed post-count figure to produce balanced paybill and average pay figures.

It was not possible to reliably weight the remaining tiers due to significant variation in the observed post counts. Data for the remaining tiers, job roles, salary ranges and additional pay are all presented ungrossed and unweighted (and may, therefore, be subject to response bias).

Full details of the methods employed were provided to the LGA in a separate methodology paper which is available from your **Epaycheck** regional administrator on request.

Additional pay data quality

Additional pay suffered from three main data quality challenges. Firstly, the default setting on the data entry is for 0 not for null, which meant there was no way to distinguish a non-response from a nil-response. This meant that between 95%-99% of all posts reported a value of zero for each element of additional pay. Secondly the response for additional pay elements was seemingly very low (although this was difficult to verify given the previous point), with less than a quarter of respondents providing a value that was greater than zero. Finally, the range of values provided, and the number and severity of the outliers, meant that much more stringent cleaning had to occur, and less analysis was possible.

One example of the challenges of the data quality is provided in Table 26. Essential Car Allowance had the highest response of any additional pay element, which account for 12% of posts (after cleaning). The initial data had a median of 0 and a mean of £161 due to the default zero value.

Table 26: Descriptive statistics of essential car allowance (phases of cleaning)

	Raw Data	Zeros Removed	Outliers Removed
Response Count	3,471	369	351
Minimum (£)	0	1	447
Percentile 05 (£)	0	460	460
Mean (£)	161	1,514	1,419
Median (£)	0	1,239	1,239
Percentile 95 (£)	1,239	5,303	4,818
Maximum (£)	10,500	10,500	5,611

As there is no way to tell if this is a true nil response we decided to remove all zeros and only report the additional pay values as “where some payment is received”. Even after the zeros were removed, 5% of the data still counted as an outlier.¹⁶ The cleaning had no effect on the median but reduced the mean by 6% (a clear indication of the mean being affected by outliers).



Annex 3 Impact of market factors

As highlighted in the methodology paper (available separately), regional variations in pay are not typically significant and provide little granularity to any benchmarking. Building upon the analysis undertaken on the aggregate data for grossing purposes, we looked to highlight whether there are market factors which can be used to produce better benchmarking models.

To do this we tested the mid-point salary for correlation with organisational and labour market data used in the regression modelling for the aggregate data. This analysis was undertaken on the mid-point salary for tiers 1 to 3, and separated Shire Districts, London Boroughs and all other Single-tier and County Councils to minimise the known effects of these authority types. Table 27 shows the strength (Pearson's Coefficient) and significance of each correlation.

Table 27: Pearson's coefficients of market characteristics to average pay (tiers 1-3)

	Counties and single tier (excluding London)			London boroughs			Shire districts		
	tier 1	tier 2	tier 3	tier 1	tier 2	tier 3	tier 1	tier 2	tier 3
Total Resident Population	.56*	.50*	.43*	-.12	.01	.07	.30*	.34*	.21*
Working Age Population	.57*	.51*	.43*	-.09	.04	.09	.31*	.34*	.22*
Working Age Population - percentage	.30*	.15*	.06	.29	.21	.05	.09	.11	.12*
Total Council Employees	.52*	.46*	.40*	-.01	.05	-.19*	.26*	.36*	.28*
Total Revenue Expenditure	.57*	.50*	.44*	.09	.10	.03	.38*	.44*	.26*
Total Revenue Expenditure per Head of Population	-.41*	-.38*	-.18*	.49*	.27	-.09	.24	.29*	.18*
Total Employee Expenditure	.52*	.44*	.39*	-.06	.04	-.07	.38*	.48*	.26*
Employee Costs as percentage of Total Costs	.20	.07	-.07	-.19	-.01	-.13	.11	.18*	.10
Median Annual Pay (residence)	.08	.05	.05	.06	.08	.21*	.28*	.22*	.22*
Median Gross Weekly Pay (work base)	.17	.06	.09*	.14	.28*	.04	.13	.09	.09
Average Monthly Rent for 2 Bed Property	-.03	.03	-.02	.29	.25	.17*	.30*	.26*	.39*
Housing Affordability Ratio	-.13	.02	-.01	.23	.13	.13	.16	.12	.36*
Average IMD Score	.04	-.03	.00	-.03	.00	-.08	-.08	-.06	-.07
Employment Rate	.00	.05	.03	-.08	.04	.12	.11	.10	.10

* Correlation is significant at the 0.01 level (2-tailed).

