

# PAY POLICY STATEMENT- 2021/22

## 1. Introduction

The Localism Act 2011 – [Chapter 8 - Pay Accountability] requires all local authorities in England and Wales to produce a pay policy statement from 2012/13 and for each financial year thereafter, and must do so with regard to any guidance from the Secretary of State for Communities and Local Government.

Additional information is also reported in compliance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The Policy must be agreed by the Full Council and be publicly available.

## 2. Policy Objective

The purpose of the Pay Policy is to provide transparency with regard to the Council's approach to the setting of pay for all its employees and therefore identifies:

- The methods by which salaries of all employees are determined
- The details of the remuneration of its most senior employees, i.e. Chief Officers
- The relationship between the salary of its Chief Officers and other employees within the Council.
- Details relating to the lowest paid employees.

## 3. Scope

The pay policy covers the remuneration of all employees of the Council including temporary employees.

## 4. Pay Structure

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 uses the nationally negotiated pay spine as the basis for its local pay structures, with the exception being those most senior level posts referred to within the Policy. The Council also adheres to the national pay bargaining arrangements in respect of increases to the nation pay spine.

The pay spine is used to determine the salaries of all council employees, apart from the Chief Officers and senior officers, which are addressed separately within this policy. The grading structure of the majority of the posts was established as part of the Single Status job evaluation process and subsequent pay grade structure was adopted following Council approval in April 2007. This also addressed the Council's approach to the job evaluation of posts and the harmonisation of key terms and conditions of employment. Since 2007 all new posts and posts that have changed significantly are evaluated in accordance with the same Job Evaluation Scheme. The Council operates the GLPC [Greater London Provincial Council] Scheme

All other pay related enhancements and payable allowances/expenses are the subject of either nationally or locally negotiated and/or determined rates.

The Council complies with all relevant legislation and statutory guidance, including the Criminal Finances Act 2017 and the Intermediaries Regulation 35 (IR35), to ensure that all employees and workers engaged to cover Council posts pay the correct rates of tax and National Insurance at source.

## **5. Shared Services**

With effect from 1<sup>st</sup> October 2020 a number of service areas became shared between South Ribble Borough Council and Chorley Borough Council detailed below:

- Communications and Visitor Economy
- Transformation & Partnerships
- Human Resources
- Legal
- Democratic & Member Services
- Elections

In order to amalgamate services from the different Councils it was necessary to implement a new pay structure, still based upon the nationally negotiated pay spine. Employees on levels 10 to 17 receive an additional 6% of salary in lieu of access to the lease car scheme for which former Chorley Council employees previously had access to. Chorley Council employees who transferred to the Shared Services Pay structure with a lease car agreement in place will retain their lease car for the period of the agreement (3 years) and then revert to the 6% travel allowance.

## **6. Chief Officer Remuneration**

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 (known as 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 with far fewer management levels.

Therefore, for the purpose of this policy for South Ribble Borough Council, Chief Officers are:

- The Chief Executive (Head of Paid Services) Shared Post (see below)
- Deputy Chief Executive Shared Post

Salary increases are in line with JNC Chief Officers pay award which is negotiated annually

### **Shared posts**

Both the Chief Executive and Deputy Chief Executive post are shared between South Ribble Borough Council and Chorley Borough Council and the level of remuneration is reflected in the increased level of duties and responsibilities relating to the two councils.

### **Chief Executive**

Details of remuneration are contained in the annual Statement of Accounts.

The Chief Executive also receives reimbursement of professional subscription fees where membership of a particular professional organisation/s is required to carry out the full role of the post.

The Chief Executive is currently designated as the Deputy Chief Finance officer as this post is currently absent and will also take on the role of Returning Officer for any Local, National and European elections, payment for which will be in accordance with the statutory calculation.

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.

### **Deputy Chief Executive**

There is one post of Deputy Chief Executive reporting directly to the Chief Executive.

Details of remuneration are contained in the annual Statement of Accounts.

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.

### **Director and Assistant Director Senior Officer Remuneration**

As detailed within Section 5, South Ribble Borough Council has a number of shared services with Chorley Borough Council. The Director of Communities, Director of Early Intervention and Director of Governance are employed by South Ribble Borough Council and have responsibility for services across the two Councils. Similarly, the Director of Customer & Digital and Chief Finance Officer similarly have responsibility across the two Councils and as they are employed by Chorley Borough Council (CBC), details of their remuneration is contained within the CBC pay policy.

There are three posts of Director and two Assistant Directors, which are considered to be Senior Officer's posts and two other posts that sit within senior officer salary ranges on NJC terms and conditions:

- Director of Governance (Shared post with Chorley Borough Council)
- Director of Planning and Development (Shared post with Chorley Borough Council)
- Director of Communities (Shared post with Chorley Borough Council)
- Assistant Director Neighbourhoods
- Assistant Director Projects and Development

Details of remuneration are contained in the annual Statement of Accounts.

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.

Annual increases are in line with NJC Terms and Conditions

## **7. 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 appointment to the Councils Chief Executive, Deputy Chief Executive and statutory officer posts will be dealt with by the Appointment and Employment Panel and in accordance with the Council's constitution.

