1. Introduction

1.1 This Pay Policy 2013/14 sets out the Council’s position in relation to pay for its senior managers and lowest paid employees in compliance with the Localism Act 2011 and the statutory and supplementary guidance on Openness and Accountability issued under section 40 of the Localism Act 2011.

1.2 The policy outlines the Council’s approach to how it manages pay for its senior managers and also sets out the Council’s definition of its lowest paid employees.

2. Scope of Pay Policy

2.1 The pay policy covers the following roles at Hertfordshire County Council:
   - Chief Executive and Director Environment (Head of Paid Service);
   - Directors (Chief Officers statutory and non statutory);
   - Deputy and Assistant Director roles (this includes the roles of Deputy Chief Officer and Monitoring Officer);
   - Heads of Service (where they report to a Director);
   - Chief Fire Officer;
   - Deputy Chief Fire Officer;
   - Assistant Chief Fire Officer.

2.2 The following roles form the Council’s Strategic Management Board:
   - Chief Executive (Head of Paid Service) & Director Environment;
   - Director Health and Community Services (Statutory Head of Adult Care Services);
   - Director Education and Early Intervention;
   - Director Safeguarding and Specialist Services (Statutory Director Children’s Services);
   - Director Community Protection (Chief Fire Officer);
   - Director Resources and Performance (Chief Finance Officer);
   - Director Public Health.

2.3 The terms of the employees referred to in paragraph 2.1 are all set by the Council via individual agreements. They are not covered by any nationally determined collective agreements.

2.4 This pay policy does not cover those employed in schools. Each school is already required to publish a separate pay policy.
3. **Job Evaluation**

3.1 All roles are evaluated using a job evaluation methodology to ensure roles are graded fairly, accurately and consistently. The Hay job evaluation methodology is used to allocate each role a locally agreed grade. Each grade is matched to a broad salary range. These salary ranges are set by the Council.

4. **Salary Ranges**

4.1 Salary ranges aim to ensure that salaries for senior managers are positioned at the median level for the market whilst retaining the discretion to determine pay at the appropriate level to reflect affordability and the market. The salary ranges comprise a broad range. There are no increments. There are no automatic cost of living increases. Salary ranges are reviewed and agreed annually in January. The Employment Committee agree any changes to the Chief Officer salary range and the fixed salary point of the Chief Executive and make a recommendation to the Chief Executive for any changes to the salary ranges for Deputy and Assistant Directors and Heads of Service. These are undertaken against an assessment of the local and national market including an assessment of inflation rates. Any changes to salary ranges are implemented in April. See section 8.1 for further details.

4.2 The Chief Executive is the highest paid role in the Council. The role has a fixed salary point rather than a salary range. The current basic salary for the role of Chief Executive and Director Environment at Hertfordshire County Council is £170,000 (as at 1 April 2013).

4.3 All salary ranges and the fixed salary point for the Chief Executive are published on the Council’s website, Herts Direct.

5. **Recruitment of Senior Managers**

5.1 All vacancies are advertised at the bottom of the broad salary range. In exceptional circumstances a ‘circa’ salary may be advertised.

5.2 All senior managers should be appointed at the bottom of the broad salary range. Exceptionally there may be instances where the Council may appoint above the bottom of the salary range where there is a clear rationale. Such cases will be considered and justified on a case by case basis. Consideration will be given to:

- Relativity of salaries of comparable roles
- Equality
- Size and responsibilities of the post and duties to be undertaken.
- The wider recruitment market
5.3 The decision on the salary of the post prior to an offer being made will be approved by the Chief Executive with guidance from the Head of Human Resources (HR) and Organisational Development. See section 5.4 with regard to posts with salary packages over £100,000 per annum.

5.4 The Employment Committee set and agree the salary ranges for senior managers each year. Recruitment to vacancies with salary packages above £100,000 per annum will be in accordance with Annex 14 of the Constitution and this Pay Policy.

5.5 The decision on the actual salary over £100,000 per annum within the ranges set by Employment Committee to which an employee is appointed will be made by the Chief Executive in consultation with Group Leaders following guidance from the Head of HR and Organisational Development. If any Group Leader or Group Leaders who individually or collectively represent 5 or more members of the council dissent from the proposed salary for an appointment then the salary package for that appointment shall be referred to full council for decision.

5.6 The Council has made the decision that the approval of salary packages with a salary of £100,000 p.a. or more shall be decided as set out in the preceding paragraph taking into account that the limited number of times that full council meets each year that it would not be an efficient use of resources to call full council to consider an individual appointment. The process as set out in the preceding paragraph enables some flexibility if any negotiation is required with a candidate. It also ensures that all Groups on the Council via their Group Leaders are made aware of proposed salary packages with a salary over £100,000 p.a. and can express their views to the Chief Executive and if necessary the matter can be considered at a meeting of full council.

