

SOUTH RIBBLE BOROUGH COUNCIL

PAY POLICY - 2016/17

1. Purpose of the Policy

- To maintain a transparent approach to the setting of the pay of the Council's employees.
- To comply with the requirements of the Localism Act, Section 38 – Pay Accountability.

The Policy will detail;-

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

2. Background

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.

The Policy will reflect where appropriate, relevant aspects of other already existing Human Resources Policies, such as the Pay Policy – 2007.

The Policy must be approved by the Council in open forum, by the end of March each year and then be published on its website.

3. 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 the Equality Act 2010 and the Part-time Regulations 2008. The Council will ensure that there is no pay discrimination within its pay structures and that pay differentials can be quantified through the application of its Job Evaluation Scheme.

The Council operates the GLPC [Greater London Provincial Council] Scheme for all posts not defined as a Chief Officer. The posts of Chief Executive and Director, have been evaluated by utilising the external expertise of the North-West Employers Organisation, which includes comparative benchmarking data from other local authorities. The posts of Head of Service [Assurance Services and Human Resources] have been evaluated using the GLPC Scheme.

An Equality Impact Assessment has been undertaken for the Policy.

4. Pay Structure

The Council complies with the nationally negotiated spinal column points for all posts, with the exception being those senior level posts referred to within the Policy. The salary grades that the Council applies for all other posts are at Appendix A.

The salary increase for all posts within the Council is set nationally, through collective bargaining between the national Employers and Trade Unions.

A pay award of 2.20% was awarded to salary points above point 11, [except those relating to the Chief Executive's post], with effect from 1 January 2015 to 31 March 2016.

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 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.

5. Pay Policy 2007

This policy supersedes the policy agreed in 2007. It is important however that key aspects of the original policy, that relate to employee benefits are retained within this policy. These are detailed at Appendix B.

6. Definitions

The Localism Act refers to the position of Chief Officer and states that this refers to: the Head of Paid Service; Statutory Chief Officers; non-statutory Chief Officer posts and their direct reports [Deputy Chief Officers]. It should be noted that this definition is very broad, and takes account of Metropolitan and County Councils as well as District Councils.

It is considered that the posts that the term Chief Officer applies to at South Ribble Borough Council, in relation to the Localism Act are; Chief Executive, Director [3 posts], Head of Shared Assurance Services and Head of Human Resources. These being; the actual post of Chief Executive and those posts that report to the post of Chief Executive.

Although other posts report to the above posts and could be defined as Chief Officers, they have a maximum salary of less than £50,000 and are below the threshold for disclosure under the Accounts and Audit requirements. These posts are therefore considered not to be defined as Chief Officers. The post of Head of Shared Financial Services is excluded, as it is a post employed by Chorley BC and is covered by its Pay Policy.

The Policy only applies to employees/posts within the Council and it does not apply to Elected Members.

Remuneration is defined as the pay and rewards an individual receives.

7. Chief Executive Remuneration

The post of Chief Executive [Head of Paid Service] was filled by the current postholder in September 2010. 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.

An outcome of this review was that the salary range for this post was to remain the same as that of the previous post holder.

The current postholder not only fulfils the duties and responsibilities of the post of Chief Executive, but also fulfils the duties and responsibilities of the post of Chief Finance Officer [Statutory Finance Officer].

In most other local authorities the post of Chief Finance Officer [Statutory Finance Officer] is a separate post within its senior management structure. In order to reflect that the post of Chief Executive retains the responsibility of the post of Chief Finance Officer a temporary additional increment is awarded. Should this responsibility be transferred to another post, then the temporary additional increment will be removed.

Salary range;

| SPINAL POINT | SALARY [per annum] £ |
|--------------|----------------------|
| 1 | 96,600 |
| 2 | 98,277 |
| 3 | 99,954 |
| 4 | 101,631 |
| 5 | 103,308 |
| 6 | 104,985 |
| 7* | 106,662 |

**Temporary additional increment – above the salary range*

Additional Allowances;

Essential car user lump sum - £1,239 per annum.

Reimbursement of two professional subscription fees per annum.

Reimbursement of telephone line rental [*note: the current postholder has decided not to claim this allowance*].

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 the Returning Officer as part of the appointment process in September 2010. The Council pays the

fees for the local election [every four years] and the fees for other elections, such as Parliamentary and County Council, are paid for externally.

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 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.

8. Director Remuneration

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

- Director of Corporate Governance [Statutory Monitoring Officer] and Business Transformation
- Director of Development, Enterprise and Communities
- Director of Neighbourhoods, Environmental Health and Assets

These posts were established in 2014, following a review of the senior management structure.

As part of this, the salary range was uplifted with the salary range wef 1 January 2015 detailed below.

Salary range;

| SPINAL POINT | SALARY [per annum] £ |
|--------------|----------------------|
| 1 | 66,941 |
| 2 | 67,963 |
| 3 | 68,985 |
| 4 | 70,007 |
| 5 | 71,029 |

Additional Allowances;

Essential car user lump sum - £1,239 per annum.

Reimbursement of one professional subscription fee per annum.

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 National Joint Council – 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.

9. Head of Service Remuneration

There are two posts of Head of Service [employed by South Ribble Borough Council] reporting to the Chief Executive:-

Head of Shared Assurance Services
Head of Human Resources

Salary range;

| SPINAL POINT | SALARY [per annum] |
|--------------|--------------------|
| 1 | 45,782 |
| 2 | 47,020 |
| 3 | 48,259 |
| 4 | 49,469 |
| 5 | 50,736 |
| 6 | 51,974 |

Additional Allowances;

Essential car user lump sum £1,239 per annum.

Reimbursement of one professional subscription fee per annum.

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 National Joint Council – 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.

10. 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 4.1 and Standing Order No. 47 will apply.

11. 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.

12. Performance-related Pay

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

13. 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 paid salary are;-

| Post | Benchmark Salary | Ratio |
|------------------------|------------------|-------|
| Chief Executive salary | median salary | 1:4.4 |
| Chief Officer salary | median salary | 1:3.0 |
| Chief Executive salary | lowest salary | 1:6.9 |
| Chief Officer salary | lowest salary | 1:4.7 |

Chief Executive salary at mid-point = £101,631 – [average of the two mid-salary points]

Chief Officer salary at mid-point = £68,985 - [mid point of salary range]

Median salary = £22,937

Lowest salary = £14,719 [Salary plus supplement]

14. Lowest Paid Employees

The Council complies with the National Joint Council – Pay and Conditions of Service. The Pay Policy – 2007 created a new grading structure, with grade 1 being the lowest grade.

Whilst the national salary ranges are still applied, an additional pay element was agreed by the Council at its meeting on the 5 March 2014. This was the introduction of a Supplement to Lower-graded posts. Therefore with effect from 1 April 2014 onwards, employees paid below the Foundation Living Wage, will receive a supplement to their salary to bring them up to the Foundation Living Wage. This is applied wef from April each year and refers back to the Foundation Living Wage calculated each previous November. The Foundation Living Wage is currently £8.25 per hour.

15. Termination Payments

The Council's Redundancy Policy applies equally to all permanent 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.

For all permanent employees where there is the option for early retirement, the Council's Policy on Discretionary Compensation will apply where appropriate. This Policy is only used on those occasions when there can be demonstrated savings to the Council in releasing an employee early. The Council has the discretion to enhance an employee's pensionable service by up to a maximum of three years.

16. Employer Pension Contribution

The Council contributes to the Local Government Pension Scheme, for all employees in the scheme. This contribution, from 2014/15 onwards, will be a combination of an agreed percentage per employee together with a contribution towards the accrued deficit via the form of a cash lump sum, payable directly into the Pension Fund.

17. Employee Pension Contribution

Following the introduction of the revised Local Government Pension Scheme in April 2014, employees pay the annual contributions in the table below, based upon their salary;-

| Full-time salary | Contribution rate |
|---------------------|-------------------|
| Up to £13,500 | 5.5% |
| £13,501 - £21,000 | 5.8% |
| £21,001 - £34,000 | 6.5% |
| £34,001 - £43,000 | 6.8% |
| £43,001 - £60,000 | 8.5% |
| £60,001 - £85,000 | 9.9% |
| £85,001 - £100,000 | 10.5% |
| £100,001 - £150,000 | 11.4% |
| More than £150,000 | 12.5% |

18. Starting Salary – all employees

All appointments, including internal appointments and any employee re-graded, will commence on the lowest point of a grade other than where there is strong justification of the need for a higher starting point. This justification must be supported by both the appropriate member of the Senior Management Team and the Head of Human Resources.

19. Publication of the Policy

The Policy will be published on the Council's Website, prior to April 2016..

20. 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.

Human Resources

January 2016.

