

PAY POLICY STATEMENT 2015/16

REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

1.0 SUMMARY

- 1.1 This report seeks approval of the Pay Policy Statement 2015/16 which is a statutory requirement under Section 38 (1) of the Localism Act 2011. The statement will be updated on an annual basis. 1.2 The pay policy statement is set out in Appendix 1.

2.0 BACKGROUND

- 2.1 The Council along with all other Local Authorities in England are required to prepare a Pay Policy Statement each year, 2012 was the first year these Statements had to be published.
- 2.2 The Localism Act includes an expression of the Government's aim that there is improved transparency about how public money is spent, including that of pay.
- 2.3 The Pay Policy Statement must articulate a Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff ("chief officers") and its lowest paid staff.
- 2.4 The Councils are individual employers (albeit in a partnership arrangement with each other) and as such have the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for the local taxpayer.

3.0 COMMENTARY

- 3.1 In producing the Pay Policy Statement (attached as Appendices 1) account has been taken of the fact that the partnership arrangement is between Adur District Council and Worthing Borough Council. However separate Pay Policy Statements have been produced for the two Councils.

3.2 In undertaking the analysis of pay, (in particular the pay ratio between the median average salary of staff who are not chief officers and the Chief Executive) officers who form part of the shared service structure are treated as the Council's employees for the purpose of this exercise.

3.0 COMMENTARY

3.3. In paragraph 2.4, reference is made to the Council developing an approach to pay that seeks to achieve value for money. Since the introduction of Partnership working there has been a significant reduction in the size of the Councils Management Team.

	Chief Executive	Directors	EHoS
Pre Partnership	2	4	17
1 st April 2008	1	3	10
June 2009	1	2	10
March 2010	1	2	9
May 2011	1	2	8
August 2011 (current structure)	1	2	7
April 2014	1	4	0
April 2015	1	4	0

3.4 A cost allocation mechanism is in place for the Councils Management Team as follows:

Post	Adur	Worthing
Chief Executive	50%	50%
Strategic Directors	50%	50%

4.0 LEGAL

4.1 The Pay Policy Statement is a statutory requirement under Section 38 (1) of the Localism Act 2011.

4.2 DCLG guidance on the Pay Policy Statement advises that the Secretary of State does not consider that the statement engages the Data Protection Act as they contain general principles underpinning decisions on pay and not personal data.

5.0 FINANCIAL IMPLICATIONS

5.1 There are no financial implications to publishing the Pay Policy Statement.

6.0 RECOMMENDATION

- 6.1 Council is recommended to approve the Pay Policy Statement 2015/16 set out in Appendix 1.

Local Government Act 1972

Background Papers:

Openness and accountability in local pay: Guidance under section 40 of the Localism Act. DCLG February 2012.

Localism Act: Pay Policy Statements. Guidance for Local Authority Chief Executives Supplementary Note 2. LGA / ALACE 1st March 2012.

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SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

1.1 Ensuring Value for Money and low Council Tax

2.0 SPECIFIC ACTION PLANS

2.1 The Pay Policy Statement compliments the Councils Workforce Development Strategy and its Equalities & Diversity Action Plan.

3.0 SUSTAINABILITY ISSUES

3.1 Matter considered and no issues identified.

4.0 EQUALITY ISSUES

4.1 The Councils have implemented a Job Evaluation scheme designed to ensure equality in pay and remuneration.

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

5.1 Matter considered and no issues identified

6.0 HUMAN RIGHTS ISSUES

6.1 The report recommends adoption of a Policy that is consistent with legislation relating to Data Protection and the handling of personal information.

7.0 REPUTATION

7.1 Failure to publish a Pay Policy Statement could result in negative reputational damage to the Councils.

8.0 CONSULTATIONS

8.1 Matter considered and no issues identified

9.0 RISK ASSESSMENT

9.1 Matter considered and no issues identified

10.0 HEALTH & SAFETY ISSUES

10.1 Matter considered and no issues identified.

11.0 PROCUREMENT STRATEGY

11.1 Matter considered and no issues identified

12.0 PARTNERSHIP WORKING

12.1 The Councils approach to pay is undertaken in a Partnership Agreement between Adur District Council and Worthing Borough Council.

