

Report to Council
17 March 2020
Report of Head of HR and Learning
Subject Pay Policy Statement 2020-21

Item

8

Purpose

To approve the pay policy statement for 2020-21

Recommendation

To approve the council's pay policy statement for 2020-21

Corporate and service priorities

The report helps to meet the corporate priority of an inclusive economy

Financial implications

The pay policy statement sets out current remuneration arrangements and there are no additional or increased financial implications or risks arising from the pay policy.

The financial implications have been factored into the budget setting process

Ward/s: All Wards

Cabinet member: Councillor Waters - Leader

Contact officers

Dawn Bradshaw, head of HR and learning

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Background documents

None

Report

1. Section 38 (1) of the Localism Act 2011 requires the Council to consider, approve and publish a pay policy statement for each financial year. The pay policy statement must be approved by a resolution of the full Council by 31 March.
2. The pay policy statement must as a minimum set out the councils policies relating to:
 - (a) The remuneration of its chief officers
 - (b) The remuneration of its lowest paid employees
 - (c) The definition of the lowest paid employees adopted by the council for the purposes of the pay policy statement and the reasons for adopting that definition.
 - (d) The relationship between the remuneration of its chief officers and employees who are not chief officers.
 - (e) The publication of and access to information relating to remuneration of chief officers.
3. The pay policy statement for 2020 -21 incorporates the following changes:
 - a) Reference to the gender pay gap has been added at 6.18.
4. A pay offer of 2% was made by the national employers on 5 February 2020 for the period 1 April 2020 to 31 March 2021. The offer has been rejected by the trade unions. Pay rates included in the pay policy statement will be updated in line with any agreed pay increase.
5. The pay and grading structure will also be updated to incorporate additional pay grades following a transfer under TUPE regulations on 1 April 2020. This will include a statutory officer.
6. The pay policy statement meets the statutory requirements of the Localism Act

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Council
Committee date:	17 March 2020
Director / Head of service	Head of HR and learning
Report subject:	Pay Policy Statement 2020/21
Date assessed:	February 2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	x	<input type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
ICT services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Financial inclusion	<input type="checkbox"/>	x	<input type="checkbox"/>	Councils pay policy supports financial inclusion
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
<u>S17 crime and disorder act 1998</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Human Rights Act 1998	x	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	x	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Eliminating discrimination & harassment	x	<input type="checkbox"/>	<input type="checkbox"/>	Nationally agreed non-discriminatory job evaluation scheme used. A full equality impact assessment was carried out on the pay and grading structure in 2019 and discussed with the recognised trade union
Advancing equality of opportunity	x		<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Natural and built environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Waste minimisation & resource use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Sustainable procurement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
Energy and climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	x	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

PAY POLICY STATEMENT 2020-21

Introduction

This pay policy statement is provided in accordance with Section 38 of the Localism Act 2011 and is effective from 1 April 2020. The pay policy statement was approved at a meeting of full council on *(add date)*.

Scope

This document sets out the council's pay and reward arrangements for the whole workforce including senior pay arrangements but excluding a small number of employees whose terms and conditions of employment are protected under TUPE regulations.

1. Employee remuneration up to and including heads of service

- 1.1 Employees up to and including head of service grades are subject to the National Joint Council (NJC) for local government services national agreement on pay and conditions of service. These are supplemented by locally agreed collective agreements reached with trade unions recognised by the council.
- 1.2 The council's pay structure commences at spinal column point (SCP) 4 up to SCP 59L. SCP'S 4 to 43 reflect the NJC national pay points, SCP'S 44L to 59L are locally agreed pay points.
- 1.3 There are 14 grades within the pay structure. Grade 1 is the lowest grade and grade 14 is the highest grade. Grades 13 and 14 apply to head of service posts. Grade 13 is not currently used.
- 1.4 Salaries in these pay grades are updated in line with pay awards notified from time to time by the NJC for local government services.
- 1.5 Posts are allocated to the pay grades through a process of formal job evaluation using the NJC job evaluation scheme.

1.6 Pay and grading structure – pay rates from 1 April 2019*

Grade	JE score	SCP	Annual salary	Hourly rate
Grade 1	Up to 260	4	£18,426	£9.55
		5	£18,795	£9.74
Grade 2	261 - 291	6	£19,171	£9.94
		7	£19,554	£10.14
Grade 3	292 - 332	8	£19,945	£10.34
		9	£20,344	£10.54
		10	£20,751	£10.76
		11	£21,166	£10.97
		12	£21,589	£11.19
		13	£22,021	£11.41
Grade 4	333 - 373	14	£22,462	£11.64
		15	£22,911	£11.88
		16	£23,369	£12.11
		17	£23,836	£12.35
		18	£24,313	£12.60
		19	£24,799	£12.85
Grade 5	374 - 414	20	£25,295	£13.11
		21	£25,801	£13.37
		22	£26,317	£13.64
		23	£26,999	£13.99
		24	£27,905	£14.46
Grade 6	415 - 455	25	£28,785	£14.92
		26	£29,636	£15.36
		27	£30,507	£15.81
		28	£31,371	£16.26
Grade 7	456 - 501	29	£32,029	£16.60
		30	£32,878	£17.04
		31	£33,799	£17.52
		32	£34,788	£18.03
Grade 8	502 - 547	33	£35,934	£18.63
		34	£36,876	£19.11
		35	£37,849	£19.62
		36	£38,813	£20.12
Grade 9	548 - 593	37	£39,782	£20.62
		38	£40,760	£21.13
		39	£41,675	£21.60
		40	£42,683	£22.12
Grade 10	594 - 644	41	£42,928	£22.25
		42	£44,632	£23.13
		43	£45,591	£23.63
		44L	£47,086	£24.41

Pay and grading structure – pay rates from 1 April 2019*(continued)

Grade	JE score	SCP	Annual salary	Hourly rate
Grade 11	645 - 695	45L	£48,039	£24.90
		46L	£49,312	£25.56
		47L	£50,618	£26.24
		48L	£51,961	£26.93
Grade 12	696 - 751	49L	£53,338	£27.65
		50L	£54,750	£28.38
		51L	£56,201	£29.13
		52L	£57,691	£29.90
Grade 13	752 - 812	53L	£59,220	£30.70
		54L	£60,789	£31.51
		55L	£62,401	£32.34
		56L	£64,403	£33.38
Grade 14	813+	57L	£65,570	£33.99
		58L	£67,492	£34.98
		59L	£69,281	£35.91
TUPE grades				
I		28L	£25,877	£13.41
		29L	£26,889	£13.94
		30L	£27,780	£14.40
		31L	£26,648	£13.81
		32L	£29,485	£15.28
P2		5	£38,443	£19.93
		6	£39,431	£20.44
		7	£40,420	£20.95
		8	£41,408	£21.46
		8a	£42,448	£22.00
		8a	Non-consolidated	

*National employers made a pay offer of 2 % on 5 February 2020 for the period 1 April 2020 to 31 March 2021, which was not accepted by trade unions. Pay and grading information will be updated when the pay increase is agreed.

1.7 Employees on Grade 1 are defined as our lowest paid employees.

1.8 The council pays employees no less than the Living Wage Foundation living wage rate. The rate is reviewed and updated by the Living Wage Foundation annually in November. If the council's lowest pay grade falls below the living wage rate, a supplement will be paid to equate to the living wage rate from 1 April following any increase.

2. Chief executive and chief officer pay

- 2.1 The council's chief executive is the head of paid service and the directors are chief officers.
- 2.2 The current pay arrangements are locally determined and operated. Salaries in these pay grades are updated in line with pay awards notified from time to time by the Joint Negotiating Committee (JNC) for Chief Executives and Chief Officers.
- 2.3 Recommendations on chief executive and chief officer pay above head of service level are considered and agreed by Cabinet. A senior pay remuneration panel established from April 2013, review the pay and reward arrangements as required, and make recommendations in relation to the remuneration of the chief executive and director posts. The remit of the senior pay remuneration panel is laid down in the membership and terms of reference agreed at Cabinet on 18 February 2013, updated from 1 April 2015.
- 2.4 New appointments to be paid a salary package of £100,000 per annum or above are approved by full Council. The post of chief executive is the sole post which carries a salary range of over £100,000 per annum.
- 2.5 Chief executive and chief officer grading structure

Grade	SCP	From 1 April 2019	
		Annual Salary (FT) £	Hourly rate £
Chief Executive	150	£126,181	£65.40
	151	£129,048	£66.89
	152	£131,916	£68.38
	153	£134,784	£69.86
	154	£137,651	£71.35
Director	106	£74,203	£38.46
	107	£77,737	£40.29
	108	£81,270	£42.12
	109	£84,804	£43.96

- 2.7 One director post has additional responsibilities for deputising for the chief executive and receives an honorarium equivalent to 10% of their basic annual salary.
- 2.8 The terms and conditions of employment for the chief executive and chief officers are determined in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers, as set out in the Scheme of Conditions of Service. These are supplemented by local agreements reached with trade unions recognised by the council and by the rules of the council.

3. Heads of service and senior managers

- 3.1 Some senior officers are classed as non-statutory chief officers or deputy chief officers under the Local Government and Housing Act 1989, due to the council's organisational structure.
- 3.2 In accordance with the Local Government and Housing Act 1989 a non-statutory chief officer for the purposes of this pay policy statement is defined as a person who reports directly to or is accountable directly to the head of paid service. A deputy chief officer is defined as a person who reports directly to or is directly accountable to a statutory or non-statutory chief officer. This definition excludes secretarial, clerical and support services.
- 3.3 These senior officers and heads of service are not subject to the pay and conditions of service determined by the JNC for Chief Officers of local authorities but are employed under NJC terms and conditions and are paid in line with the pay structure detailed in 1.6.

4. Other arrangements

4.1 Election fees

The Returning Officer has overall responsibility for the conduct of elections and is appointed under the Representation of the People Act 1983. The role of returning officer is carried out by an employee of the council but is carried out in a personal capacity and is distinct and separate from their duties as an employee. Election fees are paid for the additional duties and are paid separately to the normal salary arrangements.

The chief executive is the council's Returning Officer.

Fees for Parliamentary, Police Commissioner, Referendum and European elections are set by parliamentary statutory order.

Fees for undertaking County and District elections are calculated in accordance with a formula agreed annually by the Norfolk Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group.

The setting of Returning Officer fees is considered by a meeting of the Chairpersons of the Norfolk authorities' member remuneration panels.

Other employees of the council, including senior officers within the scope of this policy may receive additional payment for specific election duties.

4.2 Monitoring officer (S51 Local Government and Housing Act 1989)

The council's monitoring officer is provided by an employee of Norfolk County Council who carries out the role under a delegation of function agreement. The remuneration arrangements for the post of monitoring officer are not covered under this pay policy statement.

5.0 Lowest and highest paid employees

- 5.1 The councils lowest paid employees are paid on Grade 1 of the pay structure. The minimum pay point paid to any employee is SCP 4 of the pay structure. This equates to a basic salary of £18,426 per annum. The salary range for Grade 1 is £18,426 to £18,795 per annum.

The council's highest paid employee is the chief executive. The chief executive salary scale ranges from £126,181 to £137,651 per annum.

5.2 Pay Multiples

The ratio between the highest paid employee and other employees based on the median earner for 2019/20 is: *(to be calculated and published following March 2020 pay run but expected to be circa 1:5).*

The pay multiple is calculated based on taxable earnings for the period 1 April to 31 March each year.