## **8. Relationship between Chief Executive/Chief Officer Pay and other Employees**

Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Ministry for Housing, Communities and Local Government (MHCLG) (formerly Department of Communities & Local Government – DCLG) under section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its “pay multiple”, i.e. the ratio between the highest paid salary and median average salary of the whole of the Council’s workforce.

The relationship between the maximum average 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	1:5.0
Deputy Chief Executive	median salary	1:3.9
Director Planning & Development	median salary	1:2.9
Director of Communities	Median salary	1:2.9
Assistant Directors salary	median salary	1:2.1
Chief Executive salary	lowest salary	1:7.1
Deputy Chief Executive	lowest salary	1:5.6
Director Planning & Development	Lowest salary	1:4.2
Director of Communities	lowest salary	1:4.2
Assistant Directors salary	lowest salary	1:2.9

The median salary is £25,481 (The median figure excludes casual employees who are only employed on an ad hoc or occasional basis)

The Council is requirement to report annually on gender pay gap statistics as part of the public sector equality duty. These statistics are published on its website.

## **9. Lowest Paid Employees**

The basic pay of the Council’s lowest paid employees comprises a locally agreed grade range implemented in April 2007 and derived from the national pay spine, as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service.

At present the Council pay the Foundation Living wage but are not an accredited Living wage employer therefore there is no commitment to pay it. This is subject to SRBC’S annual agreement as part of the Pay Policy. The current Foundation Living wage stands at £9.30 per hour. The new pay line commences at £9.30 per hour. South Ribble Borough Council are consistent with the Foundation Living Wage.

## **10. Apprentices**

There are a number of apprentices currently employed by South Ribble Council for a fixed period. With effect from 1st April 2019 all apprentices in their first year would receive the current National Living Wage regardless of their age and in the second year of their apprenticeship receive the Living Wage Foundation rate as detailed below:

National Living Wage	£8.72 per hour
Living Wage Foundation	£9.30 per hour

## **11. Other conditions Relating to Chief Officers and other Employees**

### **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.

### **Bonuses**

There are no schemes in relation to the payment of bonuses for any employees, including Chief Officers.

### **Payments on the termination of employment**

The Council's Redundancy Policy applies equally to all employees regardless of their grade.

### **Pension Arrangements**

All employees, including Chief Officers, are entitled to join the Local Government Pension Scheme if they so wish. No alternative options are available should employees not wish to join the scheme.

### **Starting Salary**

For all appointments, including internal appointments and any employee re-graded, negotiations will commence on the lowest point of a grade, however where there is strong justification of the need for a higher starting point this will be considered. This justification must be supported by both the appropriate Director and Human Resources.

### **Grade Progression**

Each grade consists of a number of incremental salary points, through which employees may progress until the top of the grade is reached. Progression within each grade will normally be by annual increment at 1 April each year subject to the maximum of the grade. However, Directors have the discretion to advance an individual employee's incremental progression within the grade on the grounds of special merit or ability to assist in the retention of able professional or other staff.

### **Specialist Support**

In exceptional circumstances, it may be necessary for the Council to make temporary appointments, to address capacity and/or skills gaps. These appointments should be for as short a period as is practicable and comply with appropriate procurement rules.

### **Market Supplements**

The Council also has a process by which it can consider paying market supplements where there have been difficulties in recruiting to the posts or the market demand/supply reflects the need. By taking 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. All market supplements have to be agreed with Human Resources and the relevant Director and are reviewed regularly.

## Professional Subscriptions

A number of employees are member of professional organisations in connection with their employment at the Council. Where there is a direct link to the employee's role, the council will reimburse the employee.

## Honorariums

The council has guidelines on the use of honoraria for substantial additional duties and responsibilities. Any additional payments are subject to regular reviews and must be agreed in advance of payment with the relevant Director and Human Resources.

## Relocation Allowance

Guidance on relocation allowance provides for up to £4000 for actual relocation. This can be used for rent, removals, travel connected to relocation etc, provided the relocation is from a minimum distance of 80 miles from the Civic Centre and is within the South Ribble area, within a set period of time.

## Reservists Leave

The Council will grant up to an additional 10 days (pro-rata for part-time employees) of paid leave per annum to employees who are Reservists under the 'Special Leave for Public Duties' to attend military training and annual camp.

## Gender Pay Gap reporting

This information is published in compliance with the The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and relates to the 31 March 2019.

Average hourly rates of pay for male and female employees (Regulations 8 and 9):

	Male	Female	Difference
Mean hourly rate	£15.03	£13.73	8.6%
Median hourly rate	£12.75	£13.25	3.9%

Bonus payments made to male and female employees (Regulations 10, 11 and 12):

This information is not reported as bonuses are not paid to any employee of Chorley Council.

The proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands:

	Male	Female
Lower quartile	40.0%	60.0%
Lower middle quartile	57.6%	42.4%
Upper middle quartile	43.5%	56.5%
Upper quartile	53.5%	46.5%

## **12. Publication of the Policy**

The Policy will be published on the Council's Website, prior to April 2021

## **13. 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.