

Pay Policy Statement for the Year 2018/19

1. Introduction and Purpose

1.1 Under section 112 of the Local Government Act 1972, we (the Council) have the power to appoint officers on such reasonable terms and conditions as the authority “thinks fit”. This Pay Policy Statement details our approach to pay policy in accordance with the requirements of [Section 38 of the Localism Act 2011](#).

1.2 The purpose of this policy statement is to provide transparency regarding our approach to setting the pay of employees (excluding teachers working in local authority schools) by identifying:

- the methods by which salaries of all our employees are determined;
- the detail and level of remuneration of our most senior employees i.e. ‘Chief Officers’, as defined by relevant legislation;
- the Committee responsible for ensuring the provisions set out in this statement are applied consistently and in recommending any amendments to the full Council.

1.3 It applies for the year 2018/2019 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 at least an annual basis, the policy for the next financial year being approved by 31st March each year.

This Pay Policy Statement makes reference to a number of related documents and information which can 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 14.1 below.

2. Other legislation relevant to pay and remuneration

2.1 In determining the pay and remuneration of all our 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. We will also ensure there is no pay discrimination within our 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 our [local pay structure](#), which determines the salaries of the large majority of our (non-teaching) workforce together with locally determined rates where these do not apply.

3.2 We adopt national pay bargaining arrangements for 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 our grading structure and setting remuneration levels for posts, the Council takes account of the need to ensure value for money in the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet our requirements in providing high quality services to the community, delivered effectively and efficiently and at times at which the 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 alternative employment or flexible retirement, this is approved in accordance with the Recruitment and Selection Policy.

3.6 From time to time it may be necessary for us 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, we will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources that are appropriate and available from within the local government sector and outside.

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 2018.

4.2 Where we are 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 we are 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 we are 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 2018/2019

(Last pay award increase applied from 01/04/2017)

All the posts listed below are permanent unless otherwise stated in notes

Executive

Chief Executive of Council

Harry Catherall

£139,488 - £152,415

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

Deputy Chief Executive
Denise Park
£119,715 - £128,530
denise.park@blackburn.gov.uk – 01254 585655

Council Management Board Directors

£87,896 - £94,087

Director of Adults & Prevention (DASS) (Plus SRA £7,641 Note ii)
Sayyed Osman
sayyed.osman@blackburn.gov.uk – 01254 585340

Director of Finance & Customer Services
Louise Mattinson
louise.mattinson@blackburn.gov.uk – 01254 585600

Director of HR, Legal & Governance (note iv)
David Fairclough
david.fairclough@blackburn.gov.uk – 01254 585642

Director of Environment & Leisure
Martin Eden
martin.eden@blackburn.gov.uk – 01254 585102

Director of Digital & Business Change
VACANT

Director of Children's Services (DCS) (plus SRA £7,641 Note ii
& retention allowance £12,000 Note iii)
Linda Clegg
linda.clegg@blackburn.gov.uk – 01254 586762

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

Other Chief Officer Roles 2

Managing Director - Growth Lancashire**

Steven Cochrane
£78,492 - £86,020
Steven.Cochrane@growthlancashire.co.uk – 01254 304552

***Hosted by the Council and funded jointly by a number of Lancashire Councils who control Growth Lancashire.*

5.1 Notes

i) Information is based on the Chief Officer structure with effect from 1st April 2018.

ii) A special responsibilities allowance is paid to officers with the statutory DASS (Director of Adult Social Services) and DCS (Director of Children's Services) responsibilities.

iii) A temporary retention allowance is paid to the Director of Children's Services which is reviewed annually.

iv) Until September 2018 this officer's salary as shown is reduced by £3,750 to reflect legacy lease car arrangements which end in September 2018

v) The Council contract with Capita Plc for services and currently the Capita Partnership Director manages some Council Services in the Growth & Development Department and is designated Director of Growth & Development.

vi) The Chief Officer Employment Committee determines the numbers and grades of Chief Officers - full terms of reference are contained in the Council Constitution. Appointments are subject to consultation with the Executive Board - Current membership of the Committee is as follows:

Leader of the Council
2 x Deputy Leader of the Council
Leader of Main Opposition Group

vi) 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 are contained in the Council Constitution. Current Membership of the Committee is as follows:

Leader of the Council
2 x Deputy Leader of the Council
Leader of main Opposition Group.

vii) The Chief Officer Structure Chart is set out at the end of this document.

