

## **PAY POLICY 2013/14 POLICY STATEMENT**

### **1. INTRODUCTION**

Under Chapter 8 of the Localism Act 2011 Local Authorities in England and Wales were required to produce a pay policy statement for 2012/13 and for each financial year thereafter, and must do so with regard to any guidance from the Secretary of State for Communities and Local Government. In addition the Policy must be agreed by the full Council and be publically available. As part of the Medium Term Financial Strategy recommended to Council in this budget report, section 3 below will be reviewed imminently and before the commencement of the financial year.

### **2. POLICY OBJECTIVE**

The purpose of the Pay Policy is to provide transparency with regard to the Council's approach to the setting of pay for all its employees and therefore identifies:

- The methods by which salaries of all employees are determined
- The details and levels of remuneration and any other benefits of the Council's most senior staff.
- The relationship between the remuneration of its most senior staff and other staff within the Council.
- Details relating to the Council's lowest paid staff.
- Who is responsible for ensuring that the Pay Policy is consistently complied with throughout the Council.

### **3. CHORLEY BOROUGH COUNCIL'S RESPONSIBILITY**

It is the Council's responsibility to ensure that:

- A policy is produced for each financial year.
- The policy is publically available through its website.
- The policy is applied fairly and consistently and complies with all relevant legislation.

### **4. OUTCOMES**

The aim of the policy is to ensure that the Council's approach to determining the remuneration of all its employees is fair and transparent.

## POLICY PROCEDURE

### 1. SCOPE

The pay policy covers the remuneration of all employees of the Council including temporary employees. Individuals engaged through employment agency arrangements would also be covered by the policy in compliance with the Agency Workers Regulations 2010. As per the Medium Term Financial Strategy (MTFS) this policy will be reviewed with regard to section 3 below.

### 2. PAY STRUCTURE

The Council uses the nationally negotiated pay spine (i.e. a defined list of salary points) as the basis for its local pay structure, and has incorporated at the top of the spine a further 17 salary points for senior posts within the Council, though not all these points are currently being used. The Council also adheres to the national pay bargaining arrangements in respect of increases to the national pay spine.

A copy of the nationally negotiated pay spine and the grades to which it relates at Chorley Council, is attached as Appendix A2.1 (NB. these are the current rates of pay as there have not been any nationally negotiated pay increases awarded since 2009).

This pay spine is used to determine the salaries of all Council employees apart from the Chief Executive and Directors which are addressed separately within this policy. All posts apart from the Chief Executive and Directors, have been evaluated using the nationally agreed Job Evaluation Scheme, from which the current pay structure was established. The scheme takes into account the need to ensure value for money balanced with the requirement to recruit and retain employees who are able to meet the needs of the service.

The grading of the majority of the posts within Chorley Council was established following the culmination of the Single Status Job Evaluation process in October 2007. New posts and posts which changed significantly are evaluated in accordance with the same Single Status Job Evaluation Scheme.

The Council also has a process by which it could consider paying market supplements where there have been difficulties in recruiting to the post and there is a general industry shortage which has led to comparable posts within other Councils being considerably higher. All market supplements have to be agreed with the Head of Human Resources and the relevant Director and are reviewed regularly.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

### 3. SENIOR MANAGEMENT REMUNERATION

The Localism Act refers to Chief Officers and Deputies, though it should be noted that the definition is very broad and relates to Metropolitan and County Councils as well as much smaller District Council's with far fewer management levels, such as Chorley Council.

Therefore, for the purpose of this policy, senior management is determined by those officers who are paid in accordance with the Chief Officer and Chief Executive National Conditions of Service, ie:

- The Chief Executive
- The Director of Partnerships, Planning and Policy
- The Director of People and Places

In addition, The Head of Governance post is also included within Senior Management as it is a statutory chief officer, in its role of Monitoring Officer.

#### **Chief Executive:**

Prior to the appointment of a Chief Executive full council will determine the salary of the post to be advertised. Appointment to the post is undertaken by the Chief Executive Appointment Panel, the membership of which is agreed annually by full council, and the panel would make a recommendation to appoint which must be then approved by full council.

