



**Bournemouth Borough Council**

**Pay Policy Statement:  
01 April 2012 to 31 March 2013**

**Document Control**

Policy title	Pay Policy Statement: 01 April 2012 to 31 March 2013
Policy owner	Employee Relations and Engagement Manager
Policy author	Service Director for Human Resources & Organisation Development
Current version	Version 2
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Approval body	Full Council
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**Revision History**

Date	Version	Summary of Changes	Section(s) Changed
26 January 2012	2	<ul style="list-style-type: none"> <li>Document control sheet amended to meet the agreed Policy Quality Standards.</li> <li>Policy statements moved from section 6 to section 4</li> <li>Appendices were re-ordered and will be provided as hyperlinks where possible to reduce the size of the Pay Policy Statement</li> <li>Font changed</li> </ul>	4 and 6, appendices

**Equalities Impact Assessment**

Assessment date	24 January 2012
Assessment location	Available on request from the Employee Relations and Engagement Manager

**Freedom of Information Act Exemption**

FOI Exempt?	<del>YES</del> /NO
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**Document Location**

Once approved, the source of this document will be found within the corporate fileplan or intranet.

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Name	Organisation	Date of Issue	Version

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**Alternative Document Formats**

Format	Location

## **1. Why do we have this policy?**

### **Reason**

This policy is established to meet requirement of section 38(1) of the Localism Act (2011).

### **Purpose**

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.

## **2. Who must comply with the policy?**

The Chief Executive Officer and Executive Directors of Bournemouth Borough Council must comply with this policy.

## **3. Who else should be aware of this policy?**

This policy will be published on the Council's website to ensure that all Council staff, Councillors and Bournemouth residents have access to it.

## **4. What is this policy?**

The salaries of the Chief Executive and Executive Directors are set by the Leader and Deputy Leader of the Council on advice from the South West Local Government Employers Association and having regard for the Chief Executive and Chief Officers' national pay scales.

The salaries for these staff will be increased in line with national pay awards agreed by Joint National Committee for Chief Executives unless financial constraints prevent the required funding from being available. In this case some lesser figure or no increase will be applied.

The Chief Executive Officer and Executive Directors are employed on JNC conditions of service.

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

- The Chief Executive's base salary for 2011/12 is £125,481 and receives a pension contribution of £22,692 giving a total £148,173 per annum.
- The median full time equivalent salary for staff for 2011/12, excluding Soulbury employees and youth workers, is £18,453, with a pension contribution of £3,469 giving a total of £21,922. The ratio between this salary and the salary of the Chief Executive is 1:6.8

- The lowest full time equivalent salary is £12,145; pension contribution of £2,283 giving a total of £14,428. The ratio between this salary and the salary of the Chief Executive is 1:10.3
- The lowest salary is defined as the bottom spine point of the salary and grading structure for Bournemouth Council employees who are not covered by Soulbury or youth workers national scales. This salary structure, called the BG07 salary and grading structure, is the result of a review of all jobs not covered by national bargaining arrangements and was established using the Greater London and Provincial Council's job evaluation system. This review was carried out jointly with Management and the two trade unions recognised for collective bargaining purposes, namely UNISON and GMB and the result of the review implemented under the provisions of the BG07 Collective agreement signed in June 2010. The agreement is available on the Council's website. Therefore, this salary is the lowest pay for the smallest jobs in the authority.
- The salaries of Service Directors, the posts that report into Executive Directors, and other employees not covered by nationally agreed pay scales, are determined under the Council's job evaluated pay and grading structure, BG07.
- 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.
- Incremental progression does not apply to Chief Officers.
- Returning Officer fees are available to Chief Officers.
- No other fees are paid to Chief Officers but they are able to make claims under the Council's Business Travel and Subsistence policy.
- Payments for working hours additional to contractual hours are not made.
- The Council publishes the total remuneration of Chief Officers and 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. In the event that 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 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 applicants 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 policy in relation to employer discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 is given in Appendix B although payments under this policy have not been made.
- The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix A.

