



Pay Policy

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Barrow Borough Council Pay Policy Statement 2016/17

Background

Under section 112 of the Local Government Act 1972, the Council has the 'power to appoint officers on such reasonable terms and conditions as authority thinks fit'. This 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.

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 detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
- Executive committee are responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to full Council.

The Pay Policy Statement was approved by full Council on 20th March 2012 coming into immediate effect and is subject to review on an annual basis being approved by 31st March each year.

Other legislation relevant to pay and remuneration

In determining the pay and remuneration of all of its Chief Officers, 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.

Pay Structure for Chief Officers

The Council uses locally determined rates with spot salaries, which are subject to pay increases negotiated with joint trade unions, via the national pay bargaining arrangements (the JNC for Chief Officers).

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.

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.

Any temporary supplement to the salary scale for the grade, for example ex-gratia payments and honoraria, is approved in accordance with the Council's constitution, i.e. via Executive Committee and approved at full Council.

Chief Officer Remuneration

For the purposes of this statement, senior manager means 'chief officers' are defined below. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st January 2016. In addition to the Executive Director, there are 4 employees designated as Chief Officers and receiving salaries over £45,000 per annum. The Council's Organisation Structure is attached at Appendix 1.

Executive Director

Salary currently set at £93,840 pa (spot salary)
Set by Council in January 2012 as part of Budget Strategy for 2012-2015
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Executives
Will not receive Returning Officer fees
Will not be subject to performance related pay
Will be published as part of transparency agenda

Director of Resources

Salary set at £75,072 pa (spot salary – 80% of Executive Director pay)
Set by Council in January 2014 as part of management restructure.
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Officers
Will not be subject to performance related pay
Will be published as part of transparency agenda

Assistant Director Regeneration & Built Environment *Assistant Director Community Services*

Salary set at £47,940 pa (spot salary - 51% of Executive Director pay)
Set by Council in January 2012 as part of Budget Strategy for 2012-2015
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Officers
Will not be subject to performance related pay

Assistant Director – Housing

Salary set at £47,940 pa (spot salary - 51% of Executive Director pay)
Set by Council in January 2014 as part of management restructure.
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Officers
Will not be subject to performance related pay

Recruitment of Chief Officers

The Council's policy and procedures with regard to recruitment of chief officers is set out within the Recruitment Policy (Appendix 2) and as set out in the Constitution. Executive Committee or a sub-committee will make all chief officer appointments.

When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own policies (Recruitment Policy, Appendix 2, Organisational Change Policy, Appendix 5) as approved by Council.

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.

Additions to Salary of Chief Officers

The level of remuneration is not variable dependant upon the achievement of defined targets.

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 relating to temporary additional duties are set out in the NJC Terms and Conditions for Local Government Services for calculation of honoraria, and the Councils Ex-gratia Payments Policy (Appendix 3).

In addition to basic salary, the following posts receive elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses occurred in the fulfilment of their duties;

<i>Post</i>	<i>Payment Details</i>
Chief Officers	Lump Sum Car Allowances

Payments on Termination

The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within the Early Retirement Policy (Appendix 4) and Organisational Change Policy (Appendix 5) in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) Discretionary Compensation) Regulations 2006.

The Council has a voluntary redundancy scheme in place aimed at encouraging volunteers and reducing the need for compulsory redundancies. This scheme uses the statutory calculator (age/length of service) to determine the number of weeks pay volunteers will be entitled to, subject to a maximum of 30 weeks' pay. Actual pay is used in the calculation NOT the statutory maximum.

For volunteers aged over 55 and entitled to early access to pension, there will be no discretionary additions to payments.

The severance terms apply to all employees of the Council.

Any payments falling outside the provisions of the above policies, (pay in lieu of notice, working notice, gardening leave etc) will be made on a case by case basis and shall be subject to a formal decision by Executive Committee and approved by Council.

Settlement Agreements

Under the Enterprise and Regulatory Reform Act 2013 the Council will use Settlement Agreements where there exists a clear and real risk of an Employment Tribunal case and where it is commercially expedient to do so. Settlement Agreements will not be considered as normal protocol when employment terminates.

Settlement Agreements are not necessary in a voluntary or compulsory redundancy scenario. If the Council's redundancy policy and procedure has been complied with and if a Senior Manager's employment has been terminated with proper notice and where any dismissal is fair, a Settlement Agreement is unnecessary. In addition, the Council avoids having to pay the legal fees incurred by the employee for the review of the agreement. The Council will therefore only use Settlement Agreements where there exists a real risk of Employment Tribunal litigation.

Publication

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

Lowest Paid Employees

The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal point with the Council's grading structure.

As at 1st October 2015, this is £13,614 per annum (spinal column point 6).

The current pay levels within the Council (at 1.1.2016) gives the multiple between the median full time equivalent earnings and the Executive Director as 4.4:1.

The ratio between the lowest paid employees and the Executive Director is 6.98:1.

Accountability and Decision Making

In accordance with the Constitution of the Council, Executive Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

Re-employment / Re-engagement of former Chief Officers

The Council will not normally re-employ/re-engage former Chief Officers.

Appendices

Appendix 1	Organisation Structure
Appendix 2	Recruitment Policy
Appendix 3	Ex-gratia Policy
Appendix 4	Early Retirement Policy
Appendix 5	Organisational Change Policy