

Pay Policy Statement

The Reason for the Decision	The Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
Summary of options considered	N/A
Recommendations	That Council approves the Pay Policy Statement.
Financial/Resource Implications	All financial implications are included in the report.
Legal Implications	All legal implications are included in the report.
Community Safety Implications	N/A
Health and Safety and Risk Management Implications	N/A
Equality Duty considered/Impact Assessment completed	Yes
Wards Affected	All
The contribution this decision would make to the Council's Strategic Priorities	The statement provides transparency with regard to the Council's approach to setting the pay of its employees.
Is this a Key Decision	Yes
Portfolio Holder	Councillor Barbara Cannon
Lead Officer	Ian Frost, Chief Executive, 01900 702975, ian.frost@allerdale.gov.uk

Report Implications (Please delete where applicable).

Community Safety	N	Employment (external to the Council)	N
Financial	Y	Employment (internal)	Y
Legal	Y	Partnership	N
Social Inclusion	Y	Asset Management	N
Equality Duty	Y	Health and Safety	N

1. Introduction and Purpose

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 Statement (the ‘statement’) sets out the Council’s approach to pay policy 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 detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
- the Chief Officer’s Employment Panel and the Chief Executive (as the Head of Paid Service) are responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the Council.

Once approved by the Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31st March each year.

The introduction of the Code of Practice for Local Authority on Data Transparency 2013 places additional duties on Local authorities in terms of publication of pay details which are included in the document. The Code also requires the publication of Trade Union Facility Time and the annual publication of organisation structure charts which are contained in Appendix 1.

2. Other legislation relevant to pay and remuneration

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations 2006.

The Trade Union Bill (2015/2016) may introduce further changes in relation to reporting on trade union time.

The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3. Pay and Grading Structure

The Council uses the nationally negotiated pay spine (i.e. a defined list of salary points) as the basis for its local pay structure, which determines the salaries of its employees (published on the intranet). The actual salary levels for each post other than Chief Officers are determined by reference to the Council’s Job Evaluation Scheme. This is a national scheme and is covered by the Grading of Posts Policy (currently under review). In light of the National Living Wage which is due to be introduced from April 2016, this will impact on other scp within the Councils pay

scale. The Council is awaiting the outcome of the national negotiations regarding the NJC pay award 2016-18.

The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with joint trade unions.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied where necessary to secure the best candidate. Where the appointment salary is above the minimum point of the pay scale this will be within the discretion of the appointing officer applies under the Recruitment and Selection Policy.

From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, 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, in accordance with the Market Factor Supplement Policy.

Any temporary supplement to the salary scale for the grade is approved in accordance with the Pay and Reward Policy.

All employees are covered by the National Joint Council Agreement on Pay and Conditions of Service except for Chief Officers who are covered by a separate National Joint Council Agreement for Chief Officers of Local Authorities.

Salary levels for Chief Officers were set by Council after consideration of an independent review which was undertaken externally by North West Employers Organisation (NWEO) in 2012. The determination of any new salary structure is undertaken in accordance with the guidance produced by the Joint Negotiating Committees for Chief Executives and Chief Officers which says that when deciding the level of remuneration the following factors should be considered:

- The Chief Executive's salary and that of senior staff not covered by the Chief Officers' JNC;
- Any special market considerations;
- Any substantial local factors not common to authorities of similar type and size.
- Comparative salary information from other similar authorities;
- Top management structures and the size of the management team compared to those of other authorities of similar type and size;
- The relative job size of each post, as objectively assessed.

There is no separate provision for Chief Officers in relation to the Council's general employment policies and statements. Arrangements for Chief Officers are dealt with in accordance with the Council's ordinary policies.

4. Senior Management Remuneration

Details of the senior management remuneration are included below:

Job Title	Points	Salary
Chief Executive	1	£100,000
Corporate Director**	3	£72,450, £74,460, £76,500
Heads of Service**	3	£45,900, £47,940, £49,980

** An individual's progression through the relevant pay scale is annual increments subject to satisfactory performance.

Returning Officer

The designation of the Returning Officer currently sits with the Corporate Director. The Council is required to provide funding to the Returning Officer to discharge statutory functions relating to the administration of local government elections. The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections in accordance with their role.

