

BCP Pay Policy 2020/21

BCP Pay Policy 2020/21	
Date: January 2020	Policy Author: Lucy Eldred
Review Date: December 2021	Version: 1
Purpose/Introduction	<p>This policy is established to meet requirement of section 38(1) of the Localism Act (2011).</p> <p>The purpose of this policy is to provide transparency on the salaries of Chief Officers of the Council, how those salaries are set, and other issues related to the pay of Chief Officers.</p> <p>BCP Council is a newly created Local Authority made up of the following preceding authorities; Bournemouth Borough Council, Christchurch & East Dorset Councils and Borough of Poole. Where required information from preceding authorities have been provided. The financial information published to meet legislative responsibilities is relating to the 2019/20 salary information.</p>
Who the policy applies to	<p>Chief Officers is defined as the Chief Executive Officer of BCP Council who must comply with this policy.</p> <p>Managing Director and Corporate Directors of the preceding authorities may also have been referred to where required.</p>
The policy	<p>The 2019/20 salaries of the Chief Executive was set by the Leader and Deputy Leader of the preceding councils on advice from the South West Local Government Employers Association and having regard for the Chief Executive and Chief Officers' national pay scales.</p> <p>In accordance with the supplementary guidance on Section 40 of the Localism Act, full council will be given the opportunity to vote on salaries to new employees if the salary package is in excess of £100,000 per annum.</p> <p>The salaries for these staff will be increased in line with national pay awards agreed by Joint National Committee (JNC) for Chief Executives and Chief Officers unless financial constraints prevent the required funding from being available. In this case, some lesser figure or no increase will be applied.</p> <p>The Chief Executive is employed on JNC conditions of service.</p> <p>Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):</p> <ol style="list-style-type: none"> The Head of Paid Service (Chief Executive) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance). The median full-time equivalent salary for staff, excluding employees paid on national scales known as Soulbury grade staff, youth workers and employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

BCP Pay Policy 2020/21

- c The lowest full time equivalent salary, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.
- d These ratios are published in line with the recommendations of the Hutton review of Fair Pay in the Public Sector. This review also recommends that local authorities define what they mean by 'lowest salary'.
- e The lowest salary is defined as the full-time equivalent salary of employees in receipt of the lowest salary point of the salary and grading structure for the preceding councils' employees who are not covered by Soulbury, Apprentices or Youth Workers national scales.
- f The salaries of Heads of Service / Service Directors, the posts that report into Corporate Directors, and other employees not covered by nationally agreed pay scales, are determined under the preceding councils' job evaluated pay and grading structure.
- g Whilst it is the Council's policy to recruit on the minimum of a pay scale, due regard will be taken of the prevailing market rates.
- h Incremental progression does not apply to Chief Officers.
- i Returning Officer fees for general elections which are set by government and for local elections agreed by BCP Council are available to the Chief Executive.
- j No other fees are paid to Chief Officers, but they can make claims under the relevant authorities Business Travel and Subsistence arrangements.
- k Payments for working hours additional to contractual hours are not made.

The Council publishes the total remuneration of Chief Officers and Heads of Service / Service Directors as part of the annual statement of accounts on its public website.

The decision to employ Chief Officers, who were previously employed by the Council and left with a severance or redundancy payment, will be based on the applicants' suitability for the post. No deductions will be made from the remuneration package, providing the employment is more than four weeks from the original date of termination. If the employment is within four weeks of the original termination, the employee will have to reimburse any redundancy payments to the previous employer if they have been made to them.

The Council's policy is to usually employ Chief Officers under employment contracts, not under a contract for services.

The decision to employ Chief Officers who are in receipt of a Local Government Pension Scheme or Fire fighter pension (whether their previous service was with the same authority or not) is dependent on the applicant's suitability for the post. The remuneration will be set in line with the Chief Executive and Chief Officers' national pay scales, the going market rate and affordability.

The supplementary guidance on the implementation of section 40 of the Localism Act 2011 provides that the full council is given the opportunity to vote on non-contractual severance payments over £100,000. An annual report is made which

BCP Pay Policy 2020/21	
	<p>includes reference to such cases for transparency purposes.</p> <p>BCP Council will be reviewing the full pay and reward, including terms and conditions and HR Policies, through the year with a view to implementing within FY2021/22.</p> <p>The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix B</p>
How to use the policy	<p>This policy will be published on the Council's website to ensure that all staff, Councillors, residents and local businesses have access to it.</p> <p>Related Council policies and supporting documents:</p> <ul style="list-style-type: none"> • Business Travel and Subsistence arrangements • The Council's policy in relation to employer discretions under the Local Government Pension scheme • The Council's policy in relation to employer discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 • Preceding Authorities Pay and Grading Structures 2018/19
Roles and responsibilities	<p>This policy is reviewed annually by the Corporate Management Board and any recommendations for change will be made to the Cabinet for approval</p>
Enforcement and sanctions	
Further information and evidence	

Appendix A – Salary Information 2019/20

Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):

- a The Head of Paid Service (Chief Executive / Managing Director's) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance).

