

PAY POLICY STATEMENT

1. INTRODUCTION

1.1 The Localism Act 2011 requires the Council to prepare a pay policy statement for each financial year. The statement must be prepared and approved before the end of March 2015 by full Council. A recommended statement for 2015-16 is included at Appendix 1. The statement details the policies in place for 1st April 2015 and this includes the recently agreed Pay Award.

2. BACKGROUND

2.1 A pay policy statement for the financial year must set out the authority's policies for the financial year relating to:

- (a) The remuneration of its chief officers,
- (b) The remuneration of its lowest-paid employees, and
- (c) The relationship between –
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

2.2 The statement must state –

- (a) The definition of "lowest paid employees" adopted by the authority for the purposes of the statement, and
- (b) The authority's reasons for adopting that definition

3. ENVIRONMENTAL, CRIME AND DISORDER, EQUALITY AND DIVERSITY IMPLICATIONS

3.1 There are none.

4. FINANCIAL IMPLICATIONS

4.1 There are none.

5. RECOMMENDATION

5.1 That it be recommended to the Council that the Pay Policy Statement 2015-16 as set out in Appendix 1 be approved.

For further information please contact:

Manjit Sandhu
Head of Human Resources
Tel: 023 80285588
E-Mail: manjit.sandhu@nfdc.gov.uk

Background Papers

Pay Policy Statement
- Council Feb 2012, Feb 2013
and Feb 2014

New Forest District Council

Pay Policy Statement Financial year 2015-16

Background

1. The purpose of this Pay Policy Statement (“Pay Statement”) is to set out New Forest District Council’s pay policies relating to its workforce for the financial year 2015-16, including the remuneration of its Chief Officers and that of its lowest paid employees.
2. The functions of appointment, dismissal and related matters for all employees below Chief Officer level shall be dealt with by the Chief Executive and Heads of Service, or such other employees as may be authorised. Standing Orders for General Procedures deal with procedures for appointing and dismissing employees at Chief Officer level.
3. With the exception of apprentices on the National Minimum Wage, pay for all staff, including Chief Officers, is negotiated and recommended by the Pay Panel. Consultation takes place through the Industrial Relations Committee onto the General Purposes and Licensing Committee who will make recommendations to Council.
4. For the purposes of this Pay Statement and in accordance with the Localism Act 2011 (“Localism Act”), staff employed by the Council have been separated into two groups:-
 - (a) Chief Officers as defined by the Localism Act
 - (b) Employees who are not Chief Officers as defined by the Localism Act
5. An “employee who is not a Chief Officer” refers to all staff that are not covered within the “Chief Officer” group as outlined below. This includes the “lowest paid employees”. In the context of the Council, the “lowest paid employees” are those employed at Band 1 on the District Council’s pay structure (this includes the recently agreed pay award and is appended as item 1).
6. Section 43(2) of the Localism Act defines Chief Officers for the purposes of the Localism Act. The following roles within the Council fall within the definition of “Chief Officers”: -
 - (a) Head of Paid Service (Chief Executive)
 - (b) Monitoring Officer
 - (c) Section 151(Chief Finance Officer)
 - (d) Non-Statutory Chief Officers (Executive Director)
 - (e) Deputy Chief Officers (Heads of Service)
 - (f) Officers reporting directly to those officers falling within (a), (b), (c) and (d) above (Deputy Monitoring Officer and Deputy S151 Chief Finance Officer)

Chief Officers as defined by the Localism Act 2011

7. The Chief Executive’s pay is set in comparison with other district councils. The majority of Chief Officers below the Chief Executive are paid on Bands 11 and 12 of the Council’s pay structure (the Band for each role is determined by a consistent job evaluation process), in very exceptional cases individuals are paid a pay supplement. Chief Officer salaries for 2015/16 are outlined below:

