



East  
Northamptonshire  
Council

# Pay Policy Statement



2012 / 2013

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## **Section one: introduction and background information**

### **1.0 Introduction**

- 1.1 East Northamptonshire Council ('the Council') recognises that, in the context of managing scarce public resources, pay and benefits at all levels need to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time need to avoid being unnecessarily generous or otherwise excessive.
- 1.2 It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the labour market.
- 1.3 In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where national and local pressures often conflict. The Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial if the Council is to maintain its current high performance levels.
- 1.4 The Council recognises and welcomes the aim behind this pay policy statement to ensure that the Council's approach to pay is transparent to customers and to enable local taxpayers to take an informed view of whether local decisions on all aspects of pay and benefits are fair and make the best use of public funds.

### **2.0 Legislation**

- 2.1 Section 38/11 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year thereafter.
- 2.2 The Act and supporting statutory guidance provide details of matters that must be included in this statutory pay policy but also emphasise that each local authority has the autonomy to take its own decisions on pay and pay policies.
- 2.3 The Pay Policy Statement:
- must be approved formally by full Council by the end of March each year.
  - can be amended during the year by a resolution of full Council.
  - must be published on the Council's website
  - must be complied with when setting the terms and conditions of Chief Officer employees.
- 2.4 The Council welcomes the government's recognition that each local authority remains an individual employer in its own right, and, as such, has the autonomy to make decisions on pay that are appropriate to local circumstances and deliver value for money for local taxpayers.

### **3.0 Scope of the Pay Policy Statement**

- 3.1 In complying with the Act, this policy statement covers the following senior roles at the Council:
- Chief Executive (Head of Paid Service).
  - Executive Director (Monitoring Officer – the officer responsible for ensuring the Council’s compliance with the law in all its activities).
  - Head of Finance (Section 151 Officer – the officer responsible for the Council’s finances).
  - Heads of Service (Head of Customer and Communities, Head of Environmental Services, Head of ICT, Head of Planning and Head of Resources and Organisational Development).
- 3.2 Collectively, these roles are known as the Corporate Management Team (CMT).
- 3.3 The Council’s Chief Officers are:
- Chief Executive (Head of Paid Service)
  - Executive Director (Monitoring Officer)
  - Head of Finance (Section 151 Officer)
- 3.4 The policy statement also covers the Council’s lowest-paid employees. The Council has determined that for the purpose of this policy statement, it will follow guidance issued by the Local Government Association (LGA) which states that the simplest and most easily understood definition of lowest-paid employee is:
- “the lowest pay point routinely used by the council for its substantive roles, calculated at full time equivalent. This should not include grades or pay points put aside as trainee or development scales but should relate to the minimum point used for a competent employee taken on a defined role”. [Localism Act: Pay Policy Statements Guidance For Local Authority Chief Executives; LGA]
- 3.5 Following this definition, the lowest-paid employees within the Council are therefore those employees who are paid on grade two, spinal column point 13, £15,694 per annum.
- 3.6 The following categories of employees are paid less than the Council’s lowest-paid employees, as defined in this pay policy statement:
- Trainees/Apprentices.
  - Temporary employees (including casual workers).
- 3.7 The Council applies a lower pay rate and different pay and benefits to these categories of employees, which reflect the particular nature and/or duration/frequency of their employment.

## **4.0 Context**

- 4.1 In relation to other organisations in all sectors across the UK, the Council is a complex organisation that provides a diverse range of services. Many of those services are vital to the wellbeing of individuals and groups of residents in the local community, and are delivered in very challenging circumstances, taking account of resources available to meet them.
- 4.2 As at 31 January 2012 the Council has 179 full time equivalent (FTE) employees. According to the 2010 mid-year population estimates, there are approximately 85,251 people living in the district served by the Council.
- 4.3 The Council's CMT is responsible for working with elected politicians to determine the overall strategic direction of the Council, to develop the scale, nature, efficiency and effectiveness of all the services provided by the Council, and to provide day-to-day management of those services.

## **5.0 The Council's overall approach to pay and benefits**

- 5.1 The Council recognises that it has to compete with other employers in the area (and, in some cases, in the country) to recruit and retain employees who are capable of meeting the challenges of providing services to the required standards. This has an important bearing on the levels of pay and benefits it offers to its employees.
- 5.2 At the same time, the Council is under an obligation to secure the best value for money for its residents and tax-payers in taking decisions on pay levels. The Council believes that, like much of local government and the public sector, it strikes a fair balance between these competing pressures.
- 5.3 The Council's approach to pay and benefits aims to ensure:
- compliance with equal pay, discrimination and other relevant employment legislation.
  - that its overall remuneration packages align with market norms for the local government and public sectors whilst taking account of:
    - pay levels in the local area, including neighbouring public sector employers;
    - the relative cost of living in the local area, particularly housing costs;
    - the responsibilities and accountabilities of particular posts, which may be very demanding.
- 5.4 The Council seeks to maintain this overall approach by carefully monitoring pay data and pay surveys provided by various organisations including the LGA.
- 5.5 In terms of pay differentials, the Council recognises that the Chief Executive (Head of Paid Service) leads the organisation's workforce and has the



greatest level of accountability, and so warrants the highest pay level in the organisation.

