

Pay Policy Statement 2014/15

Report by the Executive Head of Corporate and Cultural Services

1.0 Summary

1.1 This report seeks approval of the Pay Policy Statement 2014/15 which is a statutory requirement under Section 38 (1) of the Localism Act 2011. The statement will be updated on an annual basis.

1.2 The pay policy statement is set out in Appendix 1.

2.0 Background

2.1 The Council along with all other Local Authorities in England are required to prepare a Pay Policy Statement each year, 2012 was the first year these Statements had to be published.

2.2 The Localism Act includes an expression of the Governments aim that there is improved transparency about how public money is spent, including that of pay.

2.3 The Pay Policy Statement must articulate a Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff ("chief officers") and its lowest paid staff.

2.4 The Councils are individual employers (albeit in a partnership arrangement with each other) and as such have the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for the local taxpayer.

3.0 Commentary

3.1 In producing the Pay Policy Statement (attached as Appendices 1) account has been taken of the fact that the partnership arrangement is between Adur District Council and Worthing Borough Council. However separate Pay Policy Statements have been produced for the two Councils.

3.2 In undertaking the analysis of pay, (in particular the pay ratio between the median average salary of staff who are not chief officers and the Chief Executive) officers

who form part of the shared service structure are treated as the Council's employees for the purpose of this exercise.

- 3.3. In paragraph 2.4, reference is made to the Council developing an approach to pay that seeks to achieve value for money. Since the introduction of Partnership working there has been a significant reduction in the size of the Councils Management Team.

	C/Ex	S/Directors	EHoS
Pre Partnership	2	4	17
1 st April 2008	1	3	10
June 2009	1	2	10
March 2010	1	2	9
May 2011	1	2	8
August 2011 (current structure)	1	2	7
April 2014	1	4	0

- 3.4 A cost allocation mechanism is in place for the Councils Management Team as follows:

Post	Adur	Worthing
Chief Executive	50%	50%
Strategic Directors	50%	50%

- 3.5 At the publication of this report negotiations for the 2014/15 pay settlement are on-going, Officers will report at the meeting on the current position however the Committee may wish to note that there could be some changes to the information in the Policy presented to the respective Councils as negotiations progress.

4.0 Legal

- 4.1 The Pay Policy Statement is a statutory requirement under Section 38 (1) of the Localism Act 2011.
- 4.2 DCLG guidance on the Pay Policy Statement advises that the Secretary of State does not consider that the statement engages the Data Protection Act as they contain general principles underpinning decisions on pay and not personal data.

5.0 Financial implications

- 5.1 There are no financial implications to publishing the Pay Policy Statement.

6.0 Recommendation

- 6.1 Council is recommended to approve the Pay Policy Statement 2014/15 set out in Appendix 1.

Local Government Act 1972

Background Papers:

Openness and accountability in local pay: Guidance under section 40 of the Localism Act. DCLG February 2012.

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Schedule of Other Matters

1.0 Council Priority

1.1 Ensuring Value for Money and low Council Tax

2.0 Specific Action Plans

2.1 The Pay Policy Statement compliments the Councils Workforce Development Strategy and its Equalities & Diversity Action Plan.

3.0 Sustainability Issues

3.1 Matter considered and no issues identified

4.0 Equality Issues

4.1 The Councils have implemented a Job Evaluation scheme designed to ensure equality in pay and remuneration.

5.0 Community Safety Issues (Section 17)

5.1 Matter considered and no issues identified

6.0 Human Rights Issues

6.1 The report recommends adoption of a Policy that is consistent with legislation relating to Data Protection and the handling of personal information.

7.0 Reputation

7.1 Failure to publish a Pay Policy Statement could result in negative reputational damage to the Councils

8.0 Consultations

8.1 Matter considered and no issues identified

9.0 Risk Assessment

9.1 Matter considered and no issues identified

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 Matter considered and no issues identified

12.0 Partnership Working

12.1 The Councils approach to pay is undertaken in a Partnership Agreement between Adur District Council and Worthing Borough Council.

Adur District Council Pay Policy Statement - Financial Year 2014-15

1.0 Purpose

1.1 This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and this will be updated annually from April each year.

This Pay Policy Statement sets out Adur District Council's policies relating to the pay of its workforce for the financial year 2014-15, in particular:

- (a) The remuneration of its Chief Officers;
- (b) The remuneration of its 'lowest paid employees';
- (c) The relationship between:
 - (i) The remuneration of its Chief Officers and;
 - (ii) The remuneration of its employees who are not Chief Officers.

2.0 Definition

2.1 For the purpose of this Pay Policy, the following definitions will apply:

- (a) 'Pay' in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments;
- (b) To enable meaningful comparison of posts, the Council uses full-time equivalent salaries as set out in its pay structure;
- (c) 'Chief Officer' refers to the following roles within Adur District Council:
 - (i) Chief Executive, as Head of Paid Service;
 - (ii) Directors x 4; and

These officers are members of the Council's Leadership Team.