The ratio of the highest and lowest pay point, based on full time equivalent salaries at 31 March 2020 is: 1:7.47

In calculating the pay ratios, full time equivalent salaries have been used.

- 5.3 The council does not have a policy on maintaining or reaching a specific pay ratio between the highest and lowest paid employees.

6.0 General principles applying to remuneration of all employees

6.1 Living wage

The council is an accredited Living Wage Foundation living wage employer and has adopted a living wage policy for employees and agency workers and contractors engaged through the council's procurement processes.

6.2 Pay on appointment

Starting salary on appointment is determined by assessment of relevant experience and competence to undertake the job role and taking account of current salary level. Salary on appointment will be within the salary range for the post.

6.3 Pay progression

All employees are remunerated on a pay range. The pay policy recognises that movement through defined pay ranges should continue as employees increase their effectiveness and expertise through knowledge and experience and most employees will normally receive an annual increment on 1 April each year up to the maximum point of the pay grade

Employees appointed between 1 October and 31 March receive their first increment after 6 months in post and any subsequent increments on 1 April each year.

Accelerated increments can be awarded on the basis of special merit or ability, subject to the maximum of the scale not being exceeded.

6.4 Relocation and disturbance

Relocation expenses may be granted where new employees are required to move to the area in order to take up employment and their circumstances meet the criteria laid down in the relocation assistance scheme.

Existing employees required to move home for their employment or who incur additional costs as a result of a decision of the council in respect of their employment may be eligible for reimbursement of some expenses depending on the circumstances.

6.5 Expenses and Travel

- **Travel for work**

Employees are not required to provide a car for work purposes and pool cars are available for official business travel.

Employees may choose to use their own transport for official business travel and are reimbursed at the following rates:

Mileage per mile first 8,500 miles	46.9 p
Mileage per mile after 8,500 miles	13.7 p

Employees required to have access to a vehicle, because of the nature of their duties are classified as operational users. Operational users have access to pool cars but may use their own vehicle and be reimbursed mileage.

- **Car Parking**

Operational users who work in or from city hall and use their own vehicle for work purposes are provided with a city centre car park pass.

Employees who are required to remain at work or return to work to attend an evening meeting will be provided with a city centre car park pass to enable them to attend the evening meeting.

Employees working at other council buildings may use the parking at the site, where this is available.

- **Subsistence**

Subsistence will be paid to employees who necessarily incur additional expense in the course of their work. Claims will generally be supported by a receipt. Actual expenditure is reimbursed, subject to locally agreed maximum amounts.

6.6 Bonus scheme

The council does not operate a bonus scheme.

6.7 Performance related pay

The council does not operate a performance related pay scheme.

6.8 Professional fees and subscriptions

The council reimburses professional fees and subscriptions as follows:

- employees undertaking approved studies towards a professional qualification, which require professional membership. The subscription is paid for the period of the studies, subject to satisfactory progress being made.
- specified professions where there are proven recruitment difficulties as a recruitment and retention incentive.
- statutory chief officers where the professional membership is a requirement in accordance with their statutory function.

6.9 Overtime and enhancements

Some posts within the council attract enhancements and/or overtime payments. Overtime and enhancements are applied in accordance with set criteria which are nationally and locally agreed.

6.10 Honoraria

If it is appropriate for an honorarium to be paid, this will be in accordance with agreed principle for payment of honoraria.

6.11 Severance arrangements

On ceasing to be employed by the council, employees will only receive compensation where this is appropriate as outlined below:

Employees who are dismissed for redundancy and who have a minimum of two years' continuous service with the council will normally be entitled to be paid statutory redundancy pay, which is calculated according to the individual employee's age, length of service and gross weekly pay subject to a statutory maximum.

