

Pay Policy Statement for the Year 2015/16

1. Introduction and Purpose

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 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.

1.2 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;
- the detail and level of remuneration of its most senior staff i.e. ‘Chief Officers’, as defined by the relevant legislation;
- the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

1.3 It has effect for the year 2015/16 unless replaced or varied by the full Council.

1.4 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.

The Pay Policy Statement makes reference to a number of related documents and information which will be accessed via links to the Council website. These links will be inserted when the document is approved by Full Council and published in accordance with paragraph 12.1 below.

2. Other legislation relevant to pay and remuneration

2.1 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 the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations. 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 National Joint Council (NJC) and Hay Group, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3. Pay Structure

3.1 The Council uses the nationally negotiated pay spine(s) (i.e. a defined list of salary points) as the basis for its local pay structure, which determines the salaries of the large majority of its (non-teaching) workforce together with the use of locally determined rates where these do not apply.

3.2 The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine(s) for example through any agreed annual pay increases negotiated nationally with joint trade unions.

3.3 All other pay related allowances for Senior Managers are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery as for all employees.

3.4 In determining its grading structure and setting remuneration levels for posts 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.

3.5 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 and is not affected by other Council policies, for example promotion, alternative employment or flexible retirement, this is approved in accordance with the Recruitment and Selection Code of the Council.

3.6 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.

3.7 Any temporary supplement to the salary scale for the grade is approved in accordance with the agreed policy.

4. Senior Management Remuneration

4.1 For the purposes of this statement, Senior Management means 'Chief Officers' as defined within the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2015.

4.2 Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals.

4.3 The Council does not currently have any Chief Officers engaged under such arrangements.

5. Chief Executive and Chief Officer pay scales 2015/2016

(Last pay award increase applied from 01/01/2015)

All the posts listed below are permanent

Chief Executive of Council

Harry Catherall

£136,740 - £149,412

harry.catherall@blackburn.gov.uk – 01254 585370

Executive Director Resources /Deputy Chief Executive

Denise Park

£117,357 - £125,997

(Includes Deputy Allowance £7,641.00)

denise.park@blackburn.gov.uk – 01254 585655

Executive Director People

Sally McIvor

£109,716 - £118,356

sally.mcivor@blackburn.gov.uk – 01254 585299

Executive Director Place

Tom Flanagan

£109,716 - £118,356

tom.flanagan@blackburn.gov.uk – 01254 585504

Directors Group 1

£82,488 - £88,557

Director of Growth & Prosperity

Brian Bailey

brian.bailey@blackburn.gov.uk – 01254 585360

Director of Housing & Localities

Sayyed Osman

sayyed.osman@blackburn.gov.uk – 01254 585340

Director of Finance & IT

Louise Mattinson

louise.mattinson@blackburn.gov.uk – 01254 585600

Director of HR, Legal & Corporate Services

David Fairclough

david.fairclough@blackburn.gov.uk – 01254 585642

Director of Children's Services (DCS) (plus Special Responsibility Allowance

£7,641.00)

Linda Clegg

linda.clegg@blackburn.gov.uk – 01254 586762

Director of Environment & Leisure

Martin Eden

martin.eden@blackburn.gov.uk – 01254 585102

Director of Adult Services (DASS)
Steve Tingle
stephen.tingle@blackburn.gov.uk – 01254 586785

Directors Group 2
£73,269 - £80,649

Managing Director - Regenerate Pennine Lancashire***
Steven Cochrane
steven.cochrane@regeneratepl.co.uk – 01254 304552

****Funded jointly by the Pennine Lancashire Councils who form the Governing Body of Regenerate Pennine Lancashire.*

Public Health (WVSM Grade NHS)

£111,000 Fixed Point
Director of Public Health ****
Dominic Harrison

***** Statutory Transfer (TUPE) in to Council from NHS with effect from 1.4.13*
dominic.harrison@blackburn.gov.uk – 01254 (58)8920