The range of market factors were then grouped into five categories: population, finance and workforce, whole economy pay, housing and economic factors. This was to try and avoid using variables that are too dependent on one another (e.g. resident and working age population).

Table 28 shows the count of significant (at the 0.01 level) correlations within each analysis group (e.g. a maximum of three means it is significant for each tier 1 to 3) alongside the mean average strength of the correlation¹⁷. The data in this table is provided in this format to make it easier to identify significant correlations.

Table 28: Correlation of market characteristics with levels of senior pay (tiers 1-3)

		Counties and Single tier (exc. London)	London Boroughs	Shire Districts
Population	Total Resident Population	3 (.50)	0 (.06)	3 (.28)
	Working Age Population	3 (.51)	0 (.07)	3 (.29)
	Working Age Population - percentage	2 (.17)	0 (.18)	1 (.11)
Finance and workforce	Total Council Employees	3 (.46)	1 (.08)	3 (.30)
	Total Revenue Expenditure	3 (.50)	0 (.07)	3 (.36)
	Total Revenue Expenditure per Head of Pop.	3 (.32)	1 (.28)	2 (.24)
	Total Employee Expenditure	3 (.45)	0 (.06)	3 (.37)
	Employee Costs as percentage of Total Costs	0 (.11)	0 (.11)	1 (.13)
WE Pay	Median Annual Pay (residence)	0 (.06)	1 (.12)	3 (.24)
	Median Gross Weekly Pay (work base)	1 (.11)	1 (.15)	0 (.10)
Housing	Average Monthly Rent for 2 Bed Property	0 (.02)	1 (.24)	3 (.32)
	Housing Affordability Ratio	0 (.05)	0 (.16)	1 (.21)
Economy	Average IMD Score	0 (.03)	0 (.04)	0 (.07)
	Employment Rate	0 (.03)	0 (.08)	0 (.10)

It is notable that London Boroughs display fewer significant correlations with the chosen variables than the other two groups. This may be down to a smaller variation in data between London Boroughs and the other groups (which are larger and have more variability in the characteristics of the council). The factors that have the strongest correlations for each group have been highlighted in bold.

This provides a good illustration that the factors that may affect pay levels (and therefore act as useful indicators in benchmarking) vary between the types of council.

Instead of comparing councils simply by region or authority type, it would be beneficial to assess which factors are most influential for each individual council, and then find those councils which have similar characteristics. This “nearest neighbour” model of benchmarking would provide councils with a more accurate and statistically robust way to benchmark.

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This **Epaycheck** report was commissioned by the LGA and produced by Myriad Research Limited.

EMAIL SURVEY RESPONSE FORM

Topic	Monitoring Officer Payments			
From	ANONOMYOUS			
Date	Dec 2015			
<ul style="list-style-type: none"> Can I please ask if you are willing to share details on additional responsibility pay for the Monitoring Officer role. If so how much do they pay per annum/ month. 				
<hr/> <p>Responses Received:</p>				
Authority and Contact	Response	Documents Shared		
County Council	We do not pay any additional payments for the Monitoring Officer role as the evaluated grade recognises this responsibility			
Unitary Council	I can advise that we do not provide any additional responsibility pay for the role of the Monitoring Officer. This is incorporated into the job description and therefore grade for the post.			
District Council	We currently pay £10,000 per annum for the Monitoring Officer role			
District Council	We pay an additional sum of £2000.00 p/a Marie.			