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 we will take full and proper account of all relevant employment law and Equal Opportunities, Recruitment and Alternative Employment Procedures 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 for 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. Our 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 we make 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 Our approach to payment of Senior Managers is the same as those which apply to all our employees including those related to [long service awards](#).

8.2 Currently, we operate 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 appropriate employees.

8.5 In all instances, including Senior Managers, our approach is to avoid employee 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 line with the Council's alternative employment process. 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 leave our employment, this includes employment by 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 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 would not be greater than one and a half year salary.

9. Lowest Paid Employees

9.1 The lowest paid employees on 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 31st January 2018, this is £15,144 per annum (This includes the 'local living wage' supplement – See 9.5). We employ 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 our 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 from 1st April 2018 is £8.50 per hour (was £7.85 per hour as at 31st January 2018). As a result, any salary point paid currently less than £8.50 per hour will have a 'local living wage' supplement added in order to ensure the employee concerned receives no less than £8.50 per hour (basic) pay. This does not apply to Apprentices/Trainees and will continue to apply until we consider a review is appropriate or that the National Minimum Wage or National Pay Scales exceed this hourly rate.

10. Apprentices

10.1 Our rates for Apprentices are in line with the National Living Wage and the National Minimum Wage guidelines for non-apprentices. The rates change every April.

Tier 1 – £5.90 – Those undertaking level 3 qualifications

Tier 2 – £7.38 – Those undertaking level 5 qualifications

11. Gender Pay Gap

11.1 The Equality Act 2010 (Gender Pay Gap Information) Regulations came into effect in March 2017. They require that organisations with 250 employees or more publish a series of statistics covering a number of different measures of the gap between the total pay of male and female employees. These measures must be published, no later than 30 March 2018 for Public Authorities, and every 12 months thereafter.

11.2 We were very pro-active in ensuring that a review of pay and reward was undertaken at a very early stage over ten years ago and we have continued to monitor the impact of this on our workforce. Men and women in the same role, performing equal work are paid equally,

‘same job – same pay’. We actively support the progression of both men and women within the organisation and all employees progress proportionately.

11.3 Our Gender Pay information is outlined in our published Equality Watch Report 17/18 which can be viewed here: <http://www.blackburn.gov.uk/Pages/Equality-and-diversity.aspx>

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

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

12.2 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.

12.3 At Blackburn with Darwen, the pay multiple between the Chief Executive’s pay and the lowest paid employee in the organisation (see above) is **10:1:1**, and is therefore well within this recommended range.

12.4 The summary workforce data is shown below.

Highest Pay Grade	£139,488 - £152,415
Highest Pay	152,415.00
Lowest pay	15,144.00
Average Pay (per annum) – mean	£26,522
Average Pay (per annum) – median	£23,398
Pay Difference (between average & highest pay) – mean	£125,893
Pay Difference (between average & highest pay) – median	£129,017
Pay Multiple (ratio between average & highest pay) - mean	5.7:1
Pay Multiple (ratio between average & highest pay) – median	6.5:1
Pay Multiple (ratio between the lowest and the highest pay)	10.1:1
Data based on pay as at	31/01/2018

Notes

- The data is based on pay as at 31st January 2018 and includes the Living Wage Supplement (£7.85 per hour – see para 9.5 above).

13. Trade Union Facility Time

(The following section will be completed at the end of the 2017/2018 financial year and published accordingly).

Trade Union Facility Time information for the period 1st April 2017 – 31st March 2018.

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

13.2 Total number of employees who were relevant union officials during the relevant period

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>

13.3 Number of employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

<i>Percentage of time</i>	<i>Number of employees</i>
0%	
1-50%	
51%-99%	
100%	

13.4 Percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

<i>First Column</i>	<i>Figures</i>
Provide the total cost of facility time	
Provide the total pay bill	
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	

13.5 As a percentage of total paid facility time hours, number of hours spent by employees who were relevant union officials during the relevant period on paid trade union activities.

