

## **PAY POLICY STATEMENT 2016/17**

### **REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES**

#### **1.0 SUMMARY**

- 1.1 This report seeks approval of the Pay Policy Statement 2016/17 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 Government's 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.

	<b>Chief Executive</b>	<b>Directors</b>	<b>EHoS</b>
Pre Partnership	2	4	17
1 <sup>st</sup> 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
April 2015	1	4	0
April 2016	1	4	0

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

<b>Post</b>	<b>Adur</b>	<b>Worthing</b>
Chief Executive	50%	50%
Directors	50%	50%

#### **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 2016/17 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.

Localism Act: Pay Policy Statements. Guidance for Local Authority Chief Executives Supplementary Note 2. LGA / ALACE 1st March 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 complements the Council's 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 Council's 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 2016-17

### 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 2016-17, 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; 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 6 (£14,514.00) 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 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 (Appendix 1) to the Single Pay Structure (Appendix 2). Under the Single Pay Structure, Adur District Council determined a local pay

framework and the overall number of grades is 13 with 67 spinal column points within the grade ranges 1 (lowest) to 13 (highest).

As part of the job evaluation process, each employee who is not a Chief Officer will be placed on one of the 13 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/seniorstaff/>

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 salary of the Chief Executive is £115,000 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 6 (£14,514.00) - Spinal Column Point 11 (£15,507.00).

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

Apprentice:	£3.30 per hour
Under 18	£3.87 per hour
18 – 20	£5.30 per hour
21 and over	£7.20 per hour

### 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 Directors/Head 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 (Directors). 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 candidate's 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**

- 5.1 The median average salary of employees who are not Chief Officers is £22,212.00. The pay ratio between the median average and the salary of the Chief Executive is 1:5.18.

### **6.0 PAY POLICY REVIEW STATEMENT REVIEW AND PUBLICATION**

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

## ADUR PAY SPINE FROM 1ST JANUARY 2015

Scale	Spinal Column Point	Basic Pay	Total
		£	£
<b>1</b>	5	13,500	16,528
	6	13,614	16,674
	7	13,715	16,805
	8	13,871	17,006
	9	14,075	17,269
	10	14,338	17,609
	11	15,207	18,731
<b>2</b>	11	15,207	18,731
	12	15,523	19,139
	13	15,941	19,678
<b>3</b>	14	16,231	20,053
	15	16,572	20,493
	16	16,969	21,005
	17	17,372	21,526
<b>4</b>	18	17,714	21,968
	19	18,376	22,822
	20	19,048	23,690
	21	19,742	24,586
<b>5</b>	22	20,253	25,245
	23	20,849	26,015
	24	21,530	26,894
	25	22,212	27,775
<b>6</b>	26	22,937	28,710
	27	23,698	29,693
	28	24,472	30,692

## ADUR PAY SPINE FROM 1ST JANUARY 2015

Scale	Spinal Column Point	Basic Pay	Total
		£	£
<b>SO1</b>	29	<b>25,440</b>	<b>31,941</b>
	30	<b>26,293</b>	<b>33,043</b>
	31	<b>27,123</b>	<b>34,114</b>
<b>SO2</b>	32	<b>27,924</b>	<b>35,149</b>
	33	<b>28,746</b>	<b>36,210</b>
	34	<b>29,558</b>	<b>37,258</b>
<b>PO1</b>	33	<b>28,746</b>	<b>36,210</b>
<b>2</b>	34	<b>29,558</b>	<b>37,258</b>
<b>3</b>	35	<b>30,178</b>	<b>38,058</b>
<b>4</b>	36	<b>30,978</b>	<b>39,091</b>
<b>5</b>	37	<b>31,846</b>	<b>40,212</b>
<b>6</b>	38	<b>32,778</b>	<b>41,414</b>
<b>7</b>	39	<b>33,857</b>	<b>42,808</b>
<b>8</b>	40	<b>34,746</b>	<b>43,956</b>
<b>9</b>	41	<b>35,662</b>	<b>45,138</b>
<b>10</b>	42	<b>36,571</b>	<b>46,312</b>
<b>11</b>	43	<b>37,483</b>	<b>47,489</b>
<b>12</b>	44	<b>38,405</b>	<b>48,680</b>
<b>13</b>	45	<b>39,267</b>	<b>49,792</b>
<b>14</b>	46	<b>40,217</b>	<b>51,019</b>
<b>15</b>	47	<b>41,140</b>	<b>52,210</b>
<b>16</b>	48	<b>42,053</b>	<b>54,033</b>
<b>17</b>	49	<b>42,957</b>	<b>55,231</b>

## APPENDIX 2

**ADUR DISTRICT COUNCIL - JOINT PAY SCALES FROM 1ST APRIL 2016**

Single pay spine 2016-17		from 01/04/2016		
GRADE	SCP	ANNUAL	MONTHLY	HOURLY
		01/04/2016	AMOUNT	RATE
1	6	14514	1209.50	7.5230
	7	14615	1217.92	7.5753
	8	14771	1230.92	7.6562
	9	14975	1247.92	7.7619
	10	15238	1269.83	7.8983
2	11	15507	1292.25	8.0377
	12	15823	1318.58	8.2015
	13	16191	1349.25	8.3922
	14	16481	1373.42	8.5425
	15	16772	1397.67	8.6934
	16	17169	1430.75	8.8991
	17	17547	1462.25	9.0951
3	18	17891	1490.92	9.2734
	19	18560	1546.67	9.6201
	20	19238	1603.17	9.9716
4	21	19939	1661.58	10.3349
	22	20456	1704.67	10.6029
	23	21057	1754.75	10.9144
	24	21745	1812.08	11.2710
5	25	22434	1869.50	11.6281
	26	23166	1930.50	12.0076
	27	23935	1994.58	12.4061
	28	24717	2059.75	12.8115
	29	25694	2141.17	13.3179
	30	26556	2213.00	13.7647
6	31	27394	2282.83	14.1990
	32	28203	2350.25	14.6184
	33	29033	2419.42	15.0486
	34	29854	2487.83	15.4741
	35	30480	2540.00	15.7986
	36	31288	2607.33	16.2174
	37	32164	2680.33	16.6715
7	38	33106	2758.83	17.1597
	39	34196	2849.67	17.7247
	40	35093	2924.42	18.1896
	41	36019	3001.58	18.6696
8	42	36937	3078.08	19.1454
	43	37858	3154.83	19.6228
	44	38789	3232.42	20.1054
	45	39660	3305.00	20.5568
	46	40619	3384.92	21.0539
9	47	41841	3486.75	21.6873
	48	42838	3569.83	22.2041
	49	43841	3653.42	22.7240
	50	44799	3733.25	23.2205
10	51	45753	3812.75	23.7150
	52	46706	3892.17	24.2090
	53	47874	3989.50	24.8144
	54	49071	4089.25	25.4348
	55	50297	4191.42	26.0703
11	56	53095	4424.58	27.5205
	57	55190	4599.17	28.6064
	58	58502	4875.17	30.3231
	59	60997	5083.08	31.6164
12	60	62620	5218.33	32.4576
	61	64436	5369.67	33.3989
	62	66304	5525.33	34.3671
	63	68228	5685.67	35.3644
13	64	68680	5723.33	35.5987
	65	70672	5889.33	36.6312
	66	72721	6060.08	37.6932
	67	74830	6235.83	38.7864

