



# Pay Policy Statement

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## Pay Policy Statement 2016 – 2017

*The purpose of the statement is to provide transparency in respect of the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying; the methods by which salaries of all employees are determined; the detail and level of remuneration of its most senior staff and the agreed decision making arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.*

## **1.0 INTRODUCTION AND PURPOSE**

- 1.1 In accordance with 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 Statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
- 1.2 The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying;
- the methods by which salaries of all employees are determined;
  - the detail and level of remuneration of its most senior staff ie ‘Chief Officers’, as defined by the relevant legislation;
  - the constitutional arrangements in place for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.
- 1.3 This policy statement will be subject to review on an annual basis.
- 1.4 The current Pay Policy Statement (2015-2016) was approved by the Human Resources and Appeals Panel on 18 March 2015 and ratified by Council on 1 April 2015.
- 1.5 This Pay Policy Statement (2016-2017) was approved by the Human Resources and Appeals Panel on 17 March 2016 and will be referred to full Council for ratification on 6 April 2016.

## **2.0 CONTEXT: LEGISLATION RELEVANT TO PAY AND REMUNERATION**

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation.
- 2.2 The Council will ensure 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 levels of posts in grades according to the requirements, demands and responsibilities of the role.

## **3.0 PAY STRUCTURE**

- 3.1 The Council uses the nationally negotiated pay spine(s) (i.e. a defined list of salary points) as the basis for its local pay structure. These pay spines are used to determine the salaries of the large majority of the Council’s non teaching workforce.
- 3.2 The pay and terms and conditions of employment of the Council’s workforce are largely determined by the following negotiating bodies in accordance with the agreed collective bargaining machinery:

- National Joint Council (NJC) for Local Government Services;
  - The Soulbury Committee, (*educational advisers/inspectors, other school improvement professionals, educational psychologists*)
  - Joint Negotiating Committee (JNC) for Local Authority Craft and Associated Employees;
  - Joint Negotiating Committee for Youth and Community Workers;
  - Joint Negotiating Committee (JNC) for Chief Officers
  - Joint Negotiating Committee (JNC) for Chief Executives
- 3.3 The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spines.
- 3.4 The pay of those employees whose terms and conditions fall within the purview of the Joint Negotiating Committee for Chief Executive's and the Joint Negotiating Committee for Chief Officers are also determined by reference to Joint Secretarial advice issued by the JNC for Chief Officers of Local Authorities in 2002. The Joint Secretarial advice recommended the establishment of local salary structures as a result of a move from benchmark to median salaries, identified through the annual salary and numbers survey conducted by the Local Government Employers' Organisation.
- 3.5 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.
- 3.6 In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.7 New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied where necessary to secure the best candidate subject to an equal pay risk assessment. Where the appointment salary is above the minimum point of the pay scale and is not affected by other council policies, for example promotion, redeployment or flexible retirement, this is approved in accordance with the Officer Delegation Scheme within the [Council's Constitution](#).
- 3.8 From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, 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.

3.9 Any temporary supplement to the salary scale for the grade is approved in accordance with the Council's [Market Supplement Policy](#).

#### 4.0 SENIOR MANAGEMENT REMUNERATION

4.1 For the purposes of this statement, senior management means 'chief officers' as defined within the Localism Act; i.e.

- i. The head of the paid service designated under section 4(1) of the [Local Government and Housing Act 1989](#);
- ii. The monitoring officer designated under section 5(1) of that Act;
- iii. A statutory chief officer mentioned in section 2(6) of that Act;
- iv. A non-statutory chief officer mentioned in section 2(7) of that Act;
- v. A deputy chief officer mentioned in section 2(8) of that Act.

4.2 The posts falling within the statutory definition are set out below, with details of their salary. Salaries quoted below are applicable as at February 2016, however, it is expected that these rates will receive an increase of 1% with effect from 1<sup>st</sup> April 2016:

- **Chief Executive:** The salary of the Chief Executive is £152,286. The salary falls within a range of 5 incremental points between £152,286, rising to a maximum of £165,124. The Chief Executive (Head of Paid Service), also carries out the duties of the Returning Officer in accordance with the Representation of The People Act 1983. The duties of the Returning Officer are separate from the duties undertaken as a local government officer; the office of Returning Officer is totally distinct from the office of Chief Executive and Head of Paid Service. Payments due to the post holder in respect of the conduct of local municipal elections are consolidated within the salary. Payments in respect of the conduct of National Government Elections, European Elections and any National Referenda are paid in addition to salary. These payments are pensionable and subject to deductions for tax and National Insurance.
- **Executive Directors:** The current salaries of the post holders designated as Executive Director fall within 5 incremental points between £109,450 rising to a maximum of £119,653.
- **Assistant Directors and Designated Heads of Service:** The salary package of these posts fall within a range of 30 incremental points between £51,913 rising to a maximum of £96,581.

