

**PAY POLICY STATEMENT 2019/20****1 INTRODUCTION**

- 1.1 This Pay Policy Statement is produced in accordance with Part 1; Chapter 8 of the Localism Act 2011 and is available on the website. In addition, the website also includes separately published data on salary information relating to Chief Officers. A pay policy statement was first issued by the predecessor Councils, Suffolk Coastal and Waveney, in 2013 and each year thereafter.
- 1.2 The Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to attract and retain high quality employees dedicated to the service of the public, but at the same time needs to reflect that the Council is part of the public sector, funded through the tax payer and not a private sector organisation. As a general principle, the Council believes in rewarding all employees in a fair and equitable manner.
- 1.3 It is important that local authorities are able to determine their own pay policies and structures in order to address local priorities and to compete in the local labour market.

**2. REMUNERATION OF EMPLOYEES**

- 2.1 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 Councils use a pay spine that commences at national Spinal Column Point (SCP) 1 and ends at SCP 53. SCP's 1-43 are national and 44 -53 are locally agreed. The NJC pay agreement for 2018-20 included the introduction of a new pay spine on 1 April 2019 that is based on the following:
- A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP)1
  - 'Pairing off' old SCPs 6-17 incl. to create new SCPs 1-6 incl.
  - Equal steps of 2.0% between each new SCPs 1 to 22 incl.
  - By creating equal steps between these pay points, new SCPs 10, 13, 16, 18 and 21 are generated to which no old SCP's will assimilate. This means that in some organisations including at East Suffolk the current number of pay points in a grade might change.
- 2.2 The pay spine is divided into grades and posts are allocated to a pay band through a process of job evaluation.
- 2.3 For the purpose of this Pay Policy Statement, employees on Salary Band 1 are defined as our lowest paid employees. This is because no permanent and directly employed employee of the Council is paid at a SCP that is lower than SCP 1, other than Apprentices who are currently paid at the national Apprentice hourly rate. The Council will retain SCP 1 as the lowest pay rate for all permanent and directly employed staff unless this is superseded by the National Living Wage.

- 2.4 The value of the SCPs in these pay grades are up rated by the pay awards notified from time to time by the National Joint Council for Local Government Services.

### **3. REMUNERATION OF CHIEF OFFICERS**

#### **Chief Executive**

- 3.1 The Chief Executive is the statutory Head of Paid Service (section 4(1) of the Local Government and Housing Act 1989) and is paid £146,572.
- 3.2 The Council has considered the relationship between Chief Officer remuneration and that of other staff. The ratio between the salary of the Chief Executive and the median salary paid is 1:6.26. The ratio of the Chief Executive's salary to the lowest paid employee is 1:8.62.
- 3.3 It is the Council's policy that the FTE salary range for the post of Chief Executive will normally be no greater than 11 x the FTE salary range of a Salary Band 1 'Green Book' employee. The Council currently meets this requirement.
- 3.4 The Chief Executive also receives a Returning Officer fee in respect of electoral duties. This applies to Parliamentary, County, District and Parish elections, referenda and Police and Crime Commissioner elections. The Council is required to appoint a Returning Officer under Section 35 of the Representation of the People Act 1983. The fees are always based on the latest Returning Officers Charges Order as set by Parliament and the latest County Council Scale of Fees & Charges. The budgets for fees are provided by Central Government.

#### **Strategic Directors**

- 3.5 There are two Strategic Director posts both reporting to the Chief Executive. The annual FTE range for the grade of the Strategic Director is £91,803 - £100,207. There are three incremental points in the grade.
- 3.6 It is the Council's policy that the salary for the Strategic Director posts is no greater than 7 x the FTE salary of a salary Band 1 employee. This is currently being achieved.

#### **Heads of Service and Chief Finance Officer**

- 3.7 These post holders report to the Strategic Directors or to the Chief Executive. The annual FTE range for the grade of these posts is £61,024 - £71,637 for the lower banded Head of Service posts, and £74,291 - £84,445 for the higher band. It is the Council's policy that the salary for these posts will normally be no greater than 6 x the FTE salary range of a salary Band 1 'Green Book' employee. This is currently being achieved.
- 3.8 The Head of Legal and Democratic Services also undertakes the statutory role of Monitoring Officer (section 5(1) of the Local Government and Housing Act 1989). Remuneration for these duties is incorporated within the salary.

- 3.9 The Head of Finance also undertakes the statutory role of Chief Finance Officer (section 151 of the Local Government Act 1972). Remuneration for these duties is incorporated within the salary.
- 3.10 The value of the Chief Officers' salaries quoted above can be up rated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives and Chief Officers of Local Authorities. A two year Pay Agreement of 2% per annum was reached for Chief Officers in July 2018 covering the period 1 April 2018 to 31 March 2020.
- 3.11 Performance management is vital to ensure that the Council's agenda is being successfully delivered and the performance of the senior team is effectively managed. Targets are set and an annual appraisal and assessment of performance against targets is measured with progression through salary scales being determined by performance. The practice, under the national agreements for chief executives and other chief officers, which had been to apply automatic incremental progression generally regardless of performance, is not applied and will continue not to be applied.

#### **4. GENDER PAY GAP**

- 4.1 With effect from 30<sup>th</sup> March 2018, Councils are required by law to report annually on their gender pay gap and publish this information. This must include mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile. This deadline will be met.

#### **5. GENERAL PRINCIPLES APPLYING TO REMUNERATION OF CHIEF OFFICERS AND EMPLOYEES**

- 5.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to, dependent on knowledge, skills, and if necessary market forces. 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.
- 5.2 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 may receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 5.3 It is not the Council's policy to award bonuses for any employees, including senior officers.
- 5.4 Employees who are required to travel in order to carry out their duties will be recompensed under the terms of the Council's locally agreed travel policy.

- 5.5 On ceasing to be employed by the Council, individuals will only receive compensation:
- (a) in circumstances that are relevant (e.g. redundancy); and/or
  - (b) that is in accordance with our Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS).
- 5.6 If it is appropriate for an honorarium to be paid this will be in accordance with the Council's Special Payments Policy.
- 5.7 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.

## 6. REVIEW

- 6.1 The Localism Act requires councils to prepare a Pay Policy Statement for each subsequent financial year. The Policy can be amended during the course of the year, for example to incorporate a pay award. However, any changes must comply with this Statement. The next Statement is scheduled to be for 2020/21.

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## GLOSSARY

**Pay Spine** - a scale showing the rates of pay for employees working at each level of the organisation.

**Spinal Column Point** – the incremental steps that make up the pay spine. Each spinal column point has an associated salary value.

**Full Time Equivalent** – a value assigned to signify the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees instead.

**Job Evaluation** - a method of determining, using a systematic basis, the relative importance of a number of different jobs.