



Pay Policy Statement

For all Employees at
Cheltenham Borough Council

March 2012



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Introduction

A pay policy statement is required to be produced annually under section 38 of the Localism Act. Regard is to be had to any guidance from the Secretary of State in producing this statement.

Any decision under powers delegated in the Council's Constitution with regard to remuneration to be taken during 2012/13 will be bound by and must comply with this Statement.

Coverage

This pay policy statement sets out the Council's policy with regards to:

- The remuneration of chief and deputy chief officers
- The remuneration of the lowest paid employees
- The relationship between chief officers remuneration and that of other officers

"Remuneration" for the purposes of this statement includes three elements:

- Basic salary
- Pension
- All other allowances arising from employment

The Council regards the following as its "chief and deputy officers"

- Chief Executive
- Executive Director
- Executive Director
- Director of Resources
- Director of Commissioning
- Director of Built Environment
- Director of wellbeing & Culture
- Director of People, Organisational Development and Change

Objectives of the Policy

- To ensure a capable and high performing workforce

In respect of the chief executive, chief officers and all other employees the Council's policy is to set remuneration sufficient to attract and retain adequately experienced, trained and qualified individuals to deliver the Council's priorities.

- To differentiate between remuneration and other employee related expenses.

The Council will meet or reimburse authorised travel and subsistence costs for attendance at approved business meetings and training events. The Council does not regard such costs as remuneration but as non pay operational costs. This policy is applied consistently to the chief executive, chief officers and other employees.

Remuneration subject to National and Local Determination

1. The National Context

1.1 Pay Bargaining

The Council is a member of the local government employers association for national collective bargaining in respect of chief executives, chief and deputy chief officers, and all other employees.

Listed below are the separate negotiations and agreements in respect of each of these three groups.

- Chief Executives - Joint Negotiating Committee for Local Authority Chief Executives
- Chief and Deputy Chief Officers – Joint Negotiating Committee for Chief Officers of Local Authorities
- All other employees – National Joint Council for local Government Services

Changes from national negotiations generally take effect from 1 April each year and are retrospective to 1 April where agreements are struck later than 1 April. It is the Council's general policy to implement national agreements. The Council is mindful that, exceptionally, unprecedented economic pressures may necessitate the Council to consider alternative arrangements and would seek to consult on such arrangements locally.

Pay for all three groups was last increased in April 2009. The Council will apply any settlement reached in respect of April 2012.

In addition to pay the national agreements cover other terms and conditions such as:

- Pension
- Occupational Sickness Scheme
- Maternity Scheme.
- Overtime

1.2 The Local Government Pension Scheme (LGPS) and policy with regard to the exercise of discretions

Pension provision is an important part of the remuneration package. All employees may join the LGPS. The LGPS is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the LGPS please click on the link below.

<http://www.lgps.org.uk/lge/core/page.do?pageld=1>

For the Cheltenham Borough Council, the LGPS is administered by Gloucestershire County Council). For information click on the link below.

<http://www.gloucestershire.gov.uk/11513>

Neither the LGPS nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the chief executive, chief and deputy officers and other staff.

The LGPS provides for the exercise of discretion that allow for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that does not normally enhance pension benefits for any of its employees (see the LGPS Statement of Policy/Discretions on the Council's website). This policy statement reaffirms this in respect all employees.

The LGPS provides for flexible retirement. In applying the flexible retirement provision no distinction is made between the chief executive, chief and deputy chief officers and other employees. The LGPS requires that a minimum reduction in working hours of 20% is made and/or there is a reduction in grade and that any consequential payments to the pension fund are recoverable in three years.

2. Local variations and allowance

2.1 Pay evaluation and the local award

The chief executive and chief/deputy chief officers have their basic pay determined by a job evaluation scheme (the Hay scheme). All other employees have their basic pay determined by a different job evaluation scheme (the National Joint Council Job Evaluation scheme). Both schemes ensure that different jobs having the same value are paid at the same rate. The "job score" determines the pay grade for the job. With the exception of the Chief Executive who is on a spot salary grade (with no provision for incremental progression nor additional payment on completion of a period of service.), all other pay grades have 4 incremental points. Progression through the incremental points is by annual increments until the top of the pay scale is reached. Job evaluation is carried out for new roles, a substantial change in duties, or may be required as a result of an equal pay audit. A fair and transparent process is in place for managing job evaluations, which includes Trade Union input, and moderation of evaluation outcomes to ensure consistency of application of the scheme. Equal pay audits are carried out as required.

2.2 Pay protection

The Council seeks to ensure that all employees receive equal pay for work of equal value. To be consistent with equal pay principles the council's protection arrangements will not create the potential for pay inequalities (e.g. open-ended protection).

