

# PAY POLICY STATEMENT

Localism Act 2011



## 1.0 CONTEXT

- 1.1 The Council is required to set out a Pay Policy Statement under sections 38 and 39 of the Localism Act 2011. The Act prescribes the information and format required for the Pay Policy Statement.
- 1.2 The statement must be approved by a resolution of the Council before it comes into force for the relevant financial year. Amendments may be made by resolution of the Council during the financial year.
- 1.3 This statement refers to the Council's position as at 31 December 2011 relating to the financial year 2012/13.
- 1.4 As a broad principle, the Council will adopt terms and conditions of employment for Chief Officers that apply to NJC staff (Green Book) and the local variations as set out in the Plymouth Book. Chief Officer terms and conditions were harmonised with NJC officers during 2011 resulting in a decrease in Chief Officer terms and conditions including annual leave entitlement.

## 2.0 INFORMATION

- 2.1 The Council's Chief Officer structure is set out within the Constitution of the Council, as implemented from 3 January 2012.
- 2.2 All statutory roles are designated within the Chief Officer structure.
- 2.3 Chief Officer grades and salary are determined using the Hay Evaluation criteria.
- 2.4 For the purposes of this Pay Policy Statement, the Council is required to define and set out the reasons for the definition of the lowest paid employee. The Council's pay and grading structure is set out in Appendix One.
- 2.5 The lowest paid worker is defined as those on the lowest spine point of Grade A, the Council's lowest pay grade. The remuneration of a Grade A at the authority (the lowest paid employee) is £12,145 (£14,501 inclusive of superannuation on-costs). This places the value ratio between the lowest paid and highest paid employee at 1:14.
- 2.6 The Council evaluates Chief Officer roles through a defined evaluation method (Hay Grading) to ensure parity and consistency of evaluation within the Council's pay and grading structures. The Council therefore does not apply a ratio between the lowest pay grade and highest pay grade to avoid interference with the objective evaluation process.
- 2.7 For all other officer posts outside the Chief Officer Structure, but earning in excess of £50,000: Positions will be published in remuneration bands of £5,000 as part of the Council's access to public information within the annual accounts.

### **3.0 CHIEF OFFICER PAY POLICY**

3.1 This section sets out the Council's policy in relation to Chief Officer remuneration and benefits as set out in the Localism Act 2011.

3.2 Levels and elements of remuneration for each Chief Officer:

- Each Chief Officer will receive a basic salary as defined by the Council's pay and grading structures commensurate with their level of responsibilities.
- Each Chief Officer role will be graded using the Hay Job Evaluation methodology based on the published Role Profiles and organisational structures.
- Each Chief Officer will receive the same terms and conditions of employment as set out in the Plymouth Book for NJC (Green Book) employees.
- Market supplements or additional payments of Chief Officers will be time limited to a maximum of 2-years from their commencement. Extensions beyond 2 years will require the Head of Paid Service approval and will be reported as an amendment to the Council's published Pay Policy Statement.
- Superannuation (pension) payments are made by the employer into the Local Government Pension Scheme (LGPS). The rate of contribution is defined by the LGPS and is applicable to all employees (including chief officers). The employer contribution rate is 19.4%. Chief Officers and those earning above £43,301 are required to make a contribution of 7.2% to 7.5% towards their pension, all staff earning under £43,301 make contributions between 5.5% and 7.2% based on salary bands.

#### **Recruitment and remuneration on engagement of Chief Officers**

3.3 Chief Officers will be remunerated at the evaluated grade for the role on commencement of service. Additional payments (not including relocation expenses) will be time-limited for a maximum of 2-years with terms of additional payments to be agreed by the Head of Paid Service. This includes the application of the Council's policies on Market Factor Supplements.

3.4 As required by law, the appointment and remuneration of Chief Officers is determined by the Council members through the Chief Officer appointment panel.

#### **Increases and additions to remuneration for each Chief Officer**

3.5 The Council will review each role profile and remuneration of Chief Officers prior to any recruitment or at the creation or substantive change to the existing role.

3.6 Increases to pay for Chief Officers will occur through any pay award to NJC employees (Green Book) at the same rate.

3.7 Chief Officers are appointed on spot salaries. There is no spine point progression for Chief Officers.

### **The use of performance-related pay (PRP) for Chief Officers**

3.8 There is no performance-related pay scheme for Chief Officers. Chief Officers are subject to an annual appraisal of performance.

### **The use of bonuses for Chief Officers**

3.9 There is no performance-related pay scheme for Chief Officers.

### **Chief Officer pay on termination of contract or end of office**

3.10 Chief Officers will receive their contractual entitlement for termination payments. These entitlements are the same for NJC staff (Green Book). Where the Council is terminating the contract of employment, pay in-lieu of notice (PILON) or paid leave may be granted by the Assistant Director for Human Resources and Organisational Development.

3.11 Redundancy pay for Chief Officers is calculated as the statutory minimum.

### **Publication of and access to information relating to the remuneration of Chief Officers**

3.12 An annual Pay Policy Statement will be presented to Council as part of the budget-setting process for the following financial years, for approval.

