



Subject:	Council Pay Policy Statement			Status:	For Publication		
Report to:	Full Council		Date:	26 <sup>th</sup> March 2014			
Report of:	HR Manager		Portfolio Holder:				
Key Decision:		Forward F	Plan 🗵	General Exception		Spec	cial Urgency
Equality Impact Assessment: Required:		No	Attach	ed:	No		
Biodiversity Im	pact Ass	essment	Required:	No	Attach	ed:	No
<b>Contact Officer</b>	ficer: Clare Law		Telephone:	01706	25254	17	
Email:	clarelaw@rossendalebc.gov.uk						

1.	RECOMMENDATION(S)
1.1	Full Council approves the attached Pay Policy Statement.

## 2. PURPOSE OF REPORT

2.1 To seek approval for the Council's Pay Policy Statement which is required to be published annually.

#### 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
  - Regenerating Rossendale: This priority focuses on regeneration in its broadest sense, so
    it means supporting communities that get on well together, attracting sustainable
    investment, promoting Rossendale, as well as working as an enabler to promote the
    physical regeneration of Rossendale.
  - Responsive Value for Money Services: This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
  - Clean Green Rossendale: This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

#### 4. RISK ASSESSMENT IMPLICATIONS

4.1 There are no specific risk issues for members to consider arising from this report.

## 5. BACKGROUND AND OPTIONS

- 5.1 The Localism Act 2011 (Chapter 8 Pay Accountability), requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees.
- 5.2 The Pay Policy Statement must be approved by the Council in an open forum and published on its website on an annual basis.
- 5.3 The Pay Policy Statement is a reflection of the Council's pay policy at the time it is approved, as 'a snap shot in time', that is, as at 20<sup>th</sup> March 2013.
- The Pay Policy Statement sets out the existing approach to the remuneration of all posts within the Council. In particular it specifies certain mandatory requirements that must be detailed within the Statement, this refers to:
  - The pay structure of the Council and how it is set;
  - Senior Management Remuneration, providing details of the pay grade for posts defined

Version Number:	1	Page:	1 of 3

as Chief Officer and the accompanying allowances;

- The recruitment arrangements for a Chief Officer;
- The relationship between the salaries of Chief Officers and other employees;
- Details of the lowest paid posts within the Council;
- Employer's Pension Contribution details;
- Termination of employment payments.
- 5.5 The Localism Act refers to the position of Chief Officer, which is defined as:

Head of Paid Service designated under Section 4 (1) of the Local Government and Housing Act (LGHA) 1989.

Monitoring Officer designated under section 5 (1) of the LGHA 1989

Statutory Chief Officer mentioned in section 2 (6) of the LGHA 1989

Non statutory Chief Officers section 2 (7) of the LGHA 1989

A Deputy Chief Officer mentioned in Section 2 (8) of the LGHA 1989.

- 5.6 Within the Council structure this includes the following posts which are accountable to the Chief Executive:
  - Director of Business (Monitoring Officer),
  - Head of Finance (Section 151 Officer),
  - Director of Customers and Communities,
  - Head of People and Policy.

There are a further series of posts which fall within the definition of Chief Officer referred to in the Localism Act, by virtue of being required to deputise for Chief Officers. These have not been specifically listed.

5.7 The Council adopted the Living Wage on 1<sup>st</sup> April 2013 and became a Living Wage Employer, the Living Wage is £7.65 per hour.

#### **COMMENTS FROM STATUTORY OFFICERS:**

- 6. SECTION 151 OFFICER
- 6.1 The pay and remuneration detailed within the Pay Policy Statement are within the approved budget of the Council.

## 7. MONITORING OFFICER

7.1 All relevant comments are covered within the body of the report.

## 8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 The Policies detailed within the Pay Policy Statement have been approved through Council Procedures and in consultation with the Council's recognised Trade Union.
- 8.2 One Council employee (cleaner) is paid the living wage salary at a cost of an additional £1757 per annum (without oncosts).
- 8.3 The job evaluation scheme used to establish the Council's pay and grading structure has been agreed with the Council's recognised Trade Unions.
- 8.4 Guidance from North West Employers Organisation (NWEO) and the Department from Communities and Local Government has been used to develop this policy.

