

PAY POLICY 2018/19 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.

Additional information is also reported in compliance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (Policy Procedure paragraph 6).

In addition this Policy must be agreed and signed off 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 a pay award of between £175 to £300 on the bottom 7 spinal column points and a 1% increase to the remaining pay points effective from the 1st April 2017 which was agreed as part of the 2016/18 national pay negotiations. The Employers side of the NJC for Local Government Services have made a 2 year offer of 2 % for all salaries of £19,430 and above with bottom loaded increases of between 5.458% and 3.734% for salaries below £19,430 for year one. This would be implemented from 1 April 2018. The year 2 pay offer which would be implemented from 1 April 2019 follows a similar format of a 2% increase with some bottom loading together with a remodelling of the pay structure to even out the gaps between increments. The pay offer overall has been designed to address issues of low pay and to accommodate the National Living Wage, of between £8.56 and £9.00 by 2020.

At the time of writing the Pay Policy Statement, the trade union side of the NJC for Local Government Services have not accepted the offer.

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. No specific pay offer has been made by the employers side of the relevant pay negotiating bodies for Chief Officers and Chief Executives for 2018, again at the time of writing this Pay Policy Statement.

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 would have to be agreed with the Human Resources Services Manager and the relevant Director and are reviewed regularly.

There are currently no market supplement payments made to any employee of Chorley Council.

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
- Deputy Chief Executive/Director (Early Intervention & Support)
- Director (Customer & Digital)
- Director (Policy & Governance)
- Director (Business Development & Growth)

In addition, The Head of Legal, Democratic & HR Services 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 £108,131 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. The salary increased with effect from 1 April 2017 by 1% in respect of a national 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:

- 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
£108,131	£22,658	1:4.8

Deputy Chief Executive/Director (Early Intervention and Support)

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 the Deputy Chief Executive/Director (Early Intervention and Support) is a single spot salary of £84,280, 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 the Deputy Chief Executive/Director (Early Intervention and Support) was set with regard to:

- The wide range of functions which the Deputy Chief Executive/Director (Early Intervention and Support) is responsible for.
- Market analysis of similar posts within other local authorities.
- Deputising function for the Chief Executive.

Should the Deputy Chief Executive/Director (Early Intervention and Support) or the other Directors detailed below 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 the role of Deputy Chief Executive/Director (Early Intervention and Support) or the other Directors detailed below or in respect of intellectual property gained through their role of Director would be payable to the Council. Furthermore the Deputy Chief Executive/Director (Early Intervention and Support) or the other Directors detailed below 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 the Deputy Chief Executive/Director (Early Intervention and Support) or the other Directors detailed below are not reimbursed for any professional fees.

Comparison of the Deputy Chief Executive/Director (Early Intervention and Support) 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.

Deputy Chief Executive/Director (Early Intervention and Support) Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£84,280	£22,658	1:3.7

Director (Policy and Governance)
Director (Customer and Digital)
Director (Business, Development and Growth)

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 all the Directors is a single spot salary of £70,700 which is inclusive of the 7.5% Director's Car Lease Scheme contribution if this benefit is taken.

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 the Directors was set with regard to:

- The wide range of functions which the Directors are responsible for.
- Market analysis of similar posts within other local authorities.

Comparison of the Directors salary levels 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
£70,700	£22,658	1:3.1

Head of Legal, Democratic & HR Services (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 (£50,390 to £52,173). 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 (£3,912) towards the cost of a lease car.

Should the Head of Legal, Democratic & HR Services 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 Legal, Democratic & HR Services or in respect of intellectual property gained through the role of Head of Governance would be payable to the Council. Furthermore the Head of Legal, Democratic & HR Services 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 Legal, Democratic & HR Services to carry out the full role of the post will be reimbursed. The current Head of Legal, Democratic & HR Services 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 Legal, Democratic & HR Services 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 Legal, Democratic & HR Services (including lease car contribution)	Median salary (SCP 25)	Ratio
£52,173	£22,658	1:2.3

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 automatic 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 a 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 Foundation” rates 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 £8.75 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 £7.50 per hour for employees aged 25 and over.

Both hourly rates appertaining to Scale 1 (£8.20 and £8.37 are below the National Living Wage, which now falls within the scale 2 of the national pay structure (see table below). Work was undertaken by the Council in light of its commitment to the Living Wage Foundation rates, to redesign existing scale 1 posts to give them greater responsibilities which subsequently meant that they were re-evaluated under the national scheme detailed previously, to scale 2. Therefore all posts within Chorley Council, excluding apprentices, are paid at scale 2 as a minimum.

Salary range for Scale 2

Point	Annual salary	Hourly rate
13	£16,491	£8.72
14	£16,781	£8.87

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

Whilst the bottom of scale 2 is now below the Living Wage Foundation rate of £8.75 employers have 12 months to implement the rate from November 2017 when the rate was established. Any pay award of more than 0.5% would bring the minimum grade above the Living Wage Foundation rate.

