REVIEW OF THE PARISH CLERK REMUNERATION

PURPOSE OF REPORT

To review the remuneration of the Clerk in the light of the recognised pay scale agreed and produced by the National Joint Council (NJC) for Town and Parish Clerks nationally.

BACKGROUND

1. Draft Minutes of the December 2015 Council meeting on Budget 2015/16 includes the following paragraph:-

   At the last meeting of the Parish Council 8th December 2015, the Council deferred discussion on the Budget 2015/16 to a Special Parish Council meeting to be held on 12th January 2016 at which “a separate report would be received on the appropriate level of remuneration for the Parish Clerk, and what effect such a review might have on the level of Precept 2016/17”.

2. The timing of the meeting in January is guided by the BDBC deadline of 31st January 2016 for the submission of Parish Precept and Grant Application Forms.

3. Apart from the present remuneration being below the National Living Wage, Appendix A is a statement outlining why it has been considered necessary to review the remuneration of the Clerk/Responsible Finance Officer.

REVIEW OF PARISH CLERK’S REMUNERATION (undertaken by Cllr Hertz)

The findings of the review are presented below in five sections, and can be summarised as follows:-

1. Role of the Hannington Parish Council (HPC) Clerk/Responsible Finance Officer?
   A reprise of the role of the Parish Clerk “Proper Officer” / Responsible Finance Officer (RFO) is presented below.

2. Is there a national pay or salary scale for our Parish Clerk?
   There is a recognised national pay scale agreed and produced by the National Joint Council (NJC) for Town and Parish Clerks. It is proposed that it be adopted by HPC as it is a pay scale familiar to experienced clerks. The NJC has 'standard' parish profiles for pay rate evaluation purposes. Hannington Parish Council falls into the 'small parish' category.
   There are 4 broad pay scales defined by the precept and other income of the parish council. Scale LC1 for incomes up to £25,000 and LC2 for incomes £25,000 - £250,000. Hannington Parish Council falls within LC1.

   Given the clear difficulty of sourcing and employing a part time Clerk, sufficiently experienced and skilled for the post of Parish Clerk/RFO, at the National Minimum Wage level (see Appendix A: Recent Problems....), the Parish Council at its meeting in December decided to review the role with a view of offering a relatively competitive remuneration for this responsible position based upon the proposed NJC pay scales.
4. **Communities Parish and Local Councils (CPALC) – PayCheck an unbiased system to assess how many “spinal points” the role is worth.**  
Communities Parish and Local Councils (CPLC) have an online PayCheck evaluation process to assess the ‘Spinal Column Points’ within the NJC pay scale according to the clerks qualifications and parish council responsibilities. The outcome of the evaluation for Hannington Parish was LC1/SPC 18 this equates to £9.21 per hour.

5. **PayCheck Hannington Parish Clerk Job Evaluation as at 29th December 2015**

   a. It is argued that £9.21 per hour *will not be sufficient* to attract an experienced clerk. However, if the HPC support an offer of LC1/SCP 25 at £11.55 per hour (the maximum at LC1), this has a higher likelihood of attracting an experienced parish clerk . . . and it is within the NJC LC1 pay boundary for a Small to Medium parishes.

   b. A decision to increase the hourly rate to £11.55 (with five standard hours per week) would increase the remuneration budget by £1,236 per annum from £1,767 per annum. If this were to be met entirely from the Parish’s Precept, it would increase the Council Tax charge per property at Band D for Hannington residents from £18.02 per annum to £24.27 per annum. This is the equivalent to a 12p per week increase, from 35p per week to 47p per week.

**ROLE OF THE HANNINGTON PARISH CLERK/RESPONSIBLE FINANCE OFFICER?**

1. The Hannington Parish Clerk is a statutory office holder that fulfils the role of “Proper Officer” to the council which is part of local government. The clerk is the council’s *principal executive and adviser*, and is responsible for the administration of its affairs.

2. The Clerk is not answerable to any individual councillor - not even the chairman. He/she is an independent and unbiased employee of the council, recognising that the council is responsible for all decisions and taking instruction from the council as a body. If the council has other members of staff then the clerk is their line manager.

3. As the council’s proper officer the clerk is responsible for implementing council policy; ensuring the council acts within the law; advising the council on all aspects of its work and may have delegated powers of decision making especially in urgent situations. The Clerk in our case is also the *Responsible Finance Officer (RFO)*.

4. The Clerk is employed by the Council and is registered with HMRC, and must be paid at least the national minimum wage with the appropriate expenses that may have been incurred. The National Minimum Wage for those over 21 years old is £6.70, soon to be replaced by the National Living Wage for those over 25 years old at £7.20 per hour in April 2016.

5. It is the Clerk who prepares and posts notices, is responsible for writing the agenda and minutes, keeps the council’s records, and deals with all correspondence. As the RFO, the clerk produces the Annual Budget and issues the Precept and Grant Requests, produces the quarterly/annual budget monitoring reports, makes all payments and banks all receipts, prepares the Final Accounts and supporting documents required by the Council’s auditors, and arranges the council’s insurance.
6. The Clerk also has the key role of advising the council, and its members, on governance, ethical and procedural matters including the maintenance of the Council’s Standing Orders, Financial Regulations and Risk Register.