There may be times when the grade for an individuals role changes for reasons unrelated to their performance e.g. restructures, In such cases the protection arrangements outlined will apply for 12 months from the date of the change.

Details of the full scheme can be found in the Council's Pay Protection Policy, available on request.

2.3 Allowances on appointment

The Council's policy is to not pay any form of "signing on" fee or incentive payment when recruiting.

The Council does operate a scheme of relocation allowances to assist new employees who need to move in order to take up an appointment with the council. Relocation allowances are paid at the discretion of Directors where they think that it is essential to pay such allowances in order to attract the right candidate for the job.

The same policy applies to chief executive, chief/deputy chief officers and other employees in that payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area. The costs include estate agents fees, legal fees, stamp duty, storage and removal costs, short term rental etc. An employee who leaves within 2 years of appointment will have to make a repayment of 1/24th for each month short of the 2 year period. Details of the full scheme can be found in the Council's Scheme of Relocation Allowances, available on request.

2.4 Redundancy payments and payments on termination

The Council has a single redundancy scheme which applies to all employees without differentiation. The Council does not provide any further payment to employees leaving the Council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving. The redundancy payment is based on the length of continuous Local Government service which is used to determine a multiplier which is then applied to actual pay. The maximum number of year's service taken into account is 20. The maximum number of weeks pay is 30 for anyone aged 61 or older with 20 years or more service. Details of the full scheme can be found in the Council's Redundancy Policy, which is available on request.

2.5 Professional Fees and Subscriptions.

The Council meets the cost of a professional fee or subscription where it is a statutory requirement for the role, for example, a legal practicing certificate, environmental health, and it meets the cost of membership of SOLACE (Society of Local Authority Chief Executives).

2.6 Dedicated Car User Allowance

Eligibility for a dedicated car user allowance (which is a temporary transitional scheme that will cease on 31st March 2013) is determined by assessing the job description for the post against a number of criteria and also reviewing previous travel claims to assess patterns of travel. The dedicated car user allowance criteria applies to all employees of the Council. Details of the full scheme can be found in the Council's Dedicated Car User Allowance Policy, available on request.

2.7 Pay ceilings

For 2012/13 the basic pay ceiling for current employees holding chief officer posts is current pay. Basic Pay is quoted. For Non-Statutory and Deputy Chief Officers as defined the basic pay ceiling is set out in the pay ranges by grade.

As set out above, external advice on the salary to be offered will be taken at the time of a chief executive or chief officer vacancy. The council will not exceed a maximum ratio multiple of 1:10* of the current salary of the highest paid employee to the pay floor (see below), for existing or new appointments. This is in order to allow leeway between the current ratio (1:7) should any review need to be undertaken.

* ALACE response to the Hutton review of 'fair pay' September 2010 - Shire district council ratio norm 1:7 – 8 times. County Council, ratio norm 1: 13-15. National pay norm suggested in Hutton Review 1:20

2.8 Pay floor

The pay floor is the remuneration of the lowest paid employees. "Lowest paid" is defined as the average pay of the 2% of the Council's employees with the lowest hourly rate. Where any employee is less than full time their pay is multiplied up to full time and the aggregate full time equivalent pay for the group divided by the number of full time employees to determine the average.

As at December 2011 this average was £15,844.50.

The Council will not pay basic pay less than the amount applicable to scale point (scp) 006 of the national pay scales as agreed from time to time by the local government employers. Employees in this group will be entitled to all other benefits pension, occupational sickness, redundancy etc as all other employees.

2.9 Pay multiples

The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. Nor does it readily address the treatment of in house provided as against labour intensive bought in services if pay multiples are used as some sort of benchmark.

In terms of overall remuneration packages the Council's policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities but not to differentiate on other allowances, benefits and payments it makes.

The Council would not expect the remuneration of its highest paid employee to exceed a ratio of 1:10 times that of the pay floor average for employees (currently it is 1:7), accepting a degree of movement may be required to allow for job or market changes.

2.10 Market Supplements

The Council is committed to the principles of single status employment and seeks to ensure employees receive equal pay for work of equal value.

In exceptional circumstances it may be necessary to ensure the effective recruitment and retention of employees and to pay individuals and/or groups of employees a premium rate to reflect the market competitiveness of the job. Any market supplement must be provided for from within existing budgets and be objectively justifiable. The job evaluation determined grade for that post will not be changed. Market supplements will be paid as a temporary fixed allowance. The supplements will be reviewed annually and consequently can be withdrawn, should the review demonstrate that current evidence does not justify a supplementary payment continuing. Should such a supplement continue to be paid for an extended period,

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e.g. several years or more, the need for continuation will be examined carefully during the annual review in order to ensure that such continuation continues to be objectively justifiable in the circumstances. Details of the full scheme can be found in the Council's Market Supplements Policy, available on request.