Monitoring Officer and Deputy

The designation of the Monitoring Officer currently sits with the Head of Governance. The Monitoring Officer is paid on the normal salary for a Head of Service, with an additional 10% annual allowance in recognition of their particular statutory responsibilities.

Section 151 Officer and Deputy

The designation of the Section 151 Officer currently sits with the Head of Financial Services. The Section 151 Officer is paid on the normal salary for a Head of Service, with an additional 10% annual allowance in recognition of their particular statutory responsibilities.

The Council is currently awaiting confirmation of the pay award for Chief Officers and Chief Executives.

Further details are published in the Council's Annual Statement of Accounts.

5. Recruitment of Chief Officers

The Council's policy and procedures with regard to recruitment of Chief Officers is set out within section 8.5 of the Constitution.

When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own equal opportunities in Recruitment & Selection, and Change Management Policy.

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

6. Additions to Salary of Chief Officers

With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, which is assessed on an annual basis.

To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration (e.g. honoraria, ex gratia, 'acting up') relating to temporary additional duties are the same for all officers and are set out in the Acting up, Honorarium & Secondment Policy.

In addition to basic salary, the following posts receive additional pay as set out below;

Post / Tier of post	Payment details
Corporate Director	<p>The designation of Returning Officer is made by Full Council and currently sits with the Corporate Director.</p> <p>The fees paid for Returning Officer services are as follows :</p> <p>In accordance with the national agreement the Returning Officer is entitled to receive and retain the personal fees arising from performing the duties of the RO, ACT, DRO or DARO and similar position which they perform subject to the payment of pension contributions thereon, where appropriate.</p> <p>In respect of Borough and Parish Council elections the fee is based on a calculation of £100 per Borough Ward and £100 per contested parish.</p> <p>Fees for elections duties for other elections (County Council, National and European, etc.) are paid as an additional sum at the rate prescribed by government as and when they arise, they are distinct from the process for the determination of pay for Chief Officers.</p> <p>Some officers may attract a supplement for deputy returning officer duties</p>
Statutory Officers	<p>Salary supplements payable for fulfilling statutory officer duties (e.g. S151 / MO)</p>
Chief Executive Corporate Director	<p>The Chief Executive and Corporate Directors are designated as essential car users and receive a payment in line with the policy.</p>

7. Bonus Payments

The Council does not operate any variable pay or bonus schemes.

8. Pension Contributions

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Cumbria Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The proposed rate to be used in the financial year 2016/17 is 12.6%.

The employee contribution rates are based on actual pensionable pay as detailed in the table below. These rates are published each year. At time of publication of this pay policy, the 2016/17 rates have not been published.

Contribution table 2015/16	
Actual Pensionable Pay £	Employee contribution rate
Up to £13,600	5.5%
£13,601 - £21,200	5.8%
£21,201 - £34,400	6.5%
£34,401 - £43,500	6.8%
£43,501 - £60,700	8.5%
£60,701 - £86,000	9.9%
£86,001 - £101,200	10.5%
£101,201 - £151,800	11.4%
£151,801 or more	12.5%

9. Payments on Termination

The Councils approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is the same as for all employees set out within its Pension Discretion Policy in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a formal decision made by the Head of Paid Service, or the Chief Officers Employment Panel in line with the Councils constitution.

10. Pay Analysis

Median Salary

This calculation is made including all staff within the paid services of the Council, including the Chief Executive. The median salary using the December 2015 payroll was £24,472. This is based on a staffing number of 259 and total remuneration of £6,625,035.00 (based on all posts at their full-time equivalent rate).

Lowest paid employees

Using December 2015 payroll data, the lowest paid employee was on a salary of £13,614, however the Council pays the Living Wage which is currently £8.25 per hour. This means that the lowest employee is actually paid £15,915 per annum.

Apprentices are appointed to Allerdale Borough Council on the living wage (currently £8.25).

Pay Multiple

The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The average full time salary throughout the Authority is £25,678, with the highest salary being £100,000 per annum. Therefore, the 'pay multiple', the ratio between the highest paid salary and the median average salary (£24,472) of the whole of the authority's workforce, is 1:4 (as at December 2015).

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local authorities.

11. Trade Union Facility Time

There are currently seven employees who are official union representatives. The union that is represented in the Council is Unison.

