

# Supplementary Agenda



<b>Meeting name</b>	<b>Meeting of the Council</b>
<b>Date</b>	<b>Thursday, 24 February 2022</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b>
<b>Other information</b>	<b>This meeting is open to the public</b>

<b>Meeting enquiries</b>	Democratic Services
<b>Email</b>	democracy@melton.gov.uk

<b>No.</b>	<b>Item</b>	<b>Page No.</b>
15.	<p><b>PAY POLICY STATEMENT</b></p> <p>Council is to consider a report on the Pay Policy Statement in order to comply with the requirement of the Localism Act 2011 to approve and publish the statement on the Council's website by the 31 March each year.</p>	327 - 338

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24 February 2022

**Report of:** Cllr Ronnie De Burle  
Portfolio Holder for Corporate  
Governance Finance and  
Resources



## Pay Policy Statement

<b>Corporate Priority:</b>	Ensuring the right conditions to support delivery (inward)
<b>Relevant Ward Member(s):</b>	N/A
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No

### 1 Summary

- 1.1 The Localism Act 2011 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 and must be published on the website by the 31 March each year
- 1.2 There are no significant changes to the policy statement from the previous year. The policy statement is attached at Appendix A

### RECOMMENDATION

#### That Council:

1. Approves the attached Pay Policy Statement for 2022/23 at Appendix A

### 2 Reason for Recommendations

- 2.1 Under Section 112 of the Local Government Act 1972 the Council has 'the power to appoint officers on such reasonable terms and conditions as the Authority thinks fit'. The Transparency Code, published by the Department for Communities and Local Government (DCLG), contains legal requirements to publish specific legal, organisational and salary information as follows:
  - The Pay Multiple and median earnings information must reflect a particular date in the year (in this case the Council's annual Pay Policy Statement update as at 1st February each year), and include all elements of remuneration, not just taxable earnings. This

includes base salary, variable pay allowances and any bonuses or payments in kind but excluding pension

- A list of the number of employees with remuneration above £50,000, presented within brackets of £5,000, with job title and the functions and the services for which they are responsible. This information is contained and kept updated on the website
- Any employees earning in excess of £150,000 must be named. In this Council this does not currently apply.
- An organisation chart for the top 3 organisational tiers must be published. A chart reflecting the Council's current senior structure, indicating where posts are filled on a temporary rather than permanent basis and where these are vacant, is available on the public website.

### **3 Background**

- 3.1 Under Section 112 of the Local Government Act 1972 the Council has 'the power to appoint officers on such reasonable terms and conditions as the Authority thinks fit'.
- 3.2 Legislation and supporting Government guidance, identifies the statutory contents of a Pay Policy Statement and how it should be presented.
- 3.3 Section 38 of the Localism Act 2011 Act sets out the requirement for Local Authorities to publish annual Pay Policy Statements. Additional requirements contained in section 40 of the Localism Act are set out further national guidance.
- 3.4 The core requirements of the provisions of the Localism Act are that a Pay Policy Statement (PPS) must set out the Authority's policies relating to senior salaries, remuneration and pay multiples, including the:
- Remuneration for its lowest paid employees
  - Definition used for this group and the reason for adopting this definition
  - Relationship between Chief Officer remuneration and that of other staff
  - Pay multiple relationship between the highest earnings and the lowest earnings and between the median earnings figure for the whole authority workforce.
- 3.5 The Act defines Chief Officer remuneration as the level and elements of remuneration for each Chief Officer. The definition of a Chief Officer adopted by the Act, as defined by the Local Government and Housing Act 1989 currently applies to the Councils Chief Executive and Directors.

### **4 Main Considerations**

- 4.1 All mandatory requirements of the relevant legislation as set out in both the Act and the Code have been reflected in the Council's updated Pay Policy Statement for 2022/23

### **5 Options Considered**

- 5.1 The statement is a statutory requirement and therefore if it is not provided the Council would not be undertaking its requirements under the Localism Act

### **6 Consultation**

- 6.1 The Senior Leadership Team and local UNISON have been previously consulted on policies included in this statement.

## **7 Next Steps – Implementation and Communication**

- 7.1 The Pay Policy Statement must by law be approved by Council in advance of the financial year to which it relates and must be published in the public domain on the Council's website by 1st April each year.

## **8 Financial Implications**

- 9 There are no direct financial implications as a result of this report. All financial matters have been taken into account in relation to pay and future pay awards.

**Financial Implications reviewed by: Director for Corporate Services**

## **10 Legal and Governance Implications**

- 10.1 The body of the report sets out the statutory basis for the requirement to have a Pay Policy under the provisions of the Localism Act 2011. Section 38 of the Localism Act sets out the statutory requirements of what is to be included within a pay policy statement each financial year. The statement must set out an authority's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees.
- 10.2 Section 39 sets out the requirement for a local authority's pay policy statement to be approved by a resolution of the authority (through Council) before it comes into force and this must be completed by 31 March immediately preceding the financial year to which it relates. This must be followed by publication on the authority's website.
- 10.3 Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year and whilst the Statement can be amended in year as required, any changes must be subject to the approval of Council. Failure to do so would be contrary to the Council's Statutory Duty under the Localism Act and may result in legal action being taken against the Council.
- 10.4 Supplementary guidance to the Localism Act; Local Government Transparency Code 2014 issued by the Department of Communities and Local Government sets out the requirements for calculating the pay multiple and further publication of senior salaries which the Council has implemented.
- 10.5 Under the terms of the Accounts and Audit Regulations 2015 the Council should publish on its website information about its most senior officer's pay, including information relating to the Chief Executive and Directors.
- 10.6 Failure to approve a pay policy in accordance with statutory timeframes could result in a legal challenge.

