



**High Peak Borough Council &  
Staffordshire Moorlands Distirct Council**

**PAY POLICY**

**2018 / 2019**

## 1. Introduction and Purpose

In accordance with Section 112 of the Local Government Act (1972) High Peak Borough Council and Staffordshire Moorlands District Council have the “power to appoint officers on such reasonable terms and conditions as the authorities thinks fit”. The Pay Policy Statement sets out the Councils’ approach to pay in accordance with the Localism Act (2011) (Section 38) and provides transparency to the setting of pay for its employees 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 committees responsible for ensuring the provisions set out in this statement are applied consistently and recommending any amendments to the full Council.

The pay policy will be approved by full Council. This policy statement will come into immediate effect and will be subject to review on an annual basis in accordance with the relevant legislation in place at that time.

### **Strategic Alliance**

High Peak Borough Council and Staffordshire Moorlands District Council work together as a strategic alliance and the workforce is shared. The Chief Executive and Executive Directors are employed by both Councils. The remaining Chief Officers are employed by one of the Councils but are joint appointments and work across the two authorities. The majority of employees work flexibly across both Councils. The terms and conditions of employment have been harmonised across the two Councils and the costs are shared.

In determining the pay and remuneration of all its employees, the Councils 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); The Agency Worker Regulations (2010) and where relevant the Transfer of Undertakings (Protection of Earnings) Regulations. The Councils will ensure there is no pay discrimination within its pay structures. Pay differentials are objectively justified through the use of equality proofed job evaluation schemes which directly relate to the requirements, demands and responsibilities of job role.

## 2. Basic Pay

### **Green Book Employees**

The majority of employees are subject to the National Joint Council for Local Government Services (Conditions of Service) ("Green Book"). Casual employees are paid in accordance with National Living Wage and National Minimum Wage rates of pay.

Pay and grading is determined by the Local Government Single Status Job Evaluation Scheme.

A local grading structure has been adopted which makes use of broad banding pay ranges and uses the basis of the nationally negotiated pay spine. The grading structure can be found on the Council's **website**.

Incremental progression throughout the pay range is unrestricted in the lower zone of the pay scale. At present there is no incremental progression in the upper zone of the pay scale.

### **Craft Employees**

Some employees are subject to Joint Negotiating Committee for Local Authority Craft & Associated conditions of service (Red Book). Red book employees are subject to set rates of pay. All other pay related allowances are subject to either nationally or locally negotiated rates having been determined from time to time in accordance with collective bargaining and/or by Council policy.

### **Apprenticeships**

Apprentices are paid in accordance with the national apprenticeship rates of pay.

### **Senior Management Pay "Chief Officer"**

At the point of this statement the national pay award for 2018 for Chief Executives/Chief Officers is still pending. The posts falling within the statutory definition of a "Chief Officer" their basic salary is:

<b>Position</b>	<b>Pay Range</b>
Chief Executive	£148,405-£160,947
Executive Director	£86,528-£101,953
Heads of Service	£61,291-£76,172
Corporate / Operational Service Manager	£50,218-£66,500

Pay and grading is determined for Chief Officers by the Hay Job Evaluation Scheme. A local grading structure has been adopted which makes use of broad banding pay ranges which have been previously approved by resolution of Council. The grading structure for these positions can be found at the end of this document.

Incremental progression throughout the pay range is unrestricted in the lower zone of the pay scale. At present there is no incremental progression in the upper zone of the pay scale. Organisational structure identifying the numbers and positions at a senior level can be found at **website**.

There is a continued commitment to adhere with national pay bargaining in respect of the national pay spine and cost of living increases for employees.

### 3. Additional Salary Payments - Chief Officers

Performance related pay to its Chief Officers is normally applied in accordance with their existing terms and conditions of employment which have been previously agreed by full Council. These additional payments are as follows:

#### Chief Executive

<b>Performance Related Pay</b>	Up to 15% of salary (in recognition of excellent performance) subject to appraisal, once the maximum of the grade is met. The post holder has voluntarily declined this payment in response to budgetary restraints.
<b>Lease Car</b>	Contribution of £7,600 per annum toward the cost of providing a lease car. This comprises of: £2,700 (fixed basic contribution to all lease car users) £250 (further fixed basic contribution available to all lease car users subject to meeting certain emissions criteria) £3,070 (Payable to Chief Executive only) £1,580 (Business usage allowance).
<b>Election Duties</b>	Fees paid in respect of election duties in accordance with agreed County fee scale.

#### Executive Directors – Other “Chief Officer” Payments

<b>Deputy Chief Executive Payment</b>	£4,813 per annum to an Executive Director in recognition of their role of Deputy Chief Executive.
<b>Section 151 Officer Allowance</b>	£4,813 per annum to an Executive Director in recognition of their role of Section 151 Officer.
<b>Monitoring Officer Allowance</b>	£4,813 per annum to an Executive Director in recognition of their role of Monitoring Officer.
<b>Election Duties</b>	Fees paid in respect of election duties in accordance with agreed County fee scale.
<b>Performance Related Pay</b>	Up to 15% of salary (in recognition of excellent performance) subject to performance appraisal, once the maximum of the grade is reached. Two postholders eligible for this payment agreed a voluntary reduction in their overall earnings which amounted to an ongoing 3.75% decrease from their total 2010/2011 earnings. The third postholder has not reached the maximum of the grade
<b>Lease Car (applicable to 2 postholders)</b>	Contribution of £5,700 per annum toward the cost of providing a lease car. This comprises of: £2,700 (fixed basic contribution to all lease car users) £250 (further fixed basic contribution available to all lease car users subject to meeting certain emissions criteria). £1,950 (Payable to Executive Directors only). £800 (Business usage allowance).

#### 4. Car Mileage

Car mileage is payable to designated Essential Car Users who do not drive a lease car. Payments are in accordance with the NJC mileage rates with the removal of the top banding in accordance with locally agreed terms and conditions:

<b>Essential User Payment</b>	<b>451-999cc range</b>	<b>1000 – 1199cc range</b>
Lump Sum	£846	£963
Per mile (1 <sup>st</sup> 8,500 miles)	36.9 p	40.9 p
Per mile (after 8,500 miles)	13.7p	14.4p

<b>Casual User Payment</b>	<b>451-999cc range</b>	<b>1000 – 1199cc range</b>
Per mile (1 <sup>st</sup> 8,500 miles)	46.9 p	52.2p

## **5. Recruitment of Chief Officers**

The policy and procedures with regard to recruitment of Chief Officers is set out within the Officer Employment Procedure Rules (part 4 of the constitution). When recruiting to all posts the Councils will take full and proper account of their own equalities and other recruitment policies. 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. Where we are unable to recruit to a post at the designated grade, the use of temporary market supplements in accordance with relevant policies will be considered.

Where the Councils remain unable to recruit Chief Officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Councils will, where necessary, make use of 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Councils are able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

When appointments are made to Chief Officer Posts where total annual remuneration is greater than £100,000 these appointments will be subject to approval of full Council.

## **6. Payment of Termination of Chief Officers**

The approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age are in accordance with agreed policies at the time.

Any other payments falling outside the provision or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments. At the point of this statement the Government has announced its proposal to put a cap on severance payments (£95,000). The Government has published draft regulations on exit payments (Public Sector Exit Payment Recovery Regulations). The effective date of these regulations is yet to be determined. Once these Regulations become effective these will be complied by.

## **7. Re-employment /Re-engagement of former Chief Officers**

It is policy not to re-employ former employees who have been granted voluntary redundancy, including Chief Officers. In exceptional cases, and only where there is a clear benefit to the Councils, such former employees may be re-engaged on a short-term contract for services.



## 8. Relationship between the Highest Paid Employee and Lowest Paid Employee

At the point of this statement lowest paid employees employed under a contract of employment are employed on full time (37 hours) equivalent salaries in accordance with spinal column point 6 - £15,014 per annum (£7.78 per hour). This is above the UK Living Wage (current 2017). Modern apprentice are not included in this definition and are paid in accordance with national apprenticeship rates of pay.

The relationship between the rate of pay for the lowest paid employee and Chief Officer is determined by the processes used for determining pay and grading structures set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Authorities' workforce.

The current pay levels define the relationship between the lowest paid and the highest paid:

### Lowest paid employee and Chief Executive

Category	Ratio
Highest paid employee (Chief Executive)	1:11.2
Lowest paid employee	

### Lowest paid employee and average Chief Officer

Category	Ratio
Average Chief Officer	1:4.9
Lowest Paid	

### Relationship between highest paid employees and median earnings

Category	Ratio
Highest paid employee (Chief Executive)	1:7.9
Median full-time equivalent earnings	

### Relationship between highest paid employees and median average Chief Officer

Category	Ratio
Average Chief Officer	1:3.5
Median full-time equivalent earnings	

It is considered that the current pay multiples represent an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce. As part of its overall and ongoing monitoring of alignment with external pay markets both within and outside the sector, the available benchmarking information will be used as appropriate.

## **9. Publication**

Following approval of full Council, this statement will be published on the website. In addition, for posts where the full-time equivalent salary is at least £50,000, the Councils' 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.

The Councils' already provide details on its website of the remuneration paid to, and the duties of, the Chief Executive and Executive Directors.

## **10. Accountability and Decision Making**

In accordance with the agreed Constitution, the full Council is responsible for the appointment of the Chief Executive, following a recommendation from the Joint Appointments Sub-Committee.

The Joint Appointments Sub-Committee, which is made up of councillors from both High Peak Borough Council and Staffordshire Moorlands District Council, is responsible for appointing Executive Directors and Heads of Service. Appointments below Heads of Service level are the responsibility of the Chief Executive or his nominee.

## Senior Management Grading Structure

### Chief Executive

Spinal Column Point	Salary	
95	£148,405	<b>Lower Zone</b> Progression dependent on good performance
96	£151,541	
97	£154,675	
<b>Progression Bar</b>		
98	£157,811	<b>Upper Zone</b> Access & Progression dependent on sustained excellent performance
99	£160,947	

### Executive Directors

Spinal Column Point	Salary	
83	£86,528	<b>Lower Zone</b> Progression dependent on good performance
84	£88,735	
85	£90,936	
86	£93,138	
<b>Progression Bar</b>		
87	£95,348	<b>Upper Zone</b> Access & Progression dependent on sustained excellent performance
88	£97,546	
89	£99,749	
90	£101,953	

Chief Executive / Executive Directors who have reached the top of the grade in the upper zone have access to a further non-consolidated payment of the equivalent up to 15% of salary each year for continuing sustained exceptional performance, with the actual percentage dependent on the level of performance.

### Head of Service

Spinal Column Point	Salary	
56	£61,291	<b>Lower Zone</b> Progression dependent on good performance
57	£63,895	
58	£66,500	
59	£68,403	
<b>Progression Bar</b>		
60	£70,751	<b>Upper Zone</b> Access & Progression dependent on sustained excellent performance
61	£73,807	
62	£76,172	

**Corporate / Operational Service Managers**

<b>Spinal Column Point</b>	<b>Salary</b>	
51	£50,218	<b>Lower Zone</b> Progression dependent on good performance
52	£52,479	
53	£54,681	
54	£56,886	
<b>Progression Bar</b>		
55	£58,788	<b>Upper Zone</b> Access & Progression dependent on sustained excellent performance
56	£61,291	
57	£63,895	
58	£66,500	