The level of salary for the Chief Executive, who is the Head of Paid Services, is £110,000 which is inclusive of the 7.5% Car Lease Scheme contribution. The % of the salary relating to the lease car scheme is non-pensionable. This figure is a single spot point and therefore there is no incremental progression. However, the rate of pay would be reviewed in light of any national agreements relating to pay awards under the Chief Executive Conditions of Service. The current Chief Executive also undertakes the role of Statutory Finance Officer which was taken into account together with the range of other responsibilities and market rates, when determining the salary.

In addition the current Chief Executive is responsible for the Transformation Directorate which is made up of seven services.

- Policy
- Finance
- Human Resources
- Transactional Services
- Governance
- Corporate Support
- Assurance

The Chief Executive will also take on the role of Returning Officer for any Local, National and European elections, payment for which will be in accordance with the statutory calculation.

Any fees earned through the role of Chief Executive or in respect of intellectual property gained through the role of Chief Executive would be payable to the Council. Furthermore the Chief Executive would not normally be entitled to undertake any other gainful employment.

Professional fees where membership of a particular professional organisation is required by the Chief Executive to carry out the full role of the post will be reimbursed. The current Chief

Executive is reimbursed for membership of the Chartered Institute of Public Finance which is required for the role of Statutory Finance Officer.

Comparison of the Chief Executive salary level to the median salary level within Chorley Council (required under the Localism Act 2011). The median figure excludes casual employees who are only employed on an ad hoc or occasional basis.

Chief Executive Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£110,000	£21,519	1:5.1

**Director of Partnership, Planning and Policy/Director of People and Places:**

Prior to the appointment of any Director full council will determine the salary of the post to be advertised. Appointment to the post is undertaken by the Chief Officer Appointment Panel, the membership of which is agreed annually by full council, and the panel would make a recommendation to appoint which must then be approved by full council.

The level of salary for Directors is a single spot salary of £90,000, with the amount reviewed in accordance with any pay award settlement for Chief Officers, though not necessarily increased in line with any award. As this figure is a single spot point there is no incremental progression. However, the rate of pay would be reviewed in light of any national agreements relating to pay awards under the Chief Officers Conditions of Service.

In addition Directors are entitled to participate in the Directors Car Lease Scheme which provides for 7.5% of salary (£6,750) which may be used to fund a lease car through the Council scheme. This element of the Directors remuneration is non-pensionable. Therefore Directors' total remuneration is £96,750.

The level of pay for Directors was set with regard to:

- The wide range of functions which each of the Directors is responsible for.
- Market analysis of similar posts within other local authorities.
- Deputising function for the Chief Executive.

Should the Directors participate in any of the electoral processes, then a relevant payment would be made, from monies received for carrying out elections, depending upon the role which they undertook.

Any fees earned through their role of Director or in respect of intellectual property gained through the role of Director would be payable to the Council. Furthermore the Director would not normally be entitled to undertake any other gainful employment.

Professional fees where membership of a particular professional organisation is required by the Director to carry out the full role of the post will be reimbursed. Currently neither Director is reimbursed for any professional fees.

Comparison of the Director salary level to the median salary level within Chorley Council (required under the Localism Act 2011). The median figure excludes casual employees who are only employed on an ad hoc or occasional basis.

Director Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£96,750	£21,519	1:4.5

**Head of Governance (Monitoring Officer):**

The level of salary for The Head of Governance is paid in accordance with the National Pay Spine as detailed within paragraph 2 of the Procedure, and was evaluated using the Single Status Job Evaluation Scheme, at PO Scale K (£47,855 to £49,549). Appointment would normally be at the bottom of the grade with incremental progression based upon annual increases until the maximum of the grade is reached.

In addition The Head of Governance is entitled to participate in the Council Car Lease Scheme which provides for a maximum of 7.5% of salary (£3,716) towards the cost of a lease car.

Should the Head of Governance participate in any of the electoral processes, then a relevant payment would be made, from monies received for carrying out elections, depending upon the role which was undertaken.