**Legal Implications reviewed by: Monitoring Officer**

## **11 Equality and Safeguarding Implications**

- 11.1 The Council is committed to ensuring that the remuneration of employees is fair and equitable. This is supported through the Pay Policy Statement. The Council's pay and grading structure is determined through Job Evaluation as a mechanism to ensure the consistent evaluation of the relative value of job roles across the Council. This in turn ensures a fair, open and transparent pay structure that supports the equal treatment of all employees in respect of their pay, terms and conditions; is compliant with Equal Pay legislation and Single Status requirements

11.2 There are no safeguarding implications as a result of this report.

## 12 Community Safety Implications

12.1 There are no Community Safety implications as a result of this report

## 13 Environmental and Climate Change Implications

13.1 There are no environmental and climate change implications as a result fo this report

## 14 Other Implications (where significant)

14.1 There are no other implications

## 15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Of non-compliance by not publishing the Pay Policy Statement	3	2	

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low		1		
	2 Very Low				
	1 Almost impossible				

## 16 Background Papers

16.1 There are no background papers

## 17 Appendices

17.1 Appendix A Pay Policy Statement

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# Pay Policy Statement 2022/23

# Pay Policy Statement 2022/23

## Introduction

As a responsible employer Melton Borough Council is committed to delivering a fair, equitable and transparent policy covering pay and other benefits. It aims to attract, motivate and maintain people who will work in line with the core values to deliver the Corporate Priorities through an appropriate pay and benefit package.

The Localism Act 2011 (the Act) requires the Council to prepare a pay policy statement each year. 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 employees
- 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 national pay spine ends at SCP 43 but the Council has locally extended this to SCP 54. This pay spine is divided into 15 pay bands, which contain between two and five incremental points. Band 2 is the lowest and Band 16 is the highest of these pay grades.
- 1.2 As part of national pay negotiations in 2018, a review of the pay spine was undertaken. This has resulted in the lowest point, point 1 starting at £9.25 per hour - £17,842 pa. The pay award for 2021 is still pending.
- 1.3 The Band of a post is determined through the Council's 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 the Chief Executive and Directors.
- 1.4 The Council presently adopts the national pay bargaining arrangements in respect of the revision of pay spines
- 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 Senior Officers**

- 2.1 For the purpose of this statement Senior Officers are defined as the Chief Executive and Directors on terms and conditions of employment 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 salary paid to Senior Officers is determined by Cabinet and approved by Full Council. It takes into consideration guidance from the JNC National Framework and market forces through a benchmarking exercise. The Council apply JNC nationally agreed cost of living pay awards.
- 2.3 The Chief Executive is the Council's Head of Paid Service. As at 1 April 2021 the annual full time equivalent (FTE) range for the grade of this post is £103,079 – £113,930. There are six 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 three Directors who report directly to the Chief Executive. As at 1 April 2021 the annual FTE range for the grade of this post is £70,528 - £81,378. There are six 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 One Director is appointed to deputise for the Chief Executive and receives an annual allowance for undertaking the additional responsibilities.
- 2.6 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.
- 2.7 The role of "Section 151" Officer is currently being undertaken by Director for Corporate Services. There are no additional payments made for this role.
- 2.8 There are three Assistant Directors who report to each of the Directors. Their pay is determined through the council's job evaluation scheme and have been graded at Band 16 which is the top of the grading scale. As at the 1 April 2020 the salary range for Band 16 was £56,094 to £58,214. The pay award for 2021 is still pending.
- 2.9 The role of Monitoring Officer is currently being undertaken by the Assistant Director for Governance and Democracy and attracts an additional payment of £7k pa

- 2.10 The role of Deputy Monitoring Officer is undertaken by the Democratic Services Manager. The Role of Deputy Section 151 Officer is undertaken by the Corporate Services Manager. Both these roles attract an additional four increments on top of existing salaries.

### **3 General Principles**

- 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 Council's Relocation 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 not being exceeded
  - Six months service in role

Directors 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 a Director in consultation with HR.
- 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 Supplement Policy .
- 3.7 Essential and Casual Car User allowances are paid in appropriate circumstances. These allowances are in accordance with "Green Book" rates.
- 3.8 Subsistence is paid at the rate agreed locally.
- 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 The Council will reimburse professional fees where it is an essential requirement of the job to be a member of a professional body.
- 3.12 On ceasing to be employed by the council, individuals will only receive compensation:
- a) In circumstances that are relevant i.e., 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.
- 3.13 Individuals aged 55 years or over who reduce their hours or band (or both) may apply to receive all or part of their LGPS in line with the flexible Retirement Policy.
- 3.14 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, well being initiatives, generous annual leave and development opportunities.

#### **4 Financial Data**

The current pay levels within the Council define the multiple between the average full time equivalent salary and the Chief Executive as being 4.4:1. The calculation is based on all staff excluding casual and relief staff. The full time equivalent salary is ranked and the salary taken at the midway point which is currently £25,481. The salary of the highest paid earner (the Chief Executive which is £111,760) is then divided by this salary to give the multiplier.

Salary information is correct as at February 2022.

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