District Council	Hi – we do not make any additional payments to our monitoring officer.	
District Council	The Monitoring/Deputy Monitoring/151/Deputy 151 Officers do not receive any additional payments for these responsibilities.	
District Council	I have investigated and our Monitoring Officer does not receive any additional responsibility pay.	
Unitary Council	We pay £7.5k as an additional responsibility allowance for both our monitoring and S151 officer	
Borough Council	We don't make any additional payment.	
Borough Council	We don't provide additional pay per se, although the responsibilities are accounted for in our Job Evaluation scheme.	
Borough Council	We don't pay an additional allowance. It is job evaluated within the substantive potholders JD.	
District/Borough Council	We pay £5k per year, paid over the year and is pensionable	
District Council	At this Authority statutory payments (151 and MO) are incorporated into salary so no additional payments are relevant.	
District	We do not award additional pay in respect of monitoring officer duties.	
Borough Council	Hi, nothing additional here	
Unitary Council	We do not pay any additional responsibility pay for the Monitoring Officer roles.	
District/Borough	Our Monitoring Officer is provided under a delegation agreement by another	

	authority - as far as I am aware no additional MO allowance is paid.	
District Council	£10,000 per annum. We are currently reviewing this so I would be interested in seeing the responses please.	

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April 2016 - 2017

SCP	Basic Salary	SCP	Basic Salary	SCP	Basic Salary	Local Weightg	Hrly LW	Total Salary	SCP	Hrly Rate	A/L Notice	Mnthy (Cal mnth)			
6	£13,614					£573	0.30	£14,187	6	7.0565	22	1	£1,134.50		
7	£13,715					£573	0.30	£14,288	7	7.1089	22	1	£1,142.92		
8	£13,871					£573	0.30	£14,444	8	7.1897	22	1	£1,155.92		
9	£14,075					£573	0.30	£14,648	9	7.2955	22	1	£1,172.92		
10	£14,338					£573	0.30	£14,911	10	7.4318	22	1	£1,194.83		
11	£15,207					£573	0.30	£15,780	11	7.8822	22	1	£1,267.25		
12	£15,523					£573	0.30	£16,096	12	8.0460	22	1	£1,293.58		
13	£15,941					£573	0.30	£16,514	13	8.2627	22	1	£1,328.42		
14	£16,231	14	£16,231			£573	0.30	£16,804	14	8.4130	22	1	£1,352.58		
15	£16,572	15	£16,572			£573	0.30	£17,145	15	8.5897	22	1	£1,381.00		
16	£16,969	16	£16,969			£573	0.30	£17,542	16	8.7955	22	1	£1,414.08		
17	£17,372	17	£17,372	grade 3 14-21	17	£17,372		£573	0.30	£17,945	17	9.0044	22	1	£1,447.67
		18	£17,714		18	£17,714		£573	0.30	£18,287	18	9.1816	22	1	£1,476.17
		19	£18,376		19	£18,376		£573	0.30	£18,949	19	9.5248	22	1	£1,531.33
		20	£19,048		20	£19,048		£573	0.30	£19,621	20	9.8731	22	1	£1,587.33
		21	£19,742	grade 4 17-24	21	£19,742		£573	0.30	£20,315	21	10.2328	22	1	£1,645.17
		22	£20,253		22	£20,253		£573	0.30	£20,826	22	10.4977	24	1	£1,687.75
		23	£20,849		23	£20,849		£573	0.30	£21,422	23	10.8066	24	1	£1,737.42
		24	£21,530	grade 5 21-28	24	£21,530		£573	0.30	£22,103	24	11.1596	24	1	£1,794.17
