

BCP Pay Policy 2019/20

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	Chief Officers are defined as the Chief Executives, Managing Director and Strategic Directors of the proceeding authorities who must comply with this policy.
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> <ul 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.

BCP Pay Policy 2019/20

- 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 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.

BCP Pay Policy 2019/20

BCP Pay Policy 2019/20	
	<p>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 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>
How to use the policy	<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
Roles and responsibilities	<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>
Enforcement and sanctions	N/A
Further information and evidence	See appendices

BCP Pay Policy 2019/20

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	£2,1693	£3,297	£1,831	£2,6821	1:5.7
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	1.7.7
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
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
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) 2017/18	Expense Allowances 2017/18	Compensation for Loss of Office 2017/18	Employers Pension Contributions 2017/18	Total payments including Pension Contributions 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>Regulations 16(2)(e) and 16(4)(d) of the LGPS Regulations 2013</p> <p><u>Power of employing authority to contribute to a shared cost APC scheme</u></p> <p>Whether, where an active member wishes to purchase extra annual pension of up to £6,822 (figure at 1 April 2018) by making additional pension contributions (APCs), to voluntarily contribute towards the cost of purchasing that extra pension via a shared cost additional pension contribution (SCAPC)</p>	<p>On the basis of cost implications, the Council will not enter into a shared cost APC scheme</p>
<p>Sch 2, para 1 (1) (c) [TP]</p> <p><u>Power of employing authority to apply 85 Year Rule (always excludes flexible retirement) upon the voluntary early payment of deferred benefits</u></p> <p>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 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>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.</p> <p>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</p>
<p>Regulation 30 (6) [R]</p> <p><u>Flexible retirement</u></p>	<p>The Council will consider requests for Flexible Retirement in accordance with the agreed Flexible Retirement Policy and Procedure.</p> <p>On the basis of cost implications, only in exceptional circumstances would the Council</p>

BCP Pay Policy 2019/20

Regulation	Policy
<p>Whether all or some benefits can be paid if an employee aged 55 or over reduces their hours or grade (flexible retirement)</p> <p>whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw</p> <ul style="list-style-type: none"> • all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or • all, part or none of the pension benefits they accrued after 31 March 2014 <p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.</p>	<p>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.</p>
<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>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.</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 maximum amount).</p>	<p>The Council has elected not to use this discretion.</p>
<p>Sch 2, para 1 (1) (c) [TP]</p> <p><u>Power of employing authority to 'switch on' the 85 year rule upon the voluntary early payment of deferred benefits</u></p> <p>Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members.</p> <p><i>For members (excluding councillor members) who ceased active membership between 1</i></p>	<p>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.</p>

BCP Pay Policy 2019/20

Regulation	Policy
<p><i>April 2008 and 31 March 2014 be made within 6 months of the date of leaving.</i></p>	
<p>Reg 30 (5) [A] & para 2(1) [TP]</p> <p><u>Power of employing authority to waive upon the voluntary early payment of deferred benefits, any actuarial reduction on compassionate grounds</u></p> <p><i>For members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014</i></p>	<p>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</p>
<p>Sch 2, para 1 (1) (c) [TP]</p> <p><u>Power of employing authority to 'switch on' the 85 year rule upon the voluntary early payment of a suspended tier 3 ill health pension</u></p> <p>Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their suspended tier 3 ill health pension (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members</p> <p><i>For members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014</i></p>	<p>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.</p>
<p>Reg 30A (5) [A] & para 2(1) [TP]</p> <p><u>Power of employing authority to waive upon the voluntary early payment of a suspended tier 3 ill health pension, any actuarial reduction on compassionate grounds</u></p> <p><i>For members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014</i></p>	<p>The Council will only grant such applications when there is no cost attached. Only in exceptional compassionate circumstances would the waiving of any required actuarial reduction be made.</p> <p>The Council delegates the consideration of these issues to the Cabinet Member with the Portfolio for Resources, the Executive Director and the Section 151 Officer.</p>
<p>Sch 2, para 1 (1) (f) & 1 (2) [TP]</p> <p><u>Power of employing authority to to 'switch on' the 85 year rule upon the voluntary early payment of deferred benefits?</u></p> <p><i>For active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008</i></p>	<p>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.</p>

BCP Pay Policy 2019/20

Regulation	Policy
<p>Reg 31(2) [L]</p> <p><u>Power of employing authority to grant early payment of benefits on or after age 50 and prior to age 55</u></p> <p><i>For active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008</i></p>	<p>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.</p>
<p>Reg 31(5) [L] & sch 2, para 2(1) [TP]</p> <p><u>Power of employing authority to waive upon the payment of benefits, any actuarial reduction on compassionate grounds</u></p> <p><i>For active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008</i></p>	<p>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.</p>
<p>Reg D11 (2)(c) [C]</p> <p><u>Power of employing authority to grant early payment of benefits on compassionate grounds</u></p> <p>Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds</p> <p><i>For members who ceased active membership before 1 April 1998</i></p>	<p>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.</p>

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

Regulation	Policy
<p>Regulation 9 & 10 [R]</p> <p><u>Contributions payable by active members</u></p> <p>How the pensions contribution band to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which the Scheme employer will, in addition to the review each April, review the pension contribution band to which an employee has been allocated following a material change which affects the member's pensionable pay in the course of a Scheme year</p>	<p>Policy is set to review the bandings on annual basis</p>

<p>Regulation 22 (7) (b) and (8) & 10(6) [TP]</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 the extension where it can be reasonably shown that the member has not made an election within the time limit due to absence</p>
<p>Reg 21(4)(a)(iv), 21(4)(b)(iv) and 21(5) [R]</p> <p><u>Power of employing authority to determine whether to include a regular lump sum</u></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>

BCP Pay Policy 2019/20

<u>payment when calculating assumed pensionable pay (APP)</u>	
Reg 21(5A) and 21(5B) [R] <u>Power of employing authority to determine whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP)</u>	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 nominated representative on its own merits.