5.1 Notes

- i) Information is based on the Chief Officer structure with effect from 1st May 2015.
- ii) The Chief Executive and Executive Directors have access to a lease car subject to them meeting the full cost. Car mileage is paid at the published car rates.
- iii) Directors Group 1 & 2 receive £3,750 p.a. car allowance. This may be paid as contribution towards a lease car or as a monthly (non-pensionable) cash amount car mileage is paid at the published car rate whichever choice above is made.
- iv) The Chief Officer Employment Committee determines the numbers and grades of Chief Officers - full terms of reference in the Council Constitution. Appointments are subject to consultation with the Executive Board - Current membership of the Committee as follows:
Leader of the Council
2 x Deputy Leader of the Council
Leader of Main Opposition Group
- v) The Chief Executive appointment is subject to full Council approval and the Chief Executive Employment Committee recommends pay and conditions of employment - full terms of reference in the Council Constitution. Current Membership of the Committee as follows:
Leader of the Council
2 x Deputy Leader of the Council
Leader of main Opposition Group.
- vi) Employees in the top three levels of the organisation are set out in the Senior Management Team Structure Chart.

6. Recruitment of Chief Officers

6.1 The Council's policy and procedures with regard to recruitment of Chief Officers is set out within the Council 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 Redeployment Policies as approved by the 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. Policy on the remuneration of Chief Officers

7.1 The salaries detailed above are determined by the respective Chief Executive/Chief Officer Employment Committee(s) (as applicable) and are based on the Hay Group methodology as regards job evaluation and also having due regard to the Council's duty to ensure best value and after taking professional advice on pay levels, market conditions and other relevant factors.

7.2 With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, which is assessed on an annual basis, the level of remuneration is not variable dependent upon the achievement of defined targets.

7.3 The Government determines and funds the fees for Returning Officers and for related electoral duties for National, European and Police and Crime Commissioner Elections and these are subject to full re-imburement and paid to officers as appropriate. The fees for Local Elections are based on a County wide formula.

7.4 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 for Chief Officers are set out in the Council Constitution.

7.5 The level of remuneration is determined as set out above. Other than allowable expenses the Council makes no payments in addition to the basic salary to Senior Managers for undertaking their core role. Overtime is not payable to Senior Managers.

8. Payments to Senior Managers on their ceasing to hold office under or to be employed by the authority.

8.1 The approach to payment of Senior Managers is the same as those which apply to all Council employees including those related to long service awards.

8.2 Currently, the Council operates early retirement scheme(s) where employees may apply for voluntary severance. Payments under the scheme are in accordance with the respective Pension Scheme Regulations.

8.3 Any applications within these schemes for Senior Managers however are subject to approval by the Chief Executive/Chief Officer Employment Committee (as appropriate).

8.4 In circumstances where employees find they are 'at risk of redundancy' they may apply for voluntary redundancy and the number of weeks redundancy pay is in accordance with national legislation or contractual national terms of employment. For Senior Managers as for most other employees the Council pay is for the actual weeks' pay due. Again for those Officers in pension schemes payments are made in accordance with the Pension Scheme Regulations. Voluntary redundancy application is open equally to Senior Managers as it is for all employees appropriate.

8.5 In all instances, including Senior Managers, the Council's approach is to avoid staff redundancies wherever possible and try and identify suitable alternative job options as opposed to compulsory or voluntary redundancy. As such in circumstances where an Officer's role is redundant an alternative may be found and if suitable the employee could be redeployed into that role with temporary salary protection (if appropriate) in accordance with the Council's jointly agreed Alternative Employment Policy. For Senior Managers such considerations are for the Chief Executive/Chief Officer Employment Committee.

8.6 Employees who have applied for early retirement or voluntary redundancy will not be eligible to be employed by the Council for a period of 6 months from the date that they left the Council's employment, this includes employment by the Council's Employment Agency, External Agencies (including via Matrix), or by any other means.