		25	£22,212		25	£22,212		£573	0.30	£22,785	25	11.5131	24	1	£1,851.00
		26	£22,937		26	£22,937		£573	0.30	£23,510	26	11.8889	24	1	£1,911.42
		27	£23,698		27	£23,698		£573	0.30	£24,271	27	12.2833	24	1	£1,974.83
		28	£24,472	grade 6 24-31	28	£24,472		£573	0.30	£25,045	28	12.6845	24	1	£2,039.33
		29	£25,440		29	£25,440		£573	0.30	£26,013	29	13.1862	26	1	£2,120.00
		30	£26,293		30	£26,293		£573	0.30	£26,866	30	13.6284	26	1	£2,191.08
		31	£27,123		31	£27,123		£573	0.30	£27,696	31	14.0586	26	1	£2,260.25
		32	£27,924	grade 7 28-35	32	£27,924		£573	0.30	£28,497	32	14.4738	27	1	£2,327.00
		33	£28,746		33	£28,746		£573	0.30	£29,319	33	14.8998	27	1	£2,395.50
		34	£29,558	grade 8 33-38	34	£29,558		£573	0.30	£30,131	34	15.3207	27	1	£2,463.17
		35	£30,178		35	£30,178		£573	0.30	£30,751	35	15.6421	28	2	£2,514.83
		36	£30,978	grade 9 35-40	36	£30,978		£573	0.30	£31,551	36	16.0567	28	2	£2,581.50
		37	£31,846		37	£31,846		£573	0.30	£32,419	37	16.5066	28	2	£2,653.83
		38	£32,778		38	£32,778		£573	0.30	£33,351	38	16.9897	28	2	£2,731.50
		39	£33,857		39	£33,857		£573	0.30	£34,430	39	17.5490	28	2	£2,821.42
		40	£34,746	grade 10 41-46	40	£34,746		£573	0.30	£35,319	40	18.0098	28	2	£2,895.50
		41	£35,662		41	£35,662		£573	0.30	£36,235	41	18.4846	28	2	£2,971.83
		42	£36,571		42	£36,571		£573	0.30	£37,144	42	18.9557	28	2	£3,047.58
		43	£37,483		43	£37,483		£573	0.30	£38,056	43	19.4285	28	2	£3,123.58
		44	£38,405		44	£38,405		£573	0.30	£38,978	44	19.9064	28	2	£3,200.42
		45	£39,267	grade 11 43-48	45	£39,267		£573	0.30	£39,840	45	20.3532	28	2	£3,272.25
		46	£40,217		46	£40,217		£573	0.30	£40,790	46	20.8456	28	2	£3,351.42
		47	£41,140		47	£41,140		£573	0.30	£41,713	47	21.3240	28	2	£3,428.33
		48	£42,053	grade 12 48-54	48	£42,053		£573	0.30	£42,626	48	21.7972	28	2	£3,504.42
		49	£42,957		49	£42,957		£573	0.30	£43,530	49	22.2658	28	2	£3,579.75
		50	£45,748		50	£45,748		£573	0.30	£46,321	50	23.7124	28	2	£3,812.33
		51	£47,326		51	£47,326		£573	0.30	£47,899	51	24.5303	28	3	£3,943.83
		52	£48,908		52	£48,908		£573	0.30	£49,481	52	25.3503	28	3	£4,075.67
		53	£50,478		53	£50,478		£573	0.30	£51,051	53	26.1641	28	3	£4,206.50
		54	£52,048	grade 13 55-64	54	£52,048		£573	0.30	£52,621	54	26.9779	28	3	£4,337.33
		55	£53,401		55	£53,401		£573	0.30	£53,974	55	27.6792	28	3	£4,450.08
		56	£54,790		56	£54,790		£573	0.30	£55,363	56	28.3991	28	3	£4,565.83
		57	£56,214		57	£56,214		£573	0.30	£56,787	57	29.1372	28	3	£4,684.50
		58	£57,675		58	£57,675		£573	0.30	£58,248	58	29.8945	28	3	£4,806.25
		59	£59,175		59	£59,175		£573	0.30	£59,748	59	30.6720	28	3	£4,931.25
		60	£60,714		60	£60,714		£573	0.30	£61,287	60	31.4697	28	3	£5,059.50

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EAST HERTS COUNCIL

LOCAL JOINT PANEL – 24 FEBRUARY 2016

REPORT BY SECRETARY TO THE EMPLOYER'S SIDE

PAY POLICY STATEMENT 2016/17

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

- Members are invited to approve the Pay Policy Statement 2016/17 and to make a recommendation or not, to Human Resources Committee and Council.

