

Subject:	Council Pay Policy Statement	Status:	For Publication
Report to:	Full Council	Date:	20 th March 2013
Report of:	Head of People and Policy	Portfolio Holder:	Finance & Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	That 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.
- 2.2 To seek approval that the Council adopts the Living Wage as it's minimum spinal column point.

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 No risks have been identified in relation to the Pay Policy.

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 it's employees. The Pay Policy Statement must be approved by the Council in an open forum and published on its website on annual basis.
- 5.2 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.

5.3 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

5.4 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.

5.5 Further, It is proposed that the Council adopts the Living Wage as it's minimum salary. The Living Wage is an hourly rate set independently and updated annually, the wage is calculated according to the basic cost of living in the UK. Employers chose to pay the Living Wage on a voluntary basis and the rate is calculated by the Centre for Research in Social Policy. The rate is currently £7.45 per hour.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 The pay and remuneration detailed within the Pay Policy Statement are all within the approved budget of the Council.

6.2 The Living wage will impact on the posts of cleaners which incurs a total of £1,800 additional gross pay. However, given the changes arising from relocation of the One Stop Shop the future costs is likely to be only £490 per annum.

7. MONITORING OFFICER

7.1 The job evaluation schemes used to establish the grades of posts meet the Equality and Human Rights Standards.

8. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

8.1 The Policies detailed within the Pay Policy Statement have been approved through Council Procedures and in consultation with trade unions.

8.2 The transition to the Living Wage will impact on four members of staff and will remove the bottom spinal column points from the Council's grading structure.

9. CONSULTATION CARRIED OUT

9.1 The job evaluation schemes used to establish the grades of post have been agreed with the Trade Unions.

9.2 Guidance from North West Employers and Guidance from the Department for Communities and Local Government has been used to develop the Policy.

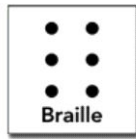
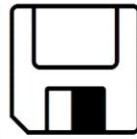
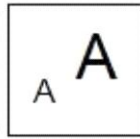
9.3 Consultation with the Trade Unions has taken place in relation to the Council becoming a Living Wage Employer.

10. CONCLUSION

10.1 The Pay Policy details the existing contractual entitlements as per current contracts of employment of the senior staff within the Council. An Equality impact assessment has already been completed in relation to the pay and grading structure following the completion of the Pay and Grading Review in 2007. The Policy meets the Council's legal requirements as per the Localism Act.

Background Papers	
Document	Place of Inspection
North West Employers Guidance	Head of People and Policy

Pay Policy Statement



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ROSSENDALE BOROUGH COUNCIL

PAY POLICY

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 Policy was approved by the Council in 2007 and addressed the

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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,
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.

Remuneration is defined as the pay an individual receives.

All post holders are affected by Trade Union agreement which is currently being negotiated in relation 5 days unpaid leave per employee and a reduction in the car allowance scheme.

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

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

Additional Allowances;

Essential car user lump sum – £846-£963pa. The Essential Car User Scheme is currently being renegotiated with the Trade Unions.

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

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

Salary range:

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

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Additional Allowances:

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
Head of Finance [Section 151 Officer]

Salary range:

SPINAL POINT	SALARY [per annum]
Grade 13 56-59	48,288 - 51,733
Grade 14 60-65	52,501 - 58,578

Additional Allowances:

Essential car user lump sum £846 - £963 per annum. The Essential Car User Scheme is currently being renegotiated with the Trade Unions.

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.

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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 People and Policy will be vacant from 15.4.2013 and the post is under review.

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 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	1:4.1

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Chief Executive salary mid-point = £97, 276
 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 = £20,858 [The median scp point of all employees in RBC]
 Council Lowest salary = £14,333 [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 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 will become a Living wage employer and grade 1 will become the lowest grade. The minimum spinal column point will equate to the Living Wage, currently £14, 333 per annum.

Salary range:

SPINAL POINT	SALARY [per annum]
Sundry Scp1	14,333
12	15,039
13	15,444
14	15,725

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

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

The lowest paid employees are cleaners and street cleansing operatives on sundry Scp 1, £14,333.

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.

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14. Employer Pension Contribution

The Council contributes to the Local Government Pension Scheme in 2012/13 for all its employees who are members equally at the rate of 27.8% 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.

This comprises

Future Service Rate	12.5%
Past Service Adjustment	15.3%

15. Employee Pension Contribution

Employees in the Local Government Pension Scheme pay at present the following annual contributions, based upon their salary;-

Full-time salary	Contribution rate
Up to £12,900	5.5%
£12,900 - £15,100	5.8%
£15,100 - £19,400	5.9%
£19,400 - £32,400	6.5%
£32,400 - £43,000	6.8%
£43,000 - £81,100	7.2%
£81,000 and 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

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.

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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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Wef April 2013

Grade	Spinal Colum Point Range	Salary
1	Sundry Rate Scp 1	14,333 (Living Wage)
2	12-17	15,039
		15,444
		15,725
		16,054
		16,440
		16,830
3	17-21	16,830
		17,161
		17,802
		18,453
		19,126
4	21-24	19,126
		19,621
		20,198
		20,858
5	24-27	20,858
		21,519
		22,221
		22,958
6	28-32	23,708
		24,646
		25,472
		26,276
		27,052
7	32-38	27,052
		27,849
		28,636
		29,236
		30,011
		30,851
		31,754
8	39-44	32,800
		33,661
		34,549
		35,430
		36,313
		37,206
9	45-49	38,042
		38,961
		39,855
		40,741

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		41,616
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ROSSENDALE BOROUGH COUNCIL – PAY AND GRADES ABOVE SCP 49

Grade	Spinal Colum Point Range	Salary
Grade 10	49-53	41,616
		42,481
		43,358
		44,232
		45,100
Grade 11	53-56	45,100
		46,038
		47,174
		48,288
Grade12	54-58	46,038
		47,174
		48,288
		49,407
		50,552
Grade13	56-59	48,288
		49,407
		50,552
		51,733
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

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