

PAY POLICY 2016/17 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.

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.

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 are included below incorporating the 2.2% increase to the pay spine effective from the 1st January 2015 which was agreed as part of the 2014/15 national pay negotiations. The recognised trade unions and national employer organisations are currently negotiating on the 2016/17 pay claim.

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 Council's 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, i.e.:

- The Chief Executive
- Director Customer and Advice Services
- Director Public Protection, Streetscene and Community
- Project Director

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

The Senior Management structure within Chorley Council is currently subject to ongoing change and consultation and will only be finalised after this policy has been put into the system. The changes to the management structure will impact upon the Council's Pay policy statement relating to the remuneration of Senior Management. Therefore an updated pay policy statement will be produced for 2016/17 once the changes have been agreed and fully implemented.

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 £106,000 which is inclusive of the 7.5% Director's Car Lease Scheme contribution if this benefit is taken.

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 following services:

- Policy and Communications
- Shared Financial Services
- Human Resources and Organisational Development
- Governance and Legal
- Corporate Support
- Assurance
- Property Services
- Economic Development/Business Advice
- Planning Policy

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
£106,000	£22,212	1:4.8

(1) This change applies to new appointees; the council's pay protection policy will apply for current post holders.

Director Customer and Advice Services and Director Public Protection, Streetscene and Community

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 £82,620, which is inclusive of the 7.5% Director's Car Lease Scheme contribution if this benefit is taken ⁽¹⁾.

This 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.

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
£82,620	£22,212	1:3.7

(1) This change applies to new appointees; the council's pay protection policy will apply for current post holders.

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 L (£52,020 to £53,768). 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 (£4,032) 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
£57,800	£22,212	1:2.6

Project Director

The level of salary for The Project Director is paid in accordance with the locally agreed Pay Spine as detailed within paragraph 2 of the Procedure, and was assessed at PO Scale N (£57,266 to £59,014). However, as the post falls under the Chief Officer Terms and conditions, the salary figures quoted above are inclusive of the 7.5% Chief Officer Car Lease Scheme contribution. 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.

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

Comparison of the Project 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.

Project Director (including lease car contribution)	Median salary (SCP 25)	Ratio
£59,014	£22,212	1:2.7

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.

Officers on Chief Officer terms and conditions have the option to opt out of the pension scheme and take the employers contributions as additional salary.

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.

Professional Subscriptions

A number of employees are members of professional organisations in connection with their employment at the Council though membership is not essential to enable them to undertake their duties on behalf of the Council. Therefore, it is the policy of the Council to only pay for an employee's subscription to a professional organisation where they have statutory responsibility.

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

At a meeting of the Council on the 8th January 2013, Chorley Council adopted the “Living Wage” for all its employees, excluding apprentices (see below), to address the issue of low pay. The Living Wage Foundation, which is a national body, established and annually updates what it considered to be a “living wage” which is an hourly rate and is currently £8.25 for outside London. The rate is set by the Centre for Research in Social Policy and is based upon what it considers to be the basic cost of living to provide a minimum income standard. This compares with the National Minimum Wage which is currently £6.70 per hour.

Therefore, excluding apprentices (see below), the lowest paid employees at Chorley Council are paid in accordance with scale 1 which is the lowest grade within the national pay structure for Local Government. However, whilst the lowest point on the nationally negotiated pay spine for scale 1 is 5 (£13,500 per annum) the minimum points used by Chorley Council is the national point 11 (£15,207 per annum, £8.04 per hour), and point 12 (£15,523 per annum, £8.21 per hour)

Both hourly rates appertaining to Scale 1 are therefore below the National Living Wage, which now falls within the scale 2 of the national pay structure (see table below). Work is currently being undertaken to determine whether through job redesign the Council can continue to implement the National Living Wage for all employees (excluding apprentices).

Salary range for Scale 2

Point	Annual salary	Hourly rate
13	£15,941	£8.43
14	£16,231	£8.58

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

Apprenticeships

There are a number of apprentices currently employed by Chorley Council, within Health, Environment and Neighbourhoods, Transactional, ICT & Customer Services and Streetscene. With effect from 1st April 2014 the Council agreed that apprentices should receive the current National Minimum Wage relating to their age. With effect from 1st October 2015 is detailed below:-

Under 18	£3.87 per hour
18 - 20	£5.30 per hour
21 and above	£6.70 per hour

Apprenticeships are usually employed for a fixed period of 2 years and Apprentices who are in the second year of their apprenticeship and are age 19 or above, automatically receive the

relevant minimum wage rate. It is therefore difficult to ascertain the exact cost of extending the minimum wage to all apprentices as it depends upon the age profile and length of service of the apprentices at any given time, as the rate can vary by up to £2.83 per hour.

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.



**NJC FOR LOCAL GOVERNMENT SERVICES
PAY SCALES 01/01/2015 TO 31/03/2016**

SCALE 1			SCALE 2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
11	15,207	8.0453	13	15,941	8.4336
12	15,523	8.2125	14	16,231	8.5870

SCALE 3			SCALE 4		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
15	16,572	8.7674	19	18,376	9.7218
16	16,969	8.9775	20	19,048	10.0774
17	17,372	9.1907	21	19,742	10.4445
18	17,714	9.3716			

SCALE 5			SCALE 6		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
22	20,253	10.7149	26	22,937	12.1348
23	20,849	11.0302	27	23,698	12.5374
24	21,530	11.3905	28	24,472	12.9469
25	22,212	11.7513			

SO1			SO2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
29	25,440	13.4590	32	27,924	14.7732
30	26,293	13.9103	33	28,746	15.2081
31	27,123	14.3494	34	29,558	15.6377

PRINCIPAL OFFICER					
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
33	28,746	15.2081	51	44,817	23.7105
34	29,558	15.6377	52	45,739	24.1982
35	30,178	15.9657	53	46,679	24.6956
36	30,978	16.3889	54	47,592	25.1786
37	31,846	16.8481	55	48,522	25.6706
38	32,778	17.3412	56	49,367	26.1335
39	33,857	17.9121	57	50,271	26.0235
40	34,746	18.3824	58	51,145	27.0583
41	35,662	18.8670	59	52,020	27.5212
42	36,571	19.3479	60	52,894	27.9836
43	37,483	19.8304	61	53,768	28.4460
44	38,405	20.3182	62	54,642	28.9084
45	39,267	20.7742	63	55,517	29.3713
46	40,217	21.2768	64	56,391	29.8337
47	41,140	21.7651	65	57,266	30.2966
48	42,053	22.2482	66	58,139	30.7585
49	42,957	22.7264	67	59,014	31.2214
50	43,882	23.2158			

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