



Personnel Sub-Committee 9 February 2015

Pay Policy

Purpose of report

This report requests permission to recommend approval of the pay policy by Full Council

Attachments

Appendix 1 – Pay Policy February 2015

1.0 Background

- 1.1 ENC is required by law to agree and publish an annual pay policy.
- 1.2 The first pay policy was published for 1 April 2012 – 31 March 2013.

2.0 The policy

- 2.1 Last year's pay policy has been reviewed, and it is recommended that the only changes are the following necessary updates.
 - Update of staff salaries (to incorporate the pay rise) – Appendix A.
 - Annual calculation of the Chief Executive's salary compared to the lowest and average salaries (section 36.6).

3.0 Financial implications

- 3.1 There are no direct financial implications of this policy.

4.0 Legal implications

- 4.1 The implementation of this policy will ensure that ENC is meeting its legal requirements.

5.0 Risk implications

- 5.1 The approval of this policy should reduce risks of legal challenge.

6.0 Equality implications

- 6.1 An equality impact assessment is not needed as there are no substantive changes.

7.0 Recommendations

- 7.1 The Sub-Committee is asked to make a recommendation to approve to Full Council.

(Reason: To adhere to statutory requirement)

Legal	Power: Localism Act 2011.				
	Other considerations:				
Background Papers: None					
Person Originating Report: Aime Armstrong – HR Manager					
Date: 21 January 2015					
CFO		MO		CX	

(Committee Report Normal Rev. 22)



East
Northamptonshire
Council

Pay Policy Statement



February 2015

Document Version Control

Author (Post holder title)	Katy Everitt (Head of Resources and Organisational Development)
Type of document	Policy
Version Number	4.0
Document File Name	
Issue date	
Approval date and by who (SMT / committee)	Full Council
Document held by (name/section)	Human Resources
For internal publication only or external also?	Internal and external
Document stored on Council website or Eunice?	Eunice and Council website
Next review date	By 31 March 2016

Distribution List

Internal	External
e.g. Individual(s) / Group / Section	e.g. Stakeholders / Partners / Organisation(s)
EUNICE	Website

Links to other documents

Document	Link

Contents		Page
Section one: introduction and background information		
1.0	Introduction	6
2.0	Legislation	6
3.0	Scope of the Pay Policy Statement	7
4.0	Context	8
5.0	The Council's overall approach to pay and benefits	8-9
Section two: annual salaries		
6.0	Annual salaries	9
7.0	Salaries on appointment	9-10
8.0	Pay progression	10
9.0	Pay awards	10
10.0	Special responsibility allowance	10
11.0	Performance related pay and market supplements	10
Section three: other allowances and benefits		
12.0	Other allowances and benefits	10-11
13.0	Annual leave	11
14.0	Car scheme	11
15.0	Car Loans	12
16.0	Essential car user allowance	12
17.0	Mileage rates	12-13
18.0	Mobile telephones	13
19.0	Landline telephones	13
20.0	Election fees	13-14
21.0	Honorariums	14
22.0	Relocation and removal expenses	14
23.0	Professional subscriptions	14

24.0	Out of hours payments	14
25.0	Flexitime Scheme	15
26.0	Payment of hours worked outside the Council's flexitime scheme	15
27.0	Local Government Pension Scheme	15-16
28.0	Other allowances and benefits	16
	Section four: Payments on termination of employment	
29.0	Redundancy pay	16
30.0	Flexible retirement	16
31.0	Early retirement on compassionate grounds	17
32.0	Other termination payments	17
	Section five: re-engagement of employees following termination of employment with a severance or termination payment	
33.0	Re-engagement as an employee	17
34.0	Re-engagement under a contract for services	18
35.0	Employment of those in receipt of an LGPS pension	18
	Section six: Pay relationships	
36.0	Pay multiples and how the Council ensures pay levels are fair	18-20
	Section seven: Publication of CMT remuneration	
37.0	Pay information for CMT	20
	Section eight: Actions to be undertaken during 2013/14	
38.0	Consider flexible retirement policy	20
	Section nine: Review of Pay Policy Statement	
39.0	Review of the Pay Policy Statement 2013/14	20
	Appendices	
A	Pay structures	
B	CMT Transparency data	

