

# **Officer Pay Policy**



**Customer Business Culture**

# **OFFICER PAY POLICY**

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# **OFFICER PAY POLICY**

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## **Introduction**

The purpose of this policy is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of officers.

The Council will comply with this policy which covers all officers. It ensures that employees are paid on a fair and equitable basis in accordance with equality legislation.

Colchester Borough Council recognises the importance of administering pay in a way that:

- attracts, motivates and retains appropriately talented people needed to maintain and improve the Council's performance and meet future challenges
- reflects the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes
- allows for a proportion of remuneration to be at risk, depending upon the delivery of agreed outcomes and results
- delivers the required levels of competence within an overall workforce strategy within approved budget parameters
- is affordable and transparent.

## **1. Pay strategy and framework**

- 1.1 The Council determines the level of annual salary for employees, including chief officers, using an established job evaluation scheme. Jobs are independently evaluated, using this scheme, by experienced Human Resources staff and all employees have the right of appeal against their pay grade.
- 1.2 The pay grades and salary spinal points are shown on the Council's website [here](#), and in Appendix 1 along with other definitions such 'chief officer'. Each pay grade has a number of incremental points and employees normally progress up their pay grade by one increment on an annual basis, subject to satisfactory levels of performance (see also section 5 - rewarding performance).
- 1.3 The exception to this principle is where employees have transferred their employment to the Council and salary protection exists under the Transfer of Undertakings (Protection of Employment) legislation commonly known as TUPE.
- 1.4 The pay policy incorporates the Council's Equality and Diversity policy (website link [Equality and Diversity in employment - Colchester Borough Council](#)), and periodic equal pay audits will be conducted.
- 1.5 From April 2017, [Equality Act regulations](#) require public organisations with more than 250 employees to publish a range of gender pay gap figures to show whether there are any differences in pay between male and female employees. The annual gender pay 'snapshot' is published on the Council's website [here](#), with a link to the Government's website where figures from other public and private organisations can also be seen/searched to help with openness and transparency.
- 1.6 The Council implemented the '[Living Wage](#)', which is independently calculated by the [Living Wage Foundation](#), from April 2013 and became an accredited Living Wage Employer in February 2016.

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## **2. Pay review and annual increases**

- 2.1 The Council supports the principle of collective bargaining and has a recognition agreement with the trade union 'Unison'. Negotiation and consultation are conducted at a local level in relation to levels of pay and benefits for all employees including Chief / Senior Officers (see definitions in Appendix 1) using 'Colchester Managed Grades' (CMG) pay grades. The Council is therefore not part of any national terms and conditions for local government employees.
- 2.2 Local negotiations around a pay review are conducted on an annual basis, and any increase is agreed taking into account inflationary factors, local salary levels and affordability. Any decision to increase salary levels for all employees has to be approved by the Portfolio Holder under delegated powers set in the Council's [Constitution](#).
- 2.3 The Council publishes its pay multiple (the ratio between the highest and lowest paid employees) and does not currently set a target for this.

## **3. Remuneration of Chief Officers**

- 3.1 The remuneration of all officers is determined using the Council's job evaluation and performance management schemes.
- 3.2 The median average value of Chief Officers' pay is shown in Appendix 1 together with the relationship to the lowest paid staff and other staff (referred to in the legislation as "the pay multiple").
- 3.3 The remuneration of all Chief Officers and Senior Officers is published in the Council's [Annual Statement of Accounts](#), which also includes a wide range of financial information.

## **4. Other items in addition to salary**

The Council pays the following additions to annual salary:

- 4.1 **Overtime:**  
This is paid to employees who are required to work in excess of their contracted weekly hours. All overtime is paid at plain-time rate derived from annual salary, and enhancements are not normally paid for working at weekends or public holidays. Employees on pay grade CMG5 or above do not receive overtime pay.
- 4.2 **Unsocial hours working:**  
The Council pays an allowance to employees who work unsocial hours which cover 24-hour shift working. Allowances are also paid to employees who undertake standby and call out duties. A small payment can also be made to 'front-line' employees who are required to work over the Christmas and New Year period.
- 4.3 **Maternity, paternity and shared parental arrangements:**  
The Council has a policy that supports parents and provides some enhancement to the statutory maternity, paternity and shared parental provisions. These enhancements are shown in Appendix 1.
- 4.4 **Recruitment and retention payments:**

