

Subject: Pay Policy Statement 2018/19

Report to: Full Council 20 February 2018

Report by: Head of Organisational Development

**SUBJECT MATTER – PAY POLICY STATEMENT 2018/19**

**RECOMMENDATION:**

To adopt the attached Pay Policy Statement for 2018/19 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 Pay Policy 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 as a result of setting and publishing the Pay Policy Statement and the financial implications have been factored into the budget setting process.

The report and the statement outline arrangements for 2018/19. This statement builds on the publication of senior officer salary information which is already available on the website at <https://www.great-yarmouth.gov.uk/article/2470/Where-can-I-see-your-senior-staff-salaries>

### **LEGAL IMPLICATIONS:**

To comply with section 38 of the Localism Act 2011, Full Council must approve the Pay Policy Statement for 2018/19 by 31 March 2018. 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.

## **RECOMMENDATIONS**

That the Council's Pay Policy Statement for 2018/19 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

## **PAY POLICY STATEMENT 2018/19**

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 20 February 2018. 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 <https://www.great-yarmouth.gov.uk/article/2470/Where-can-I-see-your-senior-staff-salaries>

Once approved by Council, this policy statement will come into immediate effect, superseding the 2017/18 statement and will continue to be reviewed on an annual basis.

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

- 1.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council (NJC) 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 the NJC 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 2018, the full-time equivalent (FTE) annual values of these two SCPs are £15,014 (SCP 6) and £15,613 (SCP 10).

- 1.3 The values of the SCPs in these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services. During 2018/19, the NJC employers will complete their review of the national pay structure and the SCP's. This will impact on the Council's current pay structure and will require the Council to review the pay structure during this financial year to ensure compliance with the national agreement.
- 1.4 The minimum (pro rata) salary paid by the Council to employees in established posts should not be less than the Foundation Living Wage which is currently £8.25 per hour. This rate is reviewed and updated annually by the Living Wage Foundation and the new rate is announced in November of each year. Where an employee's contractual (pro-rata) pay is less than the Foundation Living Wage they receive a supplement to raise their pay to the Foundation Living Wage level (excluding apprentices).

## 2. **Remuneration of Senior Managers**

### 2.1 **Chief Executive**

- 2.1.1 The Council's Chief Executive is the Council's Head of Paid Service. As at 31 March 2018, the FTE salary range for this post is £108,734 - £123,335. There are five incremental points in the grade.
- 2.1.2 It is the Council's policy that the FTE salary range for the post of Chief Executive will normally be no greater than 8.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not being exceeded. The current pay levels within the Council define the pay multiple between the median full time equivalent (FTE) earnings and the Chief Executive as 1:5.36.
- 2.1.3 Notwithstanding 2.1.2, the value of the SCP's in the Chief Executive's grade will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.
- 2.1.4 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 2018, the annual FTE range for the grade of the Director posts is currently £67,634 - £81,000.

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 being exceeded. The current pay levels within the Council define the multiple between the median employee full time equivalent (FTE) earnings and the median Chief Officers' earnings as 1:3.45.

2.2.3 Notwithstanding 2.2.2, the value of the SCPs in the Director grades will be updated 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.

## 2.3 Heads of Service

2.3.1 The Heads of Service report to the Executive Leadership Team (ELT). ELT is comprised of the Chief Executive and the Directors. As at 31 March 2018, the annual FTE salary range for the Heads of Service posts is £57,785 to £62,000.

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

## 2.4 Senior Managers (new grade)

2.4.1 To allow the Council flexibility in recruiting and retaining senior managers, a new grade has been introduced to bridge the gap between the top of the NJC pay scales and the Head of Service grade. The East of England Local

Government Association (EELGA) was asked to review this and on their recommendation, an additional grade has been inserted (MGR-11) which has five SCP points. The annual FTE salary range for this additional grade is £46,000 – £49,000.

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 Heads of Service 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 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 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 the 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. Where the Council is unable to recruit officers or there is a need for interim support, the Council will, put in place the most effective arrangements to engage individuals. These arrangements will comply with HMRC IR35 requirements, relevant procurement processes and ensure the Council is able to demonstrate maximum value for money.



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.

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 2019/20 and will be submitted to Full Council for approval by 31 March 2019.
- 6.2 If it should be necessary to amend this 2018/19 Statement during the year that it applies, an appropriate resolution will be made by Full Council.
- 6.3 The Council will also publish Gender Pay Gap data during the 2017/18 financial year and annually thereafter, in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

# GYBC PAY STRUCTURE - 2017/18

Spinal Column Point	Annual FT Rate April 2017	Pay Bands			Break Points		2017 Hourly Rate
4		not used					
5		not used					
6	£15,014	Band 1			Band 1		£7.7822
7	£15,115	Band 1		Up to 222 points			£7.8345
8	£15,246	Band 1					£7.9024
9	£15,375	Band 1					£7.9693
10	£15,613	Band 1	Band 2		Band 2		£8.0926
11	£15,807		Band 2	223 to 279 points			£8.1932
12	£16,123		Band 2				£8.3570
13	£16,491		Band 2				£8.5477
14	£16,781	Band 3	Band 2		Band 3		£8.6980
15	£17,072	Band 3		280 to 321 points			£8.8489
16	£17,419	Band 3					£9.0287
17	£17,772	Band 3					£9.2117
18	£18,070	Band 3	Band 4		Band 4		£9.3662
19	£18,746		Band 4	322 to 363 points			£9.7165
20	£19,430		Band 4				£10.0711
21	£20,138		Band 4				£10.4381
22	£20,661	Band 5	Band 4		Band 5		£10.7091
23	£21,268	Band 5		364 to 417 points			£11.0238
24	£21,962	Band 5					£11.3835
25	£22,658	Band 5					£11.7442
26	£23,398	Band 5					£12.1278
27	£24,174		Band 6		Band 6		£12.5300
28	£24,964		Band 6	418 to 471 points			£12.9395
29	£25,951		Band 6				£13.4511
30	£26,822		Band 6				£13.9026
31	£27,668		Band 6				£14.3411
32	£28,485	Band 7			Band 7		£14.7645
33	£29,323	Band 7		472 to 527 points			£15.1989
34	£30,153	Band 7					£15.6291
35	£30,785	Band 7					£15.9567
36	£31,601	Band 7					£16.3796
37	£32,486		Band 8		Band 8		£16.8384
38	£33,437		Band 8	528 to 577 points			£17.3313
39	£34,538		Band 8				£17.9020
40	£35,444		Band 8				£18.3716
41	£36,379		Band 8				£18.8562
42	£37,306	Band 9			Band 9		£19.3367
43	£38,237	Band 9		578 to 632 points			£19.8193
44	£39,177	Band 9					£20.3065
45	£40,057	Band 9					£20.7626
46	£41,025	Band 9					£21.2643
47	£41,967		Band 10		Band 10		£21.7526
48	£42,899		Band 10	633 points and above			£22.2357
49	£43,821		Band 10				£22.7136
50	£44,629		Band 10				£23.1324
51	£45,481		Band 10				£23.5740