8. The Head of Paid Service will be paid a salary of £118,290.
9. The Council has a duty to appoint a Returning Officer responsible for local government elections, and has decided that this role be carried out by the Chief Executive. The Returning Officer fees are regarded as a special responsibility payment in relation to independent duties carried out.
10. The fees and charges for European, UK Parliamentary and Police Commissioner elections and National Referendums are set by external bodies. The scale of fees and expenses for County, District, Parish and Town Council elections will be set in partnership with the County Council and other Hampshire local authorities to ensure uniformity and will be submitted to General Purposes and Licensing Committee.
11. The Section 151 (Chief Financial Officer) and Executive Director will be paid a salary on Band 12.
12. The Monitoring Officer and 8 Heads of Service will be paid a salary on Band 11.
13. The Deputy S151 Chief Finance Officer and Deputy Monitoring Officer will be paid a salary on Bands 9 or 10.
14. The Council reviews its terms and conditions and pay levels regularly. The last review took place in 2009. The review concluded that the pay levels of Chief Officers were appropriate in comparison with other district councils. Pay awards are considered annually for all staff including Chief Officers. The outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied.
15. Chief Officers' performance during the course of the year is reviewed within the Council's performance management arrangements, and pay progression within the Band is subject always to good performance.
16. The Council believes in rewarding outstanding performance. It operates this through a system of bonus payments which are designed to reward outstanding performance at the time it occurs. The size of the award paid to a Chief Officer will be commensurate with the work being rewarded. The Chief Executive will approve bonus payments for Chief Officers. Any bonus payments to the Chief Executive will be agreed by the Council.
17. The Council recognises that Chief Officers sometimes incur necessary expenditure in carrying out their responsibilities e.g. travel costs. Chief Officers will be reimbursed for reasonable expenses incurred on council business in accordance with local Terms and Conditions.
18. The pay package of Chief Officers includes an option for a lease car or a lesser cash alternative. The Council made a decision to cease the lease car scheme from 31st August 2014. Chief Officers continue to be entitled to the cash alternative. This benefit also applies to all staff at Band 10 and above who are not Chief Officers.
19. Chief Officers as a result of their employment are eligible to join the Local Government Pension Scheme in the same way as other employees. The pensions policy statement is appended as item 2 to this statement applies to all employees including chief officers.

20. All employees including Chief Officers with more than 2 years continuous service will be entitled to a redundancy payment. If employees are aged at least 55 they are also automatically entitled to the immediate payment of pension benefits if they are retired on the grounds of redundancy. The redundancy payments are based on actual weekly pay. The number of weeks individuals are entitled to is based on the statutory redundancy grid which provides for a maximum of 30 weeks. A multiplier of 1.5 is used to support efficient organisational change. The Council scheme therefore provides for an entitlement of up to a maximum of 45 weeks based on length of service and age. The Council operates one redundancy scheme for both voluntary and compulsory redundancies. All redundancies are subject to a full Business case which requires a maximum financial payback of 3 years.
21. The Council practice is not to re-employ Chief Officers who have received a redundancy or severance package on leaving the council.
22. In accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, pay and benefits information for staff paid over £58,200 are published. This information is contained on 'Transparency and Open Government' pages on the Council's external website. Information on senior employees' remuneration can also be found in the Council's annual Statement of accounts.

Employees who are not Chief Officers as defined by the Localism Act

23. These employees are all paid on the Council's pay structure on Bands 1-10. Each employee will be on one of the 10 Bands based on the job evaluation of their role. Each Band consists of 5 or 6 spinal points. Pay progression within the Band is subject always to good performance.
24. Each "lowest paid employee" is paid within the salary range for Band 1. All other employees are paid within the salary range for the Band of their role i.e. (2-10). In very exceptional cases individuals are paid a pay supplement.
25. Employees new to the Council will normally be appointed to the first spinal point of the salary range for their Band. Where the candidate's current employment package would make the first spinal point of the salary range 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 spinal point in starting salary may be considered by the recruiting manager. This will be within the salary range for the Band. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.
26. Employees' performance during the course of the year is reviewed within the Council's performance management arrangements, and pay progression within the Band is subject always to good performance.
27. Pay awards are considered annually for staff. For all staff up to and including the Chief Executive the outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied.
28. The Council believes in rewarding outstanding performance. It operates this through a system of bonus payments which are designed to reward outstanding performance at the

time it occurs. The size of the award paid to an employee will be commensurate with the work being rewarded. All bonuses are subject to Executive Management Team approval.