Any fees earned through their role of Head of Governance or in respect of intellectual property gained through the role of Head of Governance would be payable to the Council. Furthermore the Head of Governance would not normally be entitled to undertake any other gainful employment.

Professional fees where membership of a particular professional organisation is required by the Head of Governance to carry out the full role of the post will be reimbursed. The current Head of Governance is reimbursed for, his Practising Certificate to enable him to act as a solicitor, and membership of the Association of Council Secretaries and Solicitors, to enable the effective discharge of monitoring officer duties.

Comparison of the Head of Governance salary level to the median salary level within Chorley Council (required under the Localism Act 2011). The median figure excludes casual employees who are only employed on an ad hoc or occasional basis.

Head of Governance (including lease car contribution)	Median salary (SCP 25)	Ratio
£53,265	£21,519	1:2.5

**4. OTHER CONDITIONS RELATING TO SENIOR MANAGEMENT AND OTHER EMPLOYEES**

**Pension Arrangements**

All permanent and temporary employees, including senior management, are entitled to join the Local Government Pension Scheme if they so wish. No alternative options are available should employees not wish to join the scheme.

Enhancements to employee’s pension entitlements will not normally be provided for any Council employee, unless there are exceptional circumstances.

**Performance Related Pay**

Chorley Council does not have any scheme relating to performance related pay for any employees including Senior Management.

**Bonuses**

Chorley Council does not have any schemes relating to the payment of bonuses for any employees including Senior Management, and therefore none are received.

**Payments on the termination of employment**

An employee being made redundant would receive a payment in accordance with the Council's Redundancy Policy which is applicable to all permanent and temporary employees. Payments are based upon the statutory redundancy ready reckoner and the employee's actual weekly wage with no further enhancements to redundancy payments. Additional payments may be considered in exceptional circumstances.

**Senior Managers returning to Chorley Council**

The Relevant Appointment Panel would consider applications from former Senior Managers of either Chorley Council or another local authority who received either a redundancy payment or who was in receipt of a Local Government Pension, to determine whether it would be appropriate to appoint them to a Senior Management post within Chorley Council.

**Other Benefits**

Chorley Council pays for all employees including the senior managers detailed within this policy, to have level 1 access to a Health Care Plan, if they so wish. For all those employees participating in the scheme the value of the benefit is £52 per employee per annum. Anyone wanting to increase the level of cover, or include partners or spouses on the Health Care Plan must pay any additional premium themselves, through their salary.

**5. LOWEST PAID EMPLOYEES**

**Lowest Paid Employees:**

Excluding apprentices, the lowest paid employees at Chorley Council are paid in accordance with the nationally negotiated pay spine at the lowest available grade which is scale 1. However, whilst the lowest point on the nationally negotiated pay spine is 4 (£12,145 per annum) the minimum point used by Chorley Council is point 7 (£12,787 per annum). This was agreed as part of the Single Status Job Evaluation process in light of the limited number of posts at this level and with the majority of those being part-time, and this was to address low pay. Salary Range for Scale 1:

Point	Annual salary	Hourly rate
7	£12,787	£6.76
8	£13,189	£6.98
9	£13,589	£7.19
10	£13,874	£7.34
11	£14,733	£7.79

Progression through the grade is by annual increments until the maximum of the scale is reached.

## 6. COMPLIANCE

It is the responsibility of the Council's Head of Human Resources to ensure that the Pay Policy is adhered to and is required to report any deviation from the Policy to the Leader of the Council.

## 7. PUBLICATION

This policy will be published on the Chorley Council website as soon as possible after it has been approved by full council.

## 8. GLOSSARY OF TERMS

**Chief Officer Appointment Panel** - Member Panel appointed annually at full Council

**Head of Paid Service** – Statutory Officer appointed in accordance with section 4 of the Local Government and Housing Act 1989. The Chief Executive and Senior Officer at the Council with responsibility for co-ordinating and organising council business and ensuring proper management of staff.

**Monitoring Officer** – Statutory Officer appointed in accordance with section 5 of the Local Government and Housing Act 1989. The officer with responsibility for ensuring the legality of the Council's actions.