Authority	Position	Base Salary	Pension Contribution	NI Contribution	Total
Bournemouth Christchurch & Poole Council	Chief Executive	£183,600.00	£0	£19,979.71	£203,579.71

- b The median full-time equivalent salary for staff, excluding employees paid on national scales known as Soulbury grade staff, youth workers and employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Median FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£26,317.00	£1,710.60	£1,830.78	£29,858.38	1 : 6.8

- c The lowest full time equivalent salary, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Lowest FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£15,840.00	£918.72	£592.02	£17,350.74	1 : 11.7

Appendix B

BCP ("THE COUNCIL")

POLICY IN RELATION TO EMPLOYER DISCRETIONS UNDER THE LOCAL GOVERNMENT PENSION SCHEME

This document forms the Council's policy in relation to the various discretions available to it in respect of the Local Government Pension Scheme. Part A records the Council's policy in respect of Regulations 12, 16, 30 and 31 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2013 ("Benefits Regulations"), as required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 ("Administration Regulations"). Part B refers to the other discretions available to the Council but for which it is not a requirement to publish a formal policy. References to specific Regulations are to the Benefits Regulations.

This policy does not form part of employees' terms and conditions of employment and the Council may repeal, review or amend its policy at any time.

PART A

Regulation	Policy
Regulation 16 [R] – <u>Power of employing authority to contribute to a shared cost APC scheme</u> Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	On the basis of cost implications, the Council will not enter into a shared cost APC scheme
Sch 2, para 2 (2) & (3) [TP] <u>Power of employing authority to apply 85 Year Rule before age 60</u> Whether to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 01/04/2014 membership where the employer has "switched on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	On the basis of cost implications, only in exceptional circumstances would the Council switch on the 85 Year Rule and the consideration of this issue would be delegated to the Cabinet Member with the portfolio for Resources in consultation with the Executive Director and the Section 151 Officer. On the basis of cost implications, only in exceptional circumstances would the Council consider waiving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the portfolio for Resources in consultation with the Executive Director and the Section 151 Officer
Regulation 30 (6) <u>Flexible retirement</u> Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	The Council will consider requests for Flexible Retirement in accordance with the agreed Flexible Retirement Policy and Procedure. On the basis of cost implications, only in exceptional circumstances would the Council consider waiving any required actuarial reduction to

Regulation	Policy
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	such benefits and the consideration of this issue would be delegated to the Cabinet Member with the Portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.
Regulation 30 (8) [R] <u>Power of employing authority to waive actuarial reduction</u> Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.	On the basis of cost implications, only in exceptional circumstances would the Council consider waving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the Portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.
Regulation 31 [R] <u>Power of employing authority to grant additional pension</u> Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.).	The Council has elected not to use this discretion
Reg D11 (2)(c) [C] <u>Power of employing authority to grant early payment of benefits on compassionate grounds</u> Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds <i>For members who ceased active membership before 1 April 1998</i>	The Council will only agree to the early payment of such benefits when there is no cost attached. Only in exceptional compassionate circumstances would any required actuarial reduction of such benefits be waived. The Council delegates the consideration for these issues to the Cabinet Member with the Portfolio for Resources, the Executive Director and the Section 151 Officer.

PART B - where formulation of a written policy is **not** compulsory

Regulation	Policy
Regulation 9 (1) & (3) [R] <u>Contributions payable by active members</u> Employers determine the contributions payable by members by attributing each member to one of the contribution bands set out in Regulation 9 (2) [R]. Employers have the capacity to re-attribute the specific payband (upwards or downwards) where there is a material change in a member's contractual	Policy is set to review the bandings on annual basis

Regulation	Policy
terms.	
<p>Regulation 22 (7) (b) and (8) (b) [R]</p> <p><u>Facility to extend time limits for active members to not aggregate deferred periods of LGPS membership</u></p> <p>Whether to extend the 12-month option period for a member to elect that deferred benefits should not be aggregated with a new employment or ongoing concurrent employment.</p>	<p>The Council will only agree to extend the 12-month option period in exceptional circumstances. The Council delegates the consideration of this issue to the Head of HR.</p>
<p>Regulation 100 (6) [R]</p> <p><u>Facility to extend time limits for active members to request a transfer of previous pension rights into the LGPS</u></p> <p>Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within 12 months of becoming an active member. Employers, with agreement of Administering Authority, may allow a longer period than 12 months.</p> <p>JOINT DISCRETION WITH ADMINISTERING AUTHORITY</p>	<p>The Council will only agree requests to transfer previous pension rights into the LGPS in exceptional circumstances and in consultation with Dorset Council. The Council delegates the consideration of this issue to the Head of HR.</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement</u></p>	<p>On the basis of cost implications, the Council will not enter into a shared cost AVC (SCAVC) arrangement</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to extend the time limit for a member to elect to purchase additional pension by way of a shared cost additional pension contribution (SCAPC) upon return from a period of absence</u></p> <p>Whether to extend the 30 day deadline for member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave)</p>	<p>The Council will only agree to include a regular lump sum when calculating APP on a case by case basis. Each case will be considered the Head of HR or their nominated representative on its own merits.</p>
<p>Reg 21(5A) and 21(5B) [R]</p> <p><u>Power of employing authority to determine whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed</u></p>	<p>The Council will agree to substitute a higher level of pensionable pay when calculating APP on a case by case basis. Each case will be considered the Head of HR or their</p>

Regulation	Policy
<u>pensionable pay (APP)</u>	nominated representative on its own merits.