

COUNCIL – 27TH FEBRUARY 2012

Report of the Chief Executive

ITEM 6.6 PAY POLICY STATEMENT 2012-13

Purpose of Report

To approve a pay policy statement for the financial year 2012-13, as required under the Localism Act 2011.

Recommendation

That the pay policy statement appended to this report be adopted for 2012-13.

Reason

To comply with the requirements of the Localism Act 2011.

Policy Context

The Localism Act requires that the Council should adopt a pay policy statement for the financial year 2012-13 by 31st March 2012, and that such a statement should be adopted annually before the commencement of each subsequent financial year.

Background

Under the Localism Act all public authorities must adopt and publish annual pay policy statements. The statement must set out the authority's policies for the financial year relating to:

- a. Remuneration of its Chief Officers;
- b. Remuneration of its lowest paid employees;
- c. The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers.

The term 'Chief Officers' in a local authority context is defined as:

- a. The Head of Paid Service;
- b. The Monitoring Officer;
- c. A statutory Chief Officer and non statutory Chief Officer under section 2 of the Local Government and Housing Act 1989;
- d. A deputy Chief Officer mentioned in section 2 of that Act.

It is up to the authority to determine who its lowest paid employees are but the statement must give reasons as to why they have been defined as such.

The statement must include the authority's policies relating to:

- a. The level and elements of remuneration for each Chief Officer;
- b. Remuneration of Chief Officers on recruitment;
- c. Increases and additions to remuneration for each Chief Officer;

- d. The use of performance related pay for Chief Officers;
- e. The use of bonuses for Chief Officers;
- f. The approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the Authority;
- g. The publication of and access to information relating to remuneration of Chief Officers.

The statement must be published on the authority's website.

The statement must be approved by a resolution of the authority before it comes into force and it can be amended by resolution after the financial year is underway but, if it is amended, it must be published.

As the statement is employment related, it would normally be recommended to Council by the Personnel Committee, although the annual approval of the statement is reserved to full Council.

However, given the tight timescales in relation to the requirement for approval by full Council in this first year, it has not been possible for the Personnel Committee to consider the statement in advance, although it is anticipated that this will be the process applied for future years.

A copy of the proposed statement for 2012-13 has been provided to the trade unions for information.

Financial Implications

There are no financial implications arising from this decision.

Risk Management

No specific risks have been identified with this decision.

Background Papers: None

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Pay Policy Statement

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Purpose

As a responsible employer Charnwood Borough Council is committed to delivering a fair, equitable and transparent policy covering pay and other employee benefits which improves flexibility in delivering services and delivers value for money.

Within the framework of its terms and conditions of employment, the authority aims to develop and maintain appropriate pay systems and benefit packages to attract and retain motivated, flexible people who take responsibility, work as a team, improve performance and acquire new skills.

This Pay Policy Statement sets out the Council's policies relating to the pay of its workforce and will enable the elected members of the Council to make future decisions on pay.

The Council's Pay Policy will be agreed by Full Council before the beginning of each financial year. The policy may also be amended by Full Council during the course of the year if necessary.

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Scope

This policy and procedure applies to all employees of Charnwood Borough Council employed under the conditions of service of the following bodies:

- National Joint Council for Local Government Services
- Joint Negotiating Committee for Chief Officers of Local Authorities
- Joint Negotiating Committee for Local Authority Chief Executives

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Principles

The Council's commitment to equality of opportunity will be observed at all times during the operation of this policy and procedure. This will ensure that employees are treated fairly and without discrimination on the grounds of race, nationality, ethnic or national origins, sex, marital status or civil partnership, disability, age, sexual orientation, trade union membership or activity, political or religious belief, maternity or pregnancy, gender re-assignment and unrelated criminal conviction.

All pay-related decisions will be taken in compliance with relevant legislation, including the Equality Act 2010, Agency Workers Regulations 2010, Employment Act 2002, Fixed-term Workers (Prevention of Less Favourable Treatment) Regulations 2002, Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, Employment Relations Act 1999, Employment Rights Act 1996.

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Areas Covered

Job Evaluation

The grading of all posts within Charnwood Borough Council is determined using the nationally recognised Hay Job Evaluation Scheme. This is in order to ensure that all posts within the Council are graded and therefore rewarded financially through a fair and non-discriminatory process, that there is consistency between posts and that the Council complies with equal pay legislation. The scheme is an analytical one that takes consideration of three key elements of a post:

- Know How - the levels of knowledge, skill and experience (gained through work experience, education and training) which are required to perform the job successfully;
- Problem Solving - the complexity of thinking required to perform the job when applying Know How;
- Accountability - the impact the job has on the organisation and the constraints the job holder has on acting independently.