- 5.6 The Council recognises, through analysis of job demands, that the Executive Director (Monitoring Officer) has a greater level of responsibility and accountability than other senior managers, and therefore provides higher pay and benefits for that role.
- 5.7 Below Executive Director level, the Council recognises that the demands on, and accountabilities of, different roles vary considerably and seeks to align pay levels with the relative importance and responsibilities of jobs using a process of job evaluation.

## Section two: annual salaries

### 6.0 Annual salaries

- 6.1 Annual salaries for all employees of the Council are based on a 37 hour working week and are set in accordance with the following pay structures which are all provided in **Appendix A**:

	Pay Structure
Chief Executive	A
Executive Director	B
All other employees (including Heads of Service)	C

- 6.2 The pay structures consist of grade ranges which contain a number of incremental salary points. The pay structures are determined locally by the Council.
- 6.3 The Council's Chief Executive and Executive Director have individual pay structures. Heads of Service and all other employees are on the same pay structure; Heads of Service are paid on grade 10 and the Council's lowest-paid employees are on grade two.

### 7.0 Salaries on appointment

- 7.1 Recruitment to positions follows rules set out in Part 4.7 of the Council's Constitution (Officer Employment Procedure Rules). Starting salaries for new appointments and promotions will normally be at the minimum incremental point of the post's grade. There may be exceptional circumstances where it is considered necessary to appoint above the minimum incremental point. This might be:
- where someone is joining the Council from another Local Authority where they work in a similar role and they are in receipt of higher pay.
  - where the Council is recruiting to a specialist role.
- 7.2 Any appointment above the minimum incremental point of a post's grade must be approved by:

<b>Position being appointed to</b>	<b>Approval by</b>
Chief Executive	Full Council
Executive Director (Monitoring Officer) and Head of Finance (Section 151 Officer)	Personnel Sub-Committee with delegated authority from full Council
All other employees (including lowest paid employees and Heads of Service)	Chief Executive

## **8.0 Pay progression**

8.1 Employees receive an incremental pay rise annually on the anniversary date of their appointment to post until they reach the top of their grade.

## **9.0 Pay awards**

9.1 Pay levels are increased in line with awards agreed nationally by the Joint Negotiating Committee for Chief Officers of Local Authorities (JNC) and the National Joint Council for Local Government Services (NJC).

9.2 There may be occasions where local negotiations take place with employees and trade unions to agree pay increases, greater than those agreed nationally.

## **10.0 Special responsibility allowance**

10.1 The Head of Finance (Section 151 Officer) is the only position in the Council to receive a special responsibility allowance (SRA). The allowance is provided to recognise the:

- additional statutory responsibility the position holds for overseeing the Council's finances
- current market value for Section 151 Officer salary levels, who are typically appointed at Director level.

10.2 The annual SRA for the Head of Finance (Section 151 Officer) is £4,000.

## **11.0 Performance related pay and market supplements**

11.1 The Council does not pay:

- performance related pay;
- bonuses; or
- market supplements.

## **Section three: other allowances and benefits**

### **12.0 Other allowances and benefits**

12.1 In addition to annual salaries, the Council provides other allowances and benefits to employees. In some cases these are available to all employees and in other cases only certain groups of employees are eligible to receive

them. Information about other allowances and benefits, including who can receive them, is provided below.

### 13.0 Annual Leave

13.1 The Chief Executive and Executive Director (Monitoring Officer) receive an annual leave entitlement which is in line with conditions of service as set out by JNC. All other employees receive an annual leave entitlement which is in line with conditions of service as set out by NJC. Annual leave entitlements are documented below:

<b>Annual Leave Entitlements</b>	
<b>Chief Executive and Executive Director (Monitoring Officer)</b>	30 days paid annual leave in a full year from date of appointment. In addition, entitlement to eight Bank Holidays and four extra statutory days leave with pay.
<b>All other employees (including lowest paid employees, Heads of Service and Section 151 Officer)</b>	20 days paid annual leave in a full year. This will increase by one day for each fully completed year of service, up to a maximum of 10 years' continuous service. In addition, entitlement to eight Bank Holidays and four extra statutory days leave with pay.

13.2 Continuous service with employers covered by the Modification Order counts towards an employee's annual leave entitlement.