**IS THERE A NATIONAL PAY OR SALARY SCALE FOR OUR PARISH CLERK?**

1. Yes, pay scales for a Parish Clerk can be based on the publicly available National Joint Council (NJC) pay scales. It must be remembered that a Parish Council can pay the Clerk what it wishes provided that the amount is at least equal to the national minimum wage. [See NALC/SLCC publication for the 2014 – 2016 National Salary Award *].

2. The difficulty is determining where within the NJC pay scale the remuneration should be fixed. There are 4 broad scales defined by the precept and other income of the parish council. LC1 is appropriate for Councils having an income of up to £25,000 and LC2 for those with an income of between £25,000 and £250,000.

3. It must be appreciated that there is effectively a salary “bar” at the end of each scale. These scales may be pro rata depending upon the hours worked. It is advised that the position on the scales should be reviewed annually. [See BDBC Relative Parish Council Precepts recorded as at 2012/13*]. There has not been any increase to the Hannington Parish Council precept to-date.

4. It should be noted that the “bar” for the LC1/SCP25 scale is £22,212 p.a. or £11.55 per hour.

**CURRENT PARISH PRECEPT AND CLERKS REMUNERATION**

1. Out of 38 parish councils who have precepts, Hannington has the 4th lowest precept.

2. The current precept is £3,400 of which the present Clerk’s remuneration has been budgeted at £1,767 for the year.

3. The remuneration is based upon a 5 hour working week for 52 weeks giving an hourly rate of £6.80 i.e. 10p over the National Minimum Wage but 40p below the National Living Wage of £7.20 from April 2016.


5. However, both the hourly rates of £6.80 and £7.20 are below the NJC nationally agreed minimum scale of LC1 SCP15 of £8.61 per hour for the role of a Parish Clerk.

6. Given the clear difficulty of sourcing and employing a part time Clerk, sufficiently experienced and skilled for the post of Parish Clerk/RFO, at the National Minimum Wage level (see Appendix A: Recent Problems…), the Parish Council at its meeting in December decided to review the role with a view of offering a relatively competitive remuneration for this responsible position based upon the proposed NJC pay scales.

**COMMUNITIES PARISH AND LOCAL COUNCILS (CPALC) - PayCheck an unbiased system to assess how many “spinal points” the role is worth.**
1. The ‘NALC & SLCC National Agreement on Salaries and Conditions of Service of Local Council Clerks 2004’ provides for scales LC1 – LC4 with salaries calculated by reference to the numbered positions on the “Spinal Column Points” chart. The document provides job Profiles 1 – 4 covering Small Parishes, Medium Parishes, Large Parishes/Small Towns, and Large Towns.

2. The PayCheck assessment calculates the Spinal Column Points (SCP) based upon the profile content created during the online process. The SCP outcome is then matched against the NJC National Pay Scales 2014-2016.

3. PayCheck is for Councillors and Clerks who wish to have an independent evaluation of what salary scale should be being paid. Paycheck is ONLY for assessing Town and Parish Clerks. It is NOT suitable for any other job or role in Town or Parish Councils or local government.

4. “It was noted that the NJC pay scales clearly define the rate of pay for parish clerks and the profile on which the role is currently being applied was not correct. There had also been a second separate assessment of the role using the CPALC profiling system, which resulted in a recommended pay scale for the parish clerk which was within the band recommended by the NJC profiles. These assessments are based on several non-subjective factors for which there is responsibility, such as the number of Councillors, the number of employees, the size of the budget, various facilities etc., the clerk was awarded a new pay scale commensurate with the responsibilities”


PAYCHECK HANNINGTON PARISH CLERK JOB EVALUATION 29TH DECEMBER 2015

1. The PayCheck job evaluation outcome for the Hannington Parish Clerk role was LC1/SCP 18 which equates to £9.21 per hour on the NJC scales. [See Parish Clerk Job Evaluation 29th December 2015*].

2. The current budgeted remuneration at £1,767 p.a. would increase to £2,394.60 p.a. an increase of £627 or 35.5% at £9.21 per hour for a part time employee.

3. The LC1 scale mainly reflects the Small Parish Profile 1, i.e. the low precept for the parish, the electorate of 310, and the very low income of the parish and lack of responsibilities for public areas. [See BDBC Relative Parish Council Precepts as at 2012/13*].

4. Given the competence, skills and flexibility required as well as our recent experience to attempt to source an individual for the role, it is unlikely that £9.21 per hour will be sufficient to attract anyone with previous experience of being a parish clerk who is familiar with the NJC pay scales. Inexperienced clerks do take an inordinate time and effort to learn the ropes particularly if they are not qualified. More importantly, they have insufficient experience to ‘advise’ the Council and to undertake many of the roles without close supervision; which Councillors are not be able to provide.