The Council's lowest paid workers (Scale 1) are those who undertake roles that require knowledge of standardised work routines (and/or use simple equipment) acquired through training on the job, involve little or no forward planning, and have frequent contact with others primarily to give or receive information.

A copy of the Council's organisation chart, showing grades of posts, can be found at: <http://www.charnwood.gov.uk/pages/officials>.

A copy of the Council's pay and grading structure can be found at Appendix A.

Basic pay is paid in accordance with the evaluated grade of the post.

Chief Officer salary details are published on the Council's website and can be found at: http://www.charnwood.gov.uk/pages/senior_salary_information. In future, Full Council will be offered the opportunity to vote before large salary packages (over £100,000) are offered in respect of new appointments.

For the purposes of this Pay Policy Statement Chief Officers include the following Council officials;

- the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- its monitoring officer designated under section 5(1) of that Act;
- a statutory chief officer mentioned in section 2(6) of that Act;
- a non-statutory chief officer mentioned in section 2(7) of that Act;
- a deputy chief officer mentioned in section 2(8) of that Act.

The 'pay multiple' - the ratio between the highest paid salary (JNC E, spinal point 90) and the median average salary of the Council's workforce is 4.8.

The Council follows the NJC national agreement on pay and conditions of service (the Green Book) which includes the use of national pay scales. Advice was taken from Hay during the implementation of the job evaluation scheme in order to determine the relationship between the scoring of posts under the scheme and the relevant pay grade.

Details of Chief Officer remuneration for 2010/2011 including expense allowances can be found in the Council's statement of accounts at: http://www.charnwood.gov.uk/pages/annual_accounts.

There has been no annual pay award to any group of staff since 1st April 2009.

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Pension Entitlement

All employees, including Chief Officers and the Chief Executive, are eligible to join the Local Government Pension Scheme. The scheme is a statutory scheme with contributions from employees and employers. More comprehensive details on the scheme can be found at www.lgps.org.uk.

The scheme provides for the exercise of discretion that allow for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that its usual policy is not to enhance benefits for any of its employees.

The scheme provides for flexible retirement. In applying this provision no distinction is made between employees. To request that flexible retirement is considered, an employee must normally either reduce their working hours by a minimum of 40% and/or reduce their grade. If an employee wishes to reduce their hours of work by a lesser amount, they can still apply for flexible retirement, as each case will be considered on an individual basis.

Under the Local Government Pension Scheme there is no abatement (i.e. reduction or suspension) of pensions for employees who return to work after drawing their pensions except in the circumstance where they have previously been awarded added years.

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Severance Payments

The Council has a single redundancy scheme which applies to all employees. Redundancy payments are calculated in accordance with the Employment Rights Act 1996 and the 2006 Discretionary Compensation Regulations and are based on the employee's age, length of continuous local government service and salary.

The Council does not provide any further payment to employees leaving the Council's employment other than in respect of accrued annual leave.

Local arrangements also apply as per the Council's Severance Policy which can be found at Appendix B. This policy applies to all employees of the Council.

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Bonus Payments

The Council does not pay any group of employees a bonus.

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Performance Related Pay

Progression through the pay grade for Chief Officers (JNC grades) is dependent on achieving set criteria and objectives which are agreed at the officers' annual performance development review. This does not apply to the Chief Executive as this role is on a spot salary and therefore does not have grade progression.

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Allowances

All Chief Officers receive allowances as detailed in the Conditions of Service of the Joint Negotiating Committee for Chief Officers of Local Authorities and the Joint Negotiating Committee for Local Authority Chief Executives. However, where these conditions are silent or do not cover an allowance or process, the Chief Officers/Chief Executive will receive the same as those employees covered by the National Joint Council for Local Government Services.

A copy of the Joint Negotiating Committee's Handbook for Chief Officers of Local Authorities can be downloaded from the following website: <http://www.emcouncils.gov.uk/Chief-Officers>.

A copy of the Joint Negotiating Committee's Handbook for Local Authority Chief Executives can be requested through the following website: www.lge.gov.uk.

A copy of the Conditions of Services for the National Joint Council for Local Government Services (the Green Book) can be requested through the following website: www.lge.gov.uk.

Essential Car User

Posts that are designated as essential car users, including those of Chief Officers, are eligible to claim mileage allowances as per the NJC Conditions of Service.

Broadband

Employees who meet the criteria for home working are entitled to receive a broadband allowance.