RECOMMENDATION FOR LOCAL JOINT PANEL:

That Council, via Human Resources Committee, be advised that:

(A)	the Pay Policy Statement 2016/17 be approved.
-----	--

Background

- 1.1 A pay policy statement is required to be produced annually under sections 38 to 43 of the Localism Act 2011. Regard is to be had to guidance section 40 from the Secretary of State in producing this statement.
- 1.2 A pay policy statement for a financial year must set out the Authority's policies for the financial year relating to:
 - the remuneration of chief officers
 - the remuneration of the lowest paid employees
 - the relationship between chief officers remuneration and that of other officers
- 1.3 The statement must include the authority's policies relating to:
 - a) the level and elements of remuneration for each chief officer

- b) remuneration of chief officers on recruitment
- c) increases and additions to remuneration for each chief officer
- d) the use of performance related pay for chief officers
- e) the use of bonuses for chief officers
- f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- g) the publication of and access to information relating to remuneration of chief officers.

1.4 The term 'remuneration' covers:

- a) the chief officers salary or, in the case of chief officers engaged by the authority under a contract for services,
- b) payments made by the authority to the chief officers for those services
- c) any bonuses payable by the authority to the chief officers
- d) any charges, fees or allowances payable by the authority to the chief officers
- e) any benefits in kind to which the chief officers are entitled as a result of the chief officer's office or employment
- f) any increase in or enhancement of the chief officer's pension entitlement where the increase or enhancement is as a result of a resolution of the authority, and
- g) any amounts payable by the authority to the chief officers on the chief officers ceasing to hold office under or be employed by the authority, other than amounts that may be payable by virtue of any enactment.

1.5 A pay policy statement for a financial year may also set the Authority's policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

1.6 The Secretary of State published 'The Code of Recommended Practice for Local Authorities on Data Transparency' on 29 September 2011. The Code enshrines the principles of transparency and asks councils to follow three principles when publishing data they hold; responding to public demand; releasing data in open formats available for re-use; and, releasing data in a timely way. This includes data on senior salaries and the structure of their workforce. The pay policy statement has been written using these principles. Data on the structure of the workforce will be updated following the senior management restructure.

- 1.7 The Department for Communities and Local Government published 'Openness and Accountability in Local pay: Guidance under Section 40 of the Localism Act 2011' in February 2013. The pay policy statement has been written taking into consideration this guidance.
- 1.8 The Pay Policy statement has been written to support the requirements under the Local Government Transparency Code 2014 to publish data on Senior Salaries and Pay Multiple.

2.0 Report

- 2.1 Pay Policy Statement 2016/17 (**Essential Reference Paper B**).

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	People This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.
Consultation:	The Pay Policy statement has been consulted with SMG
Legal:	<p>The Pay Policy statement has been written using the principles of The Code of Recommended Practice for Local Authorities on Data Transparency.</p> <p>The Department for Communities and Local Government published 'Openness and Accountability in Local pay: Guidance under Section 40 of the Localism Act 2011' in February 2013. The pay policy statement has been written taking into consideration this guidance.</p> <p>The Pay Policy statement has been written to meet the requirements under the Local Government Transparency Code 2014 to publish data on Senior Salaries and Pay Multiple.</p>
Financial:	As detailed in the report
Human Resource:	As detailed in the report. The Council's pay policy statement supports the OD Strategy 2015 to 2019.
Risk Management:	None
Health and Wellbeing:	None

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Essential Reference Paper “B”

Pay Policy Statement 2016/2017 February 2016

1.0 Status of this statement

- 1.1 A pay policy statement is required to be produced annually under section 38 of the Localism Act. Regard is to be had to any guidance from the Secretary of State in producing this statement.
- 1.2 Any decision under powers delegated in the council’s Constitution with regard to remuneration to be taken from 1 April 2016 to 31 March 2017 will be bound by and must comply with this Statement.
- 1.3 This statement supports the requirements under the Local Government Transparency Code to publish data on Senior Salaries and Pay Multiple.
- 1.4 The Head of Human Resources and Organisational Development must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

2.0 Coverage

- 2.1 This statement sets out the council’s policy with regards to:
 - the remuneration of Chief Officers
 - the remuneration of the lowest paid employees
 - the relationship between Chief Officers remuneration and that of other officers
- 2.2 “Remuneration” for the purposes of this statement includes three elements:
 - basic salary
 - pension
 - all other allowances arising from employment
- 2.3 “Chief Officers” covers more than the council’s usual definition for the purposes of this statement.

