



# Rutland

## County Council

### **PAY POLICY STATEMENT 2018/19**

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## **Introduction**

Rutland County Council recognises that remuneration at all levels needs to enable the Council to attract and retain high quality employees dedicated to the service of the public.

The Council has successfully used effective resourcing strategies during 2017-18 to attract, recruit and retain quality staff – our turnover for 2016-17 was 18% but is predicted at 15% for 2017-18. Consequently, and as planned, our use of agency and interim staff has continued to reduce a further 28.5% between April 2017 and January 2018 (based on number of agency staff).

Common with other authorities, we experience challenges with recruiting to specific, technical and professional roles – we continue to monitor regional and national trends and developments in the labour market and will use the opportunity of an anticipated new NJC pay spine for April 2019 to identify and develop any further and specific strategies for Rutland. This will include creative and innovative ways of resourcing roles and delivering services.

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## **1. LEGISLATION**

- 1.1 Sections 38 to 43 of the Localism Act 2011 require local authorities to produce a Pay Policy Statement for each financial year.
- 1.2 The Act and supporting statutory guidance provides details of matters that must be included in this statutory pay policy but also recognises that each local authority has the autonomy to determine its own pay structures and pay policies. The Pay Policy must be formally approved by Full Council by the end of March each year, can be amended in year, must be published on the authority's website and must be complied with when setting terms and conditions for Chief Officers as defined in the Act.

## **2. SCOPE**

- 2.1 This Pay Policy Statement includes a policy on:
- The level and elements of remuneration for the Chief Executive
  - The remuneration of the lowest paid employee
  - The relationship between the remuneration of Chief Officers<sup>1</sup> and other officers
  - Other specific aspects of Chief Officer remuneration such as fees, charges and other discretionary payments.
- 2.2 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and termination payments.
- 2.3 Appendix 1 provides explanation/glossary of terms used within this Pay Policy.

## **3. CHIEF EXECUTIVE PAY**

- 3.1 The Chief Executive in Rutland discharges the accountability of Head of Paid Service – a statutory role defined by the Local Government and Housing Act. The grade of this post is determined by a job evaluation process and is assigned as Grade CX – this is the only post within this grade.
- 3.2 Following a senior officer pay and grading review in 2015-1 a salary band was established for this post – for 2017-18 this was £122,412 to £127,513 with 4 spinal column points. Figures for 2018-19 are not yet known pending national negotiations. Progression to the next spinal column point takes place on 1 April each year up to the top of the grade. However, annual progression will be withheld if the post holder is subject to formal capability or disciplinary.

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<sup>1</sup> Chief Officer is defined in Section 43(2) of the Localism Act

- 3.3 Pay points within the CX grade will be uplifted in accordance with any Joint National Council (JNC) for Chief Executives pay awards on an affordability basis, ie. the Council retains the provision to not apply the full JNC pay award if it is considered cost prohibitive. In 2016, National Employers agreed a two year pay deal with the trade unions which provided for a 1% uplift on 1 April 2016 and 1 April 2017. As para 3.2, any pay award for 2018-19 is not currently known. This will be on an affordability basis ie. the Council retains the provision to not apply the full JNC pay award if it is considered cost prohibitive. Other conditions of service are as prescribed by the Joint National Council (JNC) for Local Authority Chief Executives national conditions.
- 3.4 The Chief Executive of Rutland County Council has been appointed as Returning Officer. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Council.
- 3.5 The fees in respect of Returning Officer duties at Local Government elections are included in the Chief Executive's salary. A separate fee is received for elections such as the Police and Crime Commissioner, European and Parliamentary elections, and Referendum.

#### **4. SENIOR MANAGEMENT PAY**

- 4.1 These senior employees are responsible for working with elected members to determine the overall strategic direction of the Council, to develop the efficiency and effectiveness of the services we deliver and to provide day to day leadership of those services.
- 4.2 The Council has to compete with other employers – regionally and nationally, private and public sector, to recruit and retain senior managers who are capable of meeting the challenges of delivering our diverse range of services. This has an important bearing on the levels of remuneration we offer – at the same time we have an obligation to secure the best value for money for our residents.
- 4.3 Senior Management pay is determined on the following basis:
- Job evaluation to establish the job size and rank order
  - Assigned grade- based on job evaluation points to grade
  - Spinal column points within a grade range – progression taking place on April each year to the top of the grade. Progression to the next spinal column point will be withheld if the post holder is subject to formal capability or disciplinary.
  - Alignment to national pay awards determined by the Joint National Conditions (JNC) for posts on grades HOS1, HOS2, C03, C02 and C01. As para 3.2, any pay award for 2018-19 is not currently known. This will be on an affordability basis ie. the Council retains the provision to not apply the full JNC pay award if it is considered cost prohibitive.

