

**PAY POLICY 2019/20
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.

The Employers side of the NJC for Local Government Services agreed with the relevant trade unions a 2 year pay agreement which provided for pay increases effective from 1 April 2018 and a further increase effective from 1 April 2019.

Effective from 1 April 2018 was an increase 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 to address low pay and work towards the National Living Wage announced by the Government in 2015 estimated to be between £8.56 and £9.00 by 2020. The agreed National pay spine for 2018/19 is detailed at the end of this Policy.

The agreed pay award effective from 1 April 2019 was more complex as it involved a re-alignment of the pay structure to ensure continued compliance with the National Living Wage, provide headroom for future increases in the National Living Wage, even out the increases between pay points and address low pay. Therefore similarly to 2018, there was a minimum increase of 2%, with salary points at the lower end of the pay spine again receiving higher increases.

The new pay structure for 2019/20 is detailed at the end of the policy, which also details how the pay structure for 2018/19 will be assimilated into the new pay structure and those pay points within the new structure that will not be made active (not used).

All salaries within the Pay Policy are those which are effective from 01 April 2019.

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 grading 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 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 £112,500 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 is effective from 1 April 2019 and takes account of the 2% pay increase in respect of the national pay award under the JNC Conditions of Service for Chief Executives.

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
£112,500	£23,836	1:4.7

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 £87,684, 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 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
£87,684	£23,836	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 £73,556 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
£73,556	£23,836	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 (£52,425 to £54,281). 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
£54,281	£23,286	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 £9.00 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 Living Wage which is currently £8.21 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	£18,426	£9.75
14	£18795	£9.94

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

The bottom of scale 2 is higher than the current Living Wage Foundation rate of £9.00 per hours, but this does give some headroom for future increases to the rate which is generally greater than increases to the National Living Wage 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 2019 the new minimum wage rates are detailed below:-

Under 18	£4.35 per hour
18 - 20	£6.15 per hour
21 - 24	£7.70 per hour
25 and over	£8.21 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 £3.86 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	£14.13	£14.76	4.4%
Median hourly rate	£12.25	£13.12	7.1%

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	59.3%	40.7%
Lower middle quartile	52.4%	47.6%
Upper middle quartile	46.3%	53.7%
Upper quartile	47.6%	52.4%

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 01/04/2018 TO 31/03/2019**

SCALE 1			SCALE 2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
11	17007	8.9976	13	17391	9.2007
12	17173	9.0854	14	17681	9.3541

SCALE 3			SCALE 4		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
15	17972	9.5081	19	19446	10.2879
16	18319	9.6917	20	19819	10.4853
17	18672	9.8784	21	20541	10.8672
18	18870	9.9832			

SCALE 5			SCALE 6		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
22	21074	11.1492	26	23866	12.6263
23	21693	11.4767	27	24657	13.0448
24	22401	11.8513	28	25463	13.4712
25	23111	12.2269			

SO1			SO2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
29	26470	14.0040	32	29055	15.3716
30	27358	14.4738	33	29909	15.8234
31	28221	14.9303	34	30756	16.2715

PRINCIPAL OFFICER					
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
33	29909	15.8234	51	46632	24.6708
34	30756	16.2715	52	47592	25.1783
35	31401	16.6127	53	48570	25.6958
36	32233	17.0529	54	49520	26.1984
37	33136	17.5306	55	50487	26.7103
38	34106	18.0438	56	51398	27.1920
39	35229	18.6379	57	52307	27.6731
40	36153	19.1268	58	53216	28.1542
41	37107	19.6315	59	54127	28.6359
42	38052	20.1314	60	55036	29.1170
43	39002	20.6340	61	55946	29.5981
44	39961	21.1414	62	56855	30.0792
45	40858	21.6159	63	57766	30.5609
46	41846	22.1386	64	58675	31.0420
47	42806	22.6465	65	59585	31.5237
48	43757	23.1497	66	60494	32.0042
49	44697	23.6470	67	61404	32.4859
50	45659	24.1561			

PO-A 33-36	PO-E 38-41	PO-I 50-52	PO-M 62-64
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	

**Implementation of the National pay structure for 2019/20
(following incremental progression where applicable)**

Grade	SCP as at 01/04/2019	New SCP assimilated to	2019/20 (£)
SCALE 2	13	4	18426
	14	5	18795
SCALE 3	15	5	Not used for scale 3
	16	6	19171
	17	6	19171
	18	7	19554
SCALE 4	19	8	19945
		9	20344
	20	10	20751
	21	11	21166
SCALE 5	22	12	21589
		13 (Not active)	22021
	23	14	22462
	24	15	22911
		16 (Not active)	23369
	25	17	23836
SCALE 6		18 (New)	24313
	26	19	24799
	27	20	25295
		21 (Not active)	25801
	28	22	26317
SO1	29	23	26999
	30	24	27905
	31	25	28785
SO2	32	26	29636
	33	27	30507
	34	28	31371
PO grades	33	27	30507
	34	28	31371
	35	29	32029
	36	30	32878
	37	31	33799
	38	32	34788
	39	33	35934
	40	34	36878
	41	35	37849
	42	37	38813
	43	37	39782
	44	38	40760
	45	39	41675
	46	40	42683
	47	41	43662
48	42	44632	

Grade	SCP as at 01/04/2019	New SCP assimilated to	2019/20 (£)
	49	43	45591
	50	44	46572
	51	45	47564
	52	46	48543
	53	47	49541
	54	48	50510
	55	49	51497
	56	50	52425
	57	51	53353
	58	52	54281