

Subject: Pay Policy Statement 2016/17

Report to: Full Council 24 February 2016

Report by: Head of HR

**SUBJECT MATTER – PAY POLICY STATEMENT 2016/17**

**RECOMMENDATION:**

To adopt the attached Pay Policy Statement for 2016/17 and to publish on the Council's website.

**1. BACKGROUND**

Section 38 of the Localism Act 2011 ("the Act") requires the Council to produce an annual pay policy statement ("the Statement") for the start of each financial year. It is a legal requirement that Full Council formally sign off this statement and the responsibility cannot be devolved to any other person or committee.

The pay Policy Statement must set out the Council's policies relating to:-

- a) The remuneration of its chief officers,
- b) The remuneration of its lowest-paid employees, and
- c) The relationship between:
  - The remuneration of its Chief Officers, and
  - The remuneration of its employees who are not Chief Officers

With regard to the process for approving the statement, it must:

- Be approved formally by Full Council and cannot be delegated to any sub committee. This includes any amendments in each financial year
- Be approved by the end of March each year
- Be published on the Council's website and in any other manner that the Council thinks appropriate as soon as it is reasonably practicable after it is approved or amended
- Be complied with when the Council sets the terms and conditions for a Chief Officer

For the purpose of the statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989 as:

- The Head of Paid Service (Chief Executive)
- The Monitoring Officer
- A statutory Chief Officer and non statutory Chief Officer (section 2 of that Act)
- A deputy Chief Officer (section 2 of that Act)

## **CONCLUSION**

The Pay Policy Statement meets the statutory requirements of the Localism Act and it is therefore recommended that the attached statement be approved.

### **FINANCIAL IMPLICATIONS:**

There are no increased risks or financial implications as a result of setting and publishing the Pay Policy Statement. The report and the statement outline arrangements for 2016/17. This statement builds on the publication of senior officer salary information which is already available on the website at <http://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

### **LEGAL IMPLICATIONS:**

To comply with section 38 of the Localism Act 2011, Full Council must approve the Pay Policy Statement for 2016/17 by 31 March 2016. The Statement must be published as soon as is reasonably practicable after it has been approved, it will, therefore, be placed on the Council's website.

### **EXECUTIVE BOARD OR DIRECTOR CONSULTATION:**

Executive Management Team – 12 February 2016 (email)

## **RECOMMENDATIONS**

That the Council's Pay Policy Statement for 2016/17 be approved.

Does this report raise any legal, financial, sustainability, equality, crime and disorder or human rights issues and, if so, have they been considered?	Issues	
	Legal	Yes and taken into account
	Financial	Yes and taken into account
	Risk	No
	Sustainability	No
	Equality	No new issues raised
	Crime and Disorder	No
	Human Rights	No
	Every Child Matters	No

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## **PAY POLICY STATEMENT 2016/17**

This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011. It was approved by a meeting of Great Yarmouth Borough Council (GYBC) on 24 February 2016. It is made available on the Council's website. The Council's website also includes separately published data on salary information relating to Chief Officers and this can be accessed at <http://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

### **1. Remuneration of Employees**

- 1.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine that commences at national Spinal Column Point (SCP) 6 and ends at local SCP 51. This pay spine is divided into 10 pay bands, which each contain five incremental points. Band 1 is the lowest and Band 10 is the highest of these pay grades. Posts are allocated to a pay band through a process of job evaluation. See Appendix A for pay bands.
- 1.2 For the purpose of this Policy Statement, employees on Band 1 are defined as our lowest-paid employees. These are the lowest paid employees other than apprentices who are paid in line with national standards to reflect the nature of the training and development role. The bottom of Band 1 is national SCP 6 and the top is national SCP 10. At 31 March 2016, the full-time equivalent (FTE) annual values of these two SCPs are £13,614 (SCP 6) and £14,338 (SCP 10).
- 1.3 The values of the SCPs in these pay grades are uprated by the pay awards notified from time to time by the National Joint Council for Local Government Services.

- 1.4 The minimum (pro rata) salary paid by the Council to employees in established posts should not be less than the Living Wage. Where an employee's contractual (pro-rata) pay is less than the Living Wage they receive a supplement to raise their pay to the Living Wage level (excluding apprentices).

## 2. **Remuneration of Chief Officers**

### 2.1 **Chief Executive**

- 2.1.1 The Council's Chief Executive is employed by North Norfolk District Council (although is seconded to GYBC on an interim shared basis for this purpose). This Policy Statement does not, therefore, concern the remuneration of the post whose holder undertakes that role.

- 2.1.2 The Chief Executive also receives a (Deputy) Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role in Norfolk is calculated in accordance with a formula approved annually by the Norfolk Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. Fees for conducting Parliamentary Elections are determined by way of a Statutory Instrument.

### 2.2 **Directors**

- 2.2.1 The Directors report to the Chief Executive. As at 31 March 2016, the annual FTE range for the grade of the Director posts is shown at Appendix B.
- 2.2.2 It is the Council's policy that the FTE salary range for the posts of Director will normally be no greater than 6x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.
- 2.2.3 Notwithstanding 2.2.2, the value of the SCPs in the Director grades will be uprated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.
- 2.2.4 The Council's Monitoring Officer is employed by Norfolk County Council (although is seconded to GYBC for this purpose). This Policy Statement

does not, therefore, concern the remuneration of the post whose holder undertakes that role.

- 2.2.5 The Council's Section 151 Officer is employed by North Norfolk District Council (although is seconded to GYBC for this purpose) This Policy Statement does not, therefore, concern the remuneration of the post whose holder undertakes that role.

2.3 Group Managers

- 2.3.1 The Group Managers report to a Director. As at 31 March 2016, the annual FTE salary range for the Group Manager posts is shown at Appendix B.

- 2.3.2 It is the Council's policy that the FTE salary range for the Group Manager posts will normally be no greater than 4.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.

3. **General Principles Applying to Remuneration of Chief Officers and Employees**

- 3.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.
- 3.2 Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. In exceptional circumstances (e.g. examination success), individuals will receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 3.3 The Council does not apply performance-related pay, with the exception of the Directors and Group Managers whose progression through the increments of the pay grade is subject to performance management. The Council does not apply any bonuses.
- 3.4 The minimum point of a pay grade will not be lower than the maximum point of the preceding pay grade.

- 3.5 On ceasing to be employed by the Council, individuals will only receive compensation:
- (a) in circumstances that are relevant (e.g. redundancy), and
  - (b) that is in accordance with our published Policy Statement on how the Council will exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
  - (c) that complies with the specific term(s) of a settlement agreement.
- 3.6 The Policy Statement on how the Council will exercise the various employer discretions provided by the LGPS also summarises how Flexible Retirement might be allowed. This is where an individual aged 55 or over who reduces their grade or hours of work (or both) may receive all or part of their LGPS benefits immediately, even though they haven't left the Council's employment. This will be allowed only in circumstances where it is demonstrated to be in the Council's long-term interests.
- 3.7 Any decision to re-employ an individual who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not, however, normally engage such an individual under a contract for services.
- 3.8 Any Market Supplement that is paid will be in accordance with our Protocol for Payment of Market Supplements.
- 3.9 If it is appropriate for an honorarium to be paid, this will be in accordance with our Principles for Payment of Honoraria.
- 3.10 The Council pays Essential and Casual Car User allowances in appropriate circumstances. These allowances are in accordance with 'Green Book' rates, although the Council does not recognise the 1200cc to 1450cc (i.e. the top) band and some mileage may only be claimed at a reduced local rate. There are also local rates in force for individuals who use their motorcycles or bicycles on official business.
- 3.11 Any excess travelling allowance that is paid will be in accordance with our Change in Place of Employment – Scheme for Payment of Allowance.

- 3.12 Any subsistence allowance that is paid will normally be no higher than the rates notified from time to time by the East of England Local Government Association.

#### **4. Consultants and Agency Workers**

- 4.1 Consultants and agency workers are not deemed to be employees and therefore their remuneration is not covered by this Pay Policy Statement. Contracts covering the engagement of consultants and agency workers will be agreed under the rules of Great Yarmouth Borough Council's Contract Standing Orders.

#### **5. Tax Avoidance**

- 5.1 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council will utilise the procurement policy and follow guidelines to ensure that the correct employment status is identified before being engaged.

#### **6. Review**

- 6.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2017/18 and will be submitted to Full Council for approval by 31 March 2017.
- 6.2 If it should be necessary to amend this 2016/17 Statement during the year that it applies, an appropriate resolution will be made by Full Council.



# GYBC PAY STRUCTURE - 2015/16

Spinal Column Point	Annual FT Rate January 2015	Pay Bands		Break Points	2015 Hourly Rate
4		not used			
5		not used			
6	£13,614	Band 1		Band 1	£7.0565
7	£13,715	Band 1		Up to 222 points	£7.1088
8	£13,871	Band 1			£7.1897
9	£14,075	Band 1			£7.2954
10	£14,338	Band 1	Band 2	Band 2	£7.4318
11	£15,207		Band 2	223 to 279 points	£7.8822
12	£15,523		Band 2		£8.0460
13	£15,941		Band 2		£8.2626
14	£16,231	Band 3	Band 2	Band 3	£8.4130
15	£16,572	Band 3		280 to 321 points	£8.5897
16	£16,969	Band 3			£8.7955
17	£17,372	Band 3			£9.0044
18	£17,714	Band 3	Band 4	Band 4	£9.1816
19	£18,376		Band 4	322 to 363 points	£9.5248
20	£19,048		Band 4		£9.8731
21	£19,742		Band 4		£10.2328
22	£20,253	Band 5	Band 4	Band 5	£10.4977
23	£20,849	Band 5		364 to 417 points	£10.8066
24	£21,530	Band 5			£11.1596
25	£22,212	Band 5			£11.5131
26	£22,937	Band 5			£11.8889
27	£23,698		Band 6	Band 6	£12.2833
28	£24,472		Band 6	418 to 471 points	£12.6845
29	£25,440		Band 6		£13.1862
30	£26,293		Band 6		£13.6284
31	£27,123		Band 6		£14.0586
32	£27,924	Band 7		Band 7	£14.4738
33	£28,746	Band 7		472 to 527 points	£14.8998
34	£29,558	Band 7			£15.3207
35	£30,178	Band 7			£15.6421
36	£30,978	Band 7			£16.0567
37	£31,846		Band 8	Band 8	£16.5066
38	£32,778		Band 8	528 to 577 points	£16.9897
39	£33,857		Band 8		£17.5490
40	£34,746		Band 8		£18.0098
41	£35,662		Band 8		£18.4846
42	£36,571	Band 9		Band 9	£18.9557
43	£37,483	Band 9		578 to 632 points	£19.4284
44	£38,405	Band 9			£19.9063
45	£39,267	Band 9			£20.3531
46	£40,217	Band 9			£20.8455
47	£41,140		Band 10	Band 10	£21.3240
48	£42,053		Band 10	633 points and above	£21.7972
49	£42,957		Band 10		£22.2658
50	£43,750		Band 10		£22.6768
51	£44,585		Band 10		£23.1096

## Appendix B

### **SALARY SCALES as at 01 January 2015**

#### Group Managers

GPM-01	£51,001
GPM-02	£52,274
GPM-03	£53,550
GPM-04	£54,826
GPM-05	£56,099

#### Directors

DR-01	£66,301
DR-02	£67,574
DR-03	£68,850
DR-04	£70,126
DR-05	£71,398