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)
 - 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)

- Head of Joint Planning Unit (a hosted role only – not a member of CMT)
- 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)
- 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 one, spinal column point 10, £14,580 per annum.
- 3.6 Casual workers are paid less than the Council's lowest-paid employees.
- 3.7 Apprentices are paid the following rates:
- £138 per week (first 6 months)
 - £169 per week (second 6 months)
 - Minimum wage¹ (last 6 months)
- 3.8 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 1 January 2015 the Council has 161 full time equivalent (FTE) employees that are included in these calculations. According to the 2011 census, there are approximately 86,765 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

¹ Minimum wage is set nationally and varies according to age. It is currently £3.79 (under 18), £5.13 (18-20), £6.50 (21+)

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:

Position being appointed to	Approval by
Chief Executive	Full Council
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

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 Finance Manager (Deputy 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.

10.2 The annual SRA for the Finance Manager (Deputy Section 151 Officer) is £2,000.

11.0 Performance related pay and market supplements

11.1 The Council does not pay:

- performance related pay; or
- bonuses

11.2 The Council will pay market supplements when agreed by Personnel Sub Committee; or the Chief Executive and Chair/Deputy Chair of Personnel Sub Committee if needed for expediency. These will only be paid where there is a proven difficulty to recruit.

11.3 No market supplements were paid in 2012, 2013 or 2014.

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:

Annual Leave Entitlements	
Chief Executive and Executive Director (Monitoring Officer)	34 days paid annual leave in a full year from date of appointment. In addition, entitlement to eight Bank Holidays.
All other employees (including lowest paid employees and Heads of Service)	24 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 days. In addition, entitlement to eight Bank Holidays.

13.2 Continuous service with relevant employers (as set out in the Modification Order under the Employment Rights Act 1996) counts towards an employee's annual leave entitlement.

14.0 Car Scheme

14.1 The Council is currently winding down its Car Scheme and it will cease entirely on 30 October 2015. Seven members of staff currently have cars. No new applications will be accepted.

14.2 The following annual allowances are applicable:

Annual Allowance	
£	
Heads of Service	£5,420
Essential car users	£3,500

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 Interest on car loans is charged at the HMRC recommended rate, which at the time of writing this document is 3.25%.

16.0 Essential car user allowance

- 16.1 A number of the Council's employees have to travel in order to undertake their duties. 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 National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (NJC). Current essential car user allowances are set out below:

	451 – 999cc	1000 – 1199cc	1200 – 1450cc
Annual essential car user allowance	£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.
- 16.4 Each employee's entitlement to receive essential car user allowance will be reviewed annually.

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
Essential car users			
Per mile first 10,000	36.9p	40.9p	HMRC 45p
Per mile after 10,000	HMRC 25p	HMRC 25p	HMRC 25p
Casual car users			
Per mile first 10,000	HMRC 45p	HMRC 45p	HMRC 45p
Training – qualification courses			
	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:

	Mileage rate (per mile)
Council owned cars	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 fees 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 fees paid to the RO are not a regular feature of the Chief Executive's pay.
- 20.3 The RO fees for District Council 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 JNC.
- 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:

Position	Approval by
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 below 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 employee
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 table below :

Effective from 1 April 2014

Pay Bands	ENC Grades	Contribution Rates
Up to £13,500	None	5.5%
£13,501 - £21,000	1 – 4	5.8%
£21,001 - £34,000	4 – 8	6.5%
£34,001 - £43,000	8 – 9	6.8%
£43,001 - £60,000	9 - 10	8.5%
£60,001 - £85,000	Executive Director	9.9%
£85,001 - £100,000	None	10.5%
£100,001 - £150,000	Chief Executive	11.4%

27.2 The Council makes employer's contributions into the scheme, which are reviewed every three years by the pension fund's 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 calculated as follows:

