

Report of	Assistant Chief Executive	Author	Jessica Douglas/ Chris Reed ☎ 282240
Title	Officer Pay Policy Statement for 2017/18		
Wards	Not applicable		

This report concerns the Council's Officer Pay Policy Statement, which must be approved each year by Full Council under the Localism Act 2011.

1. Decision Required

- 1.1 To recommend the approval and adoption of the 2017/18 Statement by Full Council.

2. Reasons for Decision

- 2.1 The Localism Act requires "authorities to prepare, approve and publish pay policy statements articulating their policies towards a range of issues relating to the pay of its workforce, which must be approved by full Council annually. An authority's pay policy statement must be approved by a resolution of that authority before it comes into force".

3. Alternative Options

- 3.1 The only alternative would be to not recommend the approval of the Pay Policy Statement, but that would be contrary to the requirements of the Localism Act.

4. Supporting Information

- 4.1 Local authorities must publish a pay policy statement for the financial year. The Officer Pay Policy for 2016/17 was approved by Full Council on 10 December 2015.
- 4.2 The Localism Act specifies items that must be covered by the statement including the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay and bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers.
- 4.3 The Council's pay policy statement has been extended beyond the statutory requirements relating to chief officers as shown in 4.2 above to include all officers employed by the Council, in the interests of openness and transparency.
- 4.4 Please see the attached Officer Pay Policy. Appendix 1 of the policy contains the mostly numerical data which sits behind it, and the definitions of terms such as 'chief officers'. These two documents form the Council's pay policy statement.
- 4.5 The statement covers all pay and benefits for every employee of Colchester Borough Council. There are no financial allowances or bonuses other than those mentioned.
- 4.6 Mandatory requirements for data publication under the [Local government transparency code 2015](#), and for the Council's [Statement of Accounts](#) under the [Accounts and Audit Regulations 2015](#) have also been taken into account when preparing this year's update of the pay policy to ensure that the published data is complete and consistent.

5. Living Wage

- 5.1 The Council has chosen to pay the Living Wage since 2013 as part of its commitment to being a good employer, and its approach to [Social Value](#). The Council signed a 'Living Wage Employer' licence with the Living Wage Foundation in February 2016, which means the Council is also implementing a phased plan which rolls out as contracts come up for renewal so that these third-party contracted staff also receive the Living Wage.
- 5.2 The Council will continue to pay the Living Wage as a minimum standard for all employees. The Living Wage is set independently and calculated according to the basic cost of living in the UK (hourly rate is now £8.45, 18 and older), and it is higher than the compulsory National Living Wage brought in by central government in April 2016 (currently £7.20 if 25 or over / £6.70 if aged 21-24).
- 5.3 The Living Wage rate is set each November by the Living Wage Foundation. More than 300 permanent/casual Council staff and 40 third-party contracted employees (grounds maintenance contract from April 2016) had their wages increased to meet the £8.25 hourly Living Wage rate set in November 2015 (£8.45 from November 2016).

6. Looking ahead to 2017/18

- 6.1 The Council will need to comply with the effective dates and requirements of these legislative changes once these are known:
- The Government's further consultation on regulations for the £95,000 public sector exit payments cap, along with the recovery regulations on exit payments for those earning £80,000 or more, and an ongoing consultation into any use of salary sacrifice / benefits in kind.
- From April 2017:
- The Government will make public sector bodies and agencies responsible for operating the tax rules that apply to off-payroll working through limited companies in the public sector.
 - The national introduction of the Apprenticeship Levy.
 - All organisations which employ more than 250 employees will need to publish 'gender pay gap' information showing whether there are any differences in pay between male and female employees.

7. Strategic Plan References

- 7.1 The performance, remuneration and motivation of employees are key to delivering effective, efficient public services and the Strategic Plan's aspirations and priorities.

8. Publicity Considerations

- 8.1 The data contained within the Officer Pay Policy is publicly available on the Council's website via an online tool called '[Datashare](#)'. This brings a broad range of information into one place, and that helps to improve openness and transparency.

9. Financial implications

- 9.1 The pay policy statement provides transparency about the Council's approach to pay and benefits for its employees.

10. Equality, Diversity and Human Rights implications

- 10.1 The Equality Impact Assessment is on the Council's website [here](#).

11 Other Implications

- 11.1 There are no community safety, consultation, health and safety or risk implications.

Officer Pay Policy

December 2016



Customer Business Culture

Contents	Page
Introduction.....	1
1. Pay strategy and framework	1
2. Pay review and annual increases	2
3. Remuneration of Chief Officers	2
4. Other items in addition to salary	2
5. Rewarding performance.....	4
6. Pension.....	4
7. Other financial benefits	5
8. Recruitment.....	6
9. Sick Pay.....	6
10. Payments when employment status changes	7
11. Election duties	7
12. Temporary staff and interim arrangements	7
13. Supporting Information	8
Document Information	8
Pay Data – Appendix 1	9

Introduction

The purpose of this policy is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of officers.

The Council will comply with this policy which covers all officers. It ensures that employees are paid on a fair and equitable basis in accordance with equality legislation.

Colchester Borough Council recognises the importance of administering pay in a way that:

- attracts, motivates and retains appropriately talented people needed to maintain and improve the Council's performance and meet future challenges
- reflects the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes
- allows for a proportion of remuneration to be at risk, depending upon the delivery of agreed outcomes and results
- delivers the required levels of competence within an overall workforce strategy within approved budget parameters
- is affordable and transparent.

1. Pay strategy and framework

- 1.1 The Council determines the level of annual salary for employees, including chief officers, using an established job evaluation scheme. Jobs are independently evaluated, using this scheme, by experienced Human Resources staff and all employees have the right of appeal against their pay grade.
- 1.2 The pay grades and salary spines are shown in Appendix 1, along with other definitions such 'chief officer'. The Council implemented the '[Living Wage](#)', which is independently calculated, from April 2013 and became an accredited Living Wage Employer in February 2016. Each pay grade has a number of incremental points and employees normally progress up their pay grade by one increment on an annual basis, subject to satisfactory levels of performance (see also section 5 - rewarding performance).
- 1.3 The exception to this principle is where employees have transferred their employment to the Council and salary protection exists under the Transfer of Undertakings (Protection of Employment) legislation which is commonly referred to as TUPE.
- 1.4 The pay policy incorporates the Council's Equality and Diversity policy (website link [Equality and Diversity in employment - Colchester Borough Council](#)) and periodic equal pay audits will be conducted. From April 2017, in line with new mandatory gender pay gap reporting, the Council will need to publish pay information showing whether there are any differences in pay between male and female employees.

2. Pay review and annual increases

- 2.1 The Council supports the principle of collective bargaining and has a recognition agreement with the trade union 'Unison'. Negotiation and consultation is conducted at a local level in relation to levels of pay and benefits for all employees including Chief / Senior Officers (see definitions in Appendix 1). The Council therefore is not part of any national terms and conditions for local government employees.
- 2.2 Local negotiations around a pay review are conducted on an annual basis, and any increase is agreed taking into account inflationary factors, local salary levels and affordability. Any decision to increase salary levels for all employees has to be approved by the Portfolio Holder under delegated powers set in the Council's [Constitution](#).
- 2.3 The Council publishes its pay multiple (the ratio between the highest and lowest paid employees) and does not currently set a target for this.

3. Remuneration of Chief Officers

- 3.1 The remuneration of all officers is determined using the Council's job evaluation and performance management schemes.
- 3.2 The median average value of Chief Officers' pay is shown in Appendix 1 together with the relationship to the lowest paid staff and other staff (referred to in the legislation as "the pay multiple").
- 3.3 The remuneration of all Chief Officers and Senior Officers will be published in the Council's [Annual Statement of Accounts](#) (note 32), which also includes a wide range of financial information.