5.7 In exceptional circumstances the Council retains the discretion to apply an additional payment to attract or retain a senior manager where appropriate, based on the market. These payments are approved by the Chief Executive with guidance from the Head of HR and Organisational Development.

6. **Contract for Services**

6.1 Exceptionally where a senior manager is engaged under a contract for services (as a consultant) the rate of pay will be determined by the nature of the service to be delivered and the market rate for that role. The rate of pay will be agreed by the Head of HR and Organisational Development in consultation with the relevant Director or the Chief Executive.
7. Remuneration Package

As well as basic salary all senior managers are employed on the following terms of employment:

7.1. Annual Leave

The annual leave year runs from 1 April to 31 March. Annual leave entitlement is dependent on grade and continuous service. In addition to annual leave, employees are entitled to statutory holidays each year. The annual leave entitlement for a full year (pro-rata for part-time staff) is as follows:

<table>
<thead>
<tr>
<th>Role / Grade</th>
<th>Less than 5 years of continuous service</th>
<th>On the anniversary of 5 years continuous service</th>
<th>On the anniversary of 10 years continuous service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>33 days</td>
<td>33 days</td>
<td>33 days</td>
</tr>
<tr>
<td>Chief Officer (CO’s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deputy and Assistant Directors (PMA/PMB)</td>
<td>28 days</td>
<td>30 days</td>
<td>31 days</td>
</tr>
<tr>
<td>Heads of Service (PMC)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7.2. Cars and Mileage

7.2.1 Lease Cars

Eligibility for a lease car is the same for all Council employees and is based on completing over 2250 average annual business miles per annum. Eligible employees receive a monthly contribution (£50 per calendar month for those completing over 2250 average annual business miles per annum and £100 per calendar month for those completing over 5000 average annual business miles per annum) from the Council towards the cost of the car. All lease cars are limited to those with emissions below 120 g/km of CO₂.

7.2.2 All lease car business mileage can be claimed at a rate based on the HMRC’s company car advisory fuel rates.

7.2.3 Private Cars

Where an employee uses their own private car for business use all business miles undertaken can be claimed at a rate based on the HMRC’s Approved mileage rate.
7.3 Sick Pay

7.3.1 The entitlement to sick pay for all employees is as follows:

<table>
<thead>
<tr>
<th>First 2 days absence in each period of absence</th>
<th>No pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>During the first 6 months of service</td>
<td>Statutory Sick Pay Only</td>
</tr>
<tr>
<td>During the second 6 months service (month 7 – 12)</td>
<td>1 months full pay and 1 months half pay</td>
</tr>
<tr>
<td>During the second year of service</td>
<td>2 months full pay and 2 months half pay</td>
</tr>
<tr>
<td>During the third year of service onwards</td>
<td>3 months full pay and 3 months half pay</td>
</tr>
<tr>
<td>During the fourth year of service onwards</td>
<td>4 months full pay and 4 months half pay</td>
</tr>
</tbody>
</table>

7.4 Additional Payments

7.4.1 Senior managers are not entitled to claim any additional payments, such as overtime, standby or payments for working at the weekend.

7.5 Market Payments

7.5.1 The Council retains the discretion to apply a market payment to attract or retain a senior manager where appropriate. These payments are approved by the Chief Executive with guidance from the Head of HR and Organisational Development.

7.6 Subsistence Rates

7.6.1 Senior managers are only entitled to claim subsistence for meals if they are required to stay out of the County on business.

7.7 Honoraria payments

7.7.1 Honoraria Payments are made in exceptional circumstances where an employee is temporarily taking on additional duties of another post. The value of the payment will be proportionate and based on the amount of work and length of time the additional duties are undertaken. All payments are approved by the Chief Executive with guidance from the Head of HR and Organisational Development.

7.8 Election Fees

7.8.1 The Chief Legal Officer is the Returning Officer for County Council elections and does not receive any election fees.
8. Managing Pay

8.1 Pay Increases for Senior Managers

8.1.1 The decision on the setting of pay increases is undertaken annually by the Employment Committee. The Committee make the decision on pay increases relating to the Chief Executive and the Chief Officers and make a recommendation to the Chief Executive, who has the final decision on pay increases for the Deputy and Assistant Directors and the Heads of Service. When making their recommendation the Committee will assess if any adjustment is required to the salary ranges and if any individual salary adjustments linked to the outcome of performance assessments are required, as set out in section 8.2.

