
PAY POLICY STATEMENT 2018/19

1 SUMMARY

- 1.1 This report presents a proposed Pay Policy Statement (PPS) for approval by Full Council. A PPS must be in place for 2018/19 approved by Full Council by 31 March 2018.

2 DISCUSSION

- 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 open about their policies in relation to pay and how decisions are made.
- 2.4 The Code of Recommended Practice for Local Authorities on Data Transparency asks councils to consider the way they release data on senior salaries.
- 2.5 The Council already publishes information about the salaries and the 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 that 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 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 and lowest paid staff and to explain what they think the relationship should be. The 2011 Hutton Review of Fair Pay recommended the publication of an organisation's pay multiple – the ratio between the highest paid employee and the median average earnings across an organisation - as a means of illustrating that relationship. This is the approach taken in the attached PPS.

4 RISK IMPLICATIONS

- 4.1 None.

5 CRIME AND DISORDER IMPLICATIONS

- 5.1 None.

6 ENVIRONMENTAL IMPLICATIONS

- 6.1 None.

7 RESOURCE IMPLICATIONS

- 7.1 The proposed 2018/19 budget will be presented to Full Council for approval on 13 February 2018; this includes the estimated cost of salaries for the financial year. The assumptions used to build the salaries budget are based on the proposed staffing base, the Council's proposed pay policy, as set out in this report, and any intelligence as to likely future national pay awards which could impact the actual levels of pay within this policy.

8 LEGAL IMPLICATIONS

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

9 PARISH IMPLICATIONS

9.1 None.

10 EQUALITY AND DIVERSITY IMPLICATIONS

10.1 The application of the PPS should ensure fairness and equality in dealing with issues of pay.

11 RECOMMENDATION

11.1 It is proposed that Council **RESOLVES** that the Pay Policy Statement be adopted.



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ROCHFORD DISTRICT COUNCIL

PAY POLICY STATEMENT 2018/19

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 is made available on the Council's website which also includes separately published data on salary information relating to the Leadership Team.
- 1.3 This PPS complies with the requirements of the Localism Act and the guidance "Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011", published 17 February 2012).

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 up to PO17. The rest of the pay line has been determined based on locally agreed Pay and Conditions. The banded grading structure is shown in the Appendix.
- 2.2 Section 43 of the Localism Act defines the meaning of a Chief Officer. In relation to Rochford District Council's management structure the following is included in the definition of a Chief Officer:
 - Statutory Chief Officers (Head of Paid Service and Section 151 Officer)
 - Non Statutory Chief Officers (Strategic Director and Monitoring Officer)
 - Deputy Chief Officers (Assistant Directors)
- 2.3 Employees on Scale 2 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. 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 The Leadership Team and other 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 Leadership Team 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 on skills, knowledge, experience and abilities. Full Council, or a meeting of Members, would be offered the opportunity to vote before salary packages exceeding £100,000 in respect of new appointments are offered. For this purpose, salary packages would include salary, allowances and any benefits in kind.
- 3.4 Increments - Employees will normally receive an annual increment, subject to the top of their grade not being exceeded and subject to 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. For the Leadership Team incremental progression will be determined locally subject to financial affordability and performance. The Leadership Team comprises the Managing Director, Strategic Director and Assistant Directors.
- 3.5 Pay Awards - For posts evaluated at PO17 or below the values of the scale points in the pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services. For posts evaluated at PO 18-20 the values of the scale points in the pay grades are updated in line with the pay awards notified from time to time by the National Joint Council for Local Government Services. For the Leadership Team the values of the scale points will be reviewed annually and determined locally subject to financial affordability.
- 3.6 Market Supplements – Where market fluctuations and demands are such an additional payment may be necessary in order to recruit and retain staff with appropriate and essential knowledge and skills. This is a discretionary payment. A robust business case must be submitted to the Managing Director/Strategic Director and the Section 151 Officer for consideration. Market supplements will only be paid in exceptional cases where there is evidence submitted such as local and regional benchmarking data and a history or failure to recruit or retain staff in key posts. Market supplements which are in place will be reviewed annually and may be withdrawn at the discretion of the Council. They do not form part of basic pay and there is no contractual right to receive or retain a market supplement. Market

supplements allow flexibility for the Council to attract and retain high calibre staff in key posts which, particularly during times of financial challenge, is crucial if the Council is to retain high performance levels and deliver services to local people. Market supplements are currently only considered for posts within the Planning and Regeneration Service.