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:</i> <i>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i>	
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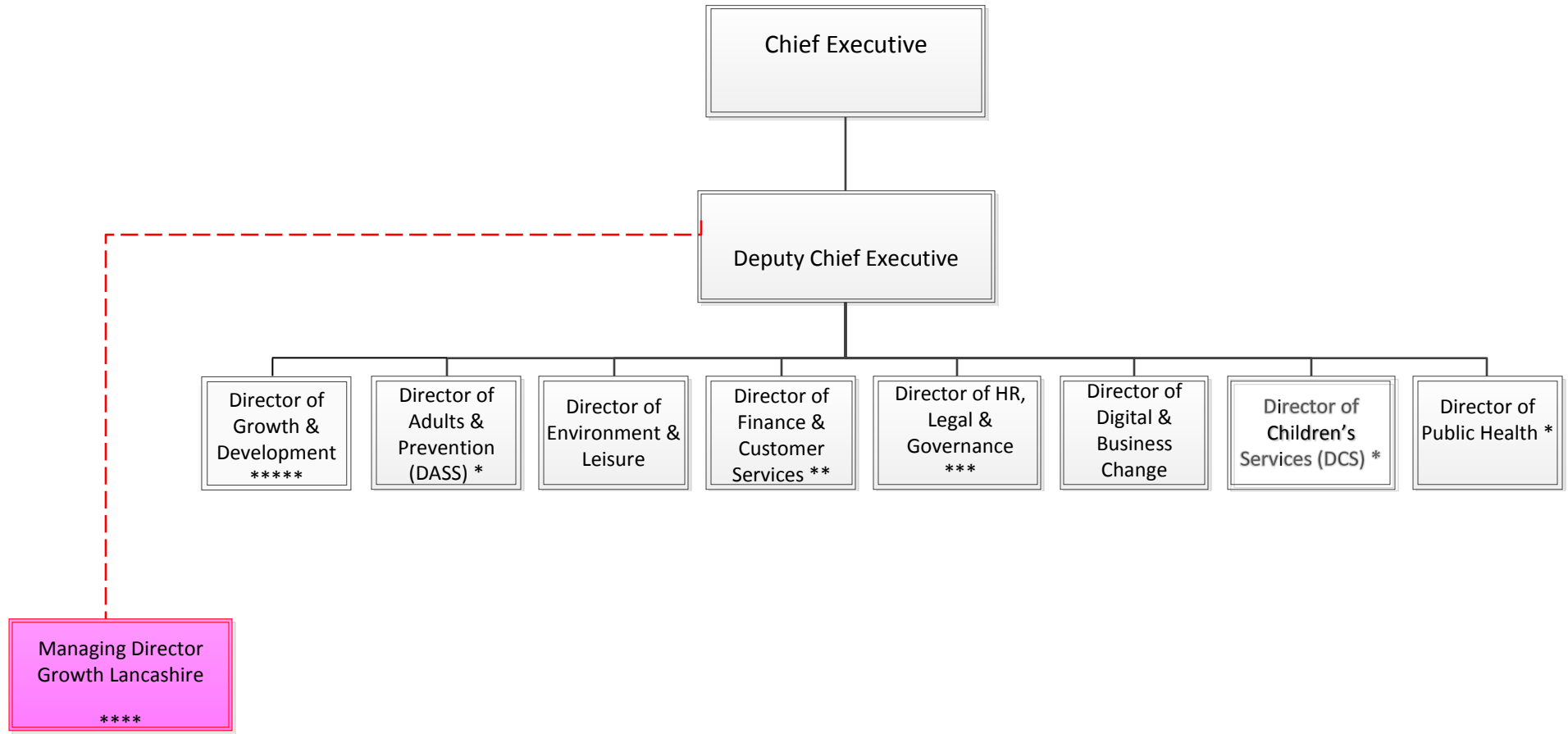
14. Publication

14.1 Upon approval by the full Council, this statement will be published on the [Councils Website](#). The Policy will be updated and re-published at least annually.

Our [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.

APPENDIX



- * Statutory Directors with accountabilities to CEO
- ** Section 151 officer with accountabilities to CEO
- *** Monitoring officer with accountabilities to CEO
- **** Joint post Funded by Lancashire Councils hosted by BWDBC
- ***** Temporary role Capita Partnership