

Hyndburn Borough Council

Draft Pay Policy – 2022/23

1. Purpose of the Policy

- To maintain a transparent approach to the setting of the pay of the Council's employees.
- To comply with the requirements of the Localism Act, Section 38 – Pay Accountability.

1.1 The Policy details:

- The methods by which salaries of all employees are determined;
- The details of the remuneration of the Council's most senior employees, i.e. Chief Officers; and
- The relationship between the salary of the Council's Chief Officers and other employees.

2. Background

- 2.1 The Localism Act 2011 (Chapter 8 - Pay Accountability) requires every local authority to set out its position on a range of issues relating to the remuneration of its employees.
- 2.2 The policy will reflect, where appropriate, relevant aspects of existing Human Resources policies, such as the Council's agreements on job evaluation and the redundancy policy.
- 2.3 The policy must be approved by a meeting of full Council in open forum, by the end of March each year, and then be published on its website.

3. Legislation relevant to Pay and Remuneration

- 3.1 In determining the pay and remuneration of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010 and the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000. The Council will take reasonable steps to ensure that there is no pay discrimination within its pay structures and that pay differentials can be quantified through the application of its Job Evaluation Scheme.
- 3.2 The Council operates the GLPC (Greater London Provincial Council) job evaluation scheme, for its posts, up to and including Chief Officers, for whom there is a specific version of this scheme. The posts of Chief Executive, Deputy Chief Executive and Corporate Director have been evaluated in consultation with North West Employers Organisation.

4. Pay Structure

- 4.1 The Council complies with the nationally negotiated spinal column points for all posts, with the exception being those senior level posts referred to within the policy. The salary grades that the Council applies are at [Appendix 1](#).
- 4.2 Salary increases are set nationally, through collective bargaining between the national employers and trade unions.

4.3 The pay and grading structure for the majority of posts was established at the time of the job evaluation exercise completed in 2007. Since 2007, all newly created posts and posts that have varied are subject to evaluation against the job evaluation scheme.

5. Definitions

5.1 The Localism Act refers to the position of Chief Officer and states that this refers to: the Head of Paid Service; Statutory Chief Officers; non-statutory Chief Officer posts and their direct reports (Deputy Chief Officers). It should be noted that this definition is very broad, and takes account of Metropolitan and County Councils as well as District Councils.

5.2 It is considered that the posts that the term Chief Officer applies to at Hyndburn Borough Council, in relation to the Localism Act, are the Chief Executive, the Deputy Chief Executive, who is also the Chief Finance and Section 151 Officer, the Executive Director (Legal and Democratic Services), who is the Council's Monitoring Officer and the post of Executive Director (Environment).

5.3 Our annual Statement of Accounts also includes senior officers with a salary over £50,000, within the threshold for disclosure under the Accounts and Audit requirements.

5.4 Remuneration is defined as the pay and rewards an individual receives. Details are produced in the audited Statement of Accounts on an annual basis. The latest published Statement of Accounts is on the Council's website¹.

6. Chief Executive / Corporate Director Remuneration

6.1 There are three director level posts reporting to the Chief Executive, one of which is the post of Deputy Chief Executive. The responsibilities of these senior officers are shown on the Council's organisational structure charts, which are published on the Council's website².

6.3 Details of remuneration are contained in the annual Statement of Accounts.

6.4 Salary packages and severance payments over £100,000 will be brought to a meeting of full Council to be voted on. Components of severance packages, where applicable, may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.

6.5 The other terms and conditions of service relating to the post of Chief Executive are in accordance with the Joint Negotiating Committee for Chief Executives of Local Authorities.

7. Recruitment of Chief Executive and Chief Officers

7.1 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".

7.2 Where there is a requirement to recruit to the post of Chief Executive or Chief Officer, Section H of the Council's Constitution will apply.

¹ <https://www.hyndburnbc.gov.uk/download-package/statement-of-accounts/>

² <https://www.hyndburnbc.gov.uk/download-package/organisational-structure-chart/>

8. Salary upon Appointment

8.1 All new appointments to a post of Chief Executive or Chief Officer will be made within the minimum and maximum spinal column points of the grade.

9. Performance-related Pay

9.1 The Localism Act requires Councils to provide details of any performance-related pay for its Chief Officers. Hyndburn Borough Council does not have any such arrangements.

10. Relationship between Chief Executive Pay and other Employees

10.1 Based on pay rates in place at the time of publishing this Pay Policy, the relationship between the salaries of the Chief Executive and the median salary and the lowest paid salary are:

Post	Benchmark Salary	Ratio
Chief Executive salary	median salary	1 : 5
Chief Executive salary	lowest salary	1 : 6.7

11. Lowest Paid Employees

11.1 The Council complies with the National Joint Council – Pay and Conditions of Service. The minimum salary the Council pays is in accordance with the Living Wage, which at present is based on an hourly rate of £9.90 (see [Appendix 1](#)). The positions that this applies to are Cleaners, some Apprentice posts, Gallery Assistants and Courier.