5. However, staying within the NJC LC1 remuneration scale for the ‘Small to Medium Parish Profile’ offering LC1/SCP 25 at £11.55 per hour has a higher likelihood of attracting an experienced parish clerk.

6. The hourly rate of £11.55 would increase the remuneration budget by £1,236.
Finally, would an hourly rate of £11.55 be considered by HALC as being excessive?

7. The Clerk at the last meeting was asked to contact Hampshire Association of Local Councils to establish what other Parish Councils were paying? The response from HALC’s HR Advisor, the People & Development Consultant at Eastleigh BC, dated 15th December 2015 is reproduced below:-

"Unfortunately we do not gather the type of salary data you are requesting. There is some guidance regarding Clerk salary ranges in part one of the National agreement.

I would however say that the National agreement has not been updated for a good number of years, so the salary levels may not be that accurate. Based on my experience I would suggest that £12 an hour is not at all excessive - many Clerks earn between £10 and £12 per hour and a number earn more than this. In addition if you look at it objectively in the wider labour market (beyond this sector) I would suggest £12 is barely mid-range for the types of skills a Clerk requires.

I understand that this may leave the Council with a difficulty vis affordability, however that is a separate issue to the Salary market rate and how you square this particular circle may be something for the Council more broadly to consider in more detail."

8. A decision to increase the hourly rate to £11.55 (based upon a pro rata of five standard hours per week) would increase the remuneration budget by £1,236 per annum. If this were to be met entirely from the Parish’s Precept, it would increase the Council Tax charge per property at Band D for Hannington residents from 35p per week to 47p per week. This is the equivalent to a 12p per week increase. These figures are based on the data provided by BDBC to all Parish Councils 23rd December 2015 i.e. from £18.02 per annum to £24.27 per annum.


RECOMMENDATIONS:

1. The recognised National Joint Council (NJC) pay scales for Town and Parish Clerks be adopted by the HPC as it is a pay scale familiar to experienced Clerks.

2. As best practice, the Clerks remuneration to be formally reviewed each year.

3. That the Parish Council approves the remuneration budget for the role of Parish Clerk/Responsible Finance Officer with effect from 1st April 2016, based upon a pro rata rate of £11.55 per hour at a standard working week of five hours.

4. That the Parish Council, after consideration of the Budget Report elsewhere on the Council’s Agenda, agrees to meet the full additional costs through a Precept requirement, thereby submitting a precept request in 2016/17 accordingly in view of other changes in anticipated costs.
Note: where the report includes a statement such as [See NALC/SLCC publication for the 2014 – 2016 National Salary Award *]. This refers to a detailed supporting document previously circulated by Cllr Hertz via email to all Councillors on 29th December. Copies can be obtained by contacting the Clerk, Chris Pottinger (chrispottinger@live.co.uk).
APPENDIX A

Recent problems in recruiting to the post of Clerk/Responsible Finance Officer

Hannington Parish Council have had severe difficulties recruiting to the post of Clerk when the last two Clerks resigned. When the last Clerk resigned gave notice in July 2014 that she was resigning, the Parish Council advertised the vacancy both locally to residents and, via HALC, to all other Parish Councils in Hampshire. The latter route generated two ‘expressions of interest’. However, by the time of the September Council meeting, both had said that they were no longer interested in the position.

One of the applicants, ‘the Clerk and Responsible Finance Officer for a nearby Parish Council since 2005’ stated, “Although your parish is a small one in comparison [to my current Parish Council], … I also feel that the hourly rate needs to be reflective of the level of responsibility I currently undertake and to this effect an hourly rate of £12 would be more reflective”. The cost of this appointment exceeded that budgeted for and available.

The Minutes of the September 2014 meeting record, “Having sought advice from HALC, the Chairman informed Clirs that it is a requirement that the post of Clerk/Responsible Financial Officer is filled; otherwise, meetings may not be properly convened, managed, and decisions recorded, and finances and accounts not properly maintained. HALC suggested that a Councillor may undertake the role, but he/she is not permitted to also be a paid employee of the Council. In these circumstances, the Chairman offered to stand down and take on the role of Clerk, remaining as a Cllr until the Elections in May 2015, and Cllr Taylor offered to take on the role of Chairman. This was agreed by the Council. Cllr Pottinger remained in the ‘chair’ to the end of the meeting”.

The external auditors in their Audit Report 2014/15 raised the issue that the Clerk/RFO is a Councillor stating, “This is a potential breach of S151 Local Government Act 1972. S116 of the Act states that a member of the Council cannot be appointed as an officer...”

The Parish Council’s response to the Auditors issue included:

a) the Council agreed that it could not function effectively without somebody undertaking the roles, responsibilities and duties of the Clerk/RFO. Cllr Chris Pottinger agreed to act in this role, but would NOT receive any remuneration.

b) Cllr Chris Pottinger informed the Council that he would not stand for re-election in the May Elections.

c) Chris Pottinger was appointed Clerk/RFO with effect from the date of the May Election.