

## FAREHAM BOROUGH COUNCIL PAY POLICY STATEMENT FINANCIAL YEAR 2016 - 17

### 1. Purpose

The purpose of this Pay Policy Statement (“Pay Statement”) is provided in accordance with the Localism Act 2011 (“Localism Act”) and this will be updated in each subsequent financial year.

This Pay Statement sets out Fareham Borough Council’s pay policies relating to its workforce for the financial year 2016-17, including the remuneration of its Chief Officers, lowest paid employees and the relationship between its Chief Officers and that of its employees who are not Chief Officers.

### 2. Definitions

For the purpose of this Pay Statement the following definitions apply:

**2.1 “Pay”** in addition to base salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.

**2.2 “Chief Officers”** refers to the following roles within the Council:

Statutory Chief Officers are:

- a) Chief Executive Officer, as Head of Paid Service
- b) Director of Environmental Services, as Monitoring Officer
- c) Director of Finance & Resources, as Section 151 Officer

Non Statutory Chief Officers are:

- d) Director of Planning & Development
- e) Director of Community

Deputy Chief Officers are:

- f) Heads of Service who report directly to/or accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

**2.3 “Lowest paid employees”** refers to those employees employed within Grade1 of the Council’s mainstream pay structure. This definition has been adopted because Grade1 is the lowest grade on the Council’s mainstream pay structure.

**2.4 “Employee who is not a Chief Officer”** refers to all employees who are not covered under the “Chief Officer” group above. This includes the “lowest paid employees”. i.e. employees on Grade1.

### **3. Pay Framework and remuneration levels**

#### **3.1 General approach**

The pay structure and pay scales have been designed to enable the Council to recruit and retain suitably qualified employees at all levels who are dedicated to fulfilling its corporate objectives and delivering services to the public whilst operating within an acceptable financial framework.

With a diverse workforce the Council recognises that its Pay Policy needs to retain sufficient flexibility to cope with a variety of circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate. The decision to apply a market premium will be approved by the Head of Personnel and ICT and endorsed by the Chief Executive Officer.

The Chief Executive Officer, as Head of Paid Service, has delegated power to update the pay policy in line with establishment changes

#### **3.2 Responsibility for decisions on pay structures.**

The outcome of reviews into the local pay and grading structures covering all jobs are submitted to a meeting of Full Council for approval.

The Council's locally determined pay structures are based on the outcome of a job evaluated process and were implemented for the Chief Officers, Heads of Service and all other employees in April 2008. This followed a national requirement for all Local Authorities to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer to comply with employment legislation.

The pay structure for the Chief Executive Officer was established in 2008 having regard to the need to be fully competitive in the market and to be confident of attracting and retaining the highest calibre of employee to reflect the high level of organisational and corporate performance which the Council requires its Chief Executive Officer to deliver. Relevant labour market and comparative remuneration data was considered. This was reviewed in 2013.

#### **3.3 Pay scales and grading framework**

The mainstream pay structure for all employees below the level of Heads of Service was determined through a local process based on the outcome of a job evaluation scheme and consists of a pay spine of 46 points, comprising 11 grades containing 5 spinal column points with grade1 being the lowest and grade11 the highest. Each employee will be on one of the 11 grades based on their job evaluated role.

The Chief Executive's pay grade reflects the same principles as for all of the Council's pay structures consisting of 5 spinal column points.

The pay structure for Chief Officers and Heads of Service was determined through a local process that took into account market alignment with District Councils in Hampshire and the outcome of a job evaluated process. It followed the same principles as applied for the mainstream pay structure and consists of one pay grade for Chief Officers and three pay grades for Heads of Service with all grades containing 5 points.

Details of the Council's pay structures are published on the Council's website and a copy as at 1st April 2015 is appended to this Statement (at annex 1).

Pay awards are considered annually for all employees. The outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions in relation to the settlement of the annual pay award is normally applied.

If there is an occasion where to do so would distort the local pay structures alternative proposals are developed, discussed with the trade unions and brought to Elected Members for formal approval.

#### **4. Remuneration – level and element**

##### **4.1 Salaries**

**4.1.1 “Chief Officers”** are identified at **2.2** above and constitute the Council's Corporate Management Team. They are all paid within the Council's pay structures as follows:

- a) Chief Executive Officer, as Head of Paid Service will be paid a salary within the grade range £108,000 to £125,000.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £76,632 to £88,015.

**4.1.2 “Deputy Chief Officers” who are Heads of Service** are all paid within the Council's pay structures as follows:

- c) Heads of Service will be paid a salary within grades ranges £50,752 to £76,632.

Typically these Chief Officers and Heads of Service have received the same percentage pay award as for all other employees.

Details of Chief Officer and Heads of Service remuneration have been published since 2010 on the Council's website.

##### **4.2 “Lowest paid employees”**

Each lowest paid employee will be paid a salary within the pay scales for Grade1 mindful of the need to meet the National Minimum Wage and National Living Wage requirements.

A very detailed review of pay and grading was undertaken on this topic along with other parts of the grading structure and the review and recommendations were reported to Full Council in December 2014.

### **4.3 Bonuses and Performance related pay**

There is no provision for bonus payments or performance related pay awards to any level of employee.