2.11 Interim Arrangements

If the need arises to provide agency/interim cover the policy is to seek to cap the cost of that appointment at no more than that of the permanent appointment taking into account additional employment costs (employer pension and national insurance contributions)

2.12 Acting Up

'Acting Up' is when an employee is authorised by their line manager to provide cover for a more highly graded post for a period of less than four weeks.

The payment ('acting up' allowance) is a temporary payment and will be made to the individual employee for covering the duties of the higher graded job for the agreed period of time. The policy applies to all employees. The supplement to be paid will be the difference between the employee's current salary and depending on experience up to the second scale point of the grade relating to the higher level post. The payment will cease on completion of the 'acting up' period and the employee's salary will revert to that which it would have been had 'acting up' not occurred. Details of the full scheme can be found in the Council's Acting Up Policy, available on request.

2.13 Honoraria Payments

The Council has a responsibility to ensure equal pay for all employees and so the use of honoraria payments should be carefully considered, and be capable of justification. A payment can be made for the following reasons:-

- To recognise a *specific* contribution that an employee has made by making a single payment to him/her,
- or**
- To recognise that an employee is temporarily undertaking additional responsibility for a continuous period of at least four weeks by making a regular monthly payment to them during that temporary period.

Details of the full scheme can be found in the Council's Honorarium Policy, available on request.

3. Reimbursement of Expenditure

3.1 Travel and subsistence

All employees who incur additional expense in the course of their work in respect of travel & subsistence will be reimbursed in accordance with the Council's travel and subsistence policy. Claims should be submitted on the designated forms, be supported by appropriate receipts in all cases and authorised by the appropriate senior officer.

Details of the full scheme can be found in the Council's Travel and Subsistence Policy, available on request.

3.2 Disturbance allowance

All employees who incur additional costs arising from a compulsory change in their work place will be reimbursed in accordance with the Council's Disturbance Allowance policy.

Details of the full scheme can be found in the Council's Disturbance Allowance Policy, available on request.

4. Publication and access to information

The publication of and access to information relating to remuneration of the Chief Executive, chief/deputy chief officers will be set out in this document and published annually on the Council's Website.

5. Approach to Chief Officer and Deputy Chief Officer pay

The Council will aim to pay no more than median salary levels when looking at market rates, and in the case of senior roles will seek to maintain pay differentials well within the parameters recommended by the pay and pensions review (1:20). For CBC the current ratio of Chief Executive to lowest paid (pay floor) is 1:7. See section on Pay multiples, and Pay Ceilings.

Any chief or deputy chief officers who were previously employed by CBC and who, on ceasing to be employed, are in receipt of a severance or redundancy payment will not be re-employed as chief officers under a contract for services unless otherwise agreed by the relevant authorising body (e.g. Appointments Committee).

6. Approach to shared management arrangements

Where these were agreed and set in place, the costs of any shared management roles is appropriately apportioned and recharged via the secondment / management agreement. Such roles, where the CBC was the employer, would be evaluated if needed according to the existing CBC job evaluation schemes.

7. Other pay and conditions

Other pay and conditions can be found in the relevant Council policy or scheme in operation, available on the Council's intranet or on request as follows:

- Casual workers
- Shift premium
- Stand by and call out
- Evening/Weekend/bank holiday/public holiday working
- First Aid allowance
- Long Service Award
- Annual leave – buy/sell leave
- Other leave paid/unpaid inc volunteering
- Childcare Vouchers

- Training fees reimbursement (post entry training scheme)
- Agency workers – over 12 weeks continuous
- Electoral Registration - Returning Officer (RO) remuneration – these are paid separately as per nationally agreed rates (rate is pensionable). Remuneration for RO role will be published as part of the senior management pay information, annually, where a senior officer carries out the role.
- Welfare Service
- Car loans
- Employee and elected member Parking Levy
- Season ticket loans
- Eye test vouchers
- Time off for TU duties

8. Other payments

- Elected member allowances

9. Pay and Benefits – Consultation and Decision making

The key decision making bodies / processes are:

- Collective bargaining (local) – Joint Consultative Committee
- Head of Paid Service – as per the Council's Constitution and Scheme of delegations
- Appointments Committee – as per the Council's Constitution and Scheme of delegations
- Council – matter reserved as per the Council's Constitution
- Member Allowances panel

All policies are available on request, from the Council's HR team. Contact 01242 775092 or emails jobs@cheltenham.gov.uk for more information about this Statement and/or its contents.