Apprenticeships

There are a number of apprentices currently employed by Chorley Council, within Streetscene, Leisure and Customer, Services. 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 April 2018 the new minimum wage rates are detailed below:-

Under 18	£4.20 per hour
18 - 20	£5.90 per hour
21 - 24	£7.38 per hour
25 and over	£7.83 per hour

Apprenticeships are usually employed for a fixed period of 2 years. It is difficult to ascertain the exact cost of the minimum wage for all apprentices as it depends upon the age profile

and date of birth of the apprentices at any given time, as the rate can vary by up to £3.63 per hour.

6. GENDER PAY INFORMATION

This information is published in compliance with the The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and relates to the 31 January 2018.

Average hourly rates of pay for male and female employees (Regulations 8 and 9):

	Male	Female	Difference
Mean hourly rate	£13.90	£13.88	0.1%
Median hourly rate	£11.99	£11.99	0%

Bonus payments made to male and female employees (Regulations 10, 11 and 12):

This information is not reported as bonuses are not paid to any employee of Chorley Council.

The proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands:

	Male	Female
Lower quartile	58.2%	41.8%
Lower middle quartile	39.2%	60.8%
Upper middle quartile	51.9%	48.1%
Upper quartile	47.4%	52.6%

7. OVERTIME PAYMENT ARRANGEMENTS

A number of recent Tribunal decisions have established the principle that employees should not be deterred from taking annual leave by being worse off for being on leave than if they had been in work. This primarily relates to overtime payments not being taken into account when calculating holiday pay, and employees just receiving their basic pay regardless of the level or regularity of overtime undertaken.

Advice from ACAS is that “Workers should usually receive the same pay while they are on annual leave as they normally receive while they are at work” and go on to say that “All types of overtime, including voluntary, must be included when calculating a worker's statutory holiday pay entitlement, apart from overtime that is only worked on a genuinely occasional and infrequent basis.”

<http://www.acas.org.uk/index.aspx?articleid=4109>

The requirement to recognise overtime when calculating holiday pay, however, only applies to the 4 weeks of annual leave required by the EU Working Time Directive. It would be impractical to determine what overtime is regular and therefore should be reflected in holiday pay, in light of the resources required to monitor this, the lack of any legal definition as to what constitutes regular overtime and that this approach may encourage employees to undertake unnecessary overtime to establish a level of regularity.

Therefore an additional 7.69% is added to overtime payments to accommodate the requirement to reflect overtime in holiday pay calculations for the 4 weeks of annual leave required by the EU Working Time Directive.

It is anticipated that this proactive approach avoids claims for back pay and should be taken in the context of a continuing review of the levels of overtime to look at ways where overtime costs may be reduced.

It is not proposed that standby payments are similarly enhanced, as arrangements to undertake standby are rostered around annual leave. Therefore employees do not suffer any detriment as a result of taking annual leave.

Should there be subsequent case law which impacts upon this issue then we would reviewed the measures and potentially implement alternative arrangements.

Subject to agreement it is intended to implement the new arrangements for all overtime worked from the 1st April 2018. Unison have already been informed of the basis of the proposals (subject to agreement) and all staff would be written to informing them of the changes prior to implementation

8. COMPLIANCE

It is the responsibility of the Council's Human Resources Services Manager 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.

9. PUBLICATION

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

10. 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 01/04/2017 TO 31/03/2018**

SCALE 1			SCALE 2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
11	15,507	8.2040	13	16,191	8.5659
12	15,823	8.3712	14	16,481	8.7193

SCALE 3			SCALE 4		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
15	16,772	8.8732	19	18,560	9.8192
16	17,169	9.0833	20	19,238	10.1779
17	17,547	9.2832	21	19,939	10.5487
18	17,891	9.4652			

SCALE 5			SCALE 6		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
22	20,456	10.8223	26	23,166	12.2560
23	21,057	11.1402	27	23,935	12.6628
24	21,745	11.5042	28	24,717	13.0765
25	22,434	11.8687			

SO1			SO2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
29	25,694	13.5934	32	28,203	14.9208
30	26,556	14.0495	33	29,033	15.3599
31	27,394	14.4928	34	29,854	15.7943

PRINCIPAL OFFICER					
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
33	29,033	15.3599	51	45,265	23.9476
34	29,854	15.7943	52	46,196	24.4402
35	30,480	16.1255	53	47,146	24.9425
36	31,288	16.5529	54	48,068	25.4304
37	32,164	17.0164	55	49,007	25.9273
38	33,106	17.5147	56	49,891	26.3948
39	34,196	18.0914	57	50,774	26.8619
40	35,093	18.5660	58	51,656	27.3289
41	36,019	19.0559	59	52,540	27.7964
42	36,937	19.5415	60	53,423	28.2634
43	37,858	20.0288	61	54,306	28.7304
44	38,789	20.5213	62	55,188	29.1975
45	39,660	20.9821	63	56,072	29.6650
46	40,619	21.4895	64	56,955	30.1320
47	41,551	21.9826	65	57,839	30.5996
48	42,474	22.4709	66	58,720	31.0661
49	43,387	22.9539	67	59,604	31.5336
50	44321	23.4480			

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PO-B 34-37	PO-F 40-43	PO-J 53-55	PO-N 65-67
PO-C 35-38	PO-G 43-46	PO-K 56-58	
PO-D 36-39	PO-H 46-49	PO-L 59-61	