

BCP Pay Policy 2019/20

Date: January 2019	Policy Author: Sorrelle ford, HR Business Partner
Review Date: December 2020	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 proceeding authorities; Bournemouth Borough Council, Christchurch & East Dorset Councils and Borough of Poole. The financial information published to meet legislative responsibilities is relating to the 2018/19 salary information and the 2017/18 Statement of Accounts for each proceeding authority.</p>
Who the policy applies to	<p>Chief Officers are defined as the Chief Executives, Managing Director and Strategic Directors of the proceeding authorities who must comply with this policy.</p>
The policy	<p>The 2018/19 salaries of the Chief Executives' / Managing Director and Strategic Directors were set by the Leader and Deputy Leader of the proceeding 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 Executives' / Managing Director and Strategic Directors of the proceeding authorities are 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"> 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). 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. 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

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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 proceeding 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 Strategic Directors, and other employees not covered by nationally agreed pay scales, are determined under the proceeding councils' job evaluated pay and grading structure.
- g An extract from the annual statement of accounts for 2017/18 is given in Appendix B for each proceeding authority which gives details of the payments made to Chief Officers in 2017/18.
- h 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.
- i Incremental progression does not apply to Chief Officers.
- j Returning Officer fees for general elections which are set by government and for local elections agreed by Dorset County Council are available to the Chief Executive.
- k No other fees are paid to Chief Officers, but they are able to make claims under the relevant authorities Business Travel and Subsistence arrangements.
- l 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 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 severance payments over £100,000. Where severance packages contain any discretionary element and exceed £100,000 Full Council should consider

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	<p>and, that in other cases where contractual payments are made which exceed this threshold, an annual report is made which includes reference to such cases for transparency purposes.</p> <p>The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix C</p>
<p>How to use the policy</p>	<p>This policy will be published on the Council's website to ensure that all staff, Councillors, Bournemouth 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 • Proceeding Authorities Pay and Grading Structures 2018/19
<p>Roles and responsibilities</p>	<p>This policy is reviewed annually by the Corporate Management Team and any recommendations for change will be made to the Cabinet for approval.</p>
<p>Enforcement and sanctions</p>	<p>N/A</p>
<p>Further information and evidence</p>	<p>See appendices</p>

Appendix A – Salary Information 2018/19

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).

Proceeding Authority	Position	Base Salary	Pension Contribution	NI Contribution	Total
Bournemouth Borough Council	Managing Director	£130,451	£19,829	£16,839	£167,119
Christchurch & East Dorset Councils	Chief Executive	£119,658	£18,188	£15,350	£153,196
Borough of Poole	Chief Executive	£127,196	£20,606	£16,391	£164,193

- 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.

Proceeding Authority	Median FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Borough Council	£24,964	£3,795	£2,325	£31,084	1:5.3
Christchurch & East Dorset Councils	TBC	TBC	TBC	TBC	TBC
Borough of Poole	£26,470	£4,288	£2,504	£33,262	1:4.9

- 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.

Proceeding Authority	Lowest FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Borough Council	£16,394	£2,655	£1,031	£20,081	1:8.3
Christchurch & East Dorset Councils	£16,394	£2,492	£1,100	£19,986	TBC
Borough of Poole	£16,394	£2,655	£1,031	£20,081	1:8.2

Appendix B – Statement of Accounts 2017/18

Bournemouth Borough Council

Individuals Posts of Senior Employees :						
	Salary, fee & allowances	Compensation for loss of Office	Expenses	Total	Pension	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2017/18						
Managing Director	128	-	-	128	19	147
Executive Director (Environment and Economy)	111	-	-	111	17	128
Director of Adults and Children (DASS & DCS)	128	-	-	128	19	147
Service Director (Legal and Democratic)	101	-	-	101	15	116
	468	-	-	468	70	538

Christchurch & East Dorset Councils

Christchurch Borough Council Statement of Accounts 2017/18 - Audited

		Salary	Bonuses	Expenses Allowance	Compensation for loss of employment	Other Payments	Pension Contributions	Total
		£	£	£	£	£	£	£
Strategic Director – Growth and Economy	2016/17	90,774	0	0	0	918	12,345	104,037
	2017/18	92,829	0	0	0	3,372	14,110	110,311
Strategic Director – Finance	2016/17	90,774	0	0	0	900	12,345	104,019
	2017/18	92,829	0	0	0	1,487	14,110	108,426
Strategic Director - Community & Organisational Development (from 15 March 2017), previously Head of Organisational Development	2016/17	3,780	0	0	0	0	525	4,305
	2017/18	85,231	0	0	0	578	12,955	98,764
Head of Community and Leisure	2016/17	67,993	0	0	0	420	9,247	77,660
	2017/18	68,673	0	0	0	290	10,438	79,401
Head of Organisational Development (to 14 March 2017)	2016/17	64,886	0	0	0	446	8,824	74,156
	2017/18	0	0	0	0	0	0	0
Head of Planning and Building Control Services (from 1 June 2017)	2016/17	0	0	0	0	0	0	0
	2017/18	51,505	0	0	0	216	7,829	59,550

The sums shown above for Senior Employees of the Council relate to the shared Corporate Management Team which serve the Council's partnership with East Dorset District Council.

All of the sums shown above are shared 50:50 between Christchurch Borough Council and East Dorset District Council.

