

# Pay Policy Statement 2020

This Pay Policy Statement is produced on an annual basis in accordance with Section 38 (1) of the Localism Act 2011. It is made available on the Council's website. The Council's website also includes separately published data on salary information relating to Chief Officers.

The statement does not cover staff employed to work in schools.

**Date: February 2020**

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## Context and Scope

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## Reward Principles

South Gloucestershire Council values all its employees and aims to apply a consistent and fair approach to pay and benefits in line with the following broad reward principles:

- Recognition of both financial and non-financial rewards in its approach to determining its employment package for employees.
- Consistency and fairness in the processes used to manage pay and benefits
- Commitment to remain broadly within the framework of the relevant national pay bargaining agreements but tailor the approach so that it works for the Council and its workforce.
- Commitment to equal pay through the use of a robust job evaluation system and regular equal pay audits.
- Ensuring our pay and benefits policies and processes are fair and transparent to all employees.
- A structure that acknowledges prevailing labour market conditions and pay rates and the need to be competitive
- Introduce more flexibility to reflect the contributions and/or skills of individuals and to better enable the Council to attract and retain talent.
- The pay structure and employment package must be affordable to the organisation and aligned with organisational objectives.

The council incorporated the new national pay spine to its NJC pay spine on 1 April 2019 and fully complied with the NJC Pay Agreement. This agreement provided significant uplift at the lower pay ranges to allow for future increases in the National Living Wage.

The second phase of the review to takes account of recruitment and retention issues specifically within the council's senior technical and professional NJC workforce which were not addressed through the new national pay spine. Significant changes as a result of this review to pay ranges and grading structure which may occur during the currency of this statement are subject to approval by the Council's Appointments & Employment Sub-Committee.

- 1.1 Guidance has been issued by DCLG in respect of the prior approