



Melton  
Borough  
Council

# Pay Policy Statement 2015/16

# Pay Policy Statement 2015/6

## Introduction

The Localism Act 2011 (the Act) requires the Council to prepare a pay policy statement each year. The pay policy statement must articulate the Council's approach to a range of issues relating to the pay of its workforce.

This statement will be subject to annual review and approval by Full Council each subsequent year. In exceptional circumstances the statement may be reviewed/amended mid-year by the Full Council.

This statement will be published on the Council's website following each review and approval by Full Council.

The purpose of this statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of the Council's most senior staff;
- the remuneration of the Council's lowest-paid employees, and
- the relationship between the remuneration of chief officers and those employees who are not chief officers.

## 1. Remuneration of Employees

- 1.1 For employees subject to the "National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services" (known as the "Green Book"), the Council uses the pay spine that commences at national Spinal Column Point (SCP) 5 however this point will be deleted on the 1 October 2015 and employees on this point will move to SCP 6. The national pay spine ends at SCP 49 but the Council has locally extended this to SCP 60. This pay spine is divided into 15 pay bands, which contain between two and four incremental points. Band 2 is the lowest and Band 16 is the highest of these pay grades. **Appendix A**
- 1.2 In December 2012 the Policy, Finance and Administration Committee approved the Council pay the equivalent of the Living Wage which came into effect on the 1 April 2013. This means the minimum hourly rate for employees (excluding employees on an approved apprenticeship) is £7.85 effective from 1 April 2015. Full accreditation to the Living Wage has not been made which would require increases to be implemented in November, any increases recommended by the Living Wage will become effective on the 1 April of each subsequent year.
- 1.3 The Band of a post is determined through Councils job evaluation scheme which directly establishes the relative levels of posts according to the requirements, demands and responsibilities of the role. The evaluated score will determine the banding level paid within a locally agreed banding structure.

The Council presently use the Local Government Single Status Job Evaluation Scheme (the NJC scheme) to evaluate all posts with the exception of Chief Officer roles.

- 1.4 The Council presently adopts the national pay bargaining arrangements in respect of the revision of pay spines. A pay award of 2.20% was made from 1 January 2014 and one off consolidated payments made to staff in December 2014. Although the national agreement only included one off payments for employees on SCP 4 – 49 a local agreement approved by the Policy Finance and Administration Committee (02/12/2014) extended this payment to employees on locally extended points and apprentices.
- 1.5 All other pay related enhancements and payable allowances/expenses are the subject of either nationally or locally negotiated and/or determined rates.

## **2. Remuneration of Chief Officers**

- 2.1 The terms and conditions of employment applicable to these officers are as determined by the JNC for Chief Officers of Local Authorities (or JNC for Chief Executives of Local Authorities) as amended/supplemented or superseded by decisions on conditions of service made by the Council from time to time.
- 2.2 The grade/role profile of each chief officer post has been objectively evaluated using a recognised job evaluation scheme through East Midland Councils.
- 2.3 The Chief Executive is the Council's Head of Paid Service. As at 31 March 2014 the annual full time equivalent (FTE) range for the grade of this post is £74,833 - £82,318.57. There are five incremental points in the grade and progression through the grade is by annual increment which normally happens on 1<sup>st</sup> April each year.
- 2.4 There are two Strategic Directors who report directly to the Chief Executive. As at 31 March 2014 that annual FTE range for the grade of this post is £62,359 - £68,598.47. There are five incremental points in the grade and progression through the grade is by annual increment which normally happens on 1<sup>st</sup> April each year.
- 2.5 Salary levels are increased in accordance with nationally agreed annual pay settlements negotiated through the JNC for Chief Officers of Local Authorities (JNC for Chief Executives of Local Authorities in respect of the Chief Executive's pay).
- 2.6 Heads of Service meet the statutory definition of chief officer as they report to or are directly accountable to the Chief Executive but who are not employed on chief officer pay or terms and conditions. These posts are generic and have been job evaluated at Band 15 using the Councils scheme. These posts are identified on the structure chart provided at **Appendix B**
- 2.7 The Chief Executive also acts as Returning Officer for all Council elections for which an additional allowance is payable in relation to the overall supervision

and ultimate responsibility for the conduct of Council elections. The fee payable is calculated jointly with Leicestershire Electoral Administrators Group, currently based on a set amount for the number of electors for each ward, £56.77 per 500 local government electors or part thereof in a contested election. Elections take place on a 4 year cycle although by-elections may take place at other times.