4. Other items in addition to salary

The Council pays the following additions to annual salary:

- 4.1 **Overtime:**
This is paid to employees who are required to work in excess of their contracted weekly hours. All overtime is paid at plain-time rate derived from annual salary, and enhancements are not normally paid for working at weekends or public holidays. Employees on pay grade CMG5 or above are not entitled to receive overtime pay.
- 4.2 **Unsocial hours working:**
The Council pays an allowance to employees who work unsocial hours which cover 24-hour shift working. Allowances are also paid to employees who undertake standby and call out duties. A small payment can also be made to 'front-line' employees who are required to work over the Christmas/New Year period.
- 4.3 **Maternity, paternity and shared parental arrangements:**
The Council has a policy that supports parents and provides some enhancement to the statutory maternity, paternity and shared parental provisions. These enhancements are shown in Appendix 1.
- 4.4 **Recruitment and retention payments:**

Where the Council is faced with difficulties in recruitment to and retention of specific jobs, as a result of market pressures and skills shortages, the Chief Executive is able to sanction the use of a temporary recruitment/retention supplement, reviewed on a regular basis. This may include a non-consolidated payment on appointment and/or a retention payment to reflect the employment market and the needs of the business. Any such payment is to be authorised by the Chief Executive. If the employee leaves the Council voluntarily within a year, they will be required to pay back this non-consolidated payment.

Where an individual is being recruited and has significant experience or skills in the role for which they are being employed, Heads of Service and above have discretion to appoint at any scale point (within the grade) above the lowest level.

Where an employee is upgraded using the Council's job evaluation scheme, the employee will move to the lowest point of the new pay grade such that they receive at least one increment. Any proposal to move the employee to a higher point on the pay grade has to be authorised by the Chief Executive.

4.5 **Increases in responsibility:**

Temporary or permanent payments can be paid at the discretion of the Chief Executive (for employees on CMG 7 and above), or at the discretion of a member of the Executive Management Team (for employees on CMG 8 and below), to reflect operational needs, the level of additional responsibility and the Council's increment/acting-up policies.

4.6 **Other items:**

The Council only reimburses reasonable business expenses actually incurred and in line with the Council's travel and subsistence policy.

Professional membership fees are reimbursed to employees at the rate of 50% of fees incurred and only one membership per employee is reimbursed.

External training costs are paid where they form part of agreed learning and development, and in line with the post-entry training policy.

There are no expense allowances or bonuses other than those mentioned within this pay policy.

5. Rewarding performance

- 5.1 The Council uses a performance management scheme to appraise the performance of all employees, including Chief / Senior Officers. Issues of poor performance can result in any annual increment being withheld.
- 5.3 The Council also recognises the need to incentivise specific jobs whose role involves a proportion of sales or income generation. In such cases a reward package will be developed, which needs approval by Senior Management Team. The annual salary and incentive payment will be determined outside of the job evaluation scheme and will be risk-assured in relation to equal pay.
- 5.4 The Council incentivises and recognises employees for their individual contribution towards the three organisational goals of 'Customer; Business and Culture' through a non-salary rewards scheme. Where an employee's contribution is deemed to be excellent they can be nominated for a non-consolidated payment up to the maximum value if authorised by the Chief Executive. See Appendix 1 for the value of these incentives.
- 5.5 The Council also recognises the importance of organisation-wide performance, and the contribution which employees can make to this. The Council is considering with the Trade Union the introduction of non-consolidated payments which would be related to its overall performance as measured against a range of financial, income and key performance indicators. If introduced, these would form part of the annual pay negotiations with Unison, and through the public governance process of portfolio holder approval. This matter is subject to formal member approval.

6. Pension

- 6.1 In accordance with statutory provisions, employees are offered membership of the Local Government Pension Scheme. The Council has a published pension policy and this policy applies to all employees including Chief / Senior Officers. It sets out the Council's decisions relating to discretionary powers allowed within the scheme. The pension contribution rates are shown in Appendix 1.
- 6.2 The Council also supports the principle of flexible retirement whereby employees are able to gain access to their pension whilst continuing in employment, subject to the restrictions laid down within the scheme and in the Council's Pension policy. This approach allows the Council to retain skilled employees and to assist individuals in managing the transition to retirement.

