

---

## **PAY POLICY STATEMENT 2012/13**

### **1 SUMMARY**

- 1.1 This report presents the Pay Policy Statement (PPS) for approval by Full Council. A PPS must be in place for 2012/13 and approved by Full Council by 31 March 2012.

### **2 INTRODUCTION**

- 2.1 One of the requirements of the Localism Act 2011 ('the Act') is that local authorities must approve and publish a Pay Policy Statement to articulate their policy towards a range of issues relating to the pay of their workforce and, particularly, senior staff and the lowest paid employees.
- 2.2 The provisions in the Act aim to increase accountability, transparency and fairness in the setting of local pay and ensure that communities have access to the information they need to determine whether remuneration, particularly senior remuneration, is appropriate and commensurate with responsibility. The Act requires Full Council to approve the PPS and any in year changes and this cannot be delegated to a Sub-Committee.
- 2.3 Each local authority is an individual employer in its own right and can make decisions on pay that are appropriate to local circumstances and which deliver value for money for residents. The Act does not seek to change this or determine what pay decisions should be taken, but it does require authorities to be more open about their own policies in relation to pay and how decisions are made.
- 2.4 In March 2011, the Hutton Review of Fair Pay was published and made several recommendations for promoting fairness in pay in the public sector by tackling disparities between the lowest and highest paid.
- 2.5 The Government has taken other steps to increase transparency on the pay and reward of public sector employees, including the Code of Recommended Practice for Local Authorities on Data Transparency which asks councils to consider the way they release data on senior salaries.
- 2.6 The Council already publishes information about the salaries and role of its chief officers on the Council's website and in the annual Financial Statements.

### **3 REQUIREMENTS FOR THE PPS**

- 3.1 The Act sets out in detail the elements which the PPS must include as a minimum. In addition to the determination of senior salaries, authorities must make clear what approach is taken to awarding other elements of pay, including severance payments, additional fees (such as election duties), pay increases etc.

- 
- 3.2 The Act also requires that Full Council should be offered the opportunity to vote before large salary packages (in excess of £100,000) are offered to new appointees.
- 3.3 The statement must set out a Council's policies relating to:-
- (a) the remuneration of its chief officers,
  - (b) the remuneration of its lowest-paid employees, and
  - (c) the relationship between:-
    - (i) the remuneration of its chief officers, and
    - (ii) the remuneration of its employees who are not chief officers.
  - (d) the level and elements of remuneration for each chief officer,
  - (e) remuneration of chief officers on recruitment,
  - (f) increases and additions to remuneration for each chief officer,
  - (g) the use of performance-related pay for chief officers,
  - (h) the use of bonuses for chief officers,
  - (i) the approach to the payment of chief officers on their ceasing to hold office or to be employed by the authority, and
  - (j) the publication of and access to information relating to remuneration of chief officers.
- 3.4 The statement must state the definition of 'lowest-paid employees' and the authority's reasons for adopting that definition.
- 3.5 The Act requires authorities to set their policy for the remuneration for their highest paid staff alongside their policy for their lowest paid employees and to explain what they think the relationship should be. The Hutton Review recommended the publication of an organisation's pay multiple – the ratio between the highest paid employee and the mean average earnings across an organisation, - as a means of illustrating that relationship. This is the approach taken in the attached PPS.
- 3.6 The PPS must have regard to any guidance issued by the Secretary of State. The Department for Communities and Local Government have published *Draft Guidance: Openness and Accountability in local pay: Draft Guidance under Section 40 of the Localism Act*. At the time of preparing this report, the guidance has not been finalised but the draft guidance has been taken into account. However, the draft guidance suggests that the PPS can include information on policies of pay for staff working for external contractors. This goes outside the terms of the legislation, which relates to employees of the council (not employees of other bodies) and therefore no provision has been included in the statement.
- 3.7 In view of the recent changes in the management structure and the requirements of the Localism Act it would be appropriate for page 4.75 of the

Council's Constitution to be adjusted to reflect that the appointment of officers below Chief Officer (Senior Management Team) level and associated matters are the responsibility of the Head of Paid Service or his nominee.

