

# **PRESTON CITY COUNCIL**

## **Pay Policy Statement 2022**

### **Introduction and Purpose**

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees.
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on an annual basis, the policy for the next financial year being approved each year.

### **Other legislation relevant to pay and remuneration**

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role. The Council uses the National Joint Council (NJC) Job Evaluation Scheme for posts covered by the NJC terms and conditions and the National Job Evaluation Scheme for Chief Executives and Chief Officers.

### **NJC Pay Structure**

5. The Council uses the NJC negotiated pay spine (i.e. a defined list of salary points) as the basis for its local pay structure, which determines the salaries of the large majority of its workforce. This was approved by Employment Committee on 26 March 2019.
6. The Council adopts the NJC pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with national joint trade unions.
7. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
8. New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied where necessary to secure

the best candidate. Where the appointment salary is above the minimum point of the pay scale and is not affected by other council policies, for example promotion, redeployment or flexible retirement, this is approved in accordance with delegated powers.

9. Progression through the relevant grade pay scale for all employees including chief officers is only possible upon completion of satisfactory service and in line with NJC and Joint National Committee (JNC) Chief Officer and Chief Executive Terms and Conditions.
10. From time to time, it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Any temporary market-based supplement to the salary scale for the grade is approved in accordance with the Market Supplement Policy.

### **Chief Officer Pay Structure**

11. The Council adopts the JNC for Chief Officers pay, terms and conditions. This determines any annual pay increases for Chief Officers. The Council adopts the JNC for Chief Executives pay terms and conditions which determines any pay increases accordingly.

### **Senior Management Remuneration**

12. For the purposes of this statement, senior management means 'chief officers' including Chief Executive, Deputy Chief Executive, Directors and Chief Officers.
13. This statement covers the current senior management structure, and the following are the details of their basic salary as of 1<sup>st</sup> April 2022:

Chief Executive	The salary falls within a range of 5 incremental points between £99,579 rising to a maximum of £105,004
Deputy Chief Executive	The salary falls within a range of 2 incremental points between £83,558 rising to a maximum of £86,380
Director (including s151 Officer)	The salary package of posts designated as Director falls within a range of 5 incremental points between £69,665 rising to £80,955.
Chief Officer	The salary falls within a range of 6 incremental points between £52,174 rising to a maximum of £64,734.
Monitoring Officer	The salary for the Monitoring Officer is £56,813.

14. Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement

process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals. The Council has not had any such arrangements since 2008.

### **Recruitment of Chief Officers**

15. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Constitution of the Council.
16. When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own relevant policies as approved by Council.
17. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

### **Additions to Salary of Chief Officers**

18. Except for progression through the incremental scale of the relevant grade being subject to satisfactory performance, the level of remuneration is not variable dependent upon the achievement of defined targets.
19. To meet specific operational requirements, it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration to chief officers [e.g. honoraria] relating to temporary additional duties are already agreed and in use.
20. In addition to basic salary, from 1<sup>st</sup> April 2022, the following posts receive additional pay as set out below:

<b>Post / Tier of post</b>	<b>Payment details to include</b>
Chief Executive	Fees paid for Returning Officer duties where identified and paid separately
Chief Officer (Head of Shared Service)	Honoraria for significant shared service provision with other local authorities
Monitoring Officer	Allowance as statutory Monitoring Officer

## **Payments on Termination**

21. The Council's approach to payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its Redundancy Policy and is the same for all employees in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
22. Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a formal decision made under delegated powers.

## **Publication**

23. Upon approval by the full Council, this statement will be published on the Council's website.

## **Lowest Paid Employees**

24. The lowest paid persons employed under a contract of employment with the Council are employed on full time [37 hours] equivalent salaries in accordance with the Foundation Living Wage policy. As of 1 April 2022, this was £9.90 per hour but was increased to £10.90 per hour with effect from 1 December 2022.
25. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this statement. The Hutton Report recommends the use of Chief Executive pay compared to median earnings as a relevant measure of the relationship between pay rates across the workforce and the data transparency code recommends the publication of the ratio between the highest paid salary and the median average salary of the whole of the authority's workforce.
26. The current pay levels within the Council define the multiple between the median (average) full time equivalent earnings and the Chief Executive as 1:4.3.
27. The current pay levels within the Council define the multiple between the lowest earnings and the Chief Executive as 1:4.9
28. The ratio is significantly below the ceiling ratio of 1:20 for the public sector recommended by The Hutton Review in order to support fair and equal pay.
29. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

### **Accountability and Decision Making**

30. In accordance with the Constitution of the Council, the Employment Committee is responsible for decision making in relation to the pay, terms and conditions in relation to employees of the Council.

### **Re-employment of former Chief Officers**

31. The Council does not currently have a policy toward the re-employment and reward of former chief officers.