There is, however, an honorarium provision which may be awarded where an employee performs duties outside the scope of their post over an extended period or where the additional duties and responsibilities involved are exceptionally onerous. All such payments are subject to approval by a Chief Officer (Director) and the Head of Personnel and ICT.

### **4.4 Other pay elements**

The pay structure for Chief Officers does not take account of the clearly defined additional responsibilities in respect of the Section 151 and Monitoring Officer roles. Officers undertaking these roles receive payment equivalent to two spinal column points based on the incremental pay progression from the penultimate to maximum point of the pay grade for Chief Officers.

Provision for the recognition of the role of acting Head of Paid Service exists within the Chief Officers pay structure for up to two spinal column points on the same payment principle as for the Section 151 and Monitoring Officers.

These pay arrangements allow for flexibility in the allocation of the additional roles to Chief Officers and for the responsibilities to be rotated.

### **4.5 Charges, fees or allowances**

Allowances or other payments, for example shift working, standby, etc. may be made to employees, below the level of Heads of Service, in connection with their role or the pattern of hours they work in accordance with National or Local collective agreements.

The Council recognises that some employees incur necessary expenditure in carrying out their responsibilities, for example travel costs. Reimbursement for reasonable expenses incurred on Council business are paid in accordance with the Council's collective agreement and subsequent amendments to it.

The Chief Executive Officer has been appointed as the Council's Returning Officer for elections and he has appointed the Head of Democratic Services and the Head of Corporate Services as his Deputy Returning Officers. For performing elections duties the Returning Officer and Deputies receive a fee payable according to a scale of costs, charges and expenses set by the Hampshire and Isle of Wight Election Fees Working Party and allowed under the Local Government Act 1972. This scale is published on the Council's website.

The Chief Executive Officer and Chief Officers are entitled to receive payment for one subscription to a relevant professional body.

#### **4.6 Benefits in kind**

There are no benefits in kind payable to any employee of the Council.

#### **4.7 Pension**

All employees as a result of their employment are eligible to join the Local Government Pension Scheme(LGPS).

#### **4.8 Severance payments**

The Council already publishes its policy on discretionary payments on early termination of employment and flexible retirement as well as publishing its policy on increasing an employee's total pension and on awarding additional pension. These policies are applied in support of efficient organisational change and transformation linked to the need for efficiencies and expenditure reduction.

Details of the Council's policies are published on the Council's website.

No employee who has left the Council in receipt of a redundancy or severance package will be re-employed by the Council, in any capacity, unless there are exceptional business circumstances in which case approval is required from the Chief Executive Officer.

#### **4.9 New starters joining the Council**

Employees new to the Council will normally be appointed to the first point of the salary scale for their grade. Where the candidate's current employment package would make the first point of the salary scale unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a different starting salary point within the grade may be considered by the recruiting manager in consultation with Personnel Services. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary scale within the grade.

### **5. Relationship between remuneration of "Chief Officers" and "employees who are not Chief Officers".**

This relates to the ratio of the Council's highest paid employee (falling within the definition of "Chief Officers") and the mean average earnings across the whole workforce as a pay multiple. By definition, the Council's highest paid employee is the Chief Executive Officer. The mean average pay has been calculated on all taxable earnings for the financial year 2015-16, including base salary, allowances, etc.

Highest paid employee	£125,000
Mean average earnings for remainder of workforce	£25,522
Ratio	4.90

**Fareham Borough Council  
Local Pay Scales as at 01/04/2016**

**Chief Executive**

Spinal Column Point		Annual
5	1	125,000
4		120,750
3		116,500
2		112,250
1		108,000

**Directors (Grade & Salary scale)**

Spinal Column Point		Annual
5	1	88,015
4		84,934
3		81,961
2		79,092
1		76,632

**Senior Management (Grades & Salary scales)**

Spinal Column Point			Annual
5		1	76,632
4			74,458
3			72,296
2			69,851
1			67,489
5		2	67,489
4			65,127
3			62,848
2			60,648
1			58,526
5	3		58,526
4			56,477
3			54,500
2			52,593
1			50,752

## Mainstream (Grades and Salary scales)

Spinal column point			From 1 April 2016	Spinal column point	JE points range
46		11	50291	46	
45			49183	45	
44			48101	44	
43			47045	43	
42		10	46004	42	LG11 700+
41			45443	41	
40			44338	40	
39			43257	39	LG10 622 – 699
38		9	42186	38	
37			41172	37	
36			40068	36	
35			39003	35	LG9 586 – 621
34		8	37955	34	
33			36938	33	
32			35859	32	LG8 543 – 585
31			34821	31	
30		7	33804	30	
29			32825	29	
28			31866	28	LG7 497 – 542
27			30933	27	
26		6	30030	26	
25			29163	25	
24			28314	24	LG6 430 – 496
23			27489	23	
22		5	26688	22	
21			25913	21	
20			25095	20	LG5 386 – 429
19			24302	19	
18			23539	18	
17		4	22798	17	LG4 338 – 385
16			22025	16	
15			21281	15	
14			20564	14	
13		3	19862	13	LG3 280 – 337
12			19197	12	
11			18549	11	
10		2	17918	10	LG2 246 – 279
9			17320	9	
8			16689	8	
7			16087	7	
6		1	15544	6	
5			15019	5	
4			14665	4	
3			14426	3	
2			14264	2	
1			14040	1	