4.3 When establishing or reviewing the senior management salary structure the Council complies with advice issued by the Joint Negotiating Committee's for Chief Executive's and Chief Officers, on the establishment of a local salary structure based on median salary levels as identified through the annual salary survey. This advice states that

when deciding at what level these posts should be remunerated the following factors are to be considered:

- a. The Authority's policy in respect of the pay of its JNC officers and any relationship to the median salary levels for similar Authorities;
- b. the Chief Executive's salary;
- c. the relationship of current salary to the appropriate illustrative national median salary (salaries may be above, around, or below the median);
- d. any special market considerations;
- e. any substantial local factors not common to authorities of similar type and size, eg London weighting;
- f. comparative information to be supplied on request by the Joint Secretaries on salaries in other similar authorities;
- g. top management structures and the size of the management team compared to those of other authorities of similar type and size, and;
- h. the relative job size of each post, as objectively assessed through job evaluation or otherwise.

- 4.4 Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals. The Council does not currently have any chief officers engaged under such arrangements

## **5.0 RECRUITMENT OF CHIEF OFFICERS**

- 5.1 The Council's policy and procedures with regard to recruitment of Chief Officers is set out within the [Chief Officer Recruitment Guidelines](#).
- 5.2 The recruitment of Chief Officers is delegated to the Human Resources and Appeals Panel whose functions include:
- The shortlisting and appointment of Chief Officers and Deputy Chief Officers. The confirmation of appointment of all Chief Officers (with the exception of the Chief Executive/Head of Paid Service) is carried out in accordance with the [Council's Constitution](#) Officer Employment Procedure Rules and [The Local Authorities \(Standing Order\) \(England\) Regulations 2001](#)

- The shortlisting and appointment of the Chief Executive/Head of Paid Service is carried out in accordance with the [Council's Constitution](#) for submission to the Council.
- 5.3 Where, on appointment the remuneration of a chief officer exceeds £100,000 a recommendation from the Human Resources and Appeals Panel shall be submitted for approval to the Council.
- 5.4 When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own Equality, Recruitment and Selection and Redeployment Policies as approved by Council.
- 5.5 The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

## **6.0 ADDITIONS TO SALARY OF CHIEF OFFICERS**

- 6.1 With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, (which is assessed on an annual basis), the level of chief officer remuneration is not variable dependent upon the achievement of defined targets.
- 6.2 To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration [e.g. honoraria, ex gratia, 'acting up payments] relating to temporary additional duties are set out in the [Council's Constitution](#) and supplementary conditions of service.
- 6.3 In addition to basic salary, the Chief Executive receives additional pay in respect of Returning Officer duties in accordance with the Representation of The People Act 1983. The duties of the Returning Officer are separate from the duties undertaken as a local government officer; the office of Returning Officer is totally distinct from the office of Chief Executive and Head of Paid Service. Payments due to the postholder in respect of the conduct of local municipal elections are consolidated within the salary. Payments in respect of the conduct of national government elections, European elections and any national referenda are paid in addition to salary. These payments are pensionable and subject to deductions for tax and National Insurance.
- 6.4 Set out in table 1 below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of their duties:

<b>Payment details</b>	<b>Paid to:</b>
<ul style="list-style-type: none"> <li>• Fees paid for returning officer duties where identified and paid separately;</li> <li>• Salary supplements payable for fulfilling statutory officer duties (e.g. S151 / Monitoring Officer) where identified and paid separately;</li> <li>• Market forces supplements in addition to basic salary where identified and paid separately;</li> <li>• Priority Car User Allowance Lump Sums</li> <li>• Salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately.</li> <li>• Any arrangements for payment of untaken annual leave falling outside the requirements of relevant legislation;</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• None payable</li> <li>• None payable</li> <li>• None payable</li> <li>• None payable</li> <li>• None payable</li> </ul>