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

29.5 All employees are entitled to apply for voluntary redundancy at any time. Each application 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 (as defined in the Pensions Discretion Policy) 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 budgets. 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, any other employee 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, for example, the ex-employee is needed to represent the Council in court proceedings.
- 34.3 Where re-engagement is proposed, approval must 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 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 relativities within the Authority. These include:
- ensuring that the relationship between Chief Officer pay levels and those of the rest of the Council's workforce is 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 The pay ratios between the Chief Executive and the Council's employees are set out below:

	11/12 ratio	11/12 actual	12/13 ratio	12/13 actual	13/14 ratio	13/14 actual	1/1/15 actual	1/1/15 ratio
Chief Exec.		£119,370		£112,434		£110,965	£108,326	
Lowest paid	7.60	£15,694	7.16	£15,694	7.00	£15,851	£14,580	7.43
Average (mean)	4.73	£25,250	4.61	£24,390	4.81	£23,078	£28,158	3.85
Average (median)	5.20	£22,958	4.74	£23,708	5.11	£21,735	£25,441	4.26
Average (mode)	6.16	£19,378	4.56	£24,646	4.46	£24,893	£20,001	5.42

36.7 For the purpose of the pay ratio the Chief Executive's remuneration comprises salary, Returning Officer fees (during 2014) and essential car user 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 3.5 of this pay policy statement.

36.10 The mode average salary is the single salary earned by the highest number of employees. 29 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.

36.12 In comparison with last year the difference/ratio between the lowest paid staff and the Chief Executive has increased slightly due to a creation of a post at grade one.

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 2015/16

38.1 To demonstrate commitment to open and transparent pay and benefits the council will continue to evaluate it's Pay and Reward Strategy to ensure it is fit for purpose.

Section nine: Review of Pay Policy Statement

39.0 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 1/4/2014 to 31/3/2015

SCP	£
6	£103,908
5	£99,912
4	£96,069
3	£92,374
2	£88,822
1	£85,406

2 Executive Director's Pay Structure

Executive Director Pay Rates 01/04/2014 to 31/03/2015

SCP	£
116	£83,118
115	£79,923
114	£76,849
113	£73,897
112	£71,053
111	£68,317

Pay Grades and Pay Points from 1 January 2015

Point	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10
56										£ 57,814
55										£ 55,585
54										£ 53,449
53										£ 51,394
52										£ 49,417
51										£ 47,514
50									£ 43,873	
49									£ 42,958	
48									£ 42,055	
47									£ 41,140	
46									£ 40,217	
45									£ 39,269	
44								£ 38,406		
43								£ 37,484		
42								£ 36,573		
41								£ 35,663		
40								£ 34,746		
39							£ 33,857	£ 33,857		
38							£ 32,778			
37							£ 31,846			
36							£ 30,979			
35							£ 30,179			
34						£ 29,560	£ 29,560			
33						£ 28,747				
32						£ 27,925				
31						£ 27,123				
30						£ 26,293				
29					£ 25,441	£ 25,441				
28					£ 24,473					
27					£ 23,699					
26					£ 22,938					
25				£ 22,214	£ 22,214					
24				£ 21,790						
23				£ 21,108						
22				£ 20,512						
21			£ 20,001	£ 20,001						
20			£ 19,307							
19			£ 18,635							
18			£ 17,973							
17		£ 17,631	£ 17,631							
16		£ 17,228								
15		£ 16,831								
14		£ 16,490								
13	£16,200	£ 16,200								
12	£15,782									
11	£15,466									
10	£14,580									
9	£14,286									
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10
JE Score	0 - 335	336 – 379	380 – 410	411 – 440	441 – 468	469 – 510	511 – 550	551 – 605	606 – 689	690 – 800+

Appendix B: Corporate Management Team Transparency Data

Gross salaries on 1 January 2015

Chief Executive	£103,908
Executive Director	£83,118
Head of Resources and Organisational Development	£57,814
Head of Communities and Customer Service	£57,814
Head of Environmental Services	£57,814
Head of Information and Communication (ICT)*	£55,585
Head of Planning Services	£57,814
Head of Joint Planning Unit**	£57,814

*This post is 50% shared with the Borough Council of Wellingborough

**This is a hosted role, and the costs are shared with the JPU partners

Returning Officer's fees during 2014

Chief Executive	£3,179
-----------------	--------