### 14.0 Car Scheme

14.1 The Council currently operates a Car Scheme which is a contractual entitlement for the following:

- Chief Executive (Head of Paid Service)
- Executive Director (Monitoring Officer)
- Heads of Service (including Section 151 Officer)
- Essential car users (essential car user status is given to posts that require the post-holder to travel frequently in order to carry out the core activities of their job).

14.2 If employees choose to access the scheme, the following annual allowances are applicable:

	<b>Annual Allowance £</b>
<b>Chief Executive (Head of Paid Service)</b>	£6,710
<b>Executive Director (Monitoring Officer)</b>	£6,480
<b>Heads of Service (including Section 151 Officer)</b>	£5,420
<b>Essential car users</b>	£3,500

14.3 It should be noted that the Council's Car Scheme is currently under review by the Personnel Sub-Committee. Should there be a recruitment of any of the above posts before the outcome of the review, staff will not be able to access the scheme.

## 15.0 Car Loans

- 15.1 The Council's Car Loan Scheme is available to employees of the Council who are designated essential car users.
- 15.2 Car loans are charged at the HMRC recommended rate which at the time of writing this document is 4%.

## 16.0 Essential car user allowance

- 16.1 A number of the Council's employees have to travel in order to undertake their jobs. All essential car users are entitled to receive an annual car user allowance, this is in line with national terms and conditions set out by the NJC. The definition of an essential car user is set out in section 14.1 above. Current essential car user allowances are set out below:

	451 – 999cc	1000 – 1199cc	1200 – 1450cc
<b>Annual essential car user allowance</b>	£846	£963	£1,239

- 16.2 If an employee has a car under the Council's Car Scheme (see section 14) they do not receive the annual essential car user allowance. Essential car user allowances are updated in line with increases made by the NJC.
- 16.3 None of the Council's lowest-paid employees are essential car users, so none of them receive the allowance and none of them are eligible for a car loan or the Car Scheme.

## 17.0 Mileage rates

- 17.1 The Council reimburses employees for their fuel use at HMRC and NJC fuel rates, whichever is the lowest. These rates are reviewed annually and the following fuel reimbursement rates currently apply:

	451 – 999cc	1000 – 1199cc	1200 – 1450cc
<b>Essential car users</b>			
<b>Per mile first 10,000</b>	36.9p	40.9p	<b>HMRC</b> 45p
<b>Per mile after 10,000</b>	<b>HMRC</b> 25p	<b>HMRC</b> 25p	<b>HMRC</b> 25p
<b>Casual car users</b>			
<b>Per mile first 10,000</b>	<b>HMRC</b> 45p	<b>HMRC</b> 45p	<b>HMRC</b> 45p
<b>Training – qualification courses</b>			
	13.7p	14.4p	16.4p

17.2 Where an employee has a Council-owned vehicle provided to them under the Council Car Scheme (see section 14 above) they receive the following mileage reimbursement rate:

	<b>Mileage rate (per mile)</b>
<b>Council owned cars</b>	13.9p

17.3 Mileage rates are updated in line with changes made by the HMRC and NJC.

17.4 These mileage rates are applicable to all employees of the Council.

## **18.0 Mobile telephones**

18.1 All members of CMT are provided with a mobile telephone. The mobile telephones are provided because they are considered necessary for CMT to undertake their duties effectively including for emergency planning and business continuity purposes. The Council funds the provision of the phone and business calls.

18.2 In addition to CMT, other employees in the Council have mobile telephones provided to them for work purposes. Many of the Council's employees undertake their work in the community. It is important that these employees are contactable and the Council ensures their health and safety is managed whilst working off site.

18.3 None of the Council's lowest-paid employees have mobile telephones provided to them because they all work in office based roles and are not required to be contactable outside of office hours.

## **19.0 Landline telephones**

19.1 The Head of Environmental Services receives a phone line paid for by the Council. This is to reflect his duties in respect of emergency planning both locally and nationally.

## **20.0 Election fees**

20.1 In some years the Chief Executive receives election expenses for undertaking the statutory duties of Returning Officer (RO). The RO is someone who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of RO is one which involves and incurs personal responsibility and accountability and is statutorily separate to the duties as an employee of the Council.

20.2 The expenses paid to the RO are not a regular feature of the Chief Executive's pay. The Chief Executive provides a percentage of those expenses to elections support staff.

20.3 The RO fees for elections and by-elections are calculated by using a scale which is based on the number of wards in the Council's District, the type of

election, whether it is contested, the number of electors and the number of Councillors returned.

20.4 The method of calculation was agreed locally by the Council's Policy and Resources Committee, and fees are increased in line with national pay awards agreed by the JCN.

20.5 Where the Chief Executive takes on roles in respect of national or European elections or referendums, the fees receivable are set nationally and paid by Central Government.

