

Pay Policy Statement 2020 / 21

1.0 Introduction

- 1.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. Section 38 of the Localism Act 2011 required the Council to prepare a Pay Policy Statement (the ‘statement’) for the financial year 2012/13 and each subsequent financial year. This statement relates to the financial year 2020/21.

2.0 Purpose

- 2.1 The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying the;
- methods by which salaries of all employees are determined;
 - detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
- 2.2 The specific requirements from section 38 are as follows:
- 1) A relevant authority must prepare a pay policy statement for the financial year 2012/2013 and each subsequent financial year.
 - 2) A pay policy statement for a financial year must set out the authority’s policies for the financial year relating to-
 - a) The remuneration of its chief officers,
 - b) The remuneration of its lowest paid employees, and
 - c) The relationship between –
 - i) The remuneration of its chief officers, and
 - ii) The remuneration of its employees who are not chief officers.
 - 3) The statement must state-
 - a) The definition of “lowest-paid employees” adopted by the authority for the purposes of the statement, and
 - b) The authority’s reasons for adopting that definition.
 - 4) 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, and
- g) the publication of and access to information relating to remuneration of chief officers.

5) A pay policy statement for a financial year may also set out the authority's policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

2.3 Once approved by the full 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.

3.0 Background

3.1 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, but not exclusively, the:

- Equality Act 2010;
- Part Time Employment (Prevention of Less Favorable Treatment) Regulations 2000;
- Transfer of Undertakings (Protection of Employment) Regulations.

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

4.0 Pay Structure

4.1 The Council has a locally agreed pay and grading structure which determines the salaries of its non-teaching workforce and covers all NJC employees up to grade 12 (see Appendix A). This was effective from 1st April 2020.

4.2 The Council adopts the national pay bargaining arrangements in respect of the revision of the local pay and grading structure, for example, through any agreed annual pay increases negotiated with joint trade unions. The application of any annual pay increases to staff protected through TUPE legislation is considered on a case by case basis, with any decision being taken by the Head of Paid Service.

4.3 The Council's Pay and Grading structure from Grade 13 up to Grade A is subject to the LGE Senior Job Evaluation scheme, but this scheme has not been agreed by the recognised Trade Unions.

- 4.4 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined in accordance with the collective bargaining machinery.
- 4.5 All new appointments will be in accordance with the Constitution and the Council's Recruitment and Selection Policy and Recruitment and Selection Code of Practice.
- 4.6 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. Any temporary supplement to the salary scale for the grade is approved in accordance with the provisions of the Council's Market Supplement Policy.
- 4.7 The Council adopted the Living Wage Foundation rate for grade 1 employees with effect from 1st April 2016 and it makes a commitment to continue to do so with effect from 1st April 2020.

5.0 Senior Management Remuneration

- 5.1 For the purposes of this statement, senior management means 'chief officers' as defined within the Localism Act 2011.
- 5.2 The Council considers its Chief Officers to be the following:
- Chief Executive
 - Deputy Chief Executive and Director of Corporate Services (Section 151 Officer)
 - Directors (including Director of Growth, Director of Public Health, Director of Environment and Transport, Director of Children's Social Care, Director of Adult Social Care, Director of Education, Early Help and SEND)
 - Director of Law and Governance (Monitoring Officer)
 - Deputy Directors
 - Acting Consultant Public Health

The posts falling within the statutory definition are set out in the Council's Statement of Accounts which publishes details of remuneration packages of all senior employees.

- 5.3 The salary (basic pay) of the Chief Executive falls within a range of three incremental points from £162,471, rising to a maximum of £168,073. This is excluding the payment made for returning officer duties. It should be noted that the jobholder works part time and payments received reflect pro rata payments of 0.9 of a full time employee making the permanent actual payment £151,266.
- 5.4 The salary (basic pay) of the post designated as Director of Corporate Services and also assigned as Deputy Chief Executive will be £123,254 (Grade B3).

- 5.5 The salary (basic pay) of posts designated as Directors fall within a range of four incremental points between £97,884, rising to a maximum of £105,669.
- 5.6 The salary (basic pay) of posts designated as Deputy Directors and the Acting Consultant, Public Health fall within a range of five incremental points between £82,860 rising to a maximum of £97,147.
- 5.7 The salary (basic pay) of the post designated Director of Law and Governance is £80,176, and the jobholder also receives a £15,000 market supplement payment.
- 5.8 The arrangements and factors considered in determining an individual's progression through the relevant grade pay scale are set out in the appropriate terms and conditions of employment. Specifically, employees will be entitled to incremental progression to the top of their new pay grade, subject to satisfactory performance.

6.0 Recruitment of Chief Officers

- 6.1 The Council's policy and procedures with regard to recruitment of JNC chief officers is set out within [Section G of the Constitution](#).
- 6.2 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, Recruitment and Selection and Redeployment Policies as approved by Council.
- 6.3 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.