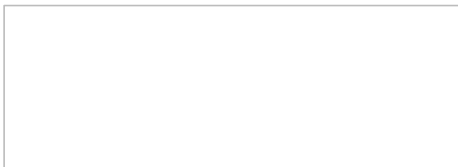
29. The Council recognises that employees sometimes incur necessary expenditure in carrying out their responsibilities, for example travel costs. Employees will be reimbursed for reasonable expenses incurred on Council business in accordance with the Council's local Terms and Conditions.
30. All employees as a result of their employment are eligible to join the Local Government Pension Scheme. Details of the Council's pension policy are appended as item 2 of this Pay Statement.
31. The Council's redundancy scheme is detailed in paragraph 20 and this applies to all employees.
32. The Council practice is not to re-employ staff who have received a redundancy or severance package on leaving the Council; any request to do so would require specific approval from the appropriate Head of Service and Head of Human Resources.
33. In accordance with The Local Government Association guidance on the Government's requirement for reporting remuneration relationships (the ratio between the highest paid employee and the median average earnings across the organisation as a multiple). Based on 1st April 2015 (including the recently agreed pay award) this has been calculated as follows:

Chief Executive Remuneration	£118,290
Employees Median average remuneration	£19,160
Ratio	6.2

New Forest District Council Salary Scale-From 1st April 2015

Item 1

Leave Days	Salary	Hourly Rate	SCP	BAND 1	BAND 2	BAND 3	BAND 4	BAND 5	BAND 6	BAND 7	BAND 8	BAND 9	BAND 10	BAND 11	BAND 12
27	£99,073	£51.3521	81												
27	£96,191	£49.8583	80												
27	£93,390	£48.4065	79												
27	£90,669	£46.9961	78												£90,669
27	£88,031	£45.6288	77												£88,031
27	£85,453	£44.2925	76												£85,453
27	£82,975	£43.0081	75												£82,975
27	£80,604	£41.7792	74												£80,604
27	£78,308	£40.5891	73												£78,308
27	£76,076	£39.4322	72												
27	£73,906	£38.3074	71												
27	£71,817	£37.2246	70												
27	£69,798	£36.1781	69												
27	£67,852	£35.1695	68												
27	£65,972	£34.1950	67												
27	£64,174	£33.2631	66												
27	£62,438	£32.3632	65											£64,174	
27	£60,774	£31.5008	64											£62,438	
27	£59,184	£30.6766	63											£60,774	
27	£57,660	£29.8867	62											£59,184	
27	£56,155	£29.1066	61											£57,660	
27	£54,965	£28.4898	60											£56,155	
27	£53,854	£27.9139	59												
27	£52,748	£27.3407	58												
27	£51,649	£26.7710	57										£51,649		
27	£50,749	£26.3045	56										£50,749		
27	£49,829	£25.8277	55										£49,829		
27	£48,917	£25.3550	54										£48,917		
27	£48,013	£24.8864	53										£48,013		
27	£47,089	£24.4075	52										£47,089		
27	£46,182	£23.9373	51												
27	£45,102	£23.3775	50												
27	£44,362	£22.9940	49										£44,362		
27	£43,462	£22.5275	48										£43,462		
27	£42,556	£22.0579	47										£42,556		
27	£41,631	£21.5784	46										£41,631		
27	£40,692	£21.0917	45										£40,692		
27	£39,723	£20.5895	44										£39,723		
27	£38,844	£20.1339	43												
26	£37,921	£19.6554	42												
26	£36,975	£19.1651	41												
26	£36,053	£18.6872	40												
26	£35,112	£18.1995	39												
26	£34,205	£17.7293	38												
26	£33,125	£17.1696	37												
26	£32,169	£16.6740	36												
26	£31,268	£16.2070	35												
26	£30,450	£15.7830	34												
26	£29,836	£15.4648	33												
26	£28,998	£15.0304	32												
26	£28,157	£14.5945	31												
25	£27,350	£14.1762	30												
25	£26,497	£13.7341	29												
25	£25,631	£13.2852	28												
24	£24,646	£12.7747	27												
24	£23,846	£12.3600	26												
24	£23,087	£11.9666	25												
23	£22,351	£11.5851	24												
23	£21,668	£11.2311	23												
23	£20,978	£10.8732	22												
23	£20,384	£10.5655	21												
22	£19,865	£10.2963	20												
22	£19,160	£9.9314	19												
22	£18,489	£9.5833	18												
22	£17,825	£9.2390	17												
22	£17,481	£9.0610	16												
22	£17,060	£8.8428	15												
22	£16,681	£8.6462	14												
22	£16,338	£8.4683	13												
22	£16,040	£8.3141	12												
22	£15,617	£8.0948	11												
22	£15,324	£7.9428	10												
22	£14,437	£7.4831	9												
22	£14,220	£7.3706	8												
22	£14,065	£7.2903	7												
22	£13,875	£7.1918	6												
22	£13,566	£7.0316	5												
Employee Notice Period				One Month's Notice						Two Month's Notice			Three Month's Notice		