#### **4 LEGAL IMPLICATIONS**

4.1 The PPS is necessary to comply with the Localism Act 2011.

#### **5 EQUALITY AND DIVERSITY IMPLICATIONS**

5.1 An impact assessment has been carried out and the application of the PPS should ensure fairness and equality in dealing with any issues of pay.

#### **6 RECOMMENDATION**

6.1 It is proposed that Council **RESOLVES** that the Pay Policy Statement for 2012/13 be adopted and that page 4.75 of the Constitution be adjusted to reflect that the appointment of officers below Chief Officer level and associated matters are the responsibility of the Head of Paid Service or his nominee.

Yvonne Woodward

Head of Finance

---

#### **Background Papers:-**

Localism Act 2011 – Sections 38 – 43

Openness and accountability in local pay: Draft guidance under Section 40 of the Localism Act

The Code of Recommended Practice for Local Authorities on Data Transparency

For further information please contact Yvonne Woodward (Head of Finance) on:-

Phone: 01702 318029

Email: [yvonne.woodward@rochford.gov.uk](mailto:yvonne.woodward@rochford.gov.uk)

If you would like this report in large print, Braille or another language please contact 01702 318111.

---

## Rochford District Council

### PAY POLICY STATEMENT 2012/13

#### 1. Introduction

- 1.1 This Pay Policy Statement (PPS) sets out the Council's approach to the remuneration of its employees to comply with provisions of the Localism Act 2011 to increase accountability, transparency and fairness in the setting of local pay.
- 1.2 This PPS is produced in accordance with Chapter 8 of the Localism Act 2011 ('the Act'). It was approved by a meeting of Rochford District Council on 28 February 2012. It is made available on the Council's website which also includes separately published data on salary information relating to Chief Officers
- 1.3 This PPS complies with the requirements of the Localism Act and the draft guidance 'Openness and Accountability in Local Pay', published by the Department for Communities and Local Government in December 2011.

#### 2. Definitions

- 2.1 Pay Spine - For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine based on national Spinal Column Points. This pay spine is divided into pay bands, which contain incremental points. The banded grading structure is shown in the Appendix.
- 2.2 The definition of 'chief officer' and 'deputy chief officer' in the Localism Act means that it includes posts in addition to the normal statutorily defined posts. The chief officers for the Council are the Senior Management Team. The 3 statutory Chief Officers are the Head of Paid Service (Chief Executive), Monitoring Officer (Head of Legal, Estates and Member Services) and Section 151 officer (Head of Finance). The deputy chief officers are those service managers who report directly to a chief officer.
- 2.3 Employees on Scale 1 are defined as our lowest-paid employees. The Council also employs apprentices who are paid on a fixed rate below the pay spine and receive free professional training as part of their employment and the Council may employ temporary staff to deliver specific time limited activities such as sport coaches, whose remuneration will be based on market rates

### **3. General Principles Applying to Remuneration of Chief Officers and Employees**

- 3.1 All posts have been subject to a job evaluation process to determine the correct grading for the post and to ensure consistency and equality.
- 3.2 The recruitment of the Head of Paid Service and Chief Officers is covered by the Council's Constitution.
- 3.3 The salary for new appointments or promotions will be made at a salary point within the range for the post dependent upon skills, knowledge, experience and abilities.
- 3.4 Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded and satisfactory performance. In exceptional circumstances (e.g. examination success), individuals will receive accelerated increments. Again, this is subject to the top of their grade not being exceeded. Some employees are on a career matrix where progression through the increments will depend on meeting certain criteria.
- 3.5 The values of the SCPs in the pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services, Joint Negotiating Committee for Chief Officers of Local Authorities and Joint Negotiating Committee for Chief Executives of Local Authorities. At the time of preparing this policy, there have been no such increases in the national pay spine since April 2009.
- 3.6 The Council does not apply performance-related pay or bonuses.
- 3.7 On ceasing to be employed by the Council, individuals will only receive compensation:-
  - (a) in circumstances that are relevant (e.g. redundancy), and
  - (b) that is in accordance with the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
  - (c) that complies with the specific term(s) of a compromise agreement.
- 3.8 Any decision to re-employ an individual who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, or the appointment of a Chief Executive or Head of Service who is already in receipt of a pension under the LGPS, will be made on merit.
- 3.9 The Council has a Flexible Retirement policy setting out when this might be allowed. This is where an individual aged 55 or over who reduces their grade or hours of work (or both) may receive all or part of their LGPS benefits immediately, even though they haven't left the Council's employment. This will be allowed only in circumstances where it is demonstrated to be in the Council's interests.