ADUR DISTRICT COUNCIL PAY POLICY STATEMENT - FINANCIAL YEAR 2015-16

1.0 PURPOSE

- 1.1 This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and this will be updated annually from April each year.

This Pay Policy Statement sets out Adur District Council's policies relating to the pay of its workforce for the financial year 2015-16, in particular:

- (a) The remuneration of its Chief Officers;
- (b) The remuneration of its 'lowest paid employees';
- (c) The relationship between:
 - (i) The remuneration of its Chief Officers and;
 - (ii) The remuneration of its employees who are not Chief Officers.

2.0 DEFINITION

- 2.1 For the purpose of this Pay Policy, the following definitions will apply:

- (a) 'Pay' in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments;
- (b) To enable meaningful comparison of posts, the Council uses full-time equivalent salaries as set out in its pay structure;
- (c) 'Chief Officer' refers to the following roles within Adur District Council:
 - (i) Chief Executive, as Head of Paid Service;
 - (ii) Directors x 4; and These officers are members of the Council's Leadership Team.

- 2.2 'Lowest paid employees' refers to those staff employed within Grade 1 on the Council's pay framework.

The above definition for the 'lowest paid employees' has been adopted because Grade 1 is the lowest grade on the Council's pay framework. The bottom point on the payscale is spinal column point 5 (£13,500) per annum. This excludes apprenticeships/trainee posts where we are guided by National Minimum Wage requirements.

2.3 'Employee who is not a Chief Officer' refers to all staff who are not covered under the Chief Officer group above (2.1). This includes the 'lowest paid employees'.

3.0 PAY FRAMEWORK REMUNERATION LEVELS

3.1 Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the Council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not, nor is seen to be, unnecessarily excessive. Each Council has responsibility for balancing these factors and each Council faces its own unique challenges on opportunities in doing so and retain flexibility to cope with various circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate.

3.2 Pay Framework

It is essential for good governance that decisions on pay and reward packages for Chief Executives and Chief Officers are made in an open and accountable way and that there is a verifiable and accountable process for recommending the levels of top salaries.

Adur District Council's current pay framework for staff other than Chief Officers who are working jointly for Adur District Council and Worthing Borough Council was approved on 3rd February 2009 by the Joint Staff Committee and is based on the National Joint Council for Local Government Services: National Agreement on Pay and Conditions of Service.

Further details of the Joint Staff Committee can be found at: <http://www.adur-worthing.gov.uk/committee/>

Adur District Council's current pay framework for staff employed by Adur but not working jointly with Worthing Borough Council and on Grades 1 to PO1 and M Grade Band 6 to Band 4 has been in operation for many years.

Adur District Council's current pay framework for staff employed by Adur but not working jointly with Worthing Borough Council as set out in Table 1 was agreed by the Corporate Resources Committee in June 2002.

3.3 Job Evaluation

Where staff are working in a joint service between Adur District Council and Worthing Borough Council, grades are determined in line with National Guidance, with the grade for each role being determined by a consistent job evaluation process. This followed a national requirement for all local authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

Adur District Council has adopted the Greater London Provincial Council (GLPC) Job Evaluation Scheme. A programme of job evaluation is on-going linked to the creation of a shared services structure with Worthing Borough Council.

As part of the job evaluation assimilation process, staff below Chief Officer moved from the Adur pay spine (Table 1) to the Single Pay Structure (Table 2). Under the Single Pay Structure, Adur District Council determined a local pay framework and the overall number of grades is 11 with 55 spinal column points within the grade ranges 1 (lowest) to 11 (highest).

As part of the job evaluation process, each employee who is not a Chief Officer will be placed on one of the 11 grades based on the job evaluation of their role. The employees can progress to the salary range maximum of their grade subject to assessment of their performance as part of on-going supervision and performance management practices.

Pay awards are considered annually for staff as part of the National Local Government pay bargaining process.

4.0 REMUNERATION - LEVEL AND ELEMENT

4.1 Salaries

The group of Chief Officers (2.1), is paid outside of the Council's pay framework, which applies to all other employees. The Joint Senior Staff Committee determines the terms and conditions of Chief Officers, subject to the approval, by Council of salaries in excess of £100,000.