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Where the Council is faced with difficulties in recruitment to and retention of specific jobs, as a result of market pressures and skills shortages, the Chief Executive is able to sanction the use of a temporary recruitment/retention supplement, reviewed on a regular basis. This may include a non-consolidated payment on appointment and/or a retention payment to reflect the employment market and the needs of the business. Any such payment is to be authorised by the Chief Executive. If the employee leaves the Council voluntarily within a year, they will be required to pay back this non-consolidated payment.

Where an individual is being recruited and has significant experience or skills in the role for which they are being employed, Assistant Directors and above have discretion to appoint at any scale point (within the grade) above the lowest level.

Where an employee is upgraded using the Council's job evaluation scheme, the employee will move to the lowest point of the new pay grade such that they receive at least one increment. Any proposal to move the employee to a higher point on the pay grade has to be authorised by the Chief Executive.

### **4.5 Increases in responsibility:**

Temporary or permanent payments can be paid at the discretion of the Chief Executive (for employees on CMG 7 and above), or at the discretion of a member of the Executive Management Team (for employees on CMG 8 and below), to reflect operational needs, the level of additional responsibility and the Council's increment/acting-up policies.

### **4.6 Other items:**

The Council only reimburses reasonable business expenses actually incurred and in line with the Council's travel and subsistence policy.

Professional membership fees are reimbursed to employees at the rate of 50% of fees incurred and only one membership per employee is reimbursed.

External training costs are paid where they form part of agreed learning and development, and in line with the post-entry training policy.

There are no expense allowances or bonuses other than those mentioned within this pay policy.

### **5. Rewarding performance**

- 5.1 The Council uses a performance management scheme to appraise the performance of all employees, including Chief / Senior Officers. Issues of poor performance can result in any annual increment being withheld.
- 5.3 The Council also recognises the need to incentivise specific jobs whose role involves a proportion of sales or income generation. In such cases a reward package will be developed, which needs approval by Senior Management Team. The annual salary and incentive payment will be determined outside of the job evaluation scheme and will be risk-assured in relation to equal pay.
- 5.4 The Council incentivises and recognises employees for their individual contribution towards the three organisational goals of 'Customer, Business and Culture' through a non-salary rewards scheme. Where an employee's contribution is deemed to be excellent, they can be nominated for a non-consolidated payment up to the maximum value if authorised by an Executive Director. See Appendix 1 for the value of these incentives.

### **6. Pension**

- 6.1 In accordance with statutory provisions, employees are offered membership of the Local Government Pension Scheme. The Council has a published pension policy and this policy applies to all employees including Chief / Senior Officers. It sets out the Council's decisions relating to discretionary powers allowed within the scheme. The pension contribution rates are shown in Appendix 1.
- 6.2 The Council also supports the principle of flexible retirement whereby employees are able to gain access to their pension whilst continuing in employment, subject to the restrictions laid down within the scheme and in the Council's Pension policy. This approach allows the Council to retain skilled employees and to assist individuals in managing the transition to retirement.

### **7. Other financial benefits**

The Council currently offers the following financial benefits to employees, with the value of these charges and benefits shown in Appendix 1:

7.1 **Travel Plan incentives/charges:**

In order to encourage employees to use 'greener' travel modes, which also help to reduce town centre congestion, the Council has developed a package of travel plan measures. These measures include a charge for car parking for employees based in the town centre, and discounts for 'home to work' use of bus and rail travel.

7.2 **Salary sacrifice schemes:**

The Council has adopted approved government salary sacrifice schemes which enable employees to have deductions from pay to purchase childcare vouchers (closed to new applicants in October 2018) or cycles for travel to work. These schemes are tax efficient for the employee and are cost-neutral to the Council.

7.3 **Long Service Awards:**

The Council recognises the commitment of employees to public service and provides a gift to employees for 25 years' service with the Council.

