

Allerdale Borough Council

Pay Policy Statement – 2021/2022

1. INTRODUCTION AND PURPOSE

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
- the Chief Executive (as the Head of Paid Service) is responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the Council.

Once approved by the Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31st March each year.

The introduction of the Code of Practice for Local Authority on Data Transparency 2015 places additional duties on Local authorities in terms of publication of pay details which are included in the document. The Code also requires the publication of Trade Union Facility Time and the annual publication of organisation structure charts which are contained in Appendix 1.

2. OTHER LEGISLATION RELEVANT TO PAY AND REMUNERATION

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations 2006.

The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3. PAY AND GRADING STRUCTURE

The Council uses the nationally negotiated pay spine (i.e. a defined list of salary points) as the basis for its local pay structure, which determines the salaries of its employees (published on the intranet). The actual salary levels for each post other than Chief

Officers are determined by reference to the Council's job evaluation scheme. This is a national scheme.

In addition to the nationally negotiated pay spine, the Council uses a 'job families' approach. This involves allocating similar jobs into logical categories, or 'families'. This grouping of posts into families allows for a fair and consistent approach to job profiles right across the council.

The council's job family framework has the following 7 families:

- Operatives
- Business Support
- Senior Business Support
- Specialists
- Managers/Senior Specialists
- Senior Manager/Strategic Advisor Tier 1
- Senior Manager/Strategic Advisor Tier 2

All council jobs covered by the NJC terms and conditions are allocated to a level within a job family following a job evaluation process.

It should be noted that the National Joint Council (NJC) pay spinal column points will be revised with effect from the date of any updated Agreement following a National Pay Bargaining process. Should there be any implications for the Council's existing grading structure as a consequence of the Agreement any necessary revisions will be made and any significant issues will be reported as appropriate.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining.

In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied where necessary to secure the best candidate. Where the appointment salary is above the minimum point of the pay scale this will be within the discretion of the appointing officer applies under the Recruitment and Selection Policy.

From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate, in accordance with the Market Factor Supplement Policy.

Any temporary supplement to the salary scale for the grade is approved in accordance with the Market Factor Supplement Procedure and the Acting up and Honoraria Procedure.

All employees are covered by the National Joint Council Agreement on Pay and Conditions of Service except for Chief Officers who are covered by a separate National Joint Council Agreement for Chief Officers of Local Authorities.

4. CHIEF OFFICER REMUNERATION

Salary levels for Chief Officers were set by Council after consideration of an independent review which was undertaken externally by North West Employers Organisation (NWEO) in 2012 and in September 2020 by our Human Resources Team in conjunction with other neighbouring authorities. In relation to the Programme Director roles, we looked at similar roles in the North West region as a number have been advertised recently.

The determination of any new salary structure is undertaken in accordance with the guidance produced by the Joint Negotiating Committees for Chief Executives and Chief Officers

There is no separate provision for Chief Officers in relation to the Council's general employment policies and statements. Arrangements for Chief Officers are dealt with in accordance with the Council's ordinary policies.

Details of the Chief Officer remuneration are included below:

Job Title	Tier	Salary
Chief Executive	N/A	£102,794.18, £105,921.89, £109,049. 81
Chief Officers (including payment for statutory duties)	COT1	£66,000, £68,000, £70,000.00
Assistant Chief Executives	COT2	£56,000, £58,000, £60,000.00
Programme Directors	COT3	£52,000, £54,000, £56,000.00

Chief Officers will be set performance objectives in each new appraisal year and will only be able to move through the salary scales once objectives have been reached.

RETURNING OFFICER

The statutory designation of the Returning Officer currently sits with the Chief Executive. The Council is required to provide funding to the Returning Officer to discharge statutory functions relating to the administration of local government elections. The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections in accordance with their role.

ELECTORIAL REGISTRATION OFFICER

The statutory designation of the Electoral Registration Officer currently sits with the Chief Executive. The Electoral Registration Officer is, by default, appointed the Acting

Returning Officer for UK Parliamentary elections. There is no separate payment for the role.

DEPUTY ELECTORAL REGISTRATION OFFICERS

The Chief Officer Place and Governance; and the Electoral Services Manager are both appointed by council to act as Deputy Electoral Registration Officers (DERO). There is no separate payment for the role. The Chief Officer Place and Governance will remain as a DERO. The new structure, due to be implemented 1st October 2021, will remove the Electoral Service Manager role. Following successful assimilation and/or recruitment to the roles, from the appropriate date, the roles of: Senior Manager – Elections and Democratic; Senior Specialist – Elections; will both be appointed as DEROs.

MONITORING OFFICER

The designation of the statutory role of Monitoring Officer currently sits with the Chief Officer: Place and Governance.

SECTION 151 OFFICER

The designation of the statutory role of Chief Finance Officer currently sits with the Chief Officer: Assets.

DEPUTY STATUTORY OFFICER ROLES

Deputy Monitoring Officer(s) and Deputy Section 151 Officer(s), will be appointed by the Monitoring Officer and Chief Finance Officer respectively, these will be remunerated at £2,000 per annum.

Further details are published in the Council's Annual Statement of Accounts.

DEPUTISING ARRANGEMENTS FOR THE CHIEF EXECUTIVE

The Chief Executive will authorise one or more Chief Officers to deputise for him in the event of his absence, with appropriate remuneration depending on the circumstances of the deputising arrangement.

DEPUTISING ARRANGEMENTS FOR CHIEF OFFICERS

The Chief Officers may authorise a nominated Manager to deputise for him/her. The nominated Manager will receive 10% of their substantive salary.

5. RECRUITMENT OF CHIEF OFFICERS

The Council's policy and procedures with regard to recruitment of Chief Officers is set out within section 8.5 of the Constitution.