Version Number:	1	Page:	2 of 3

# 9. CONCLUSION

- 9.1 The Pay Policy Statement details the existing contractual entitlements as per current contracts of employment of senior staff with the Council.
- 9.2 An equality impact assessment was completed in relation to the pay and grading structure following the implementation of the Pay and Grading Review in 2007.
- 9.3 The Pay Policy Statement meets the legal requirements as per the Localism Act 2011.

Background Papers				
Document	Place of Inspection			
Pay Policy Statement	Appendix 1			
Equality Impact Assessment	Appendix 2			

Version Number:   1   Page:   3 of 3
--------------------------------------



# **Pay Policy Statement**

Date of Issue

Other formats are available. Please call 01706 217777 or visit our One Stop Shop at Futures Park, Bacup.



## 1. Purpose of the Policy

Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy sets out the Council's approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying;

- The methods by which salaries of all employees are determined
- The details of the remuneration of its most senior employees, ie Chief Officers
- The relationship between the salary of its Chief Officers and other employees

## 2. Other legislation relevant to pay and remuneration

In determining the pay and remuneration of its employees the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, the Part-time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Council ensures that there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative level of posts in grades according to the requirements, demands and responsibilities of the role.

The Council operates the GLPC [Greater London Provincial Council] Scheme for all posts up to and including spinal column point 49. All posts above spinal column point 49 have been job evaluated utilising HAY, which includes comparative benchmarking data from other local authorities. An Equality Impact Assessment has been undertaken in relation to the Council's grading structure.

## 3. Pay Structure

The Council complies with the nationally negotiated spinal column points for all posts up to and including spinal column point 49, which is detailed at Appendix A. Posts above spinal column point 49 are detailed at Appendix B.

The salary increase for all posts within the Council is set nationally, through collective bargaining between the national Employers and Trade Unions. The pay and grading structure for the majority of posts was established as part of the Pay Policy 2007. This

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	2

Policy was approved by the Council in 2007 and addressed the Council's approach to the job evaluation of posts and the harmonisation of key terms and conditions of employment. Since 2007, all newly created posts and posts that have varied are subject to evaluation against the Job Evaluation Scheme.

On occasion, it maybe necessary to take account of external pay levels in the labour market in order to attract and retain employees with particular skills, knowledge and experience. On such occasions the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.

#### 4. Definitions

The Localism Act refers to the position of Chief Officer, which is defined as:

Head of Paid Service designated under Section 4 (1) of the Local Government and Housing Act (LGHA) 1989.

Monitoring Officer designated under section 5 (1) of the LGHA 1989

Statutory Chief Officer mentioned in section 2 (6) of the LGHA 1989

Non statutory Chief Officers section 2 (7) of the LGHA 1989

A Deputy Chief Officer mentioned in Section 2 (8) of the LGHA 1989

Within the Council structure this includes the following posts which are accountable to the Chief Executive:

Chief Executive,
Director of Business (Monitoring Officer),
Head of Finance (Section 151 Officer),
Director of Customers and Communities - vacant under review
Head of People and Policy - vacant under review.

There are a further series of posts which fall within the definition of Chief Officer referred to in the Localism Act, by virtue of being required to deputise for Chief Officers. These have not been specifically listed.

Remuneration is defined as the pay an individual receives.

All post holders are affected by a 5 days additional leave Trade Union agreement from 1<sup>st</sup> April 2014.

#### 5. Chief Executive Remuneration

The post of Chief Executive [Head of Paid Service] was filled by the current postholder in 15 May 2009. The appointment and terms relating to the appointment were agreed at a meeting of the Council. At that time an independent review of the role and the

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	3

remuneration package was undertaken. This review involved obtaining guidance and advice from the North West Employers Organisation.

SPINAL POINT	SALARY [per annum]
Chief Officer	97,276

The Chief Executive [Head of Paid Services] salary has been frozen since 2009.

## Additional Allowances;

No Essential car user allowance lump sum is paid to the Chief Executive [Head of Paid Services].

Returning Officer Fees – This is based upon a fee calculated periodically by the Cabinet Office, with the fee being based on a sum of money multiplied per every 10,000 of electorate. The Council appointed the Chief Executive as the Returning Officer as part of the appointment process in May 2009.

The Council pays the fees for the local election and the fees for other elections, such as Parliamentary and County Council, are paid for externally.