## **21.0 Honorariums**

21.1 In some circumstances, the Council will award honorarium payments to employees below the level of Executive Director. An honorarium might be paid where someone temporarily takes on substantial additional responsibilities, where it would not be considered appropriate to re-grade the post. All honorarium payments are approved by the Chief Executive.

## **22.0 Relocation and Removal Expenses**

22.1 The Council will sometimes contribute to the cost of relocation and/or removal expenses. Any payments are agreed by:

<b>Position</b>	<b>Approval by</b>
Chief Executive and Executive Director (Monitoring Officer)	Personnel Sub-Committee with delegated authority from full Council
All other employees (including lowest-paid employees and Heads of Service)	Chief Executive

22.2 In the main, relocation and removal expenses are paid when recruiting to CMT and specialist roles. It is very unlikely that relocation and/or removal expenses would be payable to the lowest-paid employees.

## **23.0 Professional subscriptions**

23.1 The Council will generally cover the cost of one subscription, but some employees may have two subscriptions reimbursed. In all cases, reimbursement will only occur where it is identified that the employee requires the subscription in order to be able to do their job effectively or where the subscription benefits the Council.

23.2 This policy is applied to all employees of the Council but it is noted that it is highly unlikely that a lowest-paid employee would require a subscription in order to be able to undertake their role.

## **24.0 Out of hours payments**

24.1 The Council operates an Out of Hours Policy which covers all employees up to the level of Heads of Service. CMT are not entitled to receive out of hours payments.

## **25.0 Flexitime Scheme**

25.1 The Council operates a Flexitime Scheme which covers all employees below Head of Service level. The key principles of the scheme are:

- Normal office hours – 8:45am to 5.00pm
- 37 hours (full time contracted hours) Monday to Friday
- Can work between 7.30am and 6.30pm (with line manager agreement)
- Core hours 10.00am to Midday and 2.00pm to 4.00pm
- If an employee works 6 hours or more they must take a rest break of at least 30 minutes.

## **26.0 Payment of hours worked outside the Council's flexitime scheme**

26.1 The Council does not normally pay overtime, and where it does it is paid in line with nationally-agreed NJC terms and conditions.

26.2 However, it is accepted there may be times when an individual has to work extra hours, for example during an election or to attend evening committee meetings.

26.3 In these circumstances an employee usually receives time off in lieu (TOIL).

26.4 To meet the needs of the service, where taking TOIL would have a detrimental effect on service delivery, the Chief Executive can approve the payment of accrued TOIL. Payment will always be at plain rate and is only payable to employees below the grade of Executive Director.

## **27.0 Local Government Pension Scheme (LGPS)**

27.1 All employees who are members of the LGPS make individual contributions to the scheme as set out in the below table:

Local Government Pension Scheme – contribution bands with effect from 1 April 2011 <b>Band</b>	<b>ENC Bands</b>	<b>Salary Range</b>	<b>Employee contribution rate</b>
1	1	£0 - £12,900	5.5%
2	1	>£12,901 - £15,100	5.8%
3	1,2,3	>£15,101 - £19,400	5.9%
4	3,4,5,6,7	>£19,401 - £32,400	6.5%
5	7,8,9	>£32,401 - £43,300	6.8%
6	10, Executive Director	>£43,301 - £81,100	7.2%
7	Executive Director, Chief Executive	>£81,100	7.5%

27.2 The Council makes employer's contributions into the scheme, which are reviewed each 3 years by the actuary.

## **28.0 Other allowances and benefits**

28.1 All other allowances and benefits paid by the Council are in line with NJC and JNC terms and conditions of employment or, where agreed locally, are applied equally to all employees.

## **Section four: Payments on termination of employment**

### **29.0 Redundancy pay**

29.1 The Council has a Redundancy Policy that applies to all employees of the Council.

29.2 Under the Employment Rights Act 1996, employees who have two years' or more continuous service with the same employer qualify for a redundancy payment. For each full year's service, up to a maximum of 20 years, the entitlement to redundancy pay is currently calculated as follows:

- aged 21 or less: ½ week's pay
- between the ages of 22 and 40: 1 week's pay
- age 41 and over: 1½ weeks' pay.



- 29.3 The Council defines a week's pay as contractual gross pay, rather than the statutory minimum. The redundancy payments apply to all employees of the Council including CMT and the Council's lowest-paid employees.
- 29.4 The Council does not normally pay in lieu of notice (PILON), and will consider each redundancy situation on an individual basis. PILON is not considered under "other termination payments – section 31".
- 29.5 Each application for voluntary redundancy will be considered on its own merits.

### **30.0 Flexible retirement**

- 30.1 Employees aged 55 or over, who have at least three months' total membership in the LGPS, can request flexible retirement with actuarially reduced benefits. It is the responsibility of the Council's Personnel Sub-Committee to decide whether to approve the request.
- 30.2 The policy only applies to Heads of Service and below (including the Council's lowest-paid employees). The Council does not currently have a policy on flexible retirement for the Chief Executive or the Executive Director.