- 3.10 Where changes to a job description result in a downgrading of the post or employees are permanently redeployed to a post with a lower salary, the individual may be entitled to a limited period of pay protection.
- 3.11 Salary sacrifice schemes are available for Childcare Vouchers and staff parking.

#### **4. Additional Payments**

In addition to the basic salary for the post, staff may be eligible for other payments including:-

- Subsistence, Essential and Casual Car User allowances and reimbursement of mileage in line with the National Agreement on Pay and Conditions.
- Acting Up allowance where an officer covers the duties of a higher grade position.
- All Staff who maintain a 100% attendance during a 6 month period may qualify to receive an award.
- The Council rewards exceptional performance through its Staff Award scheme, which is based on nominations from staff.
- Additional payments are made to some staff who undertake additional duties such as on-call officers, health and safety departmental co-ordinators, committee attendance and first aiders.
- The Council may pay where membership of a professional organisation is a requirement to carry out the role.
- Overtime is paid in line with the Council's policy, up to staff grade PO2. No overtime is paid to staff above grade PO2.

#### **5. Remuneration of the Chief Officers**

- 5.1 All general principles set out in Section 4 apply to the Senior Management Team. The Senior Management Team's salary range is in accordance with an agreed salary banding and published on the Council's website and reproduced in the Appendix. All managerial staff are subject to annual appraisal, and progression on the scale only happens if satisfactory progress is evidenced.
- 5.2 The Chief Executive also receives a Returning Officer and Deputy Returning Officer fee in respect of County, District and Town/Parish Council elections. The fee for undertaking this role is calculated in accordance with a formula previously agreed by the Council. Fees for conducting Parliamentary Elections and referenda are determined by way of a Statutory Instrument.

**6. Relationship between the lowest and highest paid employees**

- 6.1 The Act requires authorities to set out the relationship between the remuneration for their highest paid staff compared to their lowest paid employees and to explain what they think the relationship should be. The Hutton Review recommended the publication of an organisation's pay multiple – the ratio between the highest paid employee and the mean average earnings across an organisation - as a means of illustrating that relationship and this is the approach adopted in this PPS.
- 6.2 The Council's current pay multiples, set out below for general guidance, are:-
- The ratio of the highest earning officer to the average of all other employees is 5:1
  - The ratio of the average Chief Officers earnings to the average of all other employees is 3:1
- 6.3 The relationship between earnings at the highest and lowest levels is controlled by job evaluation.

**7. Transparency and Access to Information**

- 7.1 This Policy will be published on the Council's website once it has been approved by Full Council. The Council also publishes details and the salary ranges of the Chief Officers on its website.
- 7.2 The Council will publish details of the remuneration for the Chief Officers in its Financial Statements on the website by 30 June after the year end. The Financial Statements will also include a note setting out the number of employees whose remuneration was £50,000 or more in bands of £5,000.

**8. Review**

- 8.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement will be for 2013/14 and will be submitted to Full Council for approval by 31 March 2013.
- 8.2 If it should be necessary to amend this 2012/13 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

## Appendix

### GRADING STRUCTURE

Grade	Scale Point Range	
	From	To
Scale 1	6	11
Scale 2	11	13
Scale 3	14	17
Scale 4	18	21
Scale 5	22	25
Scale 6	26	28
SO1	29	31
SO2	32	34
PO1 - 18	33	50
SM1	50	53
SM2	54	58
SM3	59	63
SM4	64	68
SM5	69	73
SM6	74	79
CE	80	84

### SENIOR MANAGEMENT TEAM REMUNERATION

<u>Grade</u>	<u>Salary Range</u>	
	<u>From</u>	<u>To</u>
<u>SM4</u>	<u>£62,452</u>	<u>£68,699</u>
<u>SM5</u>	<u>£73,804</u>	<u>£81,183</u>
<u>SM6</u>	<u>£83,353</u>	<u>£94,178</u>
<u>CE</u>	<u>£102,679</u>	<u>£113,485</u>