The council regards the following as its “Chief Officers”

Chief Executive
Directors x 2

2.4 There is a statutory requirement that for the purposes of producing this statement the following posts (Leadership Team) be covered by the policy statement as well as the above 3 posts.

Head of Democratic and Legal Services
Head of Human Resources and Organisational Development
Head of Strategic Finance and Property
Head of Shared Revenues and Benefits Service
Head of Operations
Head of Communications, Strategy and Policy
Head of Housing and Health
Head of Planning and Building Control

2.5 In this policy statement the term “Chief Officers” refers to the Chief Executive and two Directors in that where there are any differences in terms of the policy it is between this group and all other employees. For the second group of posts noted above there is no differentiation between this group and all other employees.

3.0 The Policy for 2016/17

3.1 Objectives of the policy

(a) to ensure a capable and high performing workforce
In respect of Chief Officers and all other employees the council’s policy is to set remuneration sufficient to attract and retain adequately experienced, trained and qualified individuals to deliver the council’s priorities.

(b) simplicity, clarity and fairness between employees and between the council and the community.

The council aims to be transparent on pay to its staff, prospective staff and the wider community. Therefore other than the 2% local award after 3 years service the council does not pay any bonus, performance enhancement, hospitality or expenses allowance to any of its employees. This approach avoids processing costs of multiple allowance schemes and is fair in that “status” is never a determinant of entitlement to benefits or allowances.

(c) to differentiate between remuneration and other employee related expenses.

The council will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events. The council does not regard such costs as remuneration but as non pay operational costs. This policy is applied consistently to Chief Officers and other employees.

3.2 Remuneration subject to national and local determination

The national context

3.3 Pay bargaining

The council is a member of the local government employers association for national collective bargaining in respect of Chief Officers and other employees. There are separate negotiations and agreements in respect of each of these three groups. Changes from national negotiations generally take effect from 1 April each year and are retrospective to 1 April where agreements are struck later than 1 April. It is the council's policy to implement national agreements. Chief Officers are under the Joint Negotiating Committee (JNC) conditions of service including pay. All other employees are under the National Joint Council (NJC) national agreement on pay and conditions of service.

National Pay Awards for Chief Executives, Chief Officers and all staff were last made in January 2015. Non-Consolidated payments were made to staff on SCP 6 to 66 in December 2014 and SCP 26 to 66 in April 2015 in accordance with the NJC pay award 2014-16.

In addition to pay the national agreements cover other terms and conditions such as annual leave and allowances for use of private vehicles on council business. The council pays car allowances in accordance with HMRC approved rates.

3.4 The current rates are:

Car Mileage	HMRC Rates
Per mile - first 10,000 business miles per annum	45p
Per mile - after 10,000 business miles per annum	25p
Amount of VAT per mile in Petrol element	1.5670p

4.0 The Local Government Pension Scheme and policy with regard to the exercise of discretions

4.1 Pension provision is an important part of the remuneration package.

4.2 All employees may join the local government pension scheme. The scheme is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the local government pension scheme see:

<http://www.lgps.org.uk/lge/core/page.do?pagId=1>

4.3 All Employees over 22 years of age, but below state pension age and earning more than the qualifying annual salary (currently £10,000 per annum) are automatically enrolled into the LGPS pension scheme.

4.4 Neither the scheme nor the council adopt different policies with regard to benefits for any category of employee: the same terms apply to the Chief Officers and other staff.

4.5 East Herts council as an employer is under a legal duty to prepare and publish a written statement of its policy relating to certain discretionary powers under the Regulations which apply to the Local Government Pension Scheme (“the LGPS”). The scheme provides for the exercise of discretion that allow for retirement benefits to be enhanced. The council will consider each case on its merits but has determined that its usual policy is not to enhance benefits for any of its employees. The Policy on Exercise of Employer Discretions reaffirms this in respect of Chief Officers and other employees.