The Local Government (early termination of employment) (Discretionary Compensation) England and Wales Regulations 2006 enable local authorities to increase redundancy payments above the statutory maxima subject to certain limits and to pay discretionary compensation in certain circumstances. Norwich city council has exercised its discretion to increase the redundancy payment as follows:

- the council will disregard the statutory upper pay limit when calculating a week's pay for the purposes of the statutory redundancy payment. This means that the employee's actual week's gross pay will be used for this purpose

and

- the statutory redundancy payment with the upper pay limit disregarded as set out above will be enhanced by a factor of 1.5.

Such discretionary enhanced redundancy payments will be made to employees who:

- are entitled to receive a statutory redundancy payment;
- or
- have voluntarily agreed to the termination of their employment where, had they been dismissed, the dismissal would have been by reason of redundancy.

Redundancy payments paid by the council may therefore comprise the required element: which is the statutory redundancy payment and the discretionary element: which provides for a discretionary enhanced redundancy payment.

Redundancy calculation is the same across the council irrelevant of position and pay grade.

Employees aged 55 and over and who are redundant and are members of the local government pension scheme immediately become entitled to receive their pension benefits. Pension benefits are not increased or augmented in these circumstances.

Outplacement support is offered to all employees who are redundant.

Severance packages in excess of £100,000 will be considered at full council.

6.12 Pension

All employees who have a contract of employment for at least 3 months and are under age 75 are eligible to join the Local Government Pension Scheme. Employees who are eligible for membership automatically become members of the scheme unless they opt out.

The council make a contribution to the employee's pension, expressed as a percentage of the employee's pensionable pay. The contribution rate is assessed and set every three years following an actuarial valuation of the Norfolk Pension Fund.

The employee also makes a contribution to their pension. The employee contribution rates vary from 5.5% to 12.5% of actual pensionable pay.

The council auto enrolls all eligible employees into the Local Government Pension Scheme in accordance with legislative requirements.

6.13 Flexible retirement

The council gives consideration to requests for flexible retirement from employees aged 55 and over who reduce their grade and/or hours of work. This enables the employee to have immediate access to their Local Government Pension Scheme benefits whilst retaining employment.

Requests are normally only granted when the overall financial impact is neutral or results in savings for the council.

The council does not waive any actuarial reductions resulting from early payment of pension benefits for flexible retirement.

6.14 Market supplements

The council does not currently pay market supplements. Should there be a future requirement for payment of market supplements a protocol for payment of market supplements will be agreed.

6.15 Re- engagement

All posts are advertised in accordance with the council's recruitment policies. Appointments and any decision to re-employ a former employee, who left employment in receipt of a severance or redundancy payment, will be made on merit.

Interim management appointments are made in accordance with the council's procurement policies and the provisions for contract for services.

The council will not engage a former city council employee within the scope of this policy outside of these arrangements.

6.16 Tax avoidance

The council will seek to appoint individuals to vacant posts using the recruitment procedures on the basis of contracts of employment and apply direct tax and national insurance deductions from pay through the operation of PAYE.

Consultants and agency workers are not employees of the council and are not covered by this pay policy statement. Where there is a need for consultant/interim support, the council will seek to avoid contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by that person, such as paying the individual through a company, effectively controlled by him or her.

6.17 Salary sacrifice

The council provides salary sacrifice arrangements for childcare vouchers and the cycle to work initiative.

6.18 Gender pay gap

The Government implemented mandatory gender pay gap reporting for employers with 250 or more employees in April 2017.

As at 31 March 2018 women were paid 3% lower than men based on mean hourly rates and 3.4% more than men based on median hourly rates. The gender pay gap at 31 March 2019 will be reported and published no later than 30 March 2020.

Gender pay gap information can be viewed on the gender pay gap service.
<https://gender-pay-gap.service.gov.uk>

7.0 Amendment and review of pay policy

The council's pay policy statement will be reviewed and agreed by full council on an annual basis and before 31 March each year.

If it is necessary to amend the pay policy statement during the year that it applies, any amendment will be by resolution of the full Council.

The policy and any subsequent amended policy will be published on the council's website within 21 days of full council approval.