

# Pay Policy Statement

March 2016

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## 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

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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.

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 Business
- 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	96,900

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 is one post of Director reporting to the Chief Executive:-

Director of Business – currently vacant

Spinal Point	Salary
Grade 16 (70-74)	£65,573 to £72,327

Additional Allowances:

No Essential car user allowance lump sum is paid to the Director of Business.

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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. 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 Service Manager (Monitoring Officer)  
HR Manager  
Head of Finance and Property (Section 151 Officer)

Salary range:

Spinal Point	Salary
Grade 8 (39-44)	£33,857 - £38,405
Grade 8 (39-44)	£33,857 - £38,405
Grade 14 (60-65)	£52,501 – £58,578

### 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 April, each year.

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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.

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.

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.

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 = £96900 (average of the two mid-salary points)
- Chief Officer Median salary (the median point of SCP 56-74) = £59750 SCP 65

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- Council Median salary = £21,530 (The median SCP point of all employees in RBC)
- Council Lowest salary = £15,144.93 (Living Wage)

### Pay Ratio

Post	Benchmark Salary	Ratio
Chief Executive salary	Chief Officer Median salary	1: 1.6
Chief Officer salary (mid - point )	Council Median salary	1: 2.8
Chief Executive salary	Lowest salary	1: 6.4
Chief Officer salary (mid - point)	Lowest salary	1: 4.0

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 6.4 which falls within this recommended range.

## **12. Lowest Paid Employees**

The lowest grade on the pay structure is Grade 1 (SCP 4-9) £13,500 - £14,075, however because the Council became a Living Wage employer on 1<sup>st</sup> April 2013, and adopts a minimum hourly pay rate of £7.85 per hour, the salary range within Grade 1 falls below the Living Wage rate. Therefore, employees appointed to a Grade 1 post will be paid the Living Wage rate, currently £15,144.93 per annum. This rate will be reviewed on 1<sup>st</sup> April each year.

Salary range:

Spinal Point	Salary
Living Wage	£15,144.93

The lowest paid employee is a cleaner on Grade 1, but is paid £15,144.93 per annum. 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 2015/16 for all its employees who are members equally at the rate of 14.00% 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 2015, based upon their pensionable pay:

Full-time salary	Contribution rate
Up to £15,144.93 (Living Wage)	5.5%
£13,871 - £20,849	5.8%
£20,850 - £34,746	6.5%
£34,747 - £43,850	6.8%
£43,851 - £61,177	8.5%
£61,178 - £85,000	9.90%
£85,001 - £100,000	10.5%
£100,001 - £150,000	11.4%
£150,001 & 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;

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- 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.

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

April 2015

<b>Grade</b>	<b>Spinal Colum Point Range</b>	<b>Salary</b>
1	Sundry Rate SCP1	15144.93 (living wage)
2	12-17	15,523
		15,941
		16,231
		16,572
		16,969
		17,372
3	17-21	17,372
		17,714
		18,376
		19,048
		19,742
4	21-24	19,742
		20,253
		20,849
		21,530
5	24-27	21,530
		22,212
		22,937
		23,698
6	28-32	24,472
		25,440
		26,293
		27,123
		27,924
7	32-38	27,924
		28,746
		29,558
		30,178
		30,978
		31,846
		32,778
8	39-44	33,857
		34,746
		35,662
		36,571
		37,843
		38,405
9	45-49	39,267
		40,217

		41,140
		42,053
		42,957

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

<b>Grade</b>	<b>Spinal Colum Point Range</b>	<b>Salary</b>
Grade 10	49-53	42,957
		43,850
		44,755
		45,657
		46,553
Grade 11	53-56	46,553
		47,521
		48,694
		49,844
Grade12	54-58	47,521
		48,694
		49,844
		50,999
		52,181
Grade13	56-59	49,844
		50,999
		52,181
		53,400
Chief Officer	60-65	53,551
Grade 14		54,787
		56,029
		57,275
		58,518
		59,750
Chief Officer	65-69	59,750
Grade 15		61,177
		62,604
		64,031
		65,457
Chief Officer	70-74	67,068
Grade 16		68,733
		70,416
		72,090
		73,774

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