Unlike other Local Authorities, Rossendale Borough Council does not offer lease car or telephone allowance schemes.

The Chief Executive is required to respond to Out of Hours Emergencies, attend evening meetings and out of hours weekend events for which no payment or time is recoverable.

The other terms and conditions of service relating to this post are in accordance with the Joint Negotiating Committee for Chief Executives of Local Authorities.

Any other allowances relating to the post are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

## 6. Director Remuneration

There are two posts of Director reporting to the Chief Executive;

- Director of Business [Statutory Monitoring Officer]
- Director of Customers and Communities vacant under review.

These posts were established in September 2009, following a review of the senior management structure.

## Salary range:

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	4

SPINAL POINT	SALARY [per annum]
Grade 14 60-65	52,501 - 58,578
Grade 15 65-69	58,578 - 64,174
Grade 16 70-74	65,753 - 72,327

The Director of Business [Statutory Monitoring Officer] and Director of Customers and Communities salary has been frozen since 2009.

## Additional Allowances:

No Essential car user allowance lump sum is paid to the Director of Business [Statutory Monitoring Officer] or Director of Customer and Communities.

Reimbursement of one professional subscription fee per annum applies to the Director of Business.

Progression through the grade occurs through the payment of an additional annual increment on 1 April, each year.

The other terms and conditions of service relating to these posts are in accordance with the JNC Terms and Conditions for Chief Officers of Local Authorities.

Any other allowances relating to the posts are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

Unlike other Local Authorities, Rossendale Borough Council does not offer lease car or telephone allowance schemes.

The Directors are required to respond to Out of Hours Emergencies, attend evening meetings and out of hour's weekend events for which no time off in lieu or payment is made.

#### 7. Head of Service Remuneration

There are two posts of Head of Finance and Head of People and Policy reporting to the Chief Executive:-

Head of People and Policy – vacant under review Head of Finance [Section 151 Officer]

#### Salary range:

SPINAL POINT	SALARY [per annum]
Grade 13 56-59	48,771 – 52,250
Grade 14 60-65	52,501 - 58,578

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	5

#### Additional Allowances:

No Essential car user lump sum is paid to Head of People and Policy or Head of Finance [Section 151 Officer].

Reimbursement of one professional subscription fee per annum applies to the Head of People and Policy and the Head of Finance.

Progression through the grade occurs through the payment of an additional annual increment on 1 April, each year.

The other terms and conditions of service relating to the Head of People and Policy are in accordance with the NJC for Local Government Services National Agreement on Pay and Conditions of Service.

The other terms and conditions of service relating to the Head of Finance are in accordance with the JNC Terms and Conditions for Chief Officers of Local Authorities.

Any other allowances relating to the posts are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

Unlike other Local Authorities, Rossendale Borough Council does not offer lease car or telephone allowance schemes.

The Head of Finance and the Head of People and Policy are required to respond to Out of Hours Emergencies, attend evening meetings and weekend events for which no pay or time off in lieu is recoverable.

The Head of Finance [Section 151 Officer] salary has been frozen since 2009.

#### 8. Recruitment of Chief Executive and Chief Officers

Under Section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit".

Where there is a requirement to recruit to the post of Chief Executive or Chief Officer, the Council's Constitution, Part 4, Section 10, Employment Procedure Rules Apply.

## 9. Salary upon Appointment

Under normal circumstances, all new appointments to a post of Chief Executive or Chief Officer will be made at the bottom spinal column point of the grade, unless there are objective reasons for not doing so. Any appointment above the bottom spinal column point will require the approval of the Appointment Panel.

## 10. Performance-related Pay

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	6

The Localism Act requires Councils to provide details of any performance related pay for its Chief Officers; however, Rossendale Council does not have any such arrangements.

## 11. Relationship between Chief Executive/Chief Officer Pay and other Employees

The relationship between the salaries of the Chief Executive and Chief Officers and the median salary and the lowest salary are;-

Post	Benchmark Salary	Ratio
Chief Executive salary	Chief Officer Median salary	1:1.7
Chief Officer salary (mid - point )	Council Median salary	1:2.8
Chief Executive salary	Lowest salary	1:6.8
Chief Officer salary (mid - point)	Lowest salary	1:4.0

Chief Executive salary mid-point = £97, 276 (average of the two mid-salary points) Chief Officer salary at mid-point (the midpoint of scp 56-74) = £58,578 scp 65 Chief Officer Median salary (the median point of scp 56-74) = £58,578 scp 65 Council Median salary = £21,067 [The median scp point of all employees in RBC] Council Lowest salary = £14,373 [Living Wage]

Will Hutton's report entitled Fair Pay in the Public Sector contained a recommendation that the Chief Executive's salary should not exceed 20 times that of the lowest pay in the organisation. At Rossendale Borough Council, the pay multiple between the Chief Executive's pay and the lowest paid employee is therefore well within this recommended range.