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Election Duties

The Chief Executive receives a payment for his role as Returning Officer for the Council. The Chief Executive will undertake the role of Returning Officer for Parliamentary, Borough and Parish Council Elections but may also undertake Deputy Returning Officer duties in relation to County Council and European Elections. The Chief Executive may also, on appropriate occasions, require his Chief Officers to undertake Deputy Returning Officer roles. They will be remunerated for undertaking these roles. The payment for General Elections is in accordance with the Parliamentary Elections (Returning Officers' Charges Order 2010) which can be found at: <http://www.legislation.gov.uk/uksi/2010/830/schedule/1/made>.

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Publication and Access to Information

The publication of and access to information relating to Chief Officer remuneration will be set out in this document and published on the Council's website.

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APPENDIX A

Hourly Rates etc. from Annual Salaries

Grade	SCP	Ann. Sal.	Hrly. Rate	Monthly	Wkly
1	4	12145	6.2951	1012.08	232.92
	4a	7894	4.0918	657.85	151.40
	4b	8805	4.5639	733.76	168.87
	5	12312	6.3816	1026.00	236.12
	6	12489	6.4734	1040.75	239.52
	7	12787	6.6278	1065.58	245.23
	8	13189	6.8362	1099.08	252.94
	9	13589	7.0435	1132.42	260.61
	10	13874	7.1913	1156.17	266.08
	11	14733	7.6365	1227.75	282.55
2	11	14733	7.6365	1227.75	282.55
	12	15039	7.7951	1253.25	288.42
	13	15444	8.0050	1287.00	296.19
3	14	15725	8.1507	1310.42	301.58
	15	16054	8.3212	1337.83	307.88
	16	16440	8.5213	1370.00	315.29
	17	16830	8.7234	1402.50	322.77
4	18	17161	8.8950	1430.08	329.12
	19	17802	9.2272	1483.50	341.41
	20	18453	9.5647	1537.75	353.89
	21	19126	9.9135	1593.83	366.80
5	22	19621	10.1701	1635.08	376.29
	23	20198	10.4692	1683.17	387.36
	24	20858	10.8113	1738.17	400.02
	25	21519	11.1539	1793.25	412.69
6	26	22221	11.5177	1851.75	426.16
	27	22958	11.8997	1913.17	440.29
	28	23708	12.2885	1975.67	454.67
S.O.1	29	24646	12.7747	2053.83	472.66
	30	25472	13.2028	2122.67	488.50
	31	26276	13.6195	2189.67	503.92
S.O.2	32	27052	14.0218	2254.33	518.81
	33	27849	14.4349	2320.75	534.09
	34	28636	14.8428	2386.33	549.18
PO1	35	29236	15.1538	2436.33	560.69
	36	30011	15.5555	2500.92	575.55
	37	30851	15.9909	2570.92	591.66
	38	31754	16.4589	2646.17	608.98
PO2	39	32800	17.0011	2733.33	629.04
	40	33661	17.4474	2805.08	645.55
	41	34549	17.9077	2879.08	662.58
	42	35430	18.3643	2952.50	679.48
PO3	43	36313	18.8220	3026.08	696.41
	44	37206	19.2849	3100.50	713.54
	45	38042	19.7182	3170.17	729.57
	46	38961	20.1945	3246.75	747.20

April 2009 (still applicable from 1st April 2011)