Further details of the Joint Senior Staff Committee can be found at

<http://www.adur-worthing.gov.uk/meetings-and-decisions/committees/joint/seniorstaff/>

The pay awarded to Chief Officers is based on a spot salary with no grade range or incremental progression. Salary is subject to the same percentage pay award agreed as part of the National Local Government pay bargaining process. The spot salary for Chief Officers was based on market testing undertaken by an Independent Consultant and was implemented on 1st April 2008. The Chief Officers have received no pay awards since the establishment of Management Team in April 2008. The salary of the Chief Executive is £104,283 with additional payments for the role of Returning Officer at elections.

Details of the remuneration of Chief Officers is published in the Council's statement of accounts which can be accessed at the following web address: <http://www.adur-worthing.gov.uk/about-the-councils/finance/statement-of-accounts/>

4.2 'Lowest paid employees'

Each lowest paid employee is paid within the salary range for Grade 1, Spinal Column Point 5 (£13,500) - Spinal Column Point 11 (£15,207).

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

Apprentice: £2.73 per hour
Under 18 £3.79 per hour
18 – 20 £5.13 per hour
21 and over £6.50 per hour

4.3 **Bonuses**

Honoraria payments can be made to staff, not including Chief Officers, as one-off payments in recognition of duties and/or acting-up duties undertaken that is additional to that expected from the normal day-to-day work. The size of the award paid to employee(s) is commensurate with the work being rewarded. Honoraria payments are approved by the Directors/Head of Service.

4.4 Other pay elements Chief Officers are subject to the same performance management process as the lowest paid employees and employees who are not Chief Officers: including annual performance and development review (appraisal) and routine supervision. Chief Officers do not receive any incremental progression.

4.5 Charges, fees or allowances Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Council's policy.

The following allowances and benefits are available to staff and Chief Officers:

- (a) Health insurance (closed to new entrants);
- (b) Life assurance (closed to new entrants);
- (c) Long service increments (closed to new entrants);
- (d) Salary sacrifice scheme;
- (e) Benefits such as arranging group or staff discount schemes;
- (f) Child care provision or allowances;
- (g) Discounted sports facilities/benefits;
- (h) Membership of professional organisations where such membership is necessary for the carrying out of their employment.

Election duty payments are made to the Returning Officer (Chief Executive) and the Deputy Returning Officers (Directors). The pay for these roles is set out nationally for National Elections and for Local Elections, the scale is set jointly by West Sussex Local Authorities.

4.6 **Pension**

All employees, as a result of their employment, are eligible to join the Local Government Pension Scheme. Locally this scheme is administered by West Sussex County Council.

4.7 **Severance Payments**

The following types of severance payments can be made to staff:

- (a) Compulsory redundancy;
- (b) Voluntary redundancy;
- (c) Efficiency of the service;
- (d) Added pension benefit on leaving employment due to redundancy or efficiency of the service;
- (e) Conversion of lump sum compensation payment into additional Local Government Pension Scheme membership;
- (f) Voluntary early retirement;
- (g) Flexible retirement;
- (h) Exceptional compassionate grounds.

If there is less than a four week period between someone being made redundant from another Council and joining Adur District Council, they will be required to repay their redundancy to their previous employer. If the break is greater than 4 weeks, their continuous service is broken.

4.8 **New starters joining the Council**

Employees new to the Council will normally be appointed to the first Spinal Column Point of the salary range for their grade. Where the candidates' current employment package would make the first point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager. This will be within the salary range for the grade. The grade will be determined by the Job Evaluation Scheme.

In professions where there is a particular skill shortage, as a temporary arrangement, it may be necessary to consider a market pay premium to attract high quality applicants. The Council's market pay provisions are subject to annual review.

5.0 RELATIONSHIP BETWEEN REMUNERATION OF CHIEF OFFICERS AND EMPLOYEES WHO ARE NOT CHIEF OFFICERS

5.1 The median average salary of employees who are not Chief Officers is £21,734. The pay ratio between the median average and the salary of the Chief Executive is 1:5.

6.0 PAY POLICY REVIEW STATEMENT REVIEW AND PUBLICATION

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

6.0 PAY POLICY REVIEW STATEMENT REVIEW AND PUBLICATION

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

ADUR DISTRICT COUNCIL PAY POLICY STATEMENT - FINANCIAL YEAR 2015-16

6.0 PAY POLICY REVIEW STATEMENT REVIEW AND PUBLICATION

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