7.4 **Other allowances:**

An allowance is paid for employees who volunteer to be designated First Aiders in the workplace.

### **8. Recruitment**

8.1 In accordance with the Council's [Constitution](#), appointments to Head of Paid Service (Chief Executive), Executive Directors, Assistant Directors, Chief Finance Officer and Monitoring Officer, have to be approved by the Full Council.

8.2 All appointments are made in line with this pay policy.

8.3 The appointment of other Chief Officers and starting salaries within the grade must be approved by the Chief Executive.

8.4 The appointment of employees other than Chief Officers is delegated to the appropriate management level, relevant to the vacant job. The starting salary within the pay grade range is determined taking into account the skills and experience of the applicant and market pressures.

8.5 The Council does not restrict the re-employment of employees previously made redundant by either the Council or other Local Government. All applicants for vacancies are considered equally, based on their knowledge, skills and experience.

8.6 Full Council will be offered the opportunity to vote before large salary packages are offered in respect of new appointments. This level is set out in statutory guidance, and the current level is shown at Appendix 1 along with definitions of roles/posts.

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### **9. Sick Pay**

The Council applies the following sick pay scheme for all employees.

<b>Service (years)</b>	<b>Full Pay (months)</b>	<b>Half Pay (months)</b>
During first year	1	*2
During second year	2	2
During third year	4	4
During fourth/fifth years	5	5
After five years	6	6

\* After completing 4 months' service

### **10. Payments when employment status changes**

#### **10.1 Redundancy:**

The Council operates a redundancy payment scheme which applies to all employees including Chief / Senior Officers. The scheme is based on the employee's rate of pay and on the number of weeks paid under the statutory scheme, with an enhancement of 50% subject to a maximum of 45 weeks' pay.

#### **10.2 Pay Protection:**

The Council operates pay protection for a limited time period, within the terms of its change management and redundancy policy. This applies when staff have their pay reduced as part of a process of re-deployment or job evaluation.

#### **10.3 Agreements:**

Where the Council is in dispute with an employee, the Council will make use of legally binding agreements to settle disputes in appropriate circumstances. The use of these agreements and the value of any settlement will be determined by a consideration of factors such as the potential costs of litigation, the degree of risk at employment tribunal adjudications and any reputational impact. The decision to agree a legally binding agreement will rest with the Chief Executive or, in the case of the Chief Executive, will rest with the Cabinet.

### **11. Election duties**

11.1 The Council has determined that the Returning Officer is the Chief Executive, and the remuneration is separate from the Chief Executive's salary. Remuneration levels for employees who assist with election duties on a secondary employment basis are set by Essex County Council for local elections, and by central government for national and European elections.

11.2 The amount paid for election duties will vary depending on the number and type of elections which take place. The amount paid to the Returning Officer in the previous year is shown in Appendix 1.

### **12. Temporary staff and interim arrangements**

12.1 The Council occasionally uses temporary agency or interim staff where it meets specific business needs and delivers best value. Levels of reward are determined by market rates. However, the Council will not use payment arrangements that could be perceived to be designed to deliberately avoid personal taxation.

### **13. Supporting Information**



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The following references have been used in producing this Pay Policy, along with the Council's existing Human Resource policies:

### **Legislation and best practice guidelines**

- The Localism Act 2011 - [chapter 8 - pay accountability](#).
- The Equality Act 2010
- Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006
- Local Government Pension Scheme Regulations 2008
- [Accounts and Audit Regulations 2015](#).

Ministry of Housing, Communities and Local Government:

- [Openness and accountability in local pay: Guidance under section 40 of the Localism Act](#) and [Local government transparency code](#)

The Chartered Institute of Public Finance and Accountancy:

- [Code of Practice in Local Authority Accounting](#)

Local Government Association

- [Pay Policy Statements - guidance](#).

### **Our website**

The Council's website [www.colchester.gov.uk](http://www.colchester.gov.uk) has a [section with more information about employment](#) and [gender pay gap statistics](#) for Colchester Borough Council.