Grade	SCP	Ann.Sal	Hrly Rate	Monthly	Wkly
PO4	47	39855	20.6579	3321.25	764.34
	48	40741	21.1171	3395.08	781.33
	49	41616	21.5707	3468.00	798.12
			0.0000	0.00	0.00
JNC A	50	43977	22.7944	3664.75	843.39
	51	45108	23.3807	3759.00	865.08
	52	46230	23.9622	3852.50	886.60
	53	47361	24.5485	3946.75	908.29
JNC B	54	48492	25.1347	4041.00	929.98
	55	49611	25.7147	4134.25	951.44
	56	50856	26.3600	4238.00	975.32
	57	52092	27.0007	4341.00	999.02
JNC C	58	54150	28.0674	4512.50	1038.49
	59	55374	28.7018	4614.50	1061.97
	60	56607	29.3409	4717.25	1085.61
	61	57834	29.9769	4819.50	1109.15
JNC D	62	62190	32.2347	5182.50	1192.68
	63	63741	33.0387	5311.75	1222.43
	64	65301	33.8472	5441.75	1252.35
	65	66852	34.6512	5571.00	1282.09
JNC E	66	68406	35.4566	5700.50	1311.90
	67	69981	36.2730	5831.75	1342.10
	68	71553	37.0878	5962.75	1372.25
	69	73131	37.9057	6094.25	1402.51
	74	85752	44.4475	7146.00	1644.56
	90	114327	59.2587	9527.25	2192.57
Group 1	25	21519	11.1539	1793.25	412.69
	27	22958	11.8997	1913.17	440.29
	31	26276	13.6195	2189.67	503.92
Group 2	25	21519	11.1539	1793.25	412.69
	26	22221	11.5177	1851.75	426.16
	28	23708	12.2885	1975.67	454.67
Group 3	23	20198	10.4692	1683.17	387.36
	24	20858	10.8113	1738.17	400.02
	27	22958	11.8997	1913.17	440.29
Group 4	18	17161	8.8950	1430.08	329.12
	19	17802	9.2272	1483.50	341.41
	20	18453	9.5647	1537.75	353.89
	100	200	0.1037	16.67	3.84
	102C		6.3597	0.00	235.31
	103		0.0000	0.00	0.00
	103B		0.0000	0.00	0.00
	120		20.0000		per walk
	121		0.0000	0.00	0.00

Employee Handbook - Severance Policy

1. Introduction

The purpose of this policy is to provide fair and equitable compensation to employees who leave the Council's employment either through redundancy or in the interests of the efficiency of the service and, at the same time, ensuring that legislative requirements are met and the burden placed on the public purse is reasonable. This policy is a discretionary one and the Council may seek to apply that discretion from time to time.

2. Early Retirement in the Interests of the Efficiency of the Service

2.1 Early retirement at the instigation of the Council can only apply to employees who are aged between 55 and 65 and who are members of the Local Government Pension Scheme (LGPS).

2.2 This arrangement is aimed at individual employees who, whilst having given valuable service in the past, are no longer deemed capable of doing so. The situation may arise from an employee being unable to cope with the new and expanding duties being placed on him or her. The decline in an employee's ability to perform the duties of the post may be exacerbated by ill health but this arrangement is unlikely to apply in cases of long term absence due to ill health. This arrangement will not apply where it is deemed that it is more appropriate to deal with an individual's ability or willingness to perform under the Capability or Disciplinary Procedures. The decline in an employee's ability to perform the duties of the post due to domestic circumstances and ill health retirement are dealt with separately.

2.3 Employees who meet the requirements under 2.1 are entitled to an immediate and unreduced pension based on their reckonable service. The cost of the early payment of pension will be borne by the Council. The application of this arrangement is entirely at the discretion of Charnwood Borough Council and will be with the consent of the employee. It will only be considered as a last resort.

3. Redundancy

3.1 Redundancy covers a particular set of circumstances covered by the (Employment Rights Act 1996 Section 139 (1)). A redundancy occurs where the employer requires fewer or no people to undertake work of a particular kind.

3.2 Employees who are dismissed on the grounds of redundancy, and who have been continually employed for two years or more by members of the modification order (this covers employment within local government and some other employers), will receive a redundancy payment. The payment is based on the statutory formula with a multiplier x2 applied. The calculator [\(Redundancy Payment Ready Reckoner\)](#) allows for a number of weeks' redundancy pay based on age and service (up to a maximum of 20 years' service). The maximum number of weeks' redundancy pay an individual can receive is 60 weeks. A week's pay is deemed to be an actual week's pay rather than the statutory maximum.

3.3 Employees who are aged 55 and over and who are members of the LGPS are entitled to an immediate, unreduced pension based on their reckonable service. The cost of the early payment of pension will be borne by the Council.

3.4 Employees have the option of using their redundancy payment, in excess of statutory

redundancy payment, to purchase a period of membership in the LGPS. The amount of pension scheme membership purchased by the cash sum would vary depending on the age of the employee and the number of year's service. Employees should seek advice from the Pensions Department at Leicestershire County Council.

4. Augmentation

The Council has elected not to use the augmentation facility (Regulation 52) with the exception of converting an amount awarded under the Discretionary Compensation Regulations 2006, should an employee chose to do so and be eligible to covert the full amount.

5. Local Government Pension Regulations

An employee is not eligible for compensation where this is in breach of the Local Government Pension regulations or any other legislative requirements. The compensation arrangements listed above may be amended from time to time and will be amended in the light of any future changes brought into effect as a result of future legislative requirements.

6. Changes to Severance Scheme

This scheme will be subject to change from time to time. Employees will be notified of any such changes.

Severance Policy April 2007