Pension Policy Statement

Under the Local Government Pension Scheme, the Council is required to publish a written statement of policy in relation to pensions.

Any decision that has a financial impact will be subject to a Business Case, where a payback period of no more than three years, is achievable.

1. Regulation 16 (2e)(4d) Shared cost additional pension contributions

Discretion not exercised. (Decision at Council July 2014)

2. Regulation 30(6) Power to allow flexible retirement

Discretion exercised in line with Policy agreed from 1 August 2008
(Currently under review)

3. Regulation 30 (8) Waiving of actuarial reductions on compassionate grounds

Discretion exercised provided there is no cost to the Council (Decision at Council July 2014)

4. Regulation 31 Power to award additional pension

Discretion not exercised. (Decision at Council July 2014)

5. (LGPS Regulations 2014 (Transitional provisions, savings and amendments – paragraph 2 (2) of schedule 2)) – Switching on the 85 year rule

Discretion not exercised (Decision at Council July 2014)

6. Regulation B30(2)(5)B30A(3)(5) Post – 31 March 2008 /pre – 1 April 2014 leavers early payment of pension

Discretion not exercised (Decision at Council July 2014)

7. Membership aggregation Regulation 22 (7)(b), (8)(b)

Discretion not exercised (Decision at Council July 2014)

8. Transfers of Pension Rights (Administration Regulation 100 (6))

Discretion not exercised (Decision at Council July 2014)

9. Pension Contribution Bands (Regulations 9 and 10 of LGPS Regulations 2013)

Discretion is exercised (Decision at Council July 2014) - The Council's policy is to review an employee's contributions band when there is a contractual change to the

member's salary or hours at some point during the year, when the change is permanent. Any changes in variable pay (i.e. overtime) will only be reviewed once on 1st April each year.

10. Assumed Pensionable Pay and 'regular lump sum' (regulations 21(4)(a), 21(4)(b) and 21(5) of the LGPS Regulations 2013)

Discretion not exercised (Decision at Council July 2014)

11. Election of Early Payment of Benefits

The Council's Early Retirement Policy came into effect from 1 July 2009, and applies to all employees at least 55 and over. Early Retirement can only occur in the following circumstances:

REDUNDANCY – for employees where employment is terminated for reasons of redundancy.

EFFICIENCY - for employees where early retirement is in the interests of the efficiency of the service.