The following policies and forms should be taken into account alongside this document:

<b>Policies</b>	
Equality and Diversity policy	Increment policy
Maternity and Paternity policies	Acting up policy
Pensions policy	Overtime policy/Standby and Call-out Policy
Local Government Pension Scheme (Administration) Regulations 2013 Discretionary Decisions by Colchester Borough Council	Performance management scheme
Post-entry training policy	Change Management and Redundancy policy
Travel and subsistence policy	Travel Plan

The policies are on the Intranet in the HR section: [A to Z of HR Policies and Procedures](#)

### **Document Information**

<b>Title :</b>	<b>Officer Pay Policy</b>
<b>Status :</b>	<b>2020/21 update of existing policy</b>
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<b>Review Frequency :</b>	<b>Annual</b>
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This policy applies to you if you are working under the Terms and Conditions of Colchester Borough Council.

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### Pay Data – Appendix 1

1. [Annual Salary scales](#). The last pay award increase was in April 2020 – 2%.

#### Salary spine

point	Annual salary (£.p)	point	Annual salary (£.p)
4*	18,328.26	32	37,068.75
5*	18,328.26	33	38,496.61
6*	18,328.26	34	39,821.87
7*	18,328.26	35	41,147.14
8*	18,328.26	36	42,472.40
9*	18,328.26	37	43,850.38
10*	18,328.26	38	45,228.38
11*	18,328.26	39	46,606.33
12	18,439.62	40	50,032.04
13	18,842.89	41	53,457.76
14	19,249.02	42	56,883.47
15	19,649.45	43	61,447.80
16	20,052.73	44	66,012.09
17	20,455.99	45	70,576.42
18	20,853.60	46	75,140.69
19	21,457.78	47	79,705.00
20	22,062.01	48	84,081.20
21	22,666.18	49	88,457.42
22	23,270.38	50	92,833.59
23	23,874.58	51	97,209.81
24	24,527.24	52	101,585.99
25	26,472.38	53	105,962.22
26	28,465.96	54	110,879.94
27	30,459.55	55	115,797.63
28	31,710.73	56	120,715.34
29	32,961.89	57	125,633.02
30	34,213.04	58	130,550.74
31	35,640.89	59	133,189.84

The Living Wage rate, as set by the Living Wage Foundation, was uplifted to £9.50 an hour/£18,328.26 a year on 9 November 2020. \* *these salary points are 'Living Wage'*.

Employers can choose to pay the Living Wage on a voluntary basis, and the Council has done so since 2013. This is higher than the compulsory National Living Wage introduced by the government from April 2016 for all employees who are over 25 (currently £8.72).

#### Pay Grade range – Colchester Managed Grades (CMG)

Pay Grade (CMG)	Salary spinal column point (SCP) range	Pay Grade (CMG)	Salary spinal column point (SCP) range
14	4 to 7	6	35 to 39
13	7 to 12	5	38 to 42
12	11 to 18	5 GMT	38 to 45
11	18 to 24	4 AD	42 to 49
10	23 to 27	4	42 to 47
9	26 to 30	2-3	46 to 55
8	29 to 33	1	54 to 59
7	32 to 36		

#### Apprentices

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The national introduction of an Apprenticeship Levy in April 2017 aimed to encourage businesses to create three million new apprenticeships by 2020. Employers operating in the UK with a pay bill over £3 million each year are now required to invest in apprenticeships via an apprenticeship levy charged at a rate of 0.5% of the annual pay bill.

The Council's first intake of apprentices joined in September 2017. CBC agreed the apprenticeship pay rate as the [National Minimum Wage by age](#) - this is more than the NMW rate for apprentices of £4.15 an hour, and CBC apprentices gets the NMW for their age straight away without having to complete the first year of an apprenticeship or be 19.