## **7.0 PENSION CONTRIBUTIONS**

- 7.1 Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee.
- 7.2 The Employer's rate of contribution is set by Actuaries advising the Greater Manchester Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The triennial valuation covers the period 1 April 2014 to 31 March 2017. The employer's contribution rate, (2016/17) is 19.8%.
- 7.3 From April 2014 with the introduction of a new local government pension scheme the rate of pension contributions will be based on actual pensionable pay. In the new scheme there are 9 different contribution banding rates between 5.5% and 12.5%. The bandings as at 1 January 2016 are:

## Member Contribution Table

Pay Bands	Contribution Rates
Up to £13,600	5.5%
£13,601 - £21,200	5.8%
£21,201 - £34,400	6.5%
£34,401 - £43,500	6.8%
£43,501 - £60,700	8.5%
£60,701 - £86,000	9.9%
£86,001 - £101,200	10.5%
£101,201 - £151,800	11.4%
More than £151,800	12.5%

### 8.0 PAYMENTS ON TERMINATION

- 8.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is in accordance with [The Local Government Pension Scheme Regulations 2013](#) and Regulations 5 and 6 of the [Local Government \(Early Termination of Employment\) \(Discretionary Compensation\) Regulations 2006](#).
- 8.2 Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a formal decision made by The Human Resources and Appeals Panel.
- 8.3 In accordance with supplementary guidance issued by DCLG on 20<sup>th</sup> February 2013, Local authorities are required to present details of any severance package paid to an officer where the value of the package



exceeds £100,000. Approval of the severance package is subject to a vote by full Council.

## **9.0 LOWEST PAID EMPLOYEES**

- 9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full time [37 hours per week] equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure.
- 9.2 As at 1 January 2016, this is £13,614 per annum which is spinal column point 6 on the NJC salary structure. The Council employs Apprentices who are not considered within the definition of 'lowest paid employees.'
- 9.3 With the introduction of the National Living Wage with effect from 1 April 2016, the pay spine will be adjusted to ensure the Council is compliant with this legislation. This will be done following a national review by the National Joint Council, or locally failing any national agreement.
- 9.4 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

## **10.0 PAY MULTIPLES**

- 10.1 The current pay levels within the Council define the multiple between the median (the half way point between the lowest and highest earner) full time equivalent (FTE) earnings as at 1 January 2016 for the whole of the workforce and the Chief Executive as 1:8
- 10.2 The current pay levels within the Council define the multiple between the lowest paid employees' full time equivalent (FTE) earnings as at 1 January 2016 and the Chief Executive as 1:12.
- 10.3 Pay multiples have been calculated in accordance with the LGA Local Transparency Guidance. Data relates to the 1 January 2016.
- 10.4 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local Authorities.

## **11.0 ACCOUNTABILITY AND DECISION MAKING**

- 11.1 In accordance with the Constitution of the Council, the Human Resources and Appeals Panel is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council. The Human Resources and Appeals

Panel is also responsible for the recruitment selection and appointment of Chief Officers; (see Section 5.0 above).

## **12.0 RE-EMPLOYMENT/RE-ENGAGEMENT OF FORMER CHIEF OFFICERS**

12.1 The Council's policy with regard to the re-employment /re-engagement of former employees (including Chief Officers) was approved by the Executive Committee on 20 October 1999.

As a general principle the Council is opposed to re-employing retired employees. Retired employees will be permitted to register with our in-house supply registers subject to them being employed on a zero hours contract basis and that no single engagement extends beyond 13 weeks.

However in exceptional circumstances, where it is considered necessary to re-employ of re-engage a former employee who is in receipt of a pension from the Local Government Pension Scheme:-

- (a) There should be clear evidence that the work cannot be undertaken by someone else, either internal, external or through agency staff;
- (b) If the individual is engaged under the terms of a contract for services and claims to be self-employed or a consultant the Assistant Director (Finance and Efficiency) must be satisfied that they meet the criteria laid down by HMRC;
- (c) A former employee should not be re-engaged unless agreement has been given by the Cabinet Member for Resources and/or the spokesperson for Human Resources.

## **13.0 PUBLICATION**

This statement will be published on the Council's Website under our Local Government Transparency Section.