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ROCHDALE METROPOLITAN BOROUGH COUNCIL

CABINET

Monday, 18 March 2013

18. Pay Policy Statement

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Revised Statement submission version

Agenda Item 18

ROCHDALE MBC PAY POLICY STATEMENT 2013/14

1. [Purpose](#)

The purpose of the Pay Policy Statement is to ensure transparency and accountability with regard to the Council's approach to setting pay. The Pay Policy Statement has been approved by Council and is publicised on the Council's website in accordance with the requirements of the Localism Act 2011.

The Pay Policy Statement identifies:

- The method by which salaries and severance payment are determined.
- The detail and level of remuneration of the Council's most senior managers i.e. Chief Executive and Executive Leadership Team, which accords with the requirements of the Localism Act 2011.
- The committees responsible for ensuring that the Pay Policy Statement is applied consistently, including the Employment and Appointment Committees which have delegated powers in relation to senior manager employment;
- The detail and level of remuneration for the lowest level of post/employee.
- The ratio of pay of the top earner and that of the median earner

It should be noted that the Pay Policy Statement does not include information relating to the pay of Teachers or Support Staff in schools who are outside the scope of the Localism Act.

2. [Method by which payments are determined](#)

The Council uses the National Joint Council pay spine (points 5-49) for grading and basic salary level determination for the majority of staff. This is supplemented by the Nationally agreed Soulbury and Youth & Community grading and salary levels. The Council applies the provision of the JNC Chief Executives and the JNC Chief Officers to posts within the scope of the provisions of the Localism Act. All other paid allowances are also subject to negotiation/consultation with either national or local trade union/representative bodies.

In determining grades and remuneration for senior management posts which fall outside of the scope of the National Pay Bargaining Machinery i.e. on locally agreed grades (PO16/17/18/19) the Council takes into account the need to ensure value for money and competitiveness.

New appointments will normally be made at the minimum point of the relevant grade, although appointment panels have discretion to vary where necessary to secure the best candidate. All promotion, regrading, transfers and secondments are in accordance with the Council policy.

The Council has a Market Supplements Policy which covers all posts and where evidence exists of recruitment and retention issues, allows the Council to make any additional temporary payments to reflect the market rate. This is reviewed on a regular basis to ensure compliance with relevant legislation.

All temporary appointments, acting up arrangements, secondments and honorarium payments are approved in accordance with the Council's Scheme of Delegation.

Incremental progression is made on an annual basis on 1st April each year (subject to 6 months qualifying period) and by exception not applied in instances where formal conduct/capability procedures are applied. Incremental progression was temporarily suspended for a one year period w.e.f. 1.4.2012, therefore incremental progression will be re-instated for those eligible w.e.f. 1st April 2013.

Pension contributions for all employees who have exercised their statutory right to become members of the Local Government Pension Scheme are applied in accordance with the scheme.

The policy of the Council is to provide a consistent approach to all of its employees who leave the Council's employment under the terms of its applicable schemes. The Council does not provide any enhancements to pension (or other additional payments) on the basis of seniority.

The policy of the Council regarding the calculation of redundancy payments for all of its employees is to use the statutory redundancy calculator based on completed years of service (up to a maximum of 20 years) and to apply the current actual contractual weekly pay of the employee in order to calculate the payment to which he/she is entitled.

The Council approved a Time Limited Discretionary Payment Scheme (TLDPS) which was available between September and December 2012. The TLDPS provided for discretionary redundancy payments, in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, to encourage employees to take voluntary redundancy in light of the current financial pressures facing the Council and the need to minimise the number of compulsory redundancies. The Scheme closed to applicants on 12th December 2012.

Council policy provides that where an employee is granted Voluntary Early Retirement under the terms of the Council scheme they will not normally be able to apply for or accept any employment directly with the Council (including Schools where the Council is both legal employer and direct manager of services) for a period of 12 months from the date of termination of employment with Rochdale MBC. The Council's Delegated Decision Making Procedure on Personnel Issues is authorised to consider any exceptions to those policy provisions where a robust business case exists to do so in the interests of the organisation.

3. Senior Management Pay

The Localism Act refers to posts of Chief Executive, Chief Officer and Deputy Chief Officer (ie. those which report to a "Chief Officer". Whilst the Council does not employ any post within the designation of Chief Officer or Deputy Chief Officer it is considered for the purpose of this legislation that the definition relates to posts of Chief Executive, Executive Directors and Service Director. Outlined below are the annual salary levels for the above mentioned posts as at 1st April 2013;

<u>Designation</u>	<u>Grade/Salary</u>	<u>Number of Posts</u>
Chief Executive	£125,000 to £130,000	1
Executive Directors	£91,464 to £120,051	2
Service Directors	Grade 1 £61,536 to £71,376 and Grade 2 £75,151 to £84,991	7

The Senior Management structure is currently subject to review however it should be noted that changes have already been made which have reduced the number of senior management posts within its establishment from 24 to 10. This represents a 58% reduction in the senior management team and these changes to the structure have contributed significant savings towards the Council's overall budget reduction.

The Director of Public Health will transfer to the Council on 1st April 2013. The Council's Pay Policy Statement will be revised to include the salary details following the transfer.

It is the Council's intention to undertake a review of the roles and responsibilities, as well as the grades of the above mentioned posts, once a decision is taken to implement the outcome of the review any revisions to the Council's Pay Policy Statement will be made. The scheme for the salary progression arrangements which are applicable to senior management posts will also be reviewed.

Senior management posts have access to the Council's Car Allowance Scheme where the relevant criteria are evidenced in accordance with the Scheme provisions.

The Service Director (Corporate Services) received a payment of £7,580 in respect of duties undertaken in relation to the role on Returning Officer for 2012/13.

The post of Service Director (Children's Social Care) receives a Market Supplement payment of £15,000 per annum. This payment has been agreed in accordance with the Council's Policy for Market Payments and is based on evidence of recruitment and retention issues.

4. [Responsibility for the application of employment procedures for Senior Management posts](#)

Responsibility for governance in relation to these issues lies with the Employment and Appointment Committees which are non-executive committees of the Council. The Council will consider the recent Guidance issued by the Secretary of State in relation to employment decisions for Senior Management.

5. [Pay Ratio](#)

The following information is provided to assist with understanding the ratio calculation;

- The Chief Executive Salary level used for comparative purposes is £130,000 i.e. the maximum of the grade
- The lowest paid Council job i.e. Cleaner has a maximum salary level of £13,189
- The Mean (average) pay is £23,390
- The Mode (most frequently occurring) level of salary is £16,054
- The Median (middle) of the salary range is £20,198

The ratio of pay of the top earner i.e. Chief Executive and that of the median earner is 1 to 6.44 in other words for every £1 earned by the median earner the Chief Executive earns £6.44. This is within the 1:20 ratio recommended by the Hutton Review. The calculation indicates that the Authority's median level of earnings as a proportion of the Chief Executive earnings is 15.33% just less than a sixth.