### **2. Pay relationship for Chief Officers**

	<b>2020/21</b>
Median average pay for Chief Officers	£88,457.42
Median average pay for staff other than Chief Officers	£24,527.24
Median average pay for lowest paid staff	£17,942.30
Pay multiple of Chief Officer (Chief Executive) pay to staff other than this Chief Officer	5.43
Pay multiple of Chief Officers' pay to staff other than Chief Officers	3.61
Pay multiple of Chief Officers' pay to lowest paid staff	4.93 <sup>1</sup>

Notes – please also see definitions of officers at section 8 below:

- Median average pay is based on full-time equivalent annual salary plus additional payments for Chief Officers. It excludes election fees.
- 'Lowest paid staff' is defined as those paid the 'Living Wage' - see chart of 'Colchester Managed Grades (CMG) pay grades on page 8.
- <sup>1</sup>The ratio would be 7.11 if the definition included apprentices.
- Pay multiple - the ratio between the highest and lowest paid staff (£88,457.42 Chief Officers when compared to £17,942.30 Living Wage rate as shown in table above).

### **3. Additional payments for Chief Officers**

#### **Returning Officer election fees paid to the Chief Executive**

<b>Elections held</b>	<b>Amount paid</b>	<b>Year</b>
Borough and Parish elections	£24,809.15	2019/20

### **4. Other pay additions and allowances – see pages 2 and 4 for eligibility**

#### **Unsocial hours working:**

Where an employee is required to be on call "out of hours" as part of their duties:

Standby allowance from 1 April 2020:

- higher rate – immediate response must be made – day rate £17.64
- standard rate - non-immediate response – day rate £8.82

Call-out from 1 April 2020: £44.00.

#### **Maternity, Paternity and Shared Parental pay:**

In addition to the statutory provisions, the Council pays 20 weeks at half-pay for mothers who go on maternity leave and subsequently return to work. Up to two weeks' paid paternity leave is granted to eligible employees.

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### Non-salary rewards scheme:

Quarterly – 1,500 loyalty points (£15 in value) can be redeemed on activities or products within Colchester Leisure World. Maximum of 42 staff across all services each quarter.

Annually – incentive is sourced via reciprocal marketing and voucher schemes.

### Exceptional performance:

Non-consolidated payment/honorarium to a maximum of £1,000 if authorised by an Executive Director.

## 6. Pension contribution rate

Employer rate is 19.0% from April 2020 (previously 15.1%). Employee rates are:

LGPS Contribution Bands April 2020		
Actual Pay (includes overtime, additional hours and so on)	Main section rate	50/50 section rate
Up to £14,600	5.5%	2.75%
£14,601 - £22, 800	5.8%	2.90%
£22,801 - £37,100	6.5%	3.25%
£37,101 - £46,900	6.8%	3.40%
£46,901 - £65,600	8.5%	4.25%
£65,601 - £93,000	9.9%	4.95%
£93,001 - £109,500	10.5%	5.25%
£109,501 - £164,200	11.4%	5.70%
More than £164,201	12.5%	6.25%

## 7. Other financial benefits – see page 5 for eligibility

Travel Plan benefits and charges:

**Car parking charge** – for employees using designated CBC car parks whilst at work:

- £2.50 per day.

**Home to work travel**, in line with Travel Plan policy:

- Bus season ticket discount 50% / train season ticket or 'bulk buy' discount 35%.

**Long Service award:**

- Maximum value of £250 for 25 years' service with the Council.

**First Aid allowance** - for employees designated as First Aiders in the workplace:

- £162.12 a year (pro rata for part-time staff).

## 8. Definition of terms used in the Officer Pay Policy and Pay Data documents

- Chief Officers – posts requiring appointment by elected councillors - designated as Chief Executive, Strategic Directors, Chief Operating Officer and Assistant Directors within the Council's constitutional arrangements for appointment. It also includes the Section 151 and the Monitoring Officer where those roles are not performed by an Assistant Director. These posts meet the Chief Officer definition in [paragraph 43 Localism Act](#).
- Chief Officer – this is the Chief Executive.
- Senior Officers – any post with a salary of £50,000 and above ([Accounts and Audit Regulations 2015](#))
- Senior Management Team – Chief Executive and Executive Directors and Assistant Directors. Executive Management Team - Chief Executive and Executive Directors.
- Large salary package – this is defined in statutory guidance and the current threshold is £100,000 ([paragraph 14 Localism Act guidance](#)).