### **31.0 Early retirement on compassionate grounds**

- 31.1 The Council will consider requests from employees who are active members of the LGPS to retire from age 55 on compassionate grounds without actuarial reduction of benefits. It is the responsibility of the Council's Personnel Sub-Committee to decide whether to approve the request.
- 31.2 The policy only applies to Heads of Service and below (including the Council's lowest-paid employees). The Council does not currently have a policy on early retirement on compassionate grounds for the Chief Executive or the Executive Director.

### **32.0 Other termination payments**

- 32.1 The Council's policy is not to make any other termination payments to its employees, other than where it has received specific legal advice to the effect that a payment may be necessary to eliminate risk of legal claims against the Council.
- 32.2 Other termination payments do not include redundancy pay or PILON.
- 32.3 Termination payments to Heads of Service and below will be authorised by the Chief Executive providing the cost of the termination payment can be met from existing budget. Where there is not enough money in the budget to cover the cost of the termination payment, the Council's financial rules will apply.
- 32.4 Any termination payment made to the Chief Executive or Executive Director must be approved by full Council.

## **Section five: re-engagement of employees following termination of employment with a severance or termination payment**

### **33.0 Re-engagement as an employee**

- 33.1 Subject to any relevant provisions in employment and equalities legislation, where a Chief Executive, Executive Director, Monitoring Officer or Section 151 Officer has had their employment terminated on grounds of redundancy, they will not be re-employed in the same or similar post for a period of one year following the date of their termination of employment.
- 33.2 If they are re-employed into another post within four weeks after the effective date of redundancy, they will lose their right to a redundancy payment, including any enhancements under the provisions of the LGPS or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
- 33.3 Any re-employment will be subject to the Council following the strict application of the normal process of competitive selection for employment.

### **34.0 Re-engagement under a contract for services**

- 34.1 The Council's policy is not to re-engage, under a contract for services, any former Chief Executive, Executive Director, Monitoring Officer or Section 151 Officer who left the Council for any reason and was in receipt of a redundancy, severance or termination payment, for a period of three years from cessation of employment.
- 34.2 However, the Council accepts that there may be rare occasions where re-engagement under a contract for services might be necessary. This might be where the ex-employee is needed to represent the Council in court proceedings.
- 34.3 Where re-engagement is proposed, approval will be given by the Leader of the Council and the Chair of the Personnel Sub-committee.

### **35.0 Employment of those in receipt of an LGPS pension**

- 35.1 Where the Council employs as a Chief Executive or Chief Officer a person who is in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council's Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the the Local Government Pension Scheme (Administration) Regulations 2008 will be applied.

## **Section six: pay relationships**

### **36.0 Pay multiples and how the Council ensures pay levels are fair**

- 36.1 This section sets out the Council's overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation, including the current pay multiple which applies within the Authority.
- 36.2 The Council believes that the principle of fair pay is important to the provision of high quality and well-managed services and is committed to ensuring fairness and equity in its remuneration practices.
- 36.3 The Council's pay policies, processes and procedures are designed to ensure that pay levels are appropriately aligned with and properly reflect the relative demands and responsibilities of each post and the knowledge, skills and behaviours necessary to ensure they are undertaken to the required standard, as well as taking account of relevant market considerations. This includes ensuring that there is an appropriate relationship between the pay levels of its Chief Officers, as defined in section 3.2 of this pay policy statement, and of all other employees.
- 36.4 The Council has adopted a number of policies and practices to ensure fairness in the overall pay relationships within the Authority. These include:
- ensuring that the relationship between Chief Officer pay levels and those of the rest of the Council's workforce are taken into account when setting senior management pay levels
  - adopting a clear policy with regard to the desired relationship between Chief Officer remuneration and that of the rest of the workforce, as expressed through the use of a "pay multiple" (see below), and how it is intended this will be achieved and maintained
  - monitoring this pay multiple on an annual basis and reporting on any changes and the factors which may have contributed to this
  - using an analytical job evaluation scheme to determine the grading of all posts up to and including Head of Service level
  - applying a clear and objective methodology for evaluating all new and changed jobs to ensure they are properly graded and that pay levels properly reflect their level of responsibility
  - establishing a defined procedure for employees who wish to request a review of their job grade or who wish to appeal against their grading outcome
  - undertaking corporate monitoring of the application of pay progression arrangements to ensure these are applied and operated on a fair and consistent basis across the organisation
  - reviewing the roles and responsibilities of individual posts annually during the Council's appraisal procedure and as part of any organisational restructuring