## 12. Lowest Paid Employees

The Council complies with the National Joint Council for Local Government Services – Pay and Conditions of Service.

The Pay Policy in 2007, created a new grading structure. With effect from 1.4.2013, the Council became a Living wage employer and the living wage rate will be reviewed on 1<sup>st</sup> April every year. The minimum spinal column point will equate to the Living Wage, currently £14,373 per annum.

## Salary range:

SPINAL POINT		SALARY [per annum]
Sundry Scp1-	14,373	
living wage		

The living wage salary is higher than the grade 1 (salary range scp 5 - 9), therefore there is no progression of employees paid the living wage on salary grade 1.

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	7

Part-time posts are paid the same salary, but on a pro-rata basis.

The lowest paid employee is a cleaner paid on sundry Scp 1, £14,373.

## 13. Termination Payments

The Council's Redundancy Policy applies equally to all employees regardless of their grade. A redundancy payment will be paid to an employee when their post is made redundant and there are no suitable redeployment opportunities. The Redundancy Policy is at Appendix D.

The Council does not have any policy which allows for early retirement or which allows for any increase or any enhancing of an employee's pensionable service.

## 14. Employer Pension Contribution

The Council contributes to the Local Government Pension Scheme in 2013/14 for all its employees who are members equally at the rate of 29.3% of an employee's salary. This rate of contribution is set by Actuaries advising the Lancashire Pension Fund and is reviewed on a triennial basis.

## 15. Employee Pension Contribution

Employees in the Local Government Pension Scheme will pay the following annual contributions as at 1<sup>st</sup> April 2013, based upon their pensionable pay:

Full-time salary	Contribution rate
Up to £13,700	5.5%
£13,701 - £16,100	5.8%
£16,101 - £20,800	5.9%
£20,801 - £34,700	6.5%
£34,701 - £46,500	6.8%
£46,501 - £87,100	7.2%
£87,101and above	7.5%

## 16. Engagement of Former Chief Officers in receipt of Pensions

The Council does not have a policy which prevents former Council employees including Chief Officers from applying for and being successfully appointed to any Council job or returning under a contract for service, because they are in receipt of a Public Sector or Local Government Pension. Normal recruitment and selection processes would apply in line with the Council's Equalities Policy or normal procurement rules would apply.

## 17. Publication of the Policy

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	8

The Policy will be published on the Council's Website.

In addition, for posts where the fulltime equivalent salary is at least £50,000, the Council's Annual Statement of Account will include a note setting out the total amount of:

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination of employment
- any benefits received that do not fall within the above.

The information set out within this pay policy complements the data the Council is required to publish separately under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations 2011.

## 18. Review of Pay Policy

The Policy will be subject to annual review and must be approved by the Council prior to 31 March each year. If there is a need to amend the Policy between reviews, then any such amendments will be considered by the Cabinet, prior to approval by the Council.

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	9

# ROSSENDALE BOROUGH COUNCIL - PAY AND GRADES AT SCP 49 AND BELOW

Wef April 2013

Grade	Spinal Colum Point Range	Salary
1	Sundry Rate SCP1	14373
		(living wage)
2	12-17	15,189
		15,598
		15,882
		16,215
		16,604
		16,998
3	17-21	16,998
		17,333
		17,980
		18,638
		19,317
4	21-24	19,317
		19,817
		20,400
		21,067
5	24-27	21,067
		21,734
		22,443
		23,188
6	28-32	23,945
		24,892
		25,727
		26,539
		27,323
7	32-38	27,323
•	92 90	28,127
		28,922
		29,528
		30,311
		31,160
		32,072
8	39-44	33128
	00 17	33,998
		34,894
		35,784
		36,676
0	45-49	37,578 38,422
9	40-48	
		39,351

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	10

	40,254
	41,148
	42,032

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	11

# ROSSENDALE BOROUGH COUNCIL - PAY AND GRADES ABOVE SCP 49

	Oning I Colum Beint Banns	Calama
Crada	Spinal Colum Point Range	Salary
Grade Grade 10	40.53	42.022
Grade 10	49-53	42,032
		42,906
		43,792
		44,674
	50.50	45,551
Grade 11	53-56	45,551
		46,498
		47,646
		48,771
Grade12	54-58	46,498
		47,646
		48,771
		49,901
		51,058
Grade13	56-59	48,771
		49,901
		51,058
		52,250
Chief Officer	60-65	52,501
Grade 14		53,713
		54,930
		56,152
		57,371
		58,578
Chief Officer	65-69	58,578
Grade 15		59,977
		61,376
		62,775
		64,174
Chief Officer	70-74	65,753
Grade 16		67,385
		69,035
		70,676
		72,327

Responsible Section/Team	People and Policy Team	Full Council	
Responsible Author	HR Manager	Version	Final draft
Date last Amended	4.3.14	Page	12



#### INITIAL EQUALITY IMPACT ASSESSMENT

Lead Officer Name(s) & Clare Law
Zouar o moor mamo (o) or
Job Title(s):  HR Manager
Department/Service Area: People and Policy
Telephone & E-mail Contact: 01706 252457
clarelaw@rossendalebc.gov.uk
Date Assessment: Commenced: Completed:
January 2014 March 2014

We carry out Equality Impact Assessments (EIAs) to analyse the effects of our decisions, policies or practices. The EIA should be undertaken/started at the beginning of the policy development process - before any decisions are made.

#### 1. Overview

## The main aims/objectives of this policy<sup>1</sup> are:

Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority think fit". The Pay Policy sets out the Council's approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting pay of its employees by identifying:

- The methods by which salaries of all employees are determined.
- The details of the remuneration of its senior employees.
- The relationship between the salary of the Council's Chief Officers and other employees.

(Refer to EIA Guidance for details)

Is the policy or decision unde	ne policy or decision under review (please tick)				
New/proposed□	Modified/adapted ⊠	Existing			
Date of Review <sup>2</sup> : 12 months a	as per Policy				

Responsible Section/Team	People & Policy	Version	1
Responsible Author	HR Manager	Due for review	12 months
Date last amended	4.03.14	Page 1 of 2	

Date Issued: August 2013

<sup>&</sup>lt;sup>1</sup> Policy refers to any policy, strategy, project, procedure, function, decision or delivery of service.

<sup>2</sup> This date will be set on an annual basis as default for review unless otherwise specified by you.

## 2. Equality Impact

Using the table below please indicate whether the policy/strategy/decision has a positive, negative or no impact from an equalities perspective on any of the protected equality groups listed below. Please also give consideration to wider equality of opportunity and community cohesion impacts within and between the groups identified. If you have identified any negative impact and mitigating actions are not sufficient, you will need to complete a Full Equality Impact Assessment.

Equality		Positive Impact (It could benefit)	Negative Impact (It could disadvantage)	<b>Reason</b> and any mitigating actions already in place (to reduce any adverse /negative impacts <u>or</u> reasons why it will be of positive benefit or contribution)	No Impact
Age	Older people				
	Younger people and children				
Disability	Physical/learning/mental health				
Gender Reassignment	Transsexual people				
Pregnancy and Maternity					
Race (Ethnicity or	Asian or Asian British people				
Nationality)	Black or black British people				
	Irish people				
	White British				
	Chinese people				
	Gypsies & Travellers				
	Other minority communities not listed above (please state)				$\boxtimes$
Belief or Religion					
Sex	Women				
	Men				
Sexual Orientation	Gay men, gay women / lesbians and bisexual people				$\boxtimes$
Marriage and Civil Pa	rtnership (employment only)				
Contribution to equality of opportunity					
Contribution to fostering good relations between different					
	g on well together - valuing one another,				
Human Rights <a href="http://intranet/site/scr">http://intranet/site/scr</a> documentID=251	ripts/documents_info.php?categoryID=86&				

Responsible Section/Team	People & Policy	Version	1
Responsible Author	HR Manager	Due for review	12 months
Date last amended	4.03.14	Page 2 of 2	