

<b>Subject:</b>	Council Pay Policy Statement	<b>Status:</b>	For Publication
<b>Report to:</b>	Full Council	<b>Date:</b>	11 <sup>th</sup> July 2018
<b>Report of:</b>	HR Manager	<b>Portfolio Holder:</b>	Regulatory Services
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	<b>Attached:</b>	No
<b>Biodiversity Impact Assessment</b>	Required: No	<b>Attached:</b>	No
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<b>1.</b>	<b>RECOMMENDATION(S)</b>
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:

- **A Proud, Healthy and Vibrant Rossendale:** This priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit. We celebrate the health, vitality and enterprise of the people who live in, do business in, and visit Rossendale. We are proud of our Borough and the success that happens here.
- **A Connected and Successful Rossendale that Welcomes Sustainable Growth:** This priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us. A key part of this involves developing new and existing economic and commercial opportunities in the Borough. This will eventually help us become a more dynamic and sustainable Council, that is able to deliver successful, quality services for our residents and visitors
- **Clean Green Rossendale:** Our priority is to keep Rossendale clean and green for all of Rossendale's residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.

**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 1<sup>st</sup> July 2018.
- 5.4 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 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 Economic Development
- Director of Communities
- Head of Finance and Property (Section 151 Officer)
- Legal Services Manager
- HR Manager

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 Foundation Living Wage Employer, the Foundation Living Wage is currently £8.75 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 The job evaluation scheme used to establish the Council's pay and grading structure has been agreed with the Council's recognised Trade Unions.

8.3 Guidance from North West Employers Organisation (NWEO) and the Department from Communities and Local Government has been used to develop this policy.

**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

# Pay Policy Statement

July 2018

## 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 Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014. The Council ensures that there is no pay discrimination within its pay structures and that 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 using 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 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

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created posts and posts that have varied are subject to evaluation against the Job Evaluation Scheme.

Where evidence exists of recruitment and retention issues it may be necessary to make additional temporary payments to take account of external pay levels in the labour market in order to attract and retain employees with particular skills, knowledge and experience. In such instances the Council will use 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:

- Director of Communities
- Director of Economic Development
- Head of Finance and Property (Section 151 Officer)
- Legal Services Manager (Monitoring Officer)
- HR Manager

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.

#### 5. Chief Executive Remuneration

The post of Chief Executive (Head of Paid Service) was filled by the current post holder on 18 March 2015. 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 remuneration package was undertaken. This review involved obtaining guidance and advice from the North West Employers Organisation.

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Spinal Point	Salary
Chief Executive	100,825

The Chief Executive (Head of Paid Services) salary has been reviewed prior to the recruitment to Chief Executive in March 2015.

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 March 2015.

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 hour's 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 Economic Development

Director of Communities

Spinal Point	Salary
Grade 16 (70-74)	£68,416 to £75,257
Grade 16 (70-74)	£68,416 to £75,257

Additional Allowances:

No essential car user allowance lump sum is paid to the Directors.

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Progression through the grade occurs through the payment of an additional annual increment on 1<sup>st</sup> 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. Statutory Chief Officer and Non Statutory Chief Officer Remuneration**

There are three Statutory Chief Officer and Non Statutory Chief Officer posts reporting to the Chief Executive:-

Legal Services Manager (Monitoring Officer)  
HR Manager  
Head of Finance and Property (Section 151 Officer)

Salary range:

Spinal Point	Salary
Grade 10 (49-53)	£44,697 - £48,439
Grade 10 (49-53)	£44,697 - £48,439
Grade 14 (60-65)	£54,627 - £60,950

### Additional Allowances:

Reimbursement of one professional subscription fee per annum applies to the HR Manager and Head of Finance and Property posts.

Progression through the grade occurs through the payment of an additional annual increment on 1<sup>st</sup> April, each year.

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

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The other terms and conditions of service relating to the Head of Finance and Property are in accordance with the JNC for Local Government Services National Agreement on Pay and Conditions of Service

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.

The Legal Services Manager, HR Manager and Head of Finance and Property post holders, 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.