7. Other financial benefits

The Council currently offers the following financial benefits to employees, with the value of these charges and benefits shown in Appendix 1:

7.1 Travel Plan incentives/charges:

In order to encourage employees to use 'greener' travel modes, which also help to reduce town centre congestion, the Council has developed a package of travel plan measures. These measures include a charge for car parking for employees based in the town centre, and discounts for the 'home to work' use of bus and rail travel.

7.2 Salary sacrifice schemes:

The Council has adopted approved government salary sacrifice schemes which enable employees to have deductions from pay to purchase childcare vouchers or cycles for travel to work. These schemes are tax efficient for the employee and are cost-neutral to the Council.

7.3 Long Service Awards:

The Council recognises the commitment of employees to public service and provides a gift to employees for 25 years' service with the Council.

7.4 Other allowances:

An allowance is paid for employees who volunteer to be designated First Aiders in the workplace.

An allowance paid as a contribution towards broadband costs, which applied if employees work at home on a regular basis using a PC to access Council systems, is no longer included in the terms and conditions of new starters joining the Council after 1 October 2016.

8. Recruitment

- 8.1 In accordance with the Council's [Constitution](#), appointments to Head of Paid Service (Chief Executive), Executive Directors, Heads of Service, Chief Finance Officer and Monitoring Officer, have to be approved by the Full Council.
- 8.2 All appointments are made in line with this pay policy.
- 8.3 The appointment of other Chief Officers and starting salaries within the grade must be approved by the Chief Executive.
- 8.4 The appointment of employees other than Chief Officers will be delegated to the appropriate management level, relevant to the vacant job. The starting salary within the pay grade range will be determined taking into account the skills and experience of the applicant and market pressures.
- 8.5 The Council does not restrict the re-employment of employees previously made redundant by either the Council or other Local Government. All applicants for vacancies are considered equally, based on their knowledge, skills and experience.
- 8.6 Full Council will be offered the opportunity to vote before large salary packages are offered in respect of new appointments. This level is set out in statutory guidance, and the current level is shown at Appendix 1 along with definitions of roles/posts.

9. Sick Pay

The Council applies the following sick pay scheme for all employees including Chief Officers.

Service (years)	Full Pay (months)	Half Pay (months)
During first year	1	*2
During second year	2	2
During third year	4	4
During fourth/fifth years	5	5
After five years	6	6

* After completing 4 months' service

10. Payments when employment status changes

10.1 Redundancy:

The Council operates a redundancy payment scheme which applies to all employees including Chief / Senior Officers. The scheme is based on the employee's rate of pay and on the number of weeks paid under the statutory scheme, with an enhancement of 50% subject to a maximum of 45 weeks' pay.

10.2 Pay Protection:

The Council operates pay protection for a limited time period, within the terms of the redundancy policy. This applies when staff have their pay reduced as part of a process of re-deployment or job evaluation.

10.3 Agreements:

Where the Council is in dispute with an employee, the Council will make use of legally binding agreements to settle disputes in appropriate circumstances. The use of these agreements and the value of any settlement will be determined by a consideration of factors such as the potential costs of litigation, the degree of risk at employment tribunal adjudications and any reputational impact. The decision to agree a legally binding agreement will rest with the Chief Executive or, in the case of the Chief Executive, will rest with the Cabinet.

11. Election duties

11.1 The Council has determined that the Returning Officer is the Chief Executive, and the remuneration is separate from the Chief Executive's salary. The Council has set the remuneration levels of employees who assist with local government election duties on a secondary employment basis. These levels are set by Essex County Council for county elections, and by central government for national and European elections.

11.2 The amount paid for election duties will vary depending on the number and type of elections which take place. The amount paid to the Returning Officer in the previous year is shown in Appendix 1.

