

URN: 21/026
Subject: Pay Policy Statement 2021-22
Report to: Full Council
Report by: Sarah Tate, Head of OD
Date: 15 February 2021

SUBJECT MATTER/RECOMMENDATIONS

Pay Policy Statement 2021-22

Recommendations:

1. To adopt the attached Pay Policy Statement for 2021/22 and to publish on the Council's website.
- 2.

1. BACKGROUND

- 1.1 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 Council formally sign off this statement and the responsibility cannot be devolved to any other person or committee.

2. PAY POLICY STATEMENT

- 2.1 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

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

- a) Be approved formally by Council and cannot be delegated to any subcommittee.
This includes any amendments in each financial year
- b) Be approved by the end of March each year

- c) 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
- d) Be complied with when the Council sets the terms and conditions for a Chief Officer

2.3 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)

2.4 For the purposes the pay policy statement this covers the officers that are represented on the Councils Management Team, namely Chief Executive, Directors and Heads of Service.

3. REFORM OF PUBLIC SERVICES EXIT PAYMENTS REGULATIONS

3.1 The Restriction on Public Services Exit Payments Regulations 2020 became law on 4th November 2020 restricting the total value of an exit payment to £95,000. MHCLG however, have not published regulations amending the Local Government Pension scheme rules in line with the Exit Cap Regulations.

3.2 On 12th February 2021 it was announced that after extensive review of the application of the Cap, the Government has concluded that the Cap may have had unintended consequences and the Regulations should be revoked. HM Treasury Directions have been published that disapply the Cap until the Regulations have been revoked.

3.3 The Directions go on to state that "for the avoidance of doubt, it is still vital that exit payments deliver value for the taxpayer and employers should always consider whether exit payments are fair and proportionate. HM Treasury will bring forward proposals at pace to tackle unjustified exit payments".

4. FINANCIAL AND RISK IMPLICATIONS

4.1 There are no increased risk implications as a result of setting and publishing the pay policy

statement. The financial implications have been factored into the budget setting process for the 2021/22 budget.

5. CONCLUSION

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

6. BACKGROUND PAPERS

6.1 Current pay structure

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Pay Policy Statement
Financial Implications:	Considered
Legal Implications (including human rights)	Section 38 of the Localism Act 2011
Risk Implications:	Considered
Equality Issues/EQIA assessment:	Considered
Crime & Disorder:	N/A
Every Child Matters:	N/A

PAY POLICY STATEMENT 2021/22

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 23 February 2021 and 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 [Senior Salary Information](#).

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) 1 and ends at local SCP 45. This pay spine is divided into 10 pay bands, which each contain between three and six 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 current 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.
- 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.
- 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 £9.50 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).
- 1.5 The Council uses the National Job Evaluation Scheme to establish the relative 'sizes' of jobs within the Council. An evaluation results in an overall job evaluation score which is used to rank jobs within the organisation. The overall job evaluation score for a job is used to allocate that job to the appropriate pay grade of the Council's pay structure.

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 2021, the FTE salary range for this post is £116,237 - £131,846. 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 1:5.21.
- 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 2021, the annual FTE range for the grade of the Director posts is currently £72,302 – £86,589.
- 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 1:2.47.
- 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 (through a secondment agreement). This Policy Statement does not, therefore, concern the remuneration of the post whose holder undertakes that role.
- 2.2.5 The Council's Statutory Officer's, where employed directly by the Council, also receive a supplement of up to £5,000 for undertaking their statutory duties.

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 2021, the annual FTE salary range for the Heads of Service posts is £61,772 - £66,278.
- 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.

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. This would normally be the minimum of the scale however; appointment may be at a higher point where

necessary to appoint the best candidate. 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 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 used to avoid or settle a potential legal claim.
- 3.5 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.
- 3.6 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.
- 3.7 Any Market Supplement that is paid will be in accordance with our Protocol for Payment of Market Supplements.
- 3.8 If it is appropriate for an honorarium to be paid, this will be in accordance with our Principles for Payment of Honoraria.
- 3.9 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.
- 3.13 The Council operates the Local Government Pension Scheme (LGPS) for employees within scope of this statement.
- 3.14 Where severance payments over £100,000 are considered, this matter must be referred to Full Council.

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 2022/23 and will be submitted to Full Council for approval by 31 March 2022.
- 6.2 If it should be necessary to amend this 2021/22 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

GYBC PAY STRUCTURE - 2020/21				
Spinal Column Point	Annual FT Rate April 2020	Pay Bands	Break Points	2020 Hourly Rate
1	£17,842	Band 1	<u>Band 1</u>	£9.25
2	£18,198	Band 1	Up to 222 points	£9.43
3	£18,562	Band 1 Band 2	Band 2	£9.62
4	£18,933	Band 2	<u>223 to 279 pints</u>	£9.81
5	£19,312	Band 3 Band 2	<u>Band 3</u>	£10.01
6	£19,698	Band 3	280 to 321 points	£10.21
7	£20,092	Band 3 Band 4	<u>Band 4</u>	£10.41
8	£20,493	Band 4	322 to 363 points	£10.62
9	£20,903	Band 4		£10.83
10	£21,322	Band 4		£11.05
11	£21,748	Band 4		£11.27
12	£22,183	Band 4		£11.50
13	£22,627	not used		£11.73
14	£23,080	Band 5	<u>Band 5</u>	£11.96
15	£23,541	Band 5	364 to 417 points	£12.20
16	£24,012	Band 5		£12.45
17	£24,491	Band 5		£12.69
18	£24,982	Band 5		£12.95
19	£25,481	Band 5		£13.21
20	£25,991	Band 6	<u>Band 6</u>	£13.47
21	£26,511	Band 6	418 to 471 points	£13.74
22	£27,041	Band 6		£14.02
23	£27,741	Band 6		£14.38
24	£28,672	Band 6		£14.86
25	£29,577	Band 6		£15.33
26	£30,451	Band 7	<u>Band 7</u>	£15.78
27	£31,346	Band 7	472 to 527 points	£16.25
28	£32,234	Band 7		£16.71
29	£32,910	Band 7		£17.06
30	£33,782	Band 7		£17.51
31	£34,728	Band 8	<u>Band 8</u>	£18.00
32	£35,745	Band 8	528 to 577 points	£18.53
33	£36,922	Band 8		£19.14
34	£37,890	Band 8		£19.64
35	£38,890	Band 8		£20.16
36	£39,880	Band 9	<u>Band 9</u>	£20.67
37	£40,876	Band 9	578 to 632 points	£21.19
38	£41,881	Band 9		£21.71
39	£42,821	Band 9		£22.20
40	£43,857	Band 9		£22.73
41	£44,863	Band 10	<u>Band 10</u>	£23.25
42	£45,859	Band 10	633 points and above	£23.77
43	£46,845	Band 10		£24.28
44	£47,709	Band 10		£24.73
45	£48,619	Band 10		£25.20