8.1.2 The decision on the movement of salary ranges and any salary adjustments linked to performance will take account of:

- The current market (including inflation rates) and senior managers salaries relative to the market;
- Recruitment and retention;
- Affordability

8.2 Performance and Pay

8.2.1 Individual performance of senior managers is assessed via the Council’s Performance Management Development Scheme (PMDS). At the end of each performance year their performance is assessed against their objectives and the Council’s Values and Behaviours. Each manager is awarded an overall performance rating of Not Met, Partly Met, Fully Achieved or Exceed, reflecting their achievement against their objectives and the Council’s Values and Behaviours.

8.2.2 Any adjustments to pay are based on an individual’s overall performance assessment and the value of any payment is agreed by the Employment Committee as set out in section 8.1.1. Any employee who has not achieved their objectives will not receive a pay increase.

8.3 Change to pay mid performance year

8.3.1 Where a role significantly varies within the performance year an assessment will be undertaken of any additional duties to decide if an alteration to pay or grade is necessary.

8.3.2 All decisions relating to the movement of pay for Deputy and Assistant Directors and Heads of Service are assessed and approved by the Head of HR and Organisational Development in consultation with the relevant Director or the Chief Executive. Any changes to pay for Chief Officers are approved by the Chief Executive with guidance from the Head of HR and Organisational Development.
8.4 **Tax and Bonus Payments**

8.4.1 No bonus payments are made to the roles covered by the scope of this policy.

8.4.2 The Council’s remuneration arrangements are designed to ensure payments are appropriate in line with taxation rules.

9. **Payments on Termination of Employment for Senior Managers**

9.1 **Redundancy and Other Payments**

9.1.1 An employee whose contract of employment is terminated due to redundancy will be eligible for a redundancy payment. Payments are made based on the statutory calculator for age and years of service but use that employee’s actual weeks pay.

9.1.2 An employee whose contract of employment is terminated may be entitled to other payments (e.g. payment in lieu of notice). Any such payments must be approved by the Head of HR and Organisational Development and the relevant Chief Officer or the Chief Executive.

9.1.3 In exceptional circumstances, and specifically so as to settle a claim or a potential dispute, the Head of HR and Organisational Development in consultation with the Chief Legal Officer, can agree payment of a termination sum.

9.1.4 Any exceptional payment(s) as part of a severance package that results in the severance package being of a value of £100,000 or more will be approved by the Chief Executive in consultation with Group Leaders following guidance from the Head of HR and Organisational Development. If any Group Leader or Group Leaders who individually or collectively represent 5 or more members of the council dissent from the proposed payment(s) then that severance package shall be referred to full council for decision.

9.1.5 The Council has made the decision that the approval of severance packages which include exceptional payment(s) bringing the value of the package to £100,000 or more shall be decided as set out in the preceding paragraph taking into account that the limited number of times that full council meets each year that it would not be an efficient use of resources to call full council to consider an individual severance package. The process as set out in the preceding paragraph enables some flexibility to take into account the circumstances at the time of the ending of the individual’s employment. It also ensures that all Groups on the Council via their Group Leaders are made aware of proposed severance packages with exceptional payment(s) that take the package to £100,000 or more and can express their views to the Chief Executive and if necessary the matter can be considered at a meeting of full council.
9.1.6 The Council would not expect to re-employ an individual who has left the organisation as a result of a redundancy, retirement or severance payment. Exceptionally where an individual is re-employed this will be at a lower grade in a different job, usually on a fixed term contract.

9.1.7 An employee who is made redundant or paid a termination payment must have a break of at least one month and one day to break their continuous service with the Council before they can be re-employed by the Council in a different position. If they are re-employed before this time they lose entitlement to any redundancy payment.

10. Pensions (Local Government Pension Scheme & Firefighters Pension Schemes)

10.1 Membership

10.1.1 Membership of a pension scheme is determined by the employee’s conditions of service and is subject to the provisions of the scheme. All local government employees (including senior managers) are eligible to join the Local Government Pension Scheme (LGPS). The Chief Fire Officer and Deputy and Assistant Chief Fire Officers are entitled to join the Firefighters Pension Scheme.

10.2 Pension Contributions

10.2.1 Employee contributions are set nationally. The following table sets out the employee and employer contribution rates.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Employee Contributions April 2013</th>
<th>Employer Contributions April 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Pension Scheme</td>
<td>7.2% or 7.5% depending on individual salary</td>
<td>20.6%</td>
</tr>
<tr>
<td>Firefighters Pension Scheme</td>
<td>13.5% - 15% depending on individual salary</td>
<td>26.5%</td>
</tr>
<tr>
<td>New Firefighters Pension Scheme</td>
<td>10.1 – 11.1 % depending on individual salary</td>
<td>14.2%</td>
</tr>
</tbody>
</table>
10.3 Pension Scheme Discretions

10.3.1 County Council and Fire employees are eligible to be members of their statutory pension schemes. The core pension benefits of these schemes are determined by statutory regulations. However, the Local Government Pension Scheme also incorporates employer discretions and discretionary benefits.