## 5. How is this policy implemented?

### Procedures

In the absence of a remuneration committee, this policy is reviewed annually by the Council's Reward and Recognition Management Board and any recommendations for change will be made to the Cabinet for approval.

## 6. Supporting information

The Localism Act (2011) is available on the Parliament website here:

[http://www.legislation.gov.uk/ukpga/2011/20/pdfs/ukpga\\_20110020\\_en.pdf](http://www.legislation.gov.uk/ukpga/2011/20/pdfs/ukpga_20110020_en.pdf)

The Council is required by law to review its Pay Policy Statement annually. Each subsequent statement must be prepared and approved before the 31 March immediately preceding the financial year to which it relates.

### Related Council policies and supporting documents

- The Council's Business Travel and Subsistence Policy
- 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
- BG07 Salary and grading structure:  
<http://www.bournemouth.gov.uk/CouncilDemocracy/CouncilDepartments/BG07SalaryGradingStructure201011.aspx>
- BG07 Collective agreement

## Appendix A

## BOURNEMOUTH BOROUGH COUNCIL (“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, 13, 18 and 30 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (“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><b>Regulation 12 - Power of Employing Authority to increase total membership of active members.</b></p> <p>The Employing Authority may resolve to increase the total membership of an active member. The member’s total additional membership (including additional membership in respect of different employments) must not exceed ten years.</p>	Not adopted
<p><b>Regulation 13 - Power of Employing Authority to award additional pension.</b></p> <p>An Employing Authority may resolve to award a member additional pension of not more than £5,000 a year payable from the same date as his pension. Additional pension may be paid in addition to any increase of total membership made under Regulation 12.</p>	Not adopted
<p><b>Regulation 18 - Flexible Retirement</b></p> <p>An Employing Authority may consent to payment of benefits (or part of a member’s benefits) where a member has attained the age of 55 and has, with his employer’s consent, reduced the hours he works, or the grade in which he is employed and has made a written request to the appropriate Adminstrating Authority to receive benefits or part</p>	Adopted - applied subject to financial viability and service provision, each case assessed on its own merits.

Regulation	Policy
of those benefits.	
<p><b>Regulation 30 - Choice of early payment of pension</b></p> <p>An Employing Authority may consent to a member aged between 55 and 60 (or 50 and 60 if the member was a member on 31 March 2008 and makes a request before 31 March 2010) receiving immediate pension benefits. Pension benefits paid under this Regulation will be reduced, unless the Employing Authority determines that the member's pension should not be reduced on compassionate grounds.</p>	<p>Adopted - applied subject to financial viability and service provision, each case assessed on its own merits.</p>

## Appendix B

### Early termination in the interest of the efficiency of the service and Redundancy

#### Over and Under 50 Years of Age

The Authority to have a discretionary policy to pay volunteers a single lump sum compensation payment based upon the proposed discretionary payment regulations. This discretion should be exercised at the start of the redundancy process before any individuals are either selected or volunteer for redundancy. This would allow compensation payment of up to a maximum of 75 weeks pay, based on a sliding scale in line with the governments statutory redundancy matrix multiplied by a factor of 2.5 which equates to 75 pay weeks divided by the 30 weeks maximum pay under the statutory scheme. The factor used is understood to be in line with those of Dorset county Council and Poole Borough Council. This payment may apply to eligible employees who volunteer to be dismissed in the interest of the efficiency of the service or Redundancy.

The compensation payment in excess of statutory redundancy (based on actual weekly salary, not statutory maximum) can be used to purchase augmented added years, this can only be used in full and must be done by the employer on behalf of the individual whilst still employed. The calculation is based on age service and gender.

All employees who are made redundant after two years service are entitled to a statutory redundancy payment based on the number of full years continuous service, to a maximum of 20 years service, paid as actual weekly wage and not the statutory maximum. Payments under this scheme will be reduced by the amount of statutory redundancy pay to which the employee is entitled.

Scheme members need to be over 50 years of age to be eligible for early retirement with the immediate release of pension benefit.