

Pay Policy Statement for the Year 2012/13

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 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;
- 1.3. 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.
- 1.4. It has effect for the year 2012/13 unless replaced or varied by the full Council.
- 1.5. 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/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 11.1 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 Earnings) 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 [\[insert link\]](#) together with the use 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. [\[insert link\]](#)
- 3.4. In determining its grading structure and setting remuneration levels for any 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, redeployment or flexible retirement, this is approved in accordance with the Recruitment & 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 2012;
- 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 2012/13
(Last pay award increase applied 2008/2009)

- 5.1. Salaries shown exclude the pay deductions following a joint agreement for 4 days leave without pay to be taken in years 2011/12, 2012/13 & 2013/14 to assist the Council to meet its budget reduction targets. The actual salary paid for these years is as shown in brackets.

Chief Executive of Council and NHS Care Trust Plus*

Graham Burgess

£145,740 - £158,412 (£143,506 - £155,984)

*** 50% contribution from NHS Care Trust Plus**

Deputy Chief Executive**

Harry Catherall

£115,485 - £125,997 (£113,715 - £124,066)

****20% contribution from NHS Care Trust Plus**

Managing Director Local Government

Andrew Lightfoot:

£115,485 - £125,997 (£113,715 - £124,066)

Strategic Director Resources & Transformation

Denise Park

£109,716 - £118,356 (£108,035 - £116,542)

Director of Children's Services & Education

Gladys Rhodes-White

£109,716 - £118,356 (£108,035 - £116,542)

Directors Group 1

£80,871 - £86,820 (£79,632 - £85,489)

Director of Regeneration

Brian Bailey

Director of Environment, Neighbourhoods & Housing

Sayyed Osman

Director of Finance

Liz Hall

Director of HR & Legal Services

David Fairclough

Director of Safeguarding

Linda Clegg

Director of Adult Services

Sally McIvor (commences 2.4.12)

Director of Policy & Communications

Tom Stannard

Managing Director - Regenerate Pennine Lancashire***

Steve Hoyle

****Funded jointly by the East Lancashire Councils who form Board of Regenerate Pennine Lancashire & note current post holder on protected salary until 31.03.13*

Directors Group 2

£71,832 - £79, 068 (£70,731 - £77,856)

Director of Education & Learning

Lisa Bibby

Director of IT

Mike Zammit

Director of Culture, Leisure Sport & Young People

Vacant

Director of Adults Commissioning & Personalisation

Steve Tingle

5.2. Notes

- 5.2. (i) Information is based on the Chief Officer structure with effect from 1st April 2012
- 5.2. (ii) Directors Group 1 & 2 receive £3750 p.a. Car Allowance. This may be paid a contribution towards a Lease Car or as a monthly (non-pensionable) cash amount, Car Mileage is paid at the published Lease Car rate whichever choice above is made
- 5.2. (iii) For all other Chief Officers as for all other employees the NJC Mileage rates apply [\[insert link\]](#)
- 5.2. (iv) The Chief Officer Employment Committee determines the numbers and grades of Chief Officers full terms of reference in 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.
- 5.2. (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 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.

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 Constitution [\[insert link\]](#).
- 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 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 and European 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. [\[insert link\]](#)
- 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 Constitution [\[insert link\]](#).
- 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 [\[insert link\]](#).
- 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 pays 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 Redeployment Policy. For Senior Managers such considerations are for the Chief Executive/Chief Officer Employment Committee.
- 8.6. In the above arrangements and for all employees there are currently no restrictions on re-employment at a later date.
- 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.

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. [\[link\]](#)
- 9.2. As at 1st April 2012, this is £12,147 per annum. [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.

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.

Appendix G

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 over 13:1, and is therefore well within this recommended range.

10.4. The summary workforce data is shown in 10.5 below.

10.5. Summary data

The Highest Pay Grade (per annum)	£145,750 - £158,412 (fte)
Average Pay (per annum)	£24,252.68 p.a. (fte) (based on mean) £20,859 p.a. (fte) (based on median)
Pay difference (between average & highest pay)	£134,159.32 (based on mean) £137,553 (based on median)
Pay Multiple (ratio between the average and the highest pay)	6.53:1 (based on mean) 7.59:1 (based on median)
Pay Multiple (ratio between the lowest (£12,147 fte) and the highest pay)	13.04:1

- Note the salaries are shown are before the deduction of 4 days LWOP [see 5]
- Note data based on pay as at 16th February 2012

11. Publication

11.1. Upon approval by the full Council, this statement will be published on the Councils Website [\[insert link\]](#)
[For posts where the full time equivalent salary is at least £50,000, 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