4.6 The pension scheme provides for flexible retirement. In applying the flexible retirement provision no distinction is made between the Chief Officers and other employees. The scheme requires that a minimum permanent reduction in working hours of 25% is made and/or there is a reduction in grade and that any consequential payments to the pension fund are recoverable in three years with the discretion to extend the three years in exceptional circumstances. The council’s Human Resources Committee will consider requests from a Chief Officer and Chief Executive will consider requests from other employees.

5.0 Local variations and allowances

5.1 Pay evaluation and the local award

All employees other than Chief Officers have their basic pay determined by a job evaluation scheme (the Hay scheme) which ensures that different jobs having the same value are paid at the same rate. The “job score” determines the pay scale for the job range within which there is provision for progression by annual increments until the top of the pay scale is reached. Most pay grades have 6 SCP increments. Grade 13 and above progression through the pay range and scale points is based on performance (measured through a performance review process) rather than by annual increments.

- 5.2 All employees other than Chief Officers currently become eligible for a 2% Local Award in addition to basic pay on completion of 3 years satisfactory service.
- 5.3 Chief Executive is paid a fixed spot salary with no provision for incremental progression or additional payment on completion of a period of service except probation period.
- 5.4 Directors are paid a fixed spot salary between a pay range of £75,000 - £90,000 base pay. Incremental progression is based on performance.

6.0 Allowances on appointment

- 6.1 The council's policy is not to pay any form of "signing on" fee or incentive payment when recruiting.
- 6.2 Where it is necessary for a newly appointed employee to relocate to take up appointment the council may make a contribution towards relocation expenses.
- 6.3 The same policy applies to Chief Officers and other employees, in that payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area.
- 6.4 The costs include estate agents fees, legal fees, stamp duty, storage and removal costs, carpeting and curtains, short term rental etc. The council will pay 80% of some costs and 100% of others or make a fixed sum available.
- 6.5 If an employee leaves within three years of first employment they normally will be required to reimburse a proportion of any relocation expenses.
- 6.6 Details of the full scheme can be found in the council's Relocation Policy.

7.0 Redundancy payments and payments on termination

- 7.1 The council has a single redundancy scheme which applies to all employees without differentiation. The council does not provide any further payment to employees leaving the council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving. Where termination of employment is subject to a settlement agreement that agreement may include a negotiated payment in exchange for which the employee undertakes not to pursue claims against the council. The Chief Executive in respect of other employees and the Human Resources Committee in respect of a Chief Officer shall only approve such payments where having regard to all

the circumstances of the case and in particular the potential costs of alternative action and after taking appropriate advice they determine the sum involved is reasonable.

7.2 The redundancy payment is based on the length of continuous local government service which is used to determine a multiplier which is then applied to actual pay. The maximum number of years service taken into account is 20 and the resulting maximum payment is 78 weeks pay for anyone aged 61 or older. Details of the full scheme can be found in the council's Redundancy Policy.

8.0 Additional Payments, Professional fees and subscriptions.

8.1 The council will meet the cost of a legal practicing certificate for all those employees where it is a requirement of their employment. No other professional fee or subscription is paid. The council makes this distinction on the basis of the relative cost to the employee and does not differentiate between Chief Officers and other staff. At February 2016, two employees receive this benefit.

8.2 The post designated as the Council's S151 Officer will receive a payment of £5,000 per year.

8.3 The post designated as Monitoring Officer will receive a payment of £5,000 per year.

8.4 The post designated Head of Paid Service will receive a payment of £5,000 per year.

8.5 Provided that no one officer will receive more than one of the above additional payments.

8.6 Where any Head of Service post is evaluated at a level which the Chief Executive determines to be significantly above the level recognised by the evaluation scheme an addition of up to 10% base pay may be paid subject to annual review.

8.7 This pay statement does not include the Returning Officer payment (see report to Council February 2007).

9.0 Setting Salaries

For the posts of

Chief Executive
Directors

9.1 Spot salaries between a pay range of £75,000 - £90,000 base pay will be set informed by the Epaycheck partnership (Local Government pay benchmarking service- independent review of senior management pay in September 2015) as benchmarking information.

9.2 In respect of new appointments above the salary of £100K full council approval will be sought.

10.0 Pay ceilings

10.1 For 2016/17 the basic pay ceiling for Chief Executive post will be £105,000 per annum (i.e. including additional payment for Head of Paid Service).