Christchurch Borough Council also shares 50% of the costs of other senior employees who are employed by East Dorset District Council where they form part of the shared Senior Management Team. The costs borne by Christchurch Borough Council for these shared posts for the 2017/18 financial year were as follows:

Borough of Poole

	Remuneration Salary (including supplements)	Expense Allowances	Compensation for Loss of Office	Employers Pension Contributions	Total payments including Pension Contributions
	2017/18	2017/18	2017/18	2017/18	2017/18
	£	£	£	£	£
Chief Executive	120,823	0	0	19,573	140,396
Strategic Director - People	101,287	0	0	0	101,287
Strategic Director - Place	101,860	0	0	16,766	118,626
Strategic Director - Corporate Services	Note 1 113,120	0	0	18,325	131,445
Service Unit Head - Financial Services	Note 1 102,541	0	0	16,612	119,153
Service Unit Head - Adult Social Care Services	Note 1 93,078	0	0	15,079	108,157
Service Unit Head - Commissioning & Improvement Services and Housing & Community Services	92,573	0	0	14,997	107,570
Service Unit Head - Children, Young People & Learning Services	85,550	0	0	17,538	103,088
Service Unit Head - ICT Services	Note 1 82,170	0	0	13,312	95,482
Service Unit Head - Growth & Infrastructure Services	80,692	0	0	13,072	93,764
Service Unit Head - Culture & Community Services	70,703	0	0	11,454	82,157
Service Unit Head - Environmental Services	Note 2 33,090	0	55,434	5,360	93,884
Service Unit Head - Legal, Democratic & Strategy Services	Note 3 6,917	0	0	1,121	8,038
Service Unit Head - Human Resources	Note 3 0	0	0	0	0
Service Unit Head - Children & Young People Social Care Services	Note 4 0	0	0	0	0
Totals	1,084,404	0	55,434	163,209	1,303,047

Where joint services are operating a post will have an 'employing authority' and the full costs of such posts are shared.

Note 1 Poole is the employing authority for the Strategic Director - Corporate Services and Service Unit Heads for Financial, ICT and Adult Social Services, hence the full costs are shown above. Corporate Services encompasses responsibility for Business Improvement Theme Services

Note 2 Service Unit Head - Environmental Consumer Protection left the authority 30th September 2017. Joint interim arrangement has been made to cover this post with two existing employees acting up for which an allowance is paid.

Note 3 Service Unit Head - Legal, Democratic & Strategy Services left the authority 30th April 2017. The Service Unit Head posts for Legal, Democratic & Strategy Services and Human Resources are now shared with Bournemouth Borough Council as part of joint service arrangement. These costs are not shown in the above table but are within the Comprehensive Income and Expenditure Statement. Employed directly by Bournemouth Borough Council and disclosed in their accounts so are excluded from this note. The Head of Legal, Democratic & Strategic Services salary is £101k, the appropriate share is recharged to this Council, including national insurance plus pension. The Head of Human Resources salary is £82k, the appropriate share is recharged to this Council, including national insurance plus pension.

Note 4 Children and Young People Social Care is now being covered by an interim worker paid through an Agency. The costs amounts to £132k during 2017/18 - these costs are not included above.

Appendix C

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
<p>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.</p>	<p>Subject to decision February 2019</p>
<p>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.</p>	<p>Subject to decision February 2019</p>
<p>Regulation 30 (6) & (8) [R] and 11 (2) [TP] <u>Flexible retirement</u> Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement). Whether to waive, in whole or in part, actuarial</p>	<p>Subject to decision February 2019</p>

Regulation	Policy
reduction on benefits paid on flexible retirement.	
<p>Regulation 30 (8) [R]</p> <p><u>Power of employing authority to waive actuarial reduction</u></p> <p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.</p>	<p>Subject to decision February 2019</p>
<p>Regulation 31 [R]</p> <p><u>Power of employing authority to grant additional pension</u></p> <p>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.).</p>	<p>Subject to decision February 2019</p>
<p>Regulation 12 [B]</p> <p><u>Power of employing authority to grant additional pension</u> Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31 March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving.</p> <p>DISCRETION SPENT ENTIRELY AFTER 30 SEPTEMBER 2014.</p>	<p>Subject to decision February 2019</p>
<p>Regulation 30 (2) & (5) [B]</p> <p><u>Power of employing authority to grant early payment of deferred benefits</u></p> <p>Regulation 30 (2) Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60.</p> <p>Regulation 30 (5) Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under Regulation 30(2) [B].</p>	<p>Subject to decision February 2019</p>
<p>Regulation 30A (3) & (5) [B]</p> <p><u>Power of employing authority to grant early payment of suspended tier 3 ill health pension</u></p> <p>Regulation 30A (3) Whether to grant application for early payment of a suspended</p>	<p>Subject to decision February 2019</p>

Regulation	Policy
<p>tier 3 ill health pension on or after age 55 and before age 60.</p> <p>Regulation 30A (5) Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Regulation 30A [B].</p>	
<p>Regulation 31 (2) & (5) [L]</p> <p><u>Power of employing authority to grant early payment of deferred pension</u></p> <p>Regulation 31 (2) Grant application from a post 31.03.98 / pre 01.04.08 leaver or from a councillor for early payment of benefits on or after age 50 / 55 and before age 60.</p> <p>Regulation 31 (5) Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Regulation 31 (2).</p>	<p>Subject to decision February 2019</p>
<p>Regulation 31 (7A) [L]</p> <p><u>Power of employing authority to grant early payment of deferred pension for pre 01.04.08 employee opts out and councillors.</u></p> <p>Councillor opt outs and pre 01.04.08 employee opts out only to get benefits paid from NRD if employer agrees.</p>	<p>Subject to decision February 2019</p>

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

Regulation	Policy
<p>Regulation 9 (1) & (3) [R]</p> <p><u>Contributions payable by active members</u></p> <p>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 terms.</p>	<p>Subject to decision February 2019</p>
<p>Regulation 22 (7) (b) and (8) (b) [R]</p>	<p>Subject to decision February 2019</p>

Regulation	Policy
<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>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>Subject to decision February 2019</p>