8.7 Compensation payments for loss of office are considered in situations where the employment relationship is no longer tenable. The Council's approach is to treat each case on its individual merits, taking professional advice on the appropriateness, and ensuring that all payments represent value for money to the taxpayer. For Senior Managers such considerations are for the Chief Executive/Chief Officer Employment Committee.

8.8 In accordance with wider practice any severance package would not normally exceed an 18 month payback period. i.e. severance pay not greater than one and half year salary.

9. Lowest Paid Employees

9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure which is based on the National Joint Council pay scales.

9.2 As at 1st April 2015, this is £14,759 per annum (This includes the 'local living wage' supplement – See 9.5). The Council employs Apprentices who are not considered within the definition of 'lowest paid employees' as they are employed under defined training contract terms.

9.3 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.

9.4 As part of its 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.

9.5 With effect from 1st April 2014 the Council introduced a 'local living wage' the rate was increased from £7.45 per hour to £7.65 per hour with effect from the 1st April 2015. As a result, any salary point paid currently less than £7.65 per hour will have a 'local living wage' supplement added in order to ensure the employee concerned receives no less than £7.65 per hour (basic) pay. This does not apply to Apprentices/Trainees and will continue to apply until the Council considers a review is appropriate or that the National Minimum Wage or National Pay Scales exceeded this hourly rate.

10. Relationship between: Remuneration of Senior Managers, and Remuneration of non-Senior Managers

10.1 The Council has no formal policy on the relationship between the remuneration of Senior Managers and other employee groups.

10.2 Will Hutton's report entitled Fair Pay in the Public Sector contained a recommendation that the Chief Executive's salary should not exceed 20 times that of the lowest pay in the organisation.

10.3 At Blackburn with Darwen, the pay multiple between the Chief Executive's pay and the lowest paid employee in the organisation (see above) is just under 10.1, and is therefore well within this recommended range.

10.4 The summary workforce data is shown in 10.5 below.

10.5 Summary data

Highest Pay Grade	£136,740 - £149,412
Highest Pay	£144,051
Lowest pay	£14,759
Average Pay (per annum) – mean	£25,644
Average Pay (per annum) – median	£22,938
Pay Difference (between average & highest pay) – mean	£120,600
Pay Difference (between average & highest pay) – median	£123,306
Pay Multiple (ratio between average & highest pay) - mean	5.7:1
Pay Multiple (ratio between average & highest pay) – median	6.4:1
Pay Multiple (ratio between the lowest and the highest pay)	9.9:1
Data based on pay as at	29/05/2015

Notes

- Salaries shown are before the deduction of 4 days Leave Without Pay – a joint agreement of 4 days leave without pay to be taken in years 2011/2012, 2012/2013, 2013/2014 and 2014/2015 to assist the Council to meet its budget reduction targets.
- The data is based on pay as at 29 May 2015 and also takes account of the Living Wage Supplement (£7.65 per hour – see para 9.5 above).
- The Pay Multiple calculation is defined as the ratio between the highest paid taxable earnings for the year 2014/15 (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole of the authority's workforce, salaries and total remuneration.

11. Trade Union Facility Time

11.1 The Trade Unions represented within the Local Authority are Unison, Unite and GMB.

11.2. The total number and FTE of Trade Union Representatives who devote at least 50 per cent of their time to union activity is 3 Representatives (3 FTE).

11.3. Total number (absolute number and full time equivalent) of other staff who are Union Representatives (including general, learning and health and safety representatives is 41 (2.7 FTE).

11.4. A basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill) is 0.28%

12. Publication

12.1 Upon approval by the full Council, this statement will be published on the Councils Website. The Policy will be updated and re-published as a minimum annually.

The Council's Annual Statement of Accounts will also include a note setting out:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000;
- the name of each employee and details of their remuneration, for employees whose salary is at least £150,000;
- details of remuneration and job title of certain senior employees whose salary is between £50,000 and £150,000.