10.3.2 The Council has published on Herts Direct, a summary on the Local Government Pension Scheme discretions. This sets out the parameters on managing pension decisions with regard to: business efficiency; ill-health retirement; early retirement requests; waiving any actuarial reductions; flexible retirement and request for payment of deferred benefits.

10.3.3 The Firefighters’ Pension Scheme discretions relate to benefits for death, injury and dependents. The Firefighters Pension Scheme discretions are published on the Department for Communities and Local Government website.

10.4 Pension Abatement

10.4.1 Abatement of pension is designed to restrict the income of pensioners who return to employment. This is a discretion of the administering authority of the Local Government Pension Scheme, not the employer. The guiding principle adhered to by the County Council as Administering Authority for the Hertfordshire LGPS is that an employee should not have a bigger income as a result of receiving both a salary and a pension than they would have been paid had they remained in their original job.

10.4.2 The Firefighters’ Pension Scheme 1992 allows the Council to abate pensions of individuals who return to work as a Firefighter. The Firefighters’ Pension Scheme 2006 allows the Council to abate pensions of individuals who return to work with a fire authority in any capacity, including one that is subject to the Local Government Pension Scheme.

10.4.3 Consultants who are contracted by the Council are either self-employed or employed by bodies who are not scheme employers and, therefore, pension abatement rules do not apply.

11. Lowest paid employees

11.1 The Council’s definition of its lowest paid employee for the purposes of this policy is employees paid on the nationally agreed spinal column point 4. As at 1 April 2013 this equates to £12,145 per annum for a full time employee (i.e. working 37 hours a week). This definition has been adopted as Hertfordshire County Council participates in national pay
bargaining for all local government employees (excluding senior managers) and utilises the nationally determined spinal column points.

11.2 The Council has a policy on the pay for apprentices, individuals undertaking a work trial, industrial placements and Internships. All jobs are evaluated in line with the Council’s Job Evaluation policy and paid on the Council’s salary scales. All posts are paid at or above the Council’s definition of the lowest paid employee (see section 11.1).

12. Pay Ratios

12.1 The Council publishes two ratios on the Council’s website (Herts Direct).

12.2 Ratio 1

12.2.1 The ratio of the basic pay of the Council's highest paid employee (Chief Executive on £170,000) and the median basic pay of all non-school employees (£19,126)(Data as at 1 April 2013).

12.3 Ratio 2

12.3.1 The ratio of the mean basic pay for all Chief Officers (£118,534) (including the Chief Executive based on the statutory definition of a Chief Officer in the Localism Act) and the mean basic pay of all non-school employees (£16,680) (excluding Chief Officers based on the statutory definition of a Chief Officer in the Localism Act) and the Chief Executive). (Data as at 1 April 2013)

12.4 These ratios are all based on basic full time equivalent salaries

12.5 In 2013/14 Ratio 2 has reduced from 2012/13. This is due to a number of factors, the key reason being a reduction in overall headcount.

13. Pay Transparency

13.1 In order to be transparent, the Council publishes the details of all senior manager salaries and senior manager structures for all employees paid more than £49,690 per annum.

13.2 For April 2013 the following data will be released:

- Names, job titles and actual basic salaries for all managers (on all terms and conditions including employees protected under TUPE) paid over £101,290 per annum.
- Names, job titles and actual basic salaries for all managers (on all terms and conditions including employees protected under TUPE) paid between £70,185 and £101,290 per annum.
- Names, job titles and £5k banded basic salaries for all managers (on all terms and conditions including employees protected...
under TUPE) paid between £49,690 per annum and £70,185 per annum.

- Organisational charts as at 1 April 2013 showing all posts paid above £49,690 per annum. Level of detail in charts as per above.
- The salary ranges for Chief Officers and PMA/B/C grades and salary ranges for Soulbury, Youth and Community. To also include the spot salary for the Chief Executive.
- The job outlines for each employee on HCC’s Chief Officer grade describing their responsibilities and budget responsibilities.
- Two pay ratios as set out in section 12. These ratios are all based on basic full time equivalent salaries and are published on Herts Direct.

13.3 This data is reviewed and refreshed annually and can be found on Hertfordshire County Council website, [Herts Direct](https://herts.direct) under ‘Open Data’ then ‘Staff’.

13.4 Information on senior manager salaries is also published in the Council's [Annual Statement of Accounts](#).