**Returning Officer** – Statutory Officer appointed in accordance with section 35 of the Representation of the People Act 1983. The RO has responsibility for the conduct of Council elections. The role is an independent statutory function which is appointed to by, but sits separate to the Council. The Constitution appoints the Chief Executive as RO.

**Statutory Finance Officer** - Statutory Officer appointed in accordance with section 151 of the Local Government Act 1972. The officer with responsibility for the proper administration of the Council's financial affairs.

<b>SCALE 1</b>			<b>SCALE 2</b>		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
<b>7</b>	£12,787	£6.7650	<b>12</b>	£15,039	£7.9564
<b>8</b>	£13,189	£6.9776	<b>13</b>	£15,444	£8.1707
<b>9</b>	£13,589	£7.1893	<b>14</b>	£15,725	£8.3193
<b>10</b>	£13,874	£7.3400			
<b>11</b>	£14,733	£7.7945			
<b>SCALE 3</b>			<b>SCALE 4</b>		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
<b>15</b>	£16,054	£8.4934	<b>19</b>	£17,802	£9.4182
<b>16</b>	£16,440	£8.6976	<b>20</b>	£18,453	£9.7626
<b>17</b>	£16,830	£8.9039	<b>21</b>	£19,126	£10.1186
<b>18</b>	£17,161	£9.0790			
<b>SCALE 5</b>			<b>SCALE 6</b>		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
<b>22</b>	£19,621	£10.3805	<b>26</b>	£22,221	£11.7560
<b>23</b>	£20,198	£10.6858	<b>27</b>	£22,958	£12.1459
<b>24</b>	£20,858	£11.0349	<b>28</b>	£23,708	£12.5427
<b>25</b>	£21,519	£11.3846			
<b>SO1</b>			<b>SO2</b>		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
<b>29</b>	£24,646	£13.0390	<b>32</b>	£27,052	£14.3119
<b>30</b>	£25,472	£13.4760	<b>33</b>	£27,849	£14.7335
<b>31</b>	£26,276	£13.9013	<b>34</b>	£28,636	£15.1499
<b>PRINCIPAL OFFICER</b>					
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
<b>33</b>	£27,849	£14.7335	<b>51</b>	£43,418	£22.9703
<b>34</b>	£28,636	£15.1499	<b>52</b>	£44,312	£23.4433
<b>35</b>	£29,236	£15.4673	<b>53</b>	£45,222	£23.9247
<b>36</b>	£30,011	£15.8773	<b>54</b>	£46,107	£24.3929
<b>37</b>	£30,851	£16.3217	<b>55</b>	£47,008	£24.8696
<b>38</b>	£31,754	£16.7995	<b>56</b>	£47,855	£25.3177
<b>39</b>	£32,800	£17.3529	<b>57</b>	£48,702	£25.7658
<b>40</b>	£33,661	£17.8084	<b>58</b>	£49,549	£26.2139
<b>41</b>	£34,549	£18.2782	<b>59</b>	£50,396	£26.6620
<b>42</b>	£35,430	£18.7443	<b>60</b>	£51,243	£27.1101
<b>43</b>	£36,313	£19.2114	<b>61</b>	£52,090	£27.5582
<b>44</b>	£37,206	£19.6839	<b>62</b>	£52,937	£28.0063
<b>45</b>	£38,042	£20.1261	<b>63</b>	£53,784	£28.4545
<b>46</b>	£38,961	£20.6123	<b>64</b>	£54,631	£28.9026
<b>47</b>	£39,855	£21.0853	<b>65</b>	£55,478	£29.3507
<b>48</b>	£40,741	£21.5540	<b>66</b>	£56,325	£29.7988
<b>49</b>	£41,616	£22.0170	<b>67</b>	£57,172	£30.2469
<b>50</b>	£42,513	£22.4915			
<b>Pay Spine Points for Principal Officer Grades</b>					
PO-A	33-36	PO-E	38-41	PO-I	50-52
PO-B	34-37	PO-F	40-43	PO-J	53-55
PO-C	35-38	PO-G	43-46	PO-K	56-58
PO-D	36-39	PO-H	46-49	PO-L	59-61
				PO-M	62-64
				PO-N	65-67