2.8 The role of Monitoring Officer is currently being undertaken by The Head of Communications. The role of "Section 151" Officer is currently being undertaken by The Head of Central Services. Both these roles attract an additional four increments on top of existing salaries.

2.9 In addition to basic salary, all chief officer posts are entitled to:

- Reimbursing the membership fees incurred by a chief officer in relation to membership of a professional body;
- Business mileage undertaken by chief officers is reimbursed at the essential car user rate; **Appendix C**
- Reimbursement of expenses which may be claimed are as applicable to other employees of the Council;

2.10 Chief officers (including Heads of Service) are not permitted to claim any overtime payments.

2.11 Chief officers on JNC terms and conditions are also entitled to claim a telephone allowance.

### **3 General Principals**

3.1 New appointments will normally be made at the minimum of the relevant pay scale for the grade, although recruiting managers, in consultation with Human Resources have discretion to offer a higher scale point to secure the best candidate. Access to the Councils Relocations Scheme may also be granted in certain cases.

3.2 Progression within each band will normally be by annual increment at 1 April each year subject to;

- Satisfactory performance
- The top of the band being exceeded
- Six months service in role

Management Team have discretion to advance an individual employee's incremental progression within the band on the grounds of special merit.

3.3 The Council does not apply performance related pay or bonuses.

3.4 The minimum point of a pay band will not be lower than the maximum point of the preceding band.

- 3.5 Any temporary supplement to the salary scale for taking on additional duties or responsibilities must be approved by Management Team.
- 3.6 From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified in line with the Market Increment Policy .
- 3.7 Essential and Casual Car User allowances are paid in appropriate circumstances. These allowances are in accordance with “Green Book” rates.  
**Appendix C**
- 3.8 Subsistence is paid at the rate agreed locally. **Appendix C**
- 3.9 Employees who are required to work overtime are entitled to rates outlined in the Overtime Policy. This does not apply to employees paid at band 13 or above or Chief Officer.
- 3.10 Enhancements of night work and bank holidays are paid in accordance with “Green Book” rates.
- 3.11 An employee who is contractually required to be available on a standby basis will be compensated in accordance with the Standby Policy.
- 3.12 The Council will reimburse professional fees where it is an essential requirement of the job to be a member of a professional body.
- 3.9 On ceasing to be employed by the council, individuals will only receive compensation:
- a) In circumstances that are relevant ie redundancy
  - b) In accordance with our policy on employer discretions provided by the Local Government Pension Scheme (LGPS)
  - c) That complies with the specific term(s) of a settlement agreement.
- 3.10 Individuals aged 55 years or over who reduce their hours or band (or both) may received all or part of their LGPS in line with the flexible Retirement Policy.
- 3.11 The Council acknowledges that pay is not the only means of rewarding employees for their work and will look to provide other non-financial incentives to support recruitment and retention of high quality people. This includes good working conditions, flexible working, generous annual leave and development opportunities through our Training Policy.

#### **4 Financial Data**

As at 31 March 2015, the lowest grading level within the Councils pay spine

is Band 1 which encompasses point 5 £13,500 however the lowest pay rate is £7.85 per hour based on the Living Wage rate.

The current pay levels within the Council define the multiple between the average full time equivalent salary (excluding chief officer posts) and the Chief Executive as being:

Median average 1 : 3.9 (figures based upon median average FTE salary of £21,067 and Chief Executive's salary of £82,318)