- undertaking an equal pay audit at least once every three years, investigating and addressing the outcomes, as appropriate
- 36.5 Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its “pay multiple”, i.e. the ratio between the highest paid salary and median average salary of the whole of the Council’s workforce.
- 36.6 For 2011/12 the pay ratios between the Chief Executive and the Council’s lowest-paid employees are:
- 7.60 x the lowest paid (lowest - £15,694)
  - 4.73 x the average salary (mean - £25,250)
  - 5.20 x the average salary (median - £22,958)
  - 6.16 x the average salary (mode - £19,378)
- 36.7 For the purpose of the pay ratio the Chief Executive’s remuneration comprises salary, RO fees for 2011/12 and car allowance.
- 36.8 The Council considers that the current pay multiples, as identified above, represent an appropriate, fair and equitable internal pay relationship between the highest salary and those which apply to the rest of the workforce. The pay multiples will be reviewed and published annually.
- 36.9 The median average salary is the salary value at which 50% of the salaries which apply to the whole of the local authority’s workforce are below that salary value and 50% of the salaries are above it. The lowest pay point in the overall salary range which has been used by the Council in calculating the median average salary is that which applies to its lowest-paid employees, as defined in section 3.3 of this pay policy statement.
- 36.10 The mode average salary is the single salary earned by the highest number of employees. 23 employees receive the mode salary.
- 36.11 The mean average salary is the calculation usually referred to simply as an average. This is calculated by adding up all the salaries and dividing the total by the number of employees.

## **Section seven: Publication of CMT remuneration**

### **37.0 Pay information for CMT**

- 37.1 The remuneration data of CMT which the Council is required to publish is provided in **Appendix B**.

## **Section eight: actions to be undertaken during 2012/13**

### **38.0 Pay and reward strategy and equal pay audit**

- 38.1 To demonstrate commitment to open and transparent pay and benefits the council will commit to produce a Pay and Reward Strategy during 2012/13 which reviews the Council overall pay and reward strategy and also ensures clearly defined pay and reward policies and procedures are in place.
- 38.2 In addition, during 2012/13 the Council will undertake an equal pay audit.
- 38.3 Finally, the Council will also commit to reviewing RO fees during 2012/13.

## **Section nine: Review of Pay Policy Statement**

### **39.0 Review of the Pay Policy Statement 2011/12**

- 39.1 This pay policy statement relates to the financial year 2011/12.
- 39.2 The Council may agree any amendments to this pay policy statement during the financial year to which it relates in accordance with its committee decision-making arrangements and policies and procedures.

## Appendix A: Pay Structures

### 1 Chief Executive's Pay Structure

Chief Executive Pay Rates 1/4/2009 to 31/3/2012

<b>SCP</b>	<b>£</b>
6	£101,860
5	£97,942
4	£94,175
3	£90,553
2	£87,071
1	£83,722

### 2 Executive Director's Pay Structure

Executive Director Pay Rates 01/04/2009 to 31/03/2012

<b>SCP</b>	<b>£</b>
116	£81,480
115	£78,347
114	£75,334
113	£72,440
112	£69,652
111	£66,970

East Northamptonshire Council

Pay Grades and Pay Points from 1/04/11

includes £250 increase points 9 - 24

Point	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10
56										56,008
55										53,849
54										51,780
53										49,789
52										47,874
51										46,030
50									42,502	
49									41,616	
48									40,741	
47									39,855	
46									38,961	
45									38,042	
44								37,206		
43								36,313		
42								35,430		
41								34,549		
40								33,661		
39							32,800	32,800		
38							31,754			
37							30,851			
36							30,011			
35							29,236			
34						28,636	28,636			
33						27,849				
32						27,052				
31						26,276				
30						25,472				
29					24,646	24,646				
28					23,708					
27					22,958					
26					22,221					
25				21,519	21,519					
24				21,108						
23				20,448						
22				19,871						
21			19,376	19,376						
20			18,703							
19			18,052							
18			17,411							
17		17,080	17,080							
16		16,690								
15		16,304								
14		15,975								
13	15,694	15,694								
12	15,289									
11	14,983									
10	14,124									
9	13,839									

## Appendix B: Corporate Management Team Transparency Data

### Gross salaries on 1 April 2012 (same as 1 April 2011)

Chief Executive	Chief Executive	£101,860
Executive Director	Executive Director	£78,347
Head of Resources and Organisational Development	Resources and Organisational Development	£56,008
Head of Environmental Services	Environmental Services	£56,008
Head of Information Communication Technology (ICT) – this post is shared (50%) with the Borough Council of Wellingborough	ICT	£56,008
Head of Customer and Community Services	CCS	£56,008
Head of Planning	Planning	£56,008

### Returning Officer's fees

Chief Executive	Returning Officer Fees 1 April 2011 to 31 March 2012	£10,800
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## Personnel Sub-committee – 20 March 2012

### Pay Policy Statement

#### Purpose of report

The purpose of this report is to inform Councillors about a new legislative requirement for the Council to produce an annual Pay Policy Statement. The report also considers actions that are recommended to be taken during 2012/13 in respect of employee pay and benefits.