10.2 The basic pay ceiling (i.e. including additional payments and professional fees where appropriate) for Director posts will be £95,000. As noted above national agreed pay settlements will be applied. For other posts covered by this statement the basic pay ceiling for Grade 13 will be

Post	£
Head of Democratic and Legal Services	67,278
Head of Human Resources and OD	67,278
Head of Strategic Finance and Property	67,278
Head of Operations	67,278
Head of Housing and Health	67,278
Head of Communications, Strategy and Policy	67,278
Head of Planning and Building Control	67,278
Head of Shared Revenue and Benefits Service	67,278

10.3 Head of Shared Revenues and Benefits Service post receives an additional 10% of base salary per annum for shared services role.

11.0 Pay floor

11.1 The pay floor is the remuneration of the lowest paid employees. "Lowest paid" is defined as the average pay of the 1.34 % (5 individuals) of the council's employees with the lowest hourly rate. Where any employee is less than full time their pay is multiplied up to full time and the aggregate full time equivalent pay for the group divided by 5 to determine the average.

11.2 This definition of lowest paid is used to capture a meaningful number of employees avoiding distortions of a lesser number or an extended group such as lowest quartile which would require excessive averaging.

11.3 As at November 2015 this average was £16,460

11.4 Employees in this group will be entitled to all other benefits – fringe payments, local allowance (2%), car allowance, pension, relocation, redundancy as all other employees.

12.0 Pay multiples

12.1 The council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. Nor does it readily address the treatment of in house provided as against labour intensive bought in services if pay multiples are used as a benchmark.

12.2 In terms of overall remuneration packages the council's policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities but not to differentiate on other allowances, benefits and payments it makes.

12.3 The council would not expect the remuneration of its highest paid employee to exceed 10 times that of the lowest group of employees. (minimum salary is £13,614 x 10 = £136,140. Highest paid salary is £100,000 as at 1 February 2016 so does not exceed the limit set).

12.4 Heads of Service reporting to Chief Executive are paid basic salaries in a range of £53,401 to £67,278. There are 8 such posts.

Other than Chief Officers pay ranges are as follows

Grade	Minimum £	Maximum £	Median £	Median on all elements of remuneration*	Number of employees in the grade band **
1/2	13,614	17,372	15,207	16,084	3.07
3	16,231	19,742	17,372	18,292	47.59
4	17,372	21,530	19,048	20,002	11.47
5	19,742	24,472	21,530	22,534	91.37
6	21,530	27,123	23,698	24,745	26.99
7	24,472	30,178	27,123	28,238	37.09
8	28,746	32,778	30,178	31,355	19.11
9	30,178	34,746	31,846	33,056	36.55
10	35,662	40,217	37,483	38,805	22.46
11	37,483	42,053	39,267	40,625	10.83
12	42,053	52,048	47,326	48,845	3.73
13	53,401	67,278	59,175	60,932	8.00
Total					318.26

* median point plus all elements of remuneration by grade which includes local weighting, 2% Local Award and additional pay.

** Full Time Equivalent (excludes Casuals)

- 12.5 The Apprenticeship rate for the Council is Grade 1/2 commencing on scale point 6 (£13,614). This will be increased from April 2016 in line with National Minimum Wage.
- 12.6 Grade 1/2 will be increased for SCPs 6-8 from April 2016 in line with the National Minimum Wage.

13.0 Future appointments and interim arrangements

- 13.1 In the event of a vacancy, Chief Officer or other employee the arrangements set out above will apply in respect of permanent appointments.
- 13.2 If the need arises to provide agency or interim cover the policy is to seek to cap the cost of that appointment at no more than that of the permanent appointment taking into account additional employment costs – pension contributions, national insurance, paid leave etc. However, where necessary a higher “market rate” will be paid to secure a suitable individual and market rate will be established by reference to soft market testing, external advice and dialogue with peer authorities.

14.0 Publication and access to information

- 14.1 The publication of and access to information relating to remuneration of Chief Officers will be set out in this document and published on the council's website.

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