When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own equal opportunities in Recruitment & Selection, and Change Management Policy.

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

6. RE-EMPLOYMENT/RE-ENGAGEMENT OF FORMER CHIEF OFFICERS

The Council will not normally employ or engage under a contract of service Chief Officers who have previously received a redundancy or severance payment or who are in receipt of a pension under the Local Government Pension Scheme.

The Small Business, Enterprise & Employment Act 2015 makes provision requiring the repayment of some or all of any qualifying exit payment in qualifying circumstances.

7. ADDITIONS TO SALARY OF CHIEF OFFICERS

To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration (e.g. honoraria, ex gratia, 'acting up') relating to temporary additional duties are the same for all officers and are set out in the Acting up, Honorarium & Secondment Policy.

The Senior Management team receive an on-call/standby fee, where required. The same rate is applicable for all employees who undertake on call/standby cover.

Essential car user may be paid to the senior management team providing their role meets the criteria which is applicable to all employees.

In addition to basic salary, the following posts receive additional pay as set out below;

Post / Tier of post	Payment details
Chief Executive	<p>The designation of Returning Officer is made by Full Council and currently sits with the Chief Executive.</p> <p>The fees paid for Returning Officer services are as follows :</p> <p>In accordance with the national agreement the Returning Officer is entitled to receive and retain the personal fees arising from performing the duties of the RO, ARO, PARO, LRO, DRO or DARO and similar position which they perform subject to the payment of pension contributions thereon, where appropriate.</p> <p>In respect of Borough and Parish Council elections the fee is based on a calculation of £140 per Borough Ward and £140 per contested parish.</p>

8. BONUS PAYMENTS

The Council does not operate any variable pay or bonus schemes.

9. PENSION CONTRIBUTIONS

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Cumbria Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The table below sets out the contributions for 2020/21 and the employee contribution rates are based on actual pensionable pay as detailed in the table below. These rates are published each year.

There are two sections in the scheme - the main section and the 50/50 section.

The 50/50 section was brought in as part of the 2014 scheme. Employees can elect this option at any time, paying half normal contributions and building up half normal pension.

Contribution table 2021/2022			
Band	Actual Pensionable Pay for an employment	Contribution rate for that employment	
		Main Section	50/50 Section
1	Up to £14,600	5.5%	2.75%
2	£14,601 - £22,900	5.8%	2.9%
3	£22,901 - £37,200	6.5%	3.25%
4	£37,201 - £47,100	6.8%	3.4%
5	£47,101 - £65,900	8.5%	4.25%
6	£65,901 - £93,400	9.9%	4.95%
7	£93,401 - £110,000	10.5%	5.25%
8	£110,001 - £165,000	11.4%	5.7%
9	£165,001 or more	12.5%	6.25%

10. SEVERANCE PAYMENTS – EARLY TERMINATION OF EMPLOYMENT IN THE INTEREST OF EFFICIENCY TO THE SERVICE

There may be situations that are initiated by management to facilitate organisational change where a post to be vacated would be replaced. This would only be done in rare circumstances and only if the Local Government “best value duty” can be applied.

11. REDUNDANCY PAYMENTS – EARLY TERMINATION OF EMPLOYMENT FOR THE REASON OF REDUNDANCY

In the event of redundancy, i.e. where a post to be vacated would not be replaced, the Council pays a redundancy payment equaling a weeks’ contractual pay for each year of completed service up to a maximum of 30 weeks’ pay.

Officers aged 55 and above will be eligible to retire in this circumstance and will have access to their accrued pension benefit.

The Council does not augment additional pension membership.

12. EARLY RETIREMENT FOR THE REASON OF ILL HEALTH

To qualify, an officer must be confirmed by the Council's medical adviser as being permanently unable of discharging the duties of their employment because of ill health or infirmity and have a reduced likelihood of obtaining gainful employment before age 65.

13. FLEXIBLE RETIREMENT

This is subject to agreement by the Council, providing an option for an officer to continue in employment post age 55 and to take some or all their Local Government pension that is due to them whilst continuing to work on reduced hours or reduced pay. The benefit for the Council is the ability to retain skills, knowledge and experience.

14. PAY ANALYSIS

Calculations in this document are taken using July 2021 payroll data.

MEDIAN SALARY

This calculation is based on the middle number in a set of data, when the data has been written in ascending size order, this includes all staff within the paid services of the Council, including the Chief Executive. The median salary using the July 2021 payroll was £27,041. This is based on a staffing number of 221 and total remuneration of £7,420,052.81 (based on all posts at their full-time equivalent rate.)

LOWEST PAID EMPLOYEES

Using July 2021 payroll data, the lowest paid employee was on a salary of persons employed under a contract of £17,842 per annum, however the Council pays the Living Foundation Wage, which is currently £9.50 per hour. This means that the lowest paid employee is actually paid £18,327.

Apprentices are appointed to Allerdale Borough Council on the Living Foundation Wage.

PAY MULTIPLE

The 'pay multiple' is the ratio between the highest paid taxable earnings (£109,049.81) and the median earnings figure (£27,041) of the whole Council's workforce. The Council's highest paid employee is the Chief Executive. Therefore, the 'pay multiple', of the whole of the Council's workforce is 1: 4 (as at July 2021)

As part of the Council's overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local authorities.

15. PUBLICATION

Upon approval by the Full Council, this statement will be published on the Council's website.

16. ACCOUNTABILITY AND DECISION MAKING

In accordance with the Constitution of the Council, the Head of Paid Service, Chief Officer Employment Panel and Council are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to Chief Officers of the Council.

**Andrew Seekings
Chief Executive**