7.0 Additions to Salary of Chief Officers

- 7.1 The Council does not apply any bonuses or performance related pay to its chief officers.
- 7.2 In addition to basic salary, those posts over £50,000 receiving additional pay are set out in [Section 14 of the Statement of Accounts](#).
- 7.3 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 relating to temporary additional duties is through the Scheme of Delegation.
- 7.4 The following Chief Officers received additions to salary, subject to income tax and National insurance, during the financial year 2019/20:
- 7.5 Chief Executive, the Director of Public Health, Deputy Chief Executive and Director of Corporate Services, Directors and Deputy Directors all are essential car users and, subsequently, received the essential user car allowance of £846 per annum. This payment was removed for this cohort with effect from 1st March 2020.

- 7.6 The Director of Public Health received additional payments of £11,903.22 between April and December 2019, broken down as follows:
- Clinical Excellence award, £9,047.97
 - DPH supplement (band D) £2,855.25
- 7.7 Officers undertaking the roles of Returning Officer and Deputy Returning Officer are entitled to claim fees in respect of the duties that they undertake.

8.0 Pension Contributions

- 8.1 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 Cheshire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded.
- 8.2 The rate set for 1st April 2020 is 23.0%. The employee contribution rates, which are defined by statute, between 5.5% and 12.5% with effect from 1st April 2020 dependent on salary levels.

9.0 Payments on Termination

- 9.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within the Council's Redundancy Policy and its Local Government Pension Scheme Discretionary Policy Statement.
- 9.2 Termination payments are subject to approval by the Chief Executive under the scheme of delegation and where total termination costs (comprising of all statutory, contractual and any pension 'strain' costs) exceed £95,000, the approval of the Portfolio Holder for Transformation is required.

10.0 Statement of Accounts

- 10.1 For senior employees, the Council's Annual Statement of Accounts will include a note setting out the total amount of:
- salary, fees or allowances paid to or receivable by the person in the current and previous year;
 - any bonuses so paid or receivable by the person in the current and previous year;
 - any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - any compensation for loss of employment and any other payments connected with termination;
 - any benefits received that do not fall within the above

- 10.2 The numbers of the Authority's other employees receiving more than £50,000 remuneration for the year, including teachers (excluding employer's pension contributions) are shown in a summary table in the Council's Annual Statement of Accounts, grouped by £5,000 pay bands.

11.0 Lowest Paid Employees

- 11.1 With effect from 1st April 2020, the Council is committed to pay the new and increased Living Wage Foundation rate of £9.30 an hour.
- 11.2 The lowest paid persons employed under a contract of employment with the Council are employed on full time equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure, although a 5p supplement is to be paid to grade 1 employees with effect from 1st April 2020 to reflect the Living Wage Foundation rate. This means that grade 1 employees will be paid £17,942 per annum.
- 11.3 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 11.4 The current pay levels within the Council define the multiple between the median (average) full time equivalent earnings (at basic rate) and the Chief Executive as 7.3:1 and; between the lowest paid employee and average chief officer as 6.2:1.
- 11.5 The ratios for the Council are lower than the pay multiple of 20:1 top pay to lowest pay for public services as considered by the Hutton Review of Fair Pay.
- 11.6 The Hutton Fair Pay Review also noted that most top to bottom pay multiples in the public sector were in the region of 8:1 to 12:1. The Council's top to bottom pay multiple is 9.4:1 which is within this range.

12.0 Accountability and Decision Making

- 12.1 The Council's policy and procedures with regard to accountability and decision making in respect of the recruitment of JNC chief officers is set out within [Section G of the Constitution](#).
- 12.2 New appointments that are made which have a remuneration package (salary plus any applicable fees and allowances) with a value of over £100,000 will be subject to approval of full Council.

13.0 Re-employment/Re-engagement of Former Chief Officers

- 13.1 It is the Council's policy that immediate re-employment of former Chief Officers following redundancy or early retirement either as direct employees, via an agency, or on a

consultancy basis is not acceptable unless there are extenuating and exceptional circumstances. If there are any exceptional circumstances that might appear to justify such arrangements, these must be agreed with the appropriate Director, Deputy Director, Corporate Services and the Chief Executive.

- 13.2 Prior to any proposal for re-engagement of a Chief Officer, the following should be key considerations:
- whether there are any extenuating circumstances that would make such an appointment justifiable and assurance that all other strategies have been explored
 - any re-engagement should be unconnected with original redundancy, except where alternative employment is found and pension and redundancy payments are returned in accordance with the relevant legislation;
 - any re-engagement should be on merit through an fair, open and transparent process in line with the organisation's Recruitment and Selection Policy and subject to the normal approval processes for external appointments on any contractual basis including agency or consultancy;
 - take into account the appropriate and acceptable use of public money, the exigencies of the Council and any potential political or reputational issues that may arise as a result of re-employment of a Chief Officer.
- 13.3 Where a former Chief Officer leaves the Council's employment as a result of redundancy they cannot be eligible for re-engagement within the four week period immediately following the effective date of redundancy as continuity of service will not be broken and the employee would be required to return any redundancy pay received.
- 13.4 Where a former Chief Officer leaves the Council's employment on the basis of Early Retirement for the reason of efficiency and then enters into further employment within Local Government, then, subject to confirmation by the Chief Executive and Director of the employing directorate and the Deputy Director, Corporate Services, they shall become liable for the remaining 'Capitalised Cost' payments which have been incurred by the Council.