The Code of Practice on Data Transparency 2013 requires that Councils produce a basic estimate of time spent on union activities. Representatives are currently not asked to record the amount of time that they spent on union activities, No union representation spends 50% of their time consistently every week on trade union activities, however, a basic estimate as a proportion of the total pay bill is 0.43% (£28,035 divided by total pay bill x 100).

12. Publication

Upon approval by the Full Council, this statement will be published on the Council's website.

13. Accountability and Decision Making

In accordance with the Constitution of the Council, the Head of Paid Service, Chief Officer Employment Panel and Council are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to Chief Officers of the Council.

14. Re-employment/Re-engagement of former Chief Officers

The Council will not normally employ or engage under a contract of service Chief Officers who have previously received a redundancy or severance payment or who are in receipt of a pension under the Local Government Pension Scheme.

The previous government passed legislation (Small Business, Enterprise & Employment Act 2015), to prevent highly paid individuals who return to the public sector within 12 months of exit from retaining their full exit payment. This measure will take effect from April 2016 and will ensure that the taxpayer is not unduly compensating an individual for loss of employment only for them to return to the public sector within one year.

The government is taking forward changes that mean that no public sector exit payment can be more than £95,000.

15. Proposed changes from last adopted policy

This Pay Policy Statement includes some proposed changes in section 4 and section 14. These include:

- Section 151 and Monitoring Officer – currently paid an annual allowance of £2000. Proposal to increase this to 10% of salary (up to £4,998), as comparative salaries of roles with statutory duty are considerably higher than Allerdale Borough Council's Head of Service.
- Cap on public sector exit payment (section 14).

Ian Frost
Chief Executive

**Monitoring Officer
Section 151 Officer**

Chief Executive
Permanent
ian.frost@allderdale.gov.uk
£100,000
Net budget £418,430 (CMT budget)
X3 staff

**PA to the
Chief Executive**

**PA to the
Corporate Director**

Corporate Director
Permanent
Andrew.seekings@allderdale.gov.uk
£72,450 - £76,500
Net budget (see above CMT budget)
AONB

**PA to the
Corporate Director**

**Head of
People
Resources
(shared role with
Copeland)
Permanent**
Zoe.pluckrose@allderdale.gov.uk
£45,900 - £49,980
Net budget
£519,014
X4 staff

Human Resources

Leadership and
Talent

**Head of
Customer
Transformation
&
Commissioning
Permanent**
Paul.wood@allderdale.gov.uk
£45,900 - £49,980
Net budget
£2,661,201
X102 staff

Customer Insight
and Services
Information
Management
Corporate Project
Management
Policy and
Communications
ICT
Procurement &
Commissioning

**Head of
Financial Services
Permanent**
Catherine.nicholson@allderdale.gov.uk
£45,900 - £49,980
(Plus 10%)
Net budget
£6,372,662
X35 staff

Financial Services
Payroll
Business Continuity
Building Cleaning
Public Conveniences
Coast Protection
Drainage
Asset Management
Insurance

**Head of
Governance
Permanent**
Sharon.sewell@allderdale.gov.uk
£45,900 -
£49,980
(Plus 10%)
Net budget
£1,180,150
X18 staff

Democratic
Services
Legal Services
Audit
Licensing
Land Charges
Risk
Management

**Head of
Housing and
Health
Permanent**
Graeme.wilson@allderdale.gov.uk
£45,900 - £49,980
Net budget
£1,061,675
X33

Housing Strategy
and Research
Private Sector
Housing
Housing Options
and Homelessness
Environmental
Health
Corporate Health
and Safety
Emergency
Planning

**Head of
Community
Services
Permanent**
Charles.holmes@allderdale.gov.uk
£45,900 - £49,980
Net budget
£4,137,960
X34 staff
Museums
Arts & Leisure
Streetscene
Parks and Open
Spaces
Grounds
Maintenance
Refuse Collection
and Recycling
Pest Control
Sports
Development
Nuclear
Car Parking

**Head of
Economic
Growth
Temporary**
Nik.hardy@allderdale.gov.uk
£45,900 - £49,980
Net budget
£660,281
X7 staff

Economic
Development
Town Centre
Management
Markets
Tourism
Development
Corporate Estate
Management

**Head of
Development
Services
Permanent**
Kevin.kerrigan@allderdale.gov.uk
£45,900 - £49,980
Net budget
£412,190

X33 staff
Development
Management
Planning Policy
Planning
Conservation
Building Control