- 3.7 The Managing Director, as Head of Paid Service, has delegated authority to determine and issue guidelines with regard to national and local pay awards.
- 3.8 If there is a future agreement for a pay award, the appendix to this PPS will be updated.
- 3.9 The Council does not apply performance-related pay or bonuses.
- 3.10 On ceasing to be employed by the Council, individuals will only receive compensation in circumstances that:
 - (a) are relevant (e.g. redundancy); and
 - (b) are in accordance with the various employer discretions provided by the Local Government Pension Scheme (LGPS); and/or
 - (c) comply with the specific term(s) of a settlement agreement.
- 3.11 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 to appoint a Managing Director or member of the Leadership Team who is already in receipt of a pension under the LGPS, will be made on merit.
- 3.12 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.
- 3.13 Where changes to a job description result in the downgrading of a post or an employee is permanently redeployed to a post with a lower salary, the individual may be entitled to a limited period of pay protection as per the Council's Managing Organisational Change Policy.
- 3.14 Salary sacrifice schemes are available.

4. Additional Payments for PO20 and below

- 4.1 In addition to the basic salary for the post, staff at PO20 and below may be eligible for other payments including, but not limited to:

- Subsistence in line with the National Agreement on Pay and Conditions.
- Essential and casual car user payments based on co2 bandings.
- Acting Up allowance where an officer covers the duties of a higher grade position.
- An award in relation to maintaining 100% attendance during a 6 month period may qualify to receive an award
- 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. Additional Payments for all staff

- 5.1 Additional payments are made to staff who undertake additional duties such as emergency on-call officers, health and safety departmental co-ordinators, first aiders and fire marshals.

6. Remuneration of the Leadership Team

- 6.1 The Leadership Team's salary range is in accordance with an agreed salary banding and published on the Council's website and reproduced in the Appendix. Staff are subject to ongoing appraisal, and progression on the scale only happens if satisfactory progress is evidenced.
- 6.2 Car mileage is paid at HMRC rates. Essential car payments are not paid. Subsistence allowances will be paid in line with those for other staff.
- 6.3 The members of the Leadership Team undertaking the statutory roles of Returning Officer and Deputy Returning Officer receive the relevant 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, European, Police and Crime Commissioner Elections and referenda are determined by way of a Statutory Instrument.

7. Relationship between the lowest and highest paid employees

- 7.1 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 median average

earnings across an organisation - as a means of illustrating that relationship and this is the approach adopted in this PPS.

7.2 The Council's current pay multiples, set out below for general guidance, are:

- The ratio of the highest earning officer to the median average of all other employees is 4.18
- The ratio of the median average Chief Officers earnings to the median average of all other employees is 2.38

7.3 The relationship between earnings at the highest and lowest levels is controlled by job evaluation.

8. Tax

8.1 IR35 rules take effect from 6th April 2017. In some circumstances, it can be more cost effective and appropriate to employ individuals through private companies. In these rare instances, compliance with HMRC tax legislation is checked and value for money would need to be demonstrated.

9. Transparency and Access to Information

9.1 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 Leadership Team on its website.

9.2 The Council will publish details of the remuneration for the Leadership Team 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.

10. Review

10.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement will be for 2018/19.

10.2 If it should be necessary to amend the Statement during the year that it applies, an appropriate resolution will be made by Full Council. This does not apply to the updating of the Appendix on salary scales if there is a nationally set pay award agreed.

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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 – 20	33	52
Assistant Director	55	58
Strategic Director	63	67
Managing Director	68	72

LEADERSHIP TEAM REMUNERATION

Grade	Salary Range	
	From	To
Assistant Director	£56,106	£61,206
Strategic Director	£79,342	£89,921
Managing Director	£105,790	£116,924