14.0 Monitoring, Evaluation and Review

- 14.1 This policy statement is subject to review on a minimum of an annual basis and the policy for the next financial year will be approved annually by 31st March.

15.0 Further Information

- 15.1 Upon approval by Full Council, this statement will be published on the Council's Website.
- 15.2 This policy is also available in alternative formats such Braille, large print, on audio tape or community languages if requested.

Appendix A

PAY AND GRADING STRUCTURE

1st APRIL 2020

Grade	Spinal Column Point	NJC JE		Salary	Monthly Amount	Hourly Rate
		From	To			
Grade 01	1		249	£17,842	£1,486.83	£9.25
Grade 02	2	250	274	£18,198	£1,516.50	£9.43
	3			£18,562	£1,546.83	£9.62
Grade 03	4	275	299	£18,933	£1,577.75	£9.81
	5			£19,312	£1,609.33	£10.01
Grade 04	6	300	349	£19,698	£1,641.50	£10.21
	7			£20,092	£1,674.33	£10.41
Grade 05	8	350	399	£20,493	£1,707.75	£10.62
	9			£20,903	£1,741.92	£10.83
	11			£21,748	£1,812.33	£11.27
	12			£22,183	£1,848.58	£11.50
	14			£23,080	£1,923.33	£11.96
Grade 06	15	400	449	£23,541	£1,961.75	£12.20
	17			£24,491	£2,040.92	£12.69
	19			£25,481	£2,123.42	£13.21
	20			£25,991	£2,165.92	£13.47
	22			£27,041	£2,253.42	£14.02
Grade 07	23	450	499	£27,741	£2,311.75	£14.38
	24			£28,672	£2,389.33	£14.86
	25			£29,577	£2,464.75	£15.33
	26			£30,451	£2,537.58	£15.78
	27			£31,346	£2,612.17	£16.25
Grade 08	28	500	549	£32,234	£2,686.17	£16.71
	29			£32,910	£2,742.50	£17.06
	30			£33,782	£2,815.17	£17.51
	31			£34,728	£2,894.00	£18.00
	32			£35,745	£2,978.75	£18.53
Grade 09	33	550	599	£36,922	£3,076.83	£19.14
	34			£37,890	£3,157.50	£19.64
	35			£38,890	£3,240.83	£20.16
	36			£39,880	£3,323.33	£20.67
	37			£40,876	£3,406.33	£21.19
Grade 10	38	600	649	£41,881	£3,490.08	£21.71
	39			£42,821	£3,568.42	£22.20
	40			£43,857	£3,654.75	£22.73

* plus a 5 pence per hour supplement to reflect the Living Wage Foundation rate

	41			£44,863	£3,738.58	£23.25
Grade 11	42	650		£45,859	£3,821.58	£23.77
	43			£46,845	£3,903.75	£24.28
	44			£47,853	£3,987.75	£24.80
	45			£48,863	£4,071.92	£25.33
Grade 12	46	700		£49,871	£4,155.92	£25.85
	47			£50,891	£4,240.92	£26.38
	48			£51,911	£4,325.92	£26.91
Grade 13	49	749		£53,736	£4,478.00	£27.85
	50			£56,071	£4,672.58	£29.06
	51			£58,408	£4,867.33	£30.28
Grade 14	52			£59,575	£4,964.58	£30.88
	53			£61,913	£5,159.42	£32.09
	54			£64,249	£5,354.08	£33.30
Grade 15	55			£65,416	£5,451.33	£33.91
	56			£67,753	£5,646.08	£35.12
	57			£70,091	£5,840.92	£36.33
Grade 16	58			£74,831	£6,235.92	£38.79
	59			£77,503	£6,458.58	£40.17
	60			£80,176	£6,681.33	£41.56

Grades A-D are Chief Officers and are subject to JNC terms and conditions of employment

Grade D	61	£82,860	£6,905.00	£42.95
	62	£85,717	£7,143.08	£44.43
	63	£91,431	£7,619.25	£47.39
	64	£94,289	£7,857.42	£48.88
	65	£97,147	£8,095.58	£50.36
Grade C	66	£97,884	£8,157.00	£50.74
	67	£100,387	£8,365.58	£52.04
	68	£102,889	£8,574.08	£53.33
	69	£105,669	£8,805.75	£54.77
Grade B4	70	£112,246	£9,353.83	£58.18
Grade B3	71	£123,254	£10,271.17	£63.89
Grade B2	72	£128,706	£10,725.50	£66.72
Grade B1	73	£134,159	£11,179.92	£69.54
Grade A	74	£162,471	£13,539.25	£84.22
	75	£165,272	£13,772.67	£85.67
	76	£168,073	£14,006.08	£87.12

26/08/2020