- 2.2 'Lowest paid employees' refers to those staff employed within Grade 1 on the Council's pay framework.

The above definition for the 'lowest paid employees' has been adopted because Grade 1 is the lowest grade on the Council's pay framework. The bottom point on the payscale is spinal column point 4 (£12,145) per annum. This excludes apprenticeships/trainee posts where we are guided by National Minimum Wage requirements.

- 2.3 'Employee who is not a Chief Officer' refers to all staff who are not covered under the Chief Officer group above (2.1). This includes the 'lowest paid employees'.

3.0 Pay Framework Remuneration Levels

- 3.1 Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the Council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not, nor is seen to be, unnecessarily excessive. Each Council has responsibility for balancing these factors and each Council faces its own unique challenges on opportunities in doing so and retain flexibility to cope with various circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate.

3.2 Pay Framework

It is essential for good governance that decisions on pay and reward packages for Chief Executives and Chief Officers are made in an open and accountable way and that there is a verifiable and accountable process for recommending the levels of top salaries. Adur District Council's current pay framework for staff other than Chief Officers who are working jointly for Adur District Council and Worthing Borough Council was approved on 3rd February 2009 by the Joint Staff Committee and is based on the National Joint Council for Local Government Services: National Agreement on Pay and Conditions of Service.

Further details of the Joint Staff Committee can be found at:

<http://www.adur-worthing.gov.uk/committee/>

Adur District Council's current pay framework for staff employed by Adur but not working jointly with Worthing Borough Council and on Grades 1 to PO1 and M Grade Band 6 to Band 4 has been in operation for many years.

Adur District Council's current pay framework for staff employed by Adur but not working jointly with Worthing Borough Council as set out in Table 1 was agreed by the Corporate Resources Committee in June 2002.

3.3 Job Evaluation

Where staff are working in a joint service between Adur District Council and Worthing Borough Council, grades are determined in line with National Guidance, with the grade for each role being determined by a consistent job evaluation process. This followed a national requirement for all local authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

Adur District Council has adopted the Greater London Provincial Council (GLPC) Job Evaluation Scheme. A programme of job evaluation is on-going linked to the creation of a shared services structure with Worthing Borough Council.

As part of the job evaluation assimilation process, staff below Chief Officer moved from the Adur pay spine (Table 1) to the Single Pay Structure (Table 2). Under the Single Pay Structure, Adur District Council determined a local pay framework and the overall number of grades is 11 with 55 spinal column points within the grade ranges 1 (lowest) to 11 (highest).

As part of the job evaluation process, each employee who is not a Chief Officer will be placed on one of the 11 grades based on the job evaluation of their role. The employees can progress to the salary range maximum of their grade subject to assessment of their performance as part of on-going supervision and performance management practices.

Pay awards are considered annually for staff as part of the National Local Government pay bargaining process.

4.0 Remuneration - Level and Element

4.1 Salaries

The group of Chief Officers (2.1), is paid outside of the Council's pay framework, which applies to all other employees. The Joint Senior Staff Committee determines the terms and conditions of Chief Officers, subject to the approval, by Council of salaries in excess of £100,000.

Further details of the Joint Senior Staff Committee can be found at:

<http://www.adur-worthing.gov.uk/meetings-and-decisions/committees/joint/senior-staff/>

The pay awarded to Chief Officers is based on a spot salary with no grade range or incremental progression. Salary is subject to the same percentage pay award agreed as part of the National Local Government pay bargaining process. The spot salary for Chief Officers was based on market testing undertaken by an Independent Consultant and was implemented on 1st April 2008. The Chief Officers have received no pay awards since the establishment of Management Team in April 2008. The salary of the Chief Executive is £104,283 with additional payments for the role of Returning Officer at elections.

Details of the remuneration of Chief Officers is published in the Council's statement of accounts which can be accessed at the following web address:

<http://www.adur-worthing.gov.uk/about-the-councils/finance/statement-of-accounts/>

4.2 'Lowest paid employees'

Each lowest paid employee is paid within the salary range for Grade 1, Spinal Column Point 4 (£12,145) - Spinal Column Point 11 (£14,733).

Note: for employees paid on The National Minimum Wage for their age the rates are as follows:

Apprentice: £2.65 per hour

Under 18 £3.68

18 – 20 £4.98

21 and over £6.19

4.3 Bonuses

Honoraria payments can be made to staff, not including Chief Officers, as one-off payments in recognition of duties and/or acting-up duties undertaken that is additional to that expected from the normal day-to-day work. The size of the award paid to employee(s) is commensurate with the work being rewarded. Honoraria payments are approved by the Executive Heads of Service.