#### Attachment(s)

Appendix A – Pay Policy Statement

Appendix B – Initial Equality Impact Assessment

#### 1.0 Introduction

1.1 The attached Pay Policy Statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act) which, from 2012 onwards, requires local authorities to publish annual Pay Policy Statements that contain information about:

- the remuneration of their most senior employees which the Act defines as the Head of Paid Service (Chief Executive), the Monitoring Officer, the Chief Officers (Directors), and the Deputy Chief Officers (managers who report directly to a Chief Officer)
- the remuneration of their lowest-paid employees
- the relationship between the remuneration of the most senior employees and that of other employees.

1.2 The Act requires that the Pay Policy Statement:

- must be approved formally by full Council by the end of March each year
- can be amended during the year by a resolution of full Council
- must be published on the Council's website
- must be complied with when setting terms and conditions of Chief Officer employees
- must be published on the Council's website.

1.3 The attached Pay Policy Statement for 2012/13 takes into account final guidance provided by Communities and Local Government called "Openness and accountability in local pay: Guidance under section 40 of the Localism Act". The document was published on 17 February 2012.

#### 2.0 Recommended future actions

2.1 All recommended actions detailed below are documented in the Pay Policy Statement in section eight.

2.2 Whilst gathering data to be included in the Pay Policy Statement it has highlighted several things:

- there are a small number of benefits that are not currently documented in written policies and procedures, these include the payment of honorariums, crisis loans and time off in lieu
- Information about pay and benefits are documented in various locations and some things have been difficult to find
- some policies and procedures are out of date
- RO fees were approved by the Policy and Resources Committee on 9 November 1992
- the Council does not currently have a Pay and Reward Strategy that defines

how it intends to pay and reward its employees

- an equal pay audit was last undertaken in 2007
- in recent years the Council has reduced its reward packages including the removal of BUPA, life assurance and reduction in mileage rates
- the Council's Car Scheme is currently under review.

2.3 As a result of all the things detailed above it is recommended that three actions are undertaken during 2012/13, and as included in section eight of the Pay Policy Statement, it is suggested that over the next 12 months a review of the Council's overall employee remuneration package takes place to ensure it takes account of the need to:

#### 2.4 **Action one – Develop and Pay and Reward Strategy**

2.5 The strategy is required to ensure that how the Council pays and rewards its employees:

- remains competitive in the current employment market
- is free from discrimination
- motivates employees
- is able to recruit and retain knowledgeable and skilled employees who have the behaviours required by the Council.
- is open, transparent and easily understood
- is stored in one location.

#### 2.6 **Action two – review Returning Officer fees**

2.7 As RO fees have not been reviewed since 1992, it is recommended that a review takes place during 2012/13.

#### 2.8 **Action three – undertake an equal pay audit**

2.9 As an equal pay audit was last undertaken as part of the introduction of the Single Status Pay Agreement in 2007, it is suggested that another audit is completed during 2012/13.

### 3.0 **Equality & Diversity Implications**

3.1 An initial Equality Impact Assessment has been completed and it has not identified any equality and diversity implications.

### 4.0 **Legal Implications**

4.1 Agreement of this Pay Policy Statement by full Council will ensure the Council meets its legal obligations in relation to the Act.

4.2 The Council is statutorily bound by the Localism Act 2011 to produce this policy statement, if it fails to do so the Act may result in negative publicity both locally and possibly nationally. Ultimate sanction would be judicial review and an injunction to produce the policy. A challenge of this nature would probably take 6 months to get to the High Court.

### 5.0 **Risk Management**

5.1 If the Pay Policy Statement is not agreed by full Council it could result in legal implications. No risks have been identified in relation to equality issues and these will be considered in detail when the equal pay audit is undertaken during 2012/13.

## 6.0 Financial Implications

6.1 There are no financial implications associated with agreeing this Pay Policy Statement.

## 7.0 Corporate Outcomes

7.1 The Pay Policy Statement helps support the following corporate outcomes:

- effective management
- staff with the right knowledge, skills and behaviours.

## 8.0 Resource Requirements

8.1 Staff resources will be required to:

- undertake a review of the Council's employee pay and benefits
- undertake an equal pay audit.

## 9.0 Recommendations

9.1 The Committee is recommended to:-

- 1) Recommend to full Council the approval of the Pay Policy Statement
- 2) Agree to the production of a Pay and Reward Strategy during 2012/13
- 3) Agree to an equal pay audit being undertaken during 2012/13.
- 4) Agree to a review of the Council's RO fees during 2012/13.