3.13 Chief Officer remuneration (actual payments) will be reported in the Council's Annual Statement of Accounts and made available on the Council's website.

### **Returning Officer Fees**

3.14 Additional payments for both Chief Officers and non-Chief Officers are made in respect of the returning officer and those undertaking duties in relation to elections.

### **Benefits in Kind**

3.15 Chief Officers do not receive any benefits in kind. Any benefits, gifts or hospitality must be properly authorised and recorded in accordance with the Officer's Code of Conduct.

### **Charges, fee and professional registrations**

3.16 Professional fees and charges will be made on behalf of statutory officers and deputy statutory officers in respect of their requirement to be registered to practise with the relevant body. No other charges, fees or registrations are paid by the Council outside of the Plymouth Book local terms for all NJC employees.

### **Increases and enhancement to pension entitlement**

- 3.17 The Council's Chief Officers are entitled to become members of the Local Government Pension Scheme (LGPS). Payments and entitlements are subject to LGPS Regulations.
- 3.18 The Council does not enhance pensions or provide added-years to Chief Officers beyond their basic entitlements.
- 3.19 Pension strain costs are borne by the Authority on the redundancy of a Chief Officer in line with all other employees. The Council policy limits the maximum cost of redundancy and pension strain to a maximum of three times the annual salary for payback. Any situation likely to exceed this amount will be resolved by the Council's Appointments Panel at the point of dismissal.

### **Other amounts payable**

- 3.20 There are currently no other entitlements for additional payments for Chief Officers. The award of other payments with the Council's pay policies will be agreed with the Head of Paid Service.

### **Chief Officer Policies**

- 3.21 Policies adopted for application to the NJC staff (Green Book) will apply to Chief Officers with the exception of matters related to non-executive functions of the Council in relation to Chief Officers such as appointment, investigations and disciplinary action, employment appeals and dismissal.

### **Terms and conditions**

- 3.22 Chief Officer terms and conditions will mirror those for NJC staff (Green Book). No more or less favourable terms or treatment shall be afforded to Chief Officers in respect of terms and conditions of employment.

### **Superannuation**

- 3.23 Superannuation is determined by the Local Government Pension Scheme Regulations.

APPENDIX ONE

Pay & Grading Structure

<u>Grade</u>	<u>SCP</u>	<u>April 2012</u>
<b>Grade A</b>	<b>4</b>	£12,145
	<b>5</b>	£12,312
	<b>6</b>	£12,489
	<b>7</b>	£12,787
	<b>8</b>	£13,189
<b>Grade B</b>	<b>9</b>	£13,589
	<b>10</b>	£13,874
	<b>11</b>	£14,733
	<b>12</b>	£15,039
	<b>13</b>	£15,444
<b>Grade C</b>	<b>14</b>	£15,725
	<b>15</b>	£16,054
	<b>16</b>	£16,440
	<b>17</b>	£16,830
	<b>18</b>	£17,161
<b>Grade D</b>	<b>19</b>	£17,802
	<b>20</b>	£18,453
	<b>21</b>	£19,126
	<b>22</b>	£19,621
	<b>23</b>	£20,198
<b>Grade E</b>	<b>24</b>	£20,858
	<b>25</b>	£21,519
	<b>26</b>	£22,221
	<b>27</b>	£22,958
<b>Grade F</b>	<b>28</b>	£23,708
	<b>29</b>	£24,646
	<b>30</b>	£25,472
	<b>31</b>	£26,276
<b>Grade G</b>	<b>32</b>	£27,052
	<b>33</b>	£27,849
	<b>34</b>	£28,636
	<b>35</b>	£29,236
<b>Grade H</b>	<b>36</b>	£30,011
	<b>37</b>	£30,851
	<b>38</b>	£31,754
	<b>39</b>	£32,800
	<b>40</b>	£33,661

<u>Grade</u>	<u>SCP</u>	<u>April 2012</u>
<b>Grade I</b>	<b>41</b>	£34,549
	<b>42</b>	£35,430
	<b>43</b>	£36,313
	<b>44</b>	£37,206
	<b>45</b>	£38,042
	<b>46</b>	£38,961
<b>Grade J</b>	<b>47</b>	£39,855
	<b>48</b>	£40,741
	<b>49</b>	£41,616
	<b>50</b>	£42,490
	<b>51</b>	£43,377
	<b>52</b>	£44,268
<b>Grade K</b>	<b>53</b>	£45,177
	<b>54</b>	£46,071
	<b>55</b>	£46,950
	<b>56</b>	£47,929
	<b>57</b>	£48,810
<b>Grade L</b>	<b>58</b>	£49,701
	<b>59</b>	£50,583
	<b>60</b>	£51,465
	<b>61</b>	£52,346
	<b>62</b>	£53,234
<b>Chief Officer</b>	<b>350</b>	£57,764
	<b>400</b>	£69,696
	<b>460</b>	£84,606
	<b>528</b>	£99,614
	<b>608</b>	£114,637
	<b>700</b>	£129,699
	<b>800</b>	£171,498

(SCP 1 – 3 and 528 are not used)

Pay Award pending for 1<sup>st</sup> April 2012.