4.4 Other pay elements

Chief Officers are subject to the same performance management process as the lowest paid employees and employees who are not Chief Officers: including annual performance and development review (appraisal) and routine supervision. Chief Officers do not receive any incremental progression.

4.5 Charges, fees or allowances

Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Council's policy. The following allowances and benefits are available to staff and Chief Officers:

- (a) Health insurance (closed to new entrants);
- (b) Life assurance (closed to new entrants);
- (c) Long service increments (closed to new entrants);

- (d) Salary sacrifice scheme;
- (e) Benefits such as arranging group or staff discount schemes;
- (f) Child care provision or allowances;
- (g) Discounted sports facilities/benefits;
- (h) Membership of professional organisations where such membership is necessary for the carrying out of their employment;

Election duty payments are made to the Returning Officer (Chief Executive) and the Deputy Returning Officers (Strategic Directors, Executive Head of Corporate & Cultural Services). The pay for these roles is set out nationally for National Elections and for Local Elections, the scale is set jointly by West Sussex Local Authorities.

4.6 Pension

All employees, as a result of their employment, are eligible to join the Local Government Pension Scheme. Locally this scheme is administered by West Sussex County Council.

4.7 Severance Payments

The following types of severance payments can be made to staff:

- (a) Compulsory redundancy;
- (b) Voluntary redundancy;
- (c) Efficiency of the service;
- (d) Added pension benefit on leaving employment due to redundancy or efficiency of the service;
- (e) Conversion of lump sum compensation payment into additional Local Government Pension Scheme membership;
- (f) Voluntary early retirement;
- (g) Flexible retirement;
- (h) Exceptional compassionate grounds.

If there is less than a four week period between someone being made redundant from another Council and joining Adur District Council, they will be required to repay their redundancy to their previous employer. If the break is greater than 4 weeks, their continuous service is broken.

4.8 New starters joining the Council

Employees new to the Council will normally be appointed to the first Spinal Column Point of the salary range for their grade. Where the candidates' current employment package would make the first point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager. This will be within the salary range for the grade. The grade will be determined by the Job Evaluation Scheme.

In professions where there is a particular skill shortage, as a temporary arrangement, it may be necessary to consider a market pay premium to attract high quality applicants. The Council's market pay provisions are subject to annual review.

5.0 Relationship between remuneration of Chief Officers and employees who are not Chief Officers

The median average salary of employees who are not Chief Officers is £25,849. The pay ratio between the median average and the salary of the Chief Executive is 4.04.

6.0 Pay Policy Review Statement Review and Publication

Any changes to the Pay Policy must be subject to agreement by the Council. A Pay Policy Statement will be published each year.

Table 1: Adur Pay Spine from 1st April 2014

SCALE	SCP	SALARY	SCALE	SCP	SALARY		
1	4	12145	PO1	33	27849		
	5	12312		2	34	28636	
	6	12489		3	35	29236	
	7	12787		4	36	30011	
	8	13189		5	37	30851	
	9	13589		6	38	31754	
	10	13874		7	39	32800	
	11	14733		8	40	33661	
				9	41	34549	
	2	11		14733	10	42	35430
		12		15039	11	43	36313
13		15444	12	44	37206		
			13	45	38042		
3	14	15725	14	46	38961		
	15	16054	15	47	39855		
	16	16440	16	48	40741		
	17	16830	17	49	41616		
4	18	17161	M Grades				
	19	17802					
	20	18453	Band 6	Bottom	24,991		
	21	19126		Top	33,712		
5	22	19621	Band 5	Bottom	29,883		
	23	20198		Top	39,880		
	24	20858					
	25	21519	Band 4	Bottom	36,264		
6				Top	46,048		
	26	22221					
	27	22958					
	28	23708					
SO1	29	24646					
	30	25472					
	31	26276					
SO2							
	32	27052					
	33	27849					
	34	28636					

Table 2: Single Pay Spine from 1st April 2014

GRADE	SCP	ANNUAL	GRADE	SCP	ANNUAL	
1	4	12145	6	32	27052	
	5	12312		33	27849	
	6	12489		34	28636	
	7	12787		35	29236	
	8	13189		36	30011	
	9	13589	7	37	30851	
	10	13874		38	31754	
	11	14733		39	32800	
	2	12		15039	40	33661
		13		15444	41	34549
14		15725		8	42	35430
15		16054	43		36313	
16		16440	44		37206	
17	16830	45	38042			
3	18	17161	9	46	38961	
	19	17802		47	40134	
	20	18453		48	41090	
	21	19126		49	42051	
4	22	19621	10	50	42970	
	23	20198		51	43886	
	24	20858		52	44801	
	25	21519		53	45921	
5	26	22221	11	54	47068	
	27	22958		55	48245	
	28	23708		56	50928	
	29	24646		57	52939	
	30	25472		58	56115	
	31	26276		59	58508	