*(Reason: to ensure the Act is complied with and ensure the Council's pay and benefit package is transparent, accessible, competitive and ensures employees remain motivated)*

<b>Legal</b>	Power: Localism Act 2011	
	Other considerations:	
<b>Background Papers:</b> None		
<b>Person Originating Report:</b> Katy Everitt, Head of Resources & Organisational Development <a href="mailto:keveritt@east-northamptonshire.gov.uk">keveritt@east-northamptonshire.gov.uk</a> direct dial: 01832 742120		
<b>Date:</b> 5 March 2012		
<b>CFO</b>	<b>MO</b>	<b>CX</b>



## APPENDIX B

### EIA Initial Screening Form – policy

<b>1. Name of Policy:</b>	
<b>2. Name and Job title / role of person completing Initial Screening:</b>	Katy Everitt – Head of Resources and OD
<b>3. What is the main purpose of the Policy?</b>	To document the Council's remuneration of senior officers and its lowest-paid employees.  To compare the Council's senior officers pay against the pay of its lowest-paid employees.
<b>4. Who is the Policy aimed at?</b>	The policy covers all employees of the Council and is will be accessible by employees and members of the public.
<b>5. How is the success of the Policy measured?</b>	The policy will be successful if: - it is published on the Council's website - the Council does not have any legal challenges directly as a result of the policy - it is approved by full Council by 1 April 2012.
<b>6. Are equality monitoring systems for the Policy in place?</b>	In section 35.4, the policy documents that an equal pay audit will be undertaken at least once every three years. This will be undertaken in conjunction with Unison and employees.

**7. Use the following table to indicate using a ✓:**

- a) Where you think that the Policy could have a positive impact on any of the groups or contribute to promoting equality of opportunity or improving relations within equality groups.
- b) Where you think that the Policy could have a negative impact on any of the equality groups i.e. it could disadvantage them.
- c) Where you think that the Policy could have a neutral impact on any of the equality group i.e. no impact

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
<b>Gender:</b>				
Women/Girls			X	
Men/Boys			X	
Transgender people			X	
<b>Sexual Orientation:</b>				
Lesbians, gay men and bisexuals			X	
<b>Race/Ethnicity:</b>				
White British people			X	
White non-British people (including Irish people)			X	
Asian or Asian British people			X	
Black or Black British people			X	
People of mixed heritage			X	
Chinese people			X	
Travellers (Gypsy/Roma/Irish heritage)			X	
People from other ethnic groups			X	

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
People who do not have English as their first language			X	
<b>Disability:</b>				
Physical impairment, e.g mobility issues which mean using a wheelchair or crutches.			X	
Sensory impairment, e.g blind/having a serious visual impairment, deaf/having a serious hearing impairment.			X	
Mental health condition, e.g depression or schizophrenia			X	
Learning disability/difficulty, e.g. Down's syndrome or dyslexia, or cognitive impairment such as autistic spectrum disorder			X	
Long-standing illness or health condition, e.g. cancer, HIV. Diabetes, chronic heart disease or epilepsy			X	
Other health problems or impairments ( <i>please specify if appropriate</i> )			X	
<b>Age:</b>				
Older People (60+)			X	
Children and Young People (see guidance for definition)			X	
<b>Religion/Belief:</b>				
Christian			X	
Buddhist			X	
Hindu			X	
Jewish			X	
Muslim			X	

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
Sikh			X	
Other religion (including holding no belief)			X	
<b>Other Potentially Affected Groups</b>				
Rural Isolation - People who live in rural areas e.g isolated geographically, lack of internet access			X	
Socio-economic Exclusion – e.g. people who are on benefits, have low educational attainment, single parents, people living in poor quality housing, people who have poor access to services, the unemployed or any combination of these and the other protected strands			X	
Any other potentially affected groups ( <i>please specify</i> )			X	
<p><b>8. If you have indicated that there is a negative impact on any group:</b></p> <p>No negative impacts have been recorded. The Council's existing pay structure for Heads of Service and below was agreed in conjunction with Unison and equal pay audits are undertaken at least once every three years. The majority of benefits are available to all staff to access. Where pay and benefits are changed these matters are consulted on with Unison and equality impact assessments are undertaken at that time.</p> <p>The Pay Policy Statement isn't introducing or changing anything, it is stating the current position in relation to the Council's pay and benefits.</p>				
a) Is that impact against legislation?	Yes	No		
b) What is the level of impact?	High	Low		
9. Could you minimise or remove any negative impact that is of low significance?	How?			

10. Could you improve a positive impact of the Policy?	How?
11. If there is no evidence that the Policy promotes equality of opportunity or improved relations, could it be adapted so that it does?	How?
Head of Service signature	
<b>Date of Initial Screening:</b>	5 March 2012