12. Temporary staff and interim arrangements

12.1 The Council occasionally uses temporary agency or interim staff where it meets specific business needs and delivers best value. Levels of reward are determined by market rates. However, the Council will not use payment arrangements that could be perceived to be designed to deliberately avoid personal taxation.

13. Supporting Information

The following references have been used in producing this Pay Policy, along with the Council's existing Human Resource policies:

Legislation

- The Localism Act 2011 - [chapter 8 - pay accountability](#).
- The Equality Act 2010
- Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006
- Local Government Pension Scheme Regulations 2008
- [Accounts and Audit Regulations 2015](#).

Best practice guidance

Department for Communities and Local Government:

- [Openness and accountability in local pay: Guidance under section 40 of the Localism Act](#)
- [Local government transparency code 2015](#)

The Chartered Institute of Public Finance and Accountancy:

- [Code of Practice in Local Authority Accounting](#)

Local Government Association

- [Pay Policy Statements - guidance](#).

Our website

The Council's website www.colchester.gov.uk has a [section with more information about employment](#) at Colchester Borough Council.

The following policies and forms should be taken into account alongside this document:

Policies	
Equality and Diversity policy	Increment policy
Maternity and Paternity policies	Acting up policy
Pensions policy	Overtime policy
Local Government Pension Scheme (Administration) Regulations 2013 Discretionary Decisions by Colchester Borough Council	Performance management scheme
Post-entry training policy	Redundancy policy
Travel and subsistence policy	Travel Plan

The policies are on the Intranet in the HR section: [A to Z of HR Policies and Procedures](#)

Document Information

Title :	Officer Pay Policy
Status :	2016 update of existing policy
Version :	Version 1
Consultation :	Cabinet 30 November 2016
Approved By :	Full Council
Approval Date :	8 December 2016
EQIA :	click here
Review Frequency :	Annual
Next Review :	December 2017

Pay Data – Appendix 1

1. Annual Salary scales

Salary spine

point	Annual salary (£.p)	point	Annual salary (£.p)
4*	16,302.45	32	34,755.23
5*	16,302.45	33	36,093.98
6*	16,302.45	34	37,336.52
7*	16,302.45	35	38,579.09
8*	16,302.45	36	39,821.63
9*	16,302.45	37	41,113.61
10*	16,302.45	38	42,405.60
11	16,497.81	39	43,697.55
12	17,288.77	40	46,909.45
13	17,666.88	41	50,121.37
14	18,047.66	42	53,333.29
15	18,423.10	43	57,612.75
16	18,801.21	44	61,892.18
17	19,179.30	45	66,171.63
18	19,552.09	46	70,451.05
19	20,118.57	47	74,730.49
20	20,685.07	48	78,833.56
21	21,251.55	49	82,936.66
22	21,818.05	50	87,039.70
23	22,384.54	51	91,142.80
24	22,996.46	52	95,245.85
25	24,820.19	53	99,348.95
26	26,689.36	54	103,959.75
27	28,558.53	55	108,570.52
28	29,731.62	56	113,181.30
29	30,904.68	57	117,792.07
30	32,077.74	58	122,402.86
31	33,416.49	59	124,877.26

The last pay increase was in April 2016 – 1.5%.

* Note these salary points are 'Living Wage' (£8.45 from November 2016 – was £8.25). Employers can choose to pay the Living Wage on a voluntary basis, and the Council has done so since 2013. This is higher than the compulsory National Living Wage introduced by the government from April 2016 for all employees who are over 25 (currently £7.20, rising to £9 by 2020).

Pay Grade range

Pay Grade (CMG)	Salary spine point range	Pay Grade (CMG)	Salary spine point range
14	4 to 7	7	32 to 36
13	7 to 12	6	35 to 39
12	11 to 18	5	38 to 42
11	18 to 24	4	42 to 47
10	23 to 27	2-3	46 to 53
9	26 to 30	1	54 to 59
8	29 to 33		

Apprentices

The national introduction of an Apprenticeship Levy in April 2017 aims to encourage businesses to create three million new apprenticeships by 2020. Employers operating in the UK with a pay bill over £3 million each year will be required to invest in apprenticeships via an apprenticeship levy charged at a rate of 0.5% of the annual pay bill

The Council is developing an apprenticeship programme in response to the introduction of this levy, and is reviewing the payment of apprentices in the light of these changes.

