

## **CHIEF OFFICER PAY PANEL**

**18 SEPTEMBER 2013**

Present: Councillor G Derbyshire (Chair)  
Councillors J Brown, N Shah and M Watkin

Officers: Managing Director  
Head of Human Resources  
Democratic Services Manager

### **1 APOLOGIES FOR ABSENCE**

There were no apologies for absence. Councillor Greenslade was absent without apologies

### **2 DISCLOSURES OF INTEREST**

The Managing Director advised the Panel that, as he was an officer who would benefit if the recommendations were agreed, he would leave the meeting at any stage if the Panel considered it appropriate for him to do so.

### **3 MINUTES**

The minutes of the Chief Officer Pay Panel meeting held on 12<sup>th</sup> March 2012 were submitted and signed.

### **4 EXCLUSION OF PRESS AND PUBLIC**

RESOLVED

that, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated in the report.

### **5 CHIEF OFFICER PAY**

The Managing Director introduced the report and set the context.

At the Panel meeting on 26 August 2009 pay levels for Heads of Service, Directors and the Managing Director were agreed following a review by the Local Government Association (LGA). Since 2009 the national situation had changed substantially and the Council recognised that these were unprecedented times. There had been well-reported pressure brought to bear on Council finances and the amount received from central government to fund Council activity had reduced substantially. Watford had a good record of responding to the challenges presented, however more had to be done and the next phase would require even more? creative approaches to service redesign and service transformation. To cope with these demands a series of initiatives had already been set up under the 'Future Council' programme, including a review of the organisational structure.

The review of organisational structure had seen the deletion of the Executive Director posts and sharing of a Director of Finance/Section 151 Officer with Three Rivers District Council. To support the change programme a new organisational structure, where some of the duties and responsibilities of the Executive Director posts had been delegated to Heads of Service, had been identified and implemented on 1 July 2013. In the light of this re-organisation, a review of remuneration of Heads of Service posts had been undertaken to ensure the Council was paying at the right level in the light of new responsibilities for Heads of Service.

The LGA had been approached to consider this change in structure and the implications of delegating some responsibility from Executive Directors to Heads of Service. The LGA confirmed their approach would be to re-evaluate posts under the job evaluation scheme taking into account these changes and then benchmark the posts against similar posts in Local Government for salary purposes. As a result a new pay band had been recommended for non-shared services Heads of Service and this was outlined in the report.

The Managing Director said that no cost-of-living national pay award had been agreed for 2013/2014 for chief officers on JNC terms. The LGA had advised that it was for local authorities to consider an award locally. His report to the Panel therefore proposed that a 1% cost of living award be added to the new pay bands for Heads of Service as recommended by the LGA review, as well as to the Managing Director's salary, to maintain parity for Heads of Service and the Managing Director with all other NJC employees.

The Managing Director explained how the demand for services had increased and how the Council had had to look at different ways of delivery, including outsourcing. The Council had also been very ambitious in its future plans, including major projects such as the Health Campus, Charter Place and refurbishment of the top end of the High Street. These factors had resulted in significant changes and increased responsibilities on the Council's Leadership Team. He added, however, that in the current climate, any pay increase needed to be cautious and proportionate.

The Managing Director pointed out that the recommendations in the report did not involve any change to the salary scale for Shared Services senior officers whose level of responsibility remained unchanged.

The Chair said that he wished to deal with the issue of the travel allowance separately from the salary increase.

The Managing Director explained that partnership work had increased resulting in more travel. The cost of travel had also increased and the amount of £300 no longer reflected the actual cost. The report to the Panel therefore proposed that the current £300 travel allowance for Head of Service and the Managing Director be consolidated into the salary to reflect the requirements for travel within Watford and Three Rivers. In respect of all other travel, the system of travel allowances that was applied to all other Council staff should apply. Heads of Service and the Managing Director would therefore submit expense claims for work-related travel outside Watford & Three Rivers.

The Chair recognised the case for changing the system for reimbursing Heads of Service and the Managing Director for work-related travel costs. He did not, however, agree that the fixed £300 element should be consolidated into salaries. He was of the view that it should remain separately identified from salary as a Travel Allowance.

Councillor Watkin asked why these journeys within Watford and Three Rivers could not be claimed in the same way as other travel. The Managing Director responded that it was to reduce the administrative burden in terms of recording and signing off. All claims had to be signed off by the Managing Director.

The Panel endorsed the Chair's view that the £300 travel allowance should remain to cover work related travel within Watford and Three Rivers and that the costs of all other work-related travel be eligible for claim for reimbursement in accordance with the Council's approved scheme for all employees, subject to the £300 fixed allowance not being incorporated into salary.

The Head of Human Resources was then invited to present the background to the job evaluation and salary review for Heads of Service. She referred to the tables in the report detailing the previous scores and the April 2013 scores. Table 3 in the report detailed the proposed new pay scales which, in the light of the Panel's decision regarding the travel allowance, would now be reduced by £300. She explained that no national pay award had been agreed for chief officers on JNC terms. The LGA had advised that it was for local authorities to consider an award locally, therefore the new pay bands recommended in the report incorporated a 1% pay uplift on the recommended pay range in line with the national pay award for all other Council employees on NJC terms.

Councillor Derbyshire reminded Members that the inclusion of the 1% increase was subject to the agreement of this Panel. He considered the proposals to be reasonable. Councillor Brown endorsed this view.

In response to a question from Councillor Watkin about entry levels, the Head of Human Resources advised that all officers were at the top point of their current pay scales. It was recommended, therefore, that they be placed at the top point of the proposed new scales. This was usual practice when assimilating officers into new pay scales.

In response to a question from the Chair, the Managing Director confirmed that there were no proposals to re-evaluate or re-grade his post.

The Panel agreed that it would be appropriate to apply the 1% cost of living award increase with effect from the 1<sup>st</sup> April in line with the timing of the implementation of the award for the rest of the Council staff.

The Head of Human Resources was requested to re-produce the table of the revised pay scales and circulate to the Panel. Councillor Watkin also asked for a re-working of the details of the net effect on the salary budget.

Councillor Brown concluded the discussion by saying that she recognised the extra responsibilities placed on Heads of Service and thanked them for the work they were doing.

#### RESOLVED

1. that the changed arrangements for travel expenses as set out in paragraph 2.3 be approved, subject to the £300 travel allowance being identified separately and not consolidated into salary.
2. that the pay scales and incremental points as specified in paragraph 2.5 and 2.6 of the report be approved to take effect from 1 July 2013, but that the 1% cost of living increase take effect from 1 April 2013 in line with the award for other Council employees.
3. that the Panel notes that the additional costs for the three Heads of Service re-evaluated total circa £14k against the ongoing savings from the new streamlined senior structure of over £400k p.a.

Chair

The Meeting started at 6.00 pm  
and finished at 6.35 pm