SOUTH RIBBLE BOROUGH COUNCIL –SALARY GRADES 1-9 WEF 1 JANUARY 2015

| | | | |
|---------------------------|---------|---------------------------|---------|
| <u>Grade 1</u> | | <u>Grade 4</u> | |
| <u>(scp 5-7)</u> | | <u>(scp 20-24)</u> | |
| 6 | £13,614 | 20 | £19,048 |
| 7 | £13,715 | 21 | £19,742 |
| | | 22 | £20,253 |
| | | 23 | £20,849 |
| | | 24 | £21,530 |
| <u>Grade 2</u> | | <u>Grade 5</u> | |
| <u>(scp 9-16)</u> | | <u>(scp 24-28)</u> | |
| 9 | £14,075 | 24 | £21,530 |
| 10 | £14,338 | 25 | £22,212 |
| 11 | £15,207 | 26 | £22,937 |
| 12 | £15,523 | 27 | £23,698 |
| 13 | £15,941 | 28 | £24,472 |
| 14 | £16,231 | | |
| 15 | £16,572 | | |
| 16 | £16,969 | | |
| <u>Grade 3</u> | | <u>Grade 6</u> | |
| <u>(scp 16-20)</u> | | <u>(scp 28-32)</u> | |
| 16 | £16,969 | 28 | £24,472 |
| 17 | £17,372 | 29 | £25,440 |
| 18 | £17,714 | 30 | £26,293 |
| 19 | £18,376 | 31 | £27,123 |
| 20 | £19,048 | 32 | £27,924 |
| <u>Grade 7</u> | | <u>Grade 9</u> | |
| <u>(scp 32-36)</u> | | <u>(scp 41-45)</u> | |
| 32 | £27,924 | 41 | £35,662 |
| 33 | £28,746 | 42 | £36,571 |
| 34 | £29,558 | 43 | £37,483 |
| 35 | £30,178 | 44 | £38,405 |
| 36 | £30,978 | 45 | £39,267 |
| <u>Grade 8</u> | | | |
| <u>(scp 36-41)</u> | | | |
| 36 | £30,978 | | |
| 37 | £31,846 | | |
| 38 | £32,778 | | |
| 39 | £33,857 | | |
| 40 | £34,746 | | |
| 41 | £35,662 | | |

NOTE:- spinal column point 8 is not used

PAY-RELATED BENEFITS [as approved in the Pay Policy for 2007 and still applicable]

| BENEFIT |
|---|
| <p>Overtime National pay and conditions (Green book) generally includes payment for working beyond a normal week at the rate of time and a half, or double on Sunday. However the flexible working hours schemes minimises the need to use this facility. Other rules apply for non standard working patterns.</p> |
| <p>Unsocial hours Local agreement to pay 12½ % allowance.</p> |
| <p>Standby Where employees are required to undertake standby duty, reasonable allowances are paid to reflect the needs of different services and the potential for call-out.</p> |
| <p>Honoraria The council has guidelines on the use of honoraria for substantial additional duties and responsibilities.</p> |
| <p>Car user allowance The council uses the national scheme.</p> |
| <p>Subsistence The council uses the national scheme.</p> |
| <p>First Aid £8.67 per month for nominated first aiders.</p> |
| <p>Professional fees One subscription paid where relevant to job.</p> |
| <p>Market Supplements Market supplements are paid for some 'hard to fill' posts in accordance with the Council's guidelines. A post attracting a market supplement will be subject to annual review..</p> |

NON-PAY BENEFITS [as approved in the Pay Policy for 2007 and still applicable]

| BENEFIT |
|--|
| <p>Annual leave 22 days 27 after 4 years 29 after 6 years Leave year commences on start date of employment and up to 3 days can be carried over at year end.</p> |
| <p>Special Leave Up to 5 days a year, with range of compassionate circumstances including bereavement.</p> |
| <p>Study leave Up to 5 days for approved qualification course, plus reasonable time for attendance and exams.</p> |
| <p>Life Insurance For employees who have been members of the Local Government Pension Scheme for more than 5 years, this provides death benefit of up to a year's salary, on a sliding scale based upon service.</p> |
| <p>Childcare Vouchers There is a scheme in place with Busy Bees to cut the price of childcare, by having the costs of childcare vouchers deducted from salary. This gives savings on Tax and National Insurance.</p> |
| <p>Health Sure scheme In return for a small monthly deduction from pay, employees can enjoy the benefits of a contribution towards dental cost, optical, osteopathy, chiropody etc.</p> |
| <p>Car Loan scheme If employees are to use their car in carrying out official duties, they may be eligible for a loan from the Council to assist in purchasing a car at a rate of 4.45%. If employees join the authority from another local authority, they may apply to transfer your current car loan.</p> |
| <p>Leisure Centre membership Reduced rates for SRBC employees for membership of all leisure centres in the borough.</p> |
| <p>Reservists Leave – reasonable time off for employees to attend military training and annual camp [<i>added April 2014</i>] – see Reservists Policy.</p> |