2. Pay relationship for Chief Officers

	Year 2016/17
Median average pay for Chief Officers	£74,730.49
Median average pay for staff other than Chief Officers	£22,384.54
Median average pay for lowest paid staff	£16,302.45
Pay multiple of Chief Officer (Chief Executive) pay to staff other than this Chief Officer	5.58
Pay multiple of Chief Officers' pay to staff other than Chief Officers	3.33
Pay multiple of Chief Officers' pay to lowest paid staff	4.58

Notes – please also see definitions of officers at section 8 below:

- Median average pay is based on full-time equivalent annual salary plus additional payments for Chief Officers. It excludes election fees.
- 'Lowest paid staff' is defined as those paid the 'Living Wage' - see chart of pay grades on page 9.
- Pay multiple - the ratio between the highest and lowest paid staff.

3. Additional payments for Chief Officers

Returning Officer election fees paid to the Chief Executive:

Elections held		Amount paid	Year
Local Borough, Parish, Police and Crime Commissioner, Police Area, EU Referendum, Neighbourhood Planning Referendums		£29,178.02	2016/17

4. Other pay additions and allowances – see pages 2 and 3 for eligibility

Maternity, Paternity and Shared Parental pay:

In addition to the statutory provisions, the Council pay 20 weeks at half-pay for mothers who go on maternity leave and subsequently return to work. Up to two weeks' paid paternity leave is granted to eligible employees.

Non-salary rewards scheme:

Quarterly – 1,500 loyalty points (£15 in value) can be redeemed on activities or products within Colchester Leisure World. Maximum of 42 staff across all services each quarter.
Annually – incentive to be sourced via reciprocal marketing and voucher schemes.

Exceptional performance:

Non-consolidated payment to a maximum of £1,000 if authorised by the Chief Executive.

6. Pension contribution rate

Employer rate is 13.7%. Employee rates are:

LGPS Contribution Bands April 2016	
Actual Pay (includes overtime, additional hours and so on)	Contribution rate per year
Up to £13,600	5.5%
£13,601 - £21,200	5.8%
£21,201 - £34,400	6.5%
£34,401 - £43,500	6.8%
£43,501 - £60,700	8.5%
£60,701 - £86,000	9.9%
£86,001 - £101,200	10.5%
£101,201 - £151,800	11.4%
More than £151,801	12.5%

7. Other financial benefits – see page 5 for eligibility

Travel Plan benefits and charges:

Car parking charge – this is paid by employees if they drive to work:

- £2 per day.

Home to work travel, in line with Travel Plan policy:

- Bus season ticket discount 50% / train season ticket or 'bulk buy' discount 35%.

Long Service award:

- Maximum value of £250 for 25 years' service with the Council.

First Aid allowance - for employees designated as First Aiders in the workplace:

- £141.96 a year.

Broadband allowance – to access Council computer systems if home working on a regular basis and were employed before 1 October 2016:

- £132 a year.

8. Definition of terms used in the Officer Pay Policy and Pay Data documents

- Chief Officers – posts requiring appointment by elected councillors - designated as Chief Executive, Executive Directors and Heads of Service within the Council's constitutional arrangements for appointment. It also includes the Section 151 and the Monitoring Officer where those roles are not performed by a Head of Service. These posts meet the Chief Officer definition in [paragraph 43 Localism Act](#).
- Chief Officer – this is the Chief Executive.
- Senior Officers – any post with a salary of £58,200 and above, which is the Senior Civil Service minimum pay band ([paragraph 12 code of practice](#)).
- Senior Management Team – the Chief Executive, Executive Directors and Heads of Service.
- Large salary package – this is defined in statutory guidance and the current threshold is £100,000 ([paragraph 14 Localism Act guidance](#)).