11.2 Progression through grades occurs through the payment of an additional annual increment on 1 April each year.

11.3 Part-time posts are paid the same salary, but on a pro-rata basis.

12. Gender Pay Gap

12.1 Employers in Great Britain with more than 250 staff are required by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to publish the following:

- Gender pay gap (mean and median averages);
- Gender bonus gap (mean and median averages);
- Proportion of men and women receiving bonuses; and
- Proportion of men and women in each quartile of the organisation's pay structure.

12.2 The Council publishes this information on its website at <https://www.hyndburnbc.gov.uk/download-package/gender-pay-gap-statement/>.

12.3 We are committed to the principle of equal pay for all our employees, and our job evaluation system means we can be confident as reasonably possible that men and women are paid equally for doing equivalent jobs.

13. Termination Payments

- 13.1 The Council's Redundancy Policy applies equally to all permanent employees regardless of their grade. A redundancy payment will be paid to an employee when their post is made redundant and there are no suitable redeployment opportunities.
- 12.2 For all permanent employees where there is the option for early retirement, the Council's Policy on Discretionary Compensation will apply where appropriate.

13. Employer Pension Contribution

- 13.1 The Council contributes to the Local Government Pension Scheme, for all its employees equally, 14% of an employee's salary. This rate of contribution is set by Actuaries advising the Lancashire Pension Fund and is reviewed on a triennial basis.

14. Employee Pension Contribution

- 14.1 Employees in the Local Government Pension Scheme pay at present the annual contributions shown in the table below, based upon their salary.

Band	Actual pensionable pay	Employee contribution rate (%)
1	Up to £14,600	5.5
2	£14,601- £22,800	5.8
3	£22,801- £37,100	6.5
4	£37,101- £46,900	6.8
5	£46,901- £65,600	8.5
6	£65,601- £93,000	9.9
7	£93,001- £109,500	10.5
8	£109,501-£164,200	11.4
9	More than £164,201	12.5

15. Publication of the Policy

- 15.1 The Policy will be published on the Council's Website, by April 2022, following its approval by the Council.

16. Review of Pay Policy

- 16.1 The Policy will be subject to annual review and must be approved by the Council prior to 31 March each year. If there is a need to amend the Policy between reviews, then any such amendments will be considered by the Cabinet, prior to approval by the Council.

Appendix 1: Pay and Grading (2022 pay awards pending)

NJC grades

Grade and salary range		SCP	Salary	Hourly Rate
Scale 1 (1 - 3)		1	£18,333	£9.50
		2	£18,516	£9.60
	Scale 2 (3-4)	3	£18,887	£9.79
		Living Wage	£19,099	£9.90
		4	£19,264	£9.99
Scale 3a (5)		5	£19,650	£10.19
	Scale 3b (6)	6	£20,043	£10.39
	Scale 4 (7-11)	7	£20,444	£10.60
		8	£20,852	£10.81
		9	£21,269	£11.02
		10*	£21,695	£11.25
		11	£22,129	£11.47
Scale 5 (12-17)		12	£22,571	£11.70
		13*	£23,023	£11.93
		14	£23,484	£12.17
		15	£23,953	£12.42
		16*	£24,432	£12.66
		17	£24,920	£12.92
	Scale 6 (18-22)	18*	£25,419	£13.18
		19	£25,927	£13.44
		20	£26,446	£13.71
		21*	£26,975	£13.98
		22	£27,514	£14.26
Scale 7 (23-25)		23	£28,226	£14.63
		24	£29,174	£15.12
		25	£30,095	£15.60
	Scale 8 (26 - 28)	26	£30,984	£16.06
Scale 9 (27 - 30)		27	£31,895	£16.53
	28	£32,798	£17.00	
			29	£33,486
	Scale 10	30	£34,373	£17.82
	(30 - 33)	31	£35,336	£18.32

Scale 11 (32 - 35)		32	£36,371	£18.85
		33	£37,568	£19.47
		34	£38,553	£19.98
		35	£39,571	£20.51
	Scale 12 (36-39)	36	£40,578	£21.03
		37	£41,591	£21.56
		38	£42,614	£22.09
		39	£43,570	£22.58
Not used		40	£44,624	£23.13
	Service Managers 1 (41-44)	41	£45,648	£23.66
		42	£46,662	£24.19
		43	£47,665	£24.71
		44	£48,671	£25.23

JNC grades

CHIEF OFFICERS (1)	JNC16	£57,067
	JNC17	£58,492
	JNC18	£59,931
	JNC19	£61,341
	JNC20	£62,771
CHIEF OFFICERS (2)	JNC21	£52,384
	JNC22	£53,562
	JNC23	£54,876
	JNC24	£56,169
	JNC25	£57,483