- 4.4 Other conditions of service are as prescribed by the JNC for Chief Officers.
- 4.5 There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments, etc., paid to these senior managers as they are expected to undertake duties outside their contractual hours and working patterns without additional payment. Senior managers at Rutland County Council do have the benefit of time off in lieu (TOIL) according to the authority's policy.
- 4.6 In addition to basic salary, senior managers are entitled to:
- reimbursement of membership fees incurred in relation to membership of professional bodies (essential to the role)
  - business mileage undertaken – based on HMRC mileage rates
  - reimbursement of expenses which may be claimed as applicable to all other employees of the Council
  - payments for election duties.
- 4.7 Grades, pay ranges and spinal column points of posts within the Senior Manager bands are shown in Appendix 2 (2017-2018 values).
- 4.8 Salary levels of posts that meet the definition of 'Chief Officer' (S 32(2) of the Localism Act), are shown in Appendix 3.

## **5. OTHER PAY PROVISIONS – NJC Green Book**

- 5.1 The Council aims to maintain fair and equitable remuneration arrangements which enable it to recruit, retain, motivate and develop staff with the skills and capabilities necessary to ensure the achievement of our strategic aims and objectives. The Council's Pay Policy complies with all equal pay, discrimination and other relevant employment legislation.
- 5.2 The majority of the Council's staff have their terms and conditions determined by the National Joint Council (NJC) Green Book. The Council remains aligned to national pay negotiations led by the LGA in consultation with national trade unions. In addition employees receive annual increments on 1 April each year until they reach the top of their grade. For Career graded posts, employees proceed through the scheme based on meeting defined criteria and demonstration of competence within the framework.
- 5.2 The national pay spine includes 49 spinal column points. However, lower spinal column points have been eroded to reflect changes to the National Living Wage. The Council has retained pts 50 to 54 attributable to Grade P05 on a local basis.
- 5.3 The National Living Wage will increase from £7.50 (April 2017 value) to £7.83 on 1 April 2018. The Government's aim is to reach £9.00 (current value) per hour by 2020.

- 5.4 The Council's current grading structure (aligned to the national pay spine) is shown in Appendix 4. This reflects the two year pay deal agreed in 2016 of 1% in April 2016 and 1% in April 2017 (variation at the lower levels). Any pay award for 2018-19 is currently not known but will be implemented on the basis of the Council's pay structure being aligned with the NJC Green Book conditions.
- 5.5 All posts on this pay structure are assessed for job size and rank order through a job evaluation scheme to ensure transparency and equity and satisfy equal pay requirements.
- 5.6 The Council adopts the provision in the NJC Green Book and Statement of Written Particulars that enables the withholding of April increments for 'unsatisfactory service'.
- 5.7 The provision within para 5.6 will be extended to include employees in their probationary period and who have had their probationary period extended due pending further improvement and development to achieve standards and targets.
- 5.8 As part of the 2016-18 pay deal, the NJC agreed to conduct a review of the NJC pay spine – the prime reason being the introduction of the National Living Wage and the challenge of ensuring that a restructured pay spine is capable of withstanding annual changes to the National Living Wage rate without the need for regular and fundamental reviews of pay structures. At the time of producing this 2018-19 pay statement, the outcome of the national negotiations was not known.

## **6. OTHER PAY PROVISIONS – other groups of staff**

- 6.1 Common with other local authorities, the Council employs staff on other terms and conditions of employment as relevant to their professional group, as follows:

FENJC (Further Education National Joint Council) – applicable to Adult Learning Tutors  
Youth and Community Workers (Pink Book)

## **7. ALLOWANCES**

- 7.1 The majority of allowances and benefits are as prescribed by nationally agreed rates. However, there are a small number of local variations. In particular the Council introduced a local agreement for weekend enhancements in 2013-14.
- 7.2 Employees who are required to work overtime receive rates outlined in accordance with the National provisions (Green Book). Overtime is not payable to employees paid above scp 28.

- 7.3 A list of the current range of allowances and benefits is attached at Appendix 5. These updated in line with national rates.
- 7.4 The Council recognises that at times it may be difficult to recruit new employees or retain existing staff in key posts. To ensure the Council attracts and maintains a skilled and experienced workforce, market supplements, recruitment and retention payments may be paid in addition to the post grade subject to a strategic review with substantial evidence and data. These will be agreed by the Chief Executive. Due regard will be given to the Financial Procedure Rules.
- 7.5 Market Supplements, as authorised by the Chief Executive, are based on a clear business case and rationale of market evidence on demand for these skills to ensure equity and fairness. The Council's approach takes into account, Technical Note 15: Market Supplements produced by the Local Government Association and research from other authorities within the region. Market supplements should not compromise the pay and grading structure nor jeopardise the integrity of job evaluation and thereby undermine budgetary control.
- 7.6 Relocation expenses may be paid to employees to cover additional costs they may incur as a result of relocating. These are in accordance with the Relocation Policy.
- 7.7 Employees temporarily acting up or covering additional responsibilities for a role which is graded higher than their substantive grade may be paid an appropriate level for the duties they are asked to perform. Such arrangements are provided for in the Council's Acting Up and Additional Responsibility Allowance Policy.
- 7.8 The Council will pay professional subscription fees on behalf of employees where the subscription or membership is an essential requirement to the duties of the post.
- 7.9 The Council reimburses subsistence expenditure necessarily incurred by the employees on Council business in line with the Council's Travel and Expenses Policy.
- 7.10 Employees will be in receipt of salary protection resulting from a change of role, grade and salary as part of a service review or restructure, in accordance with the Council's Restructure Policy.

## **8.0 LOCAL GOVERNMENT PENSION SCHEME**

- 8.1 All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme depending on their salary. Provisional contribution rates for 2018-19 range from 5.5% to 12.5%.



8.2 The Council makes employer’s contributions into the scheme, which are reviewed by the actuary. The rate for 2018-17 remains the same level as for 2017-18 at 21.7%.

## 9.0 MULTIPLIERS

9.1 For the purposes of this policy, the Council defines its lowest paid employees as those in the lowest salary grade on the nationally agreed scales (NJC Green Book). The minimum value will rise to £7.83 per hour wef 1.4.18 to reflect the new National Living Wage.

9.2 It has been recommended by Will Hutton’s 2011 Review of Fair Pay in the Public Sector that local authorities publish their “pay multiple” - the ratio between the highest paid salary and the median salary of the whole of the authority’s workforce. This is in order to support the principles of fair pay and transparency.

The calculation and ratio is as follows (wef 1.4.17):  
*(Based on values as at April 2017; excludes Apprentices)*

Chief Exec’s Salary	£125,982
Median salary	£22,658.00
“pay multiple” ratio	5.56:1

9.3 Lowest paid staff comparison table:

There are 6 staff who are categorised as the Council’s lowest paid staff as per the definition in paragraph 9.1. Based on a lowest value of £8.09 (1.4.17) per hour the ratio are:

Chief Exec’s salary	£125,982
Lowest salary from lowest paid staff group	£15,613.00
“pay multiple” ratio (lowest salary)	8.07:1
Average salary of lowest paid staff group	£15,603.00
“pay multiple” ratio (average salary)	8.07:1

## 10. DISCRETIONARY PAYMENTS

10.1 The policy for the award of any discretionary payments is the same for all staff regardless of their pay level.

10.2 In relation to the termination of employment, the Council will have due regard to the making of any appropriate payments where it is in the Council’s best interests. Any such payments will be in accordance with contractual or statutory requirements and take into account the potential risk and liabilities to

the Council, including any legal costs, disruption to services, impact on employee relations and management time. The Council will have specific regard to the legal requirements which apply to the termination of employment of the Head of Paid Service (Chief Executive), the Monitoring Officer (Director for Resources) and Section 151 Officer (Assistant Director Finance).

- 10.3 Redundancy payments made by the Council are in line with regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. This provides an overall lump sum of the statutory redundancy payment multiplier based on actual weeks' pay. This is payable to employees made redundant with two or more years local government service regardless of their age.
- 10.4 Discretions that are provided by the LGPS are contained within a separate policy.

## **11. RE-ENGAGEMENT OF EMPLOYEES**

- 11.1 Employees who are offered another post with any organisation covered by the Modification Order Act prior to their redundancy leaving date and commence within 4 weeks of leaving, are not eligible to receive a redundancy payment.
- 11.2 Employees who have been made redundant are eligible to apply for vacancies which may arise after they have left the Council's employment. Any such applications will be considered together with those from other candidates and the best person appointed to the post. Any necessary adjustment to pension would be made in accordance with the scheme regulations.
- 11.3 The Council will not re-engage an ex-employee in the capacity of a consultant, interim or agency worker within 2 years of leaving the Council. A shorter period may be considered in exceptional circumstances only (eg. significant skills shortage) and by approval of the Chief Executive.

## **12. GENDER PAY GAP REPORTING**

- 12.1 The Government issued consultation on its proposal to introduce mandatory gender pay gap reporting for public sector employers with 250 or more employees. The deadline for publishing the data is 31 March 2018 for data as at 31 March 2017. The Council will be publishing its annual data in accordance with the regulations and report to Employment and Appeals Committee with supporting commentary and any action points arising.

## **13. APPENDICES**

- 1 Glossary of terms
- 2 Grade and pay structure of Chief Executive and Senior management posts
- 3 Salary levels of Chief Officer posts (as defined by S43(2) of the Localism Act
- 4 Pay Scale – NJC Green Book
- 5 Allowances and Benefits (NJC Green Book)

**A large print version of this document is available on request**



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