## **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**

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 following information is provided to assist with understanding the ratio calculation:

- Chief Executive Salary mid-point = £100,824 (average of the two mid-salary points)
- Chief Officer Median salary = £60,347 (the median point of SCP 56-74)
- Council Median salary = £22,401 (The median SCP point of all employees in RBC)
- Council Lowest salary = £16,881 (Foundation Living Wage)

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## Pay Ratio

Post	Benchmark Salary	Ratio
Chief Executive salary	Chief Officer Median salary	1: 1.7
Chief Officer salary (mid - point )	Council Median salary	1: 4.5
Chief Executive salary	Lowest salary	1: 6.0
Chief Officer salary (mid - point)	Lowest salary	1: 3.6

The Hutton 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 1 to 6.0 which falls within this recommended range.

### **12. Lowest Paid Employees**

The lowest grade on the pay structure is Grade 1 (SCP 6-11) £16,394 - £17,007, however because the Council became a Foundation Living Wage employer on 1<sup>st</sup> April 2013, and adopts a minimum hourly pay rate of £8.75 per hour, the salary range within Grade 1, SCP 6-10, fall below the Foundation Living Wage rate. Therefore, employees appointed to a Grade 1, SCP 6-10 post will be paid the Foundation Living Wage rate, currently £16,881 per annum. This rate will be reviewed on 1<sup>st</sup> April each year.

Salary range:

Spinal Point	Salary
Foundation Living Wage	£16,881

The lowest paid group of employees are the cleaners appointed on Grade 1, they are paid at £16,881 per annum (pro rata). This is a fixed salary and there is no room for incremental progression.

### **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 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.

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## 14. Employer Pension Contribution

The Council contributes to the Local Government Pension Scheme in 2018/19 for all its employees who are members equally at the rate of 15.6% 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 2018, based upon their pensionable pay:

Full-time salary	Contribution rate
Up to £14,100	5.5%
£14,101 - £22,000	5.8%
£22,001 - £35,700	6.5%
£35,701 - £45,200	6.8%
£45,201 - £63,100	8.5%
£63,101 - £89,400	9.90%
£89,401 - £105,200	10.5%
£105,201 - £157,800	11.4%
£157,801 & above	12.5%

## 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

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;

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- 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.

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## Appendix A

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

Grade	Spinal Column Point	Per Annum
<b>Foundation Living Wage</b>		<b>16,881</b>
<b>Grade 2</b>	12	17,173
	13	17,391
	14	17,681
	15	17,972
	16	18,319
	17	18,672
<b>Grade 3</b>	17	18,672
	18	18,870
	19	19,446
	20	19,819
	21	20,541
<b>Grade 4</b>	21	20,541
	22	21,074
	23	21,693
	24	22,401
<b>Grade 5</b>	24	22,401
	25	23,111
	26	23,866
	27	24,657
<b>Grade 6</b>	28	25,463
	29	26,470
	30	27,358
	31	28,221
	32	29,055
<b>Grade 7</b>	32	29,055
	33	29,909
	34	30,756
	35	31,401
	36	32,233
	37	33,136
	38	34,106
<b>Grade 8</b>	39	35,229
	40	36,153
	41	37,107
	42	38,052
	43	39,002
	44	39,961
<b>Grade 9</b>	45	40,858
	46	41,846
	47	42,806
	48	43,757
	49	44,697

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Appendix B

**ROSSENDALE BOROUGH COUNCIL – PAY AND GRADES ABOVE SCP 49**

Grade	Spinal Column Point	Per Annum
<b>Grade 10</b>	49	44,697
	50	45,627
	51	46,568
	52	47,507
	53	48,439
<b>Grade 11</b>	53	48,439
	54	49,446
	55	50,666
	56	51,862
<b>Grade 12</b>	54	49,446
	55	50,666
	56	51,862
	57	53,064
	58	54,295
<b>Grade 13</b>	56	51,862
	57	53,064
	58	54,295
	59	55,563
<b>CO Grade 14</b>	60	54,627
	61	55,888
	62	57,156
	63	58,426
	64	59,694
	65	60,950
<b>CO Grade 15</b>	65	60,950
	66	62,407
	67	63,862
	68	65,318
	69	66,773
<b>CO Grade 16</b>	70	68,416
	71	70,114
	72	71,831
	73	73,539
	74	75,257

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