

**PAY POLICY STATEMENT 2018/19****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.
- 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.
- 1.4 Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC) have a single Senior Management Team and operate a range of integrated services that are led by shared managers. The salary costs of the joint posts are shared equally, unless there are specific local circumstances that require otherwise. A joint pay policy statement was first issued in 2013 and each year thereafter.

**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'), SCDC and WDC use a pay spine that commences at national Spinal Column Point (SCP) 8 and ends at local SCP 53. The pay spine is divided into grades and posts are allocated to a pay band through a process of job evaluation. The Councils have had an aligned pay and reward structure in place since 1 April 2016. This was secured through collective agreement with unison.
- 2.2 For the purpose of this Pay Policy Statement, employees on Salary Band 1b 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 11, other than Apprentices who are currently paid at the national Apprentice hourly rate. The Council will retain SCP 11 as the lowest pay rate for all permanent and directly employed staff until such a time that this is superseded by the National Living Wage (see below).
- 2.3 From April 2016, the government introduced a new mandatory National Living Wage (NLW) for workers aged 25 and over, initially set at £7.20 an hour the government has agreed that this will rise to £7.83 from April 2018.

- 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. The National Employers implemented a two-year pay increase of 1% a year from April 2016 with those on lower salaries receiving higher increases.
- 2.5 The National Employers have made a final pay offer covering the period 1 April 2018 to 31 March 2020 of 2% a year with those on lower salaries receiving higher increases. The national Employers have also recommended changes to the national pay spine to address the compacting of differentials at the lower end of the spine.

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

#### **3.1 Chief Executive**

The Chief Executive is the statutory Head of Paid Service (section 4(1) of the Local Government and Housing Act 1989) and is paid £130,364 plus a performance related pay element of up to 10% per annum. The Leaders of each Council are expected to conduct an annual review of the Chief Executive's performance measured against agreed objectives and determine whether to award up to 10% of salary as a non consolidated lump sum. This performance related pay has not been claimed by the Chief Executive since 2010, with the budget being used instead to fund apprenticeships within both Councils.

Each 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 within the partnership is 1:5.03 at SCDC and 1:5.77 at WDC. The ratio of the Chief Executive's salary to the lowest paid employee is 1:8.26 at SCDC and 1:7.92 at WDC.

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 1b 'Green Book' employee. The Council currently meets this requirement. Indeed, the Hutton Report recommends that the average pay ratio between the lead executive of most public sector organisations and the lowest paid member of staff is below 12:1. By comparison, the average estimated top-to-bottom pay ratio in FTSE 100 companies (which disclosed data) was 262:1 in 2011 (source One Society).

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. Each 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. The Chief Executive became the Returning Officer at WDC and well as SCDC from 1 January 2017 following the departure of the Strategic Director who previously held this responsibility.

3.2 Strategic Directors

There are two Strategic Director posts both reporting to the Chief Executive. The annual FTE range for the grade of the Strategic Director is £87,401 - £92,603. There are three incremental points in the grade.

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 1b employee. This is currently being achieved.

3.3 Heads of Service and Chief Finance Officer

These post holders report to the Strategic Directors or to the Chief Executive. The annual FTE range for the grade of these posts is £54,625 - £62,430 for the lower banded Head of Service posts, and £65,030 - £72,835 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 scale 1b 'Green Book' employee. This is currently being achieved. 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). The Head of Legal and Democratic Services became the Monitoring Officer at WDC and well as SCDC from 1 January 2017 following the departure of the Strategic Director who previously held this responsibility. Remuneration for these duties is incorporated within the salary.

The Head of Finance also undertakes the statutory role of Chief Finance Officer (section 151 of the Local Government Act 1972) at both Councils. Remuneration for these duties is incorporated within the salary.

3.4 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. The National Employers implemented a 2 year pay increase of 1% on basic salary with effect from 1 April 2016 and a further 1% from 1 April 2017. To date no formal pay offer has been received in respect of JNC staff.

3.5 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 March 2018 the 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**

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 2019/20.

**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 on a systematic basis the relative importance of a number of different jobs.