

CONFIDENTIAL

SENIOR PAY POLICY

Summary

Procedure Ratified	June 2020
Procedure Review Date <i>when under review, this procedure should continue to be used</i>	June 2023
<p style="text-align: center;">This procedure is contractual</p> <p>This policy forms part of your contract of employment. The councils are entitled to introduce minor and non-fundamental changes to this policy by notifying you of these changes in writing and will consult all employees and the trades union representatives on any significant changes.</p>	
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Related Procedures	n/a

Contents

Section	Title	Page
1	Purpose	3
2	Scope	3
3	Outline of the Scheme	3-4
4	Additional Terms	5
5	Review	5

POLICY DOCUMENT

1. PURPOSE

The purpose of this document is to set out the detail of the senior management remuneration scheme (tier 3 and above) which was implemented in March 2016.

2. SCOPE

- 2.1 This scheme is applicable to the Councils' Chief Officers specifically the Head of Paid Service/Chief Executive, Directors (including Section 151 Officer) and Heads of Service.
- 2.2 It is wholly agreed locally and is outside of any nationally agreed pay bargaining arrangements.

3. OUTLINE OF THE SCHEME

- 3.1 Senior pay scales are set at market rate plus. This means that the Councils are committed to paying 5% above the market rate based on relevant market data.
- 3.2 Senior pay scales are based on a broad band approach. This means that the entry point of the pay scale is 15% below market rate plus and the top of the pay scale is 15% above market rate plus. The mid-point of the scale is set at market rate plus i.e. market rate plus 5%.

The current pay ranges are as follows:

Role	Minimum (85%)	Midpoint (100%)	Maximum (115%)
CEO	£105,494	£124,110	£142,727
Service Director	£86,368	£101,609	£116,850
Head of Service	£62,506	£73,536	£84,566

- 3.3 The Councils will conduct a pay benchmarking exercise every two years based on public sector comparison to assess whether there is any movement in the market which needs to be reflected in the pay bands. Every 4th year, the Councils will conduct a pay benchmarking exercise which uses both public and private sector data¹. The Councils retain the right to determine what constitutes comparable market data and to use private sector pay benchmarking where needed in the intervening periods.
- 3.4 Appointment to the pay band will generally be at the entry point level. Over a two year period it is anticipated that an individual will progress through the pay band to the mid-point of the scale which reflects market rate pay and competence in role. Movement through the band to mid-point will be based on performance in role and will be reviewed on average at six monthly intervals. Progression through the band up to mid-point will be determined according to performance. For ease, this is illustrated overleaf for each level of role:

¹ The pay benchmarking exercise time periods commenced from the implementation of the scheme in 2016.

Timescale	Appointment	Typically after Six Months	Typically after 12 Months	Typically after 18 months	Typically after 2 years
Role	Entry Point	Performance 1 Review	Performance 2 Review	Performance 3 Review	Performance 4 Review
CEO	£105,494	£110,148	£114,802	£119,456	£124,110
Executive Director	£86,368	£90,178	£93,988	£97,798	£101,609
Head of Service	£62,506	£65,263	£68,020	£70,777	£73,536

3.5 It is not envisaged that employees will move from entry point to mid-point market rate plus in less than two years. If a manager wishes to fast track an employee through the pay band to mid-point in less than two years, then this will require a business case which will be considered by the remuneration board². A decision by the remuneration board will be documented for transparency purposes. The remuneration boards' decision will be final.

3.6 New appointments to roles will typically be at the entry level of the band. If a manager wishes to appoint a new employee above the entry level of the band then this will require a business case which will be considered by the remuneration board. If market forces determine a higher level of salary at appointment, then the remuneration board will consider the appropriateness of a market supplement until such time as the pay exceeds the market supplement + salary amount. A decision by the remuneration board will be documented for transparency purposes. The remuneration boards' decision will be final.

3.7 National and local pay awards which are applied across the Councils to all grades of staff below senior management will not apply to senior level roles. Pay for senior staff will be determined by the JNC Chief Officer pay negotiations. Any award given will be effective from April of the relevant year and will be formally noted by JHR Committee in line with HR standing orders.

3.8 The performance award for the Chief Executive will be agreed by the Leaders of each Council via Leader delegated decisions and formally noted at JHR Committee. Again, any award given will be effective from April of the relevant year.

3.9 For any employee at the top of the scale, their pay award will be non-consolidated to ensure the pay remains within the benchmarked salary levels for the role.

4. ADDITIONAL TERMS AND CONDITIONS

4.1 It is not envisaged that any additional payments will be made to the Councils' Chief Officers (as outlined at para 2.1) in respect of additional duties, honoraria or acting up allowances. Instead the broad band for salary at this level will allow for high/exceptional performance to be rewarded through a consolidated pay increase (or non-consolidated where pay is above the market maximum).

² The remuneration board consists of the Chief Executive as Head of Paid Service, the Section 151 Officer, a Director and the Head of Organisational Development.

- 4.1 All Chief Officer roles are joint appointments across both Councils and as such there is no reimbursement for travel between EHDC and HBC sites. Participation in the on-call and emergency rotas is expected and additional payments are not made for this. There is no payment for overtime and no formal flexi-time scheme for Heads of Service. Attendance at evening meetings is expected as part of the role. A flexible approach to work, including working from home, where appropriate is encouraged.
- 4.2 Annual leave is 25 days on appointment and 30 days after five years' local government service. For those employed at HBC before April 2017, there is a protected entitlement of 29 days increasing to 34 days after five years' service and for those employed at EHDC before April 2017, the entitlement is as shown below:

Basic	5 Years plus	10 Years plus	20 Years plus	30 Years plus
29 days	34 days	35 days	36 days	37 days

5. REVIEW

- 5.1 This procedure will be reviewed every three years by Organisational Development with the support of external reward specialists to ensure fairness and equity. It may also be reviewed more frequently, as required, to remain consistent with current employment legislation or may be reviewed earlier if requested by UNISON.