

Pay Policy Statement 2016/2017 **(in accordance with Section 38, Localism Act 2011)**

Introduction

1. This document sets out the Council's Pay Policy in relation to the remuneration of its Chief Officers and staff in accordance with Section 38 of the Localism Act 2011.
2. The policy is subject to annual review and must be approved by the Council each financial year. This statement is valid from 1st April 2016 to 31st March 2017.
3. Subject to specific circumstances it may be necessary to amend the Pay Policy statement during the financial year. Any changes or amendments made will be subject to full Council approval.
4. The policy will be published on the Council's website as soon as reasonably practicable after Council approval or amendment.
5. The arrangements set out within this document do not extend to those members of staff who are employed within schools. This is because the scope of the Localism Act does not require Council's to consider individual schools.
6. The Council is mindful of its duty as defined in the Equality Act 2010. This Pay Policy Statement forms part of a range of Pay Policies to promote equality in pay practices and assists in ensuring that the Council is promoting transparency of senior managers pay and a fair approach to pay related equalities objectives.

Definitions

7. The following definitions will apply throughout this policy statement:
 - a. '**Lowest-paid employees**' are those who are employed in jobs which are paid at Grade A level (spinal column point 6 from 1st October 2015. The Council does however, apply a local rate supplement of SCP 10 to all employees). This is the lowest salary paid other than National Minimum Wage Apprentices.

The salaries attributable to Apprentices depend on age and rates set out within the National Minimum Wage legislation or national agreements. Given the specific nature of these appointments, it is felt inappropriate to include apprentices within the definition of lowest paid for the purposes of this policy statement.

- b. '**Chief Officers**' are those who are defined as;
 - i. Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989;
 - ii. Monitoring Officer designated under section 5(1) of that Act;
 - iii. Any Statutory Chief Officer mentioned in section 2(6) of that Act;
 - iv. Any non-statutory chief officer mentioned in section 2(7) of that Act;

- v. Any deputy chief officer mentioned in section 2(8) of that Act.
- c. **Remuneration**¹ as defined in the Localism Act associated with Chief Officers relates to;
- i. the chief officers salary
 - ii. any bonuses payable by the authority to the chief officer
 - iii. any charges, fees or allowances payable by the authority to the chief officer
 - iv. any benefits in kind to which the chief officer is entitled as a result of employment
 - v. any increase in or enhancement of the chief officer's pension entitlement where the increase or enhancement is as a result of a resolution of the authority
 - vi. any amounts payable by the authority to the chief officer on the chief officer ceasing to hold office or be employed by the authority, other than amounts that may be payable by virtue of any enactment

Remuneration of Chief Officers

8. Chief Officer and the attributable salaries (which are payable from appointment and with incremental progression) are as follows:

| Post | Terms | Salary / Salary Band | Other variable Pay |
|---|------------------|-----------------------------|--------------------|
| Darlington Borough Council Chief Officers | | | |
| <i>Note : the salaries quoted below are based on full time equivalent hours and salary bands correct at December 2015</i> | | | |
| Chief Executive | JNC ¹ | £150,720 p.a. (Spot Salary) | None |
| Director | JNC ¹ | £99,878 - £115,725 p.a. | None |
| Assistant Director (AD1) | JNC ¹ | £71,400 - £85,680 p.a. | None |
| Assistant Director (AD2) | JNC ¹ | £65,280 - £75,480 p.a. | None |
| Assistant Director (AD3) | JNC ¹ | £55,080 - £67,320 p.a. | None |
| Darlington Partnership | JNC ¹ | £51,000 p.a. (Spot Salary) | None |
| Director of Public Health | VSM ² | £97,000 p.a. (Spot Salary) | None |
| 147 Public Health Specialist | A4C ³ | £55,548 to £67,805 p.a. | None |

¹JNC - Joint National Council ²VSM – NHS Very Senior Manager ³A4C – Agenda for Change

Level of Remuneration Paid Upon Recruitment

9. The Council's policy on pay upon recruitment is set out in the Council's Recruitment and Selection policy which applies to all employees.
10. The Council's Constitution states that any salaries / salary packages assigned to new appointments which exceed £100,000 will be subject to full Council vote prior to an appointment being made. In order for Council to make an informed vote on the proposed salary package, detail of the component parts of the package will be disclosed, for example the basic salary, any additional fees, charges or allowances that would be routinely payable as part of undertaking the duties of the post.
11. The salaries attributable to Chief Officer posts are subject to job evaluation and are based on:
- a. clear salary differentials which reflect the level of responsibility attached to any particular role; and
 - b. rates which are reasonably sufficient to recruit and retain senior officers taking into account market conditions.
12. Increases in pay for Chief Officers will occur only as a result of the following:

- a. pay awards agreed by way of national / local collective pay bargaining arrangements; or
 - b. significant changes to a Chief Officer's role which result in a higher salary being appropriate as confirmed by the outcome of an appropriate job-evaluation process and subject to a report to Council; or
 - c. recruitment and / or retention payments which, in all the given circumstances at the relevant time, are deemed necessary in the best interests of the Council and which are determined under a relevant policy relating to such payments and subject to a report to Council.
13. It is expected that senior officers will perform to the highest level and performance related pay and bonuses do not, therefore, form part of current remuneration arrangements. This position will be reviewed if legislation and / or guidance relating to senior posts changes.

Election Duties undertaken by Chief Officers

14. Fees for election duties undertaken by Chief Officers are not included in their salaries. These are determined separately in consultation with the other Tees Valley Councils. For contested elections, the fees are based on an agreed sum for the first 1000 electors and a further sum for each additional 1000 electors or fraction thereof, and a set agreed sum for uncontested elections.

Payments to Chief Officers on Termination of Employment / Severance

15. Chief Officers who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other member of staff; based on entitlement within their contract of employment, their general terms and conditions and existing policies.
16. In the case of termination of employment by way of early retirement, redundancy (voluntary or otherwise) or on the grounds of efficiency of the service, the Council's "Local Government Pension Scheme (LGPS) 2014 and Local Provisions Policy" and "Management of Change" Policies set out provisions which apply to all employees, regardless of their level of seniority.
17. Where a termination of employment / severance payment equates to be single payment in excess of £100,000, full Council will be given an opportunity to vote prior to the package been approved.
18. As part of making an informed vote on severance / termination payments full Council will be presented with detailed components of severance payments including, where appropriate, salary paid in lieu of notice, redundancy compensation, pension entitlement, holiday pay and any bonuses, fees or allowances paid.
19. The detail of Council voting on severance payments is set out in the Council's Constitution which is available on the Council's internet pages.
20. In line with the proposed Repayment of Public Sector Exit Payments Regulations 2015 and the Public Sector Exit Payments Regulations 2016, the Council will ensure that appropriate procedures are followed to meet the Regulation requirements associated with the Cap on exit payments and the repayment of salary payments by senior officers.

Publication of and access to Information Relating to Remuneration of Chief Officers

21. The Council publishes on its website all senior salaries in line with The Code of Recommended Practice for Local Authorities on Data Transparency and Local Government Transparency Code 2014 which have been published by the Department of Communities and Local Government. These Codes stipulate that Councils should make senior employee salaries available to the public where they exceed £50,000.
22. For transparency purposes the Council also publishes details of any posts who have received a total pay in excess of £50,000, the number of redundancies and payment bands of all relevant employees. These figures are updated annually based on figures as at 31st March of the relevant year. This is in line with Accounts and Audit (England) Regulations 2011.
23. The Council also publishes responsibilities (for example, the services and functions Senior officers are responsible for, together with the budget held and the number of staff) for all employees whose salary exceeds £50,000. Employees whose salaries are £150,000 or more will also be identified by name; locally this will only include the Chief Executive.

Remuneration of Lowest Paid Employees within the Council

24. The Council introduced 'single status arrangements' in July 2006. The lowest paid employees within the authority are appointed to posts which have been evaluated using an agreed job evaluation scheme and are remunerated accordingly, or are determined within national or local agreements.
25. From 1st April 2014, the Council implemented a non-contractual Local Wage Supplement, equivalent to National Joint Council (NJC) Spinal Column Point (SCP) 10. This applies to all employees earning less than SCP 10 with the exception of National Minimum Wage (NMW) Apprentices and those employees who are covered by NMW Legislation and similar National agreements.
26. The Council will comply with the National Living Wage rate of £7.20 for all its employees, and will continue to exceed this rate with the Council's Local Rate Supplement equivalent to National Joint Council Spinal Column Point 10 from 1st April 2016 (£7.43) until further review.

Relationship between Chief Officer and non-Chief Officer Remuneration

27. The Pay Multiple is calculated in line with the revised Local Government Transparency Code 2014, using the ratio between the highest paid taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind) and the median earnings figure of the whole authority's workforce.
28. The Council's Pay Multiple based on highest paid taxable earnings and median taxable earnings for the whole authority (excluding casuals) is;

| | Highest paid Employee based on taxable earnings | Workforce Median Taxable earnings | Median taxable earnings Pay Multiple |
|--|---|-----------------------------------|--------------------------------------|
| Taxable Earnings Pay Multiple 2016/2017 ¹ | £12,560.00 | £1692.08 | 7.42 |

¹ – Based on figures 31st December 2015 (Decembers Pay Only)

29. Using December 2015 taxable pay figures, the Pay Multiple based on the Median Hourly Rate was 7.42
30. The Council will generally aim to ensure that the pay multiple does not exceed ten.
31. In line with the Local Government Transparency Code 2014, the Pay Multiple will be calculated each year on a fixed date coinciding with reporting at the end of the financial year. Locally the Pay multiple will also be calculated each December for the approval of the Pay Policy by Council to allow publication and approval before 31st March each year. Pay Multiples will be published on the Council's internet pages alongside other Transparency Code information requirements.

General Principles Regarding Remuneration of Staff

32. The salaries attributable to posts are determined via job evaluation. Employees are remunerated according to the evaluated score of the post they hold and by reference to the salary scale existing at any given time. Most posts include an entitlement to incremental progression.
33. New appointments are subject to the Council's Recruitment and Selection Policy and will generally be made at the bottom spinal column point of all pay bands (unless there are special circumstances and payment at a higher level can be objectively justified).
34. The Council will appoint employees based on the best person for the role in line with the Recruitment and Selection policy. The Council does not exclude the re-employment of former employees who have previously worked for the Council and is in receipt of a redundancy / compensation payment.
35. In the event of an employee securing a higher-graded post via internal promotion / recruitment and there being an overlap of spinal column points between their current post and bottom point of the newly secured position, then the Council will generally pay salary on the nearest point to the previous spinal column point.
36. Where an employee is redeployed because of redundancy or ill health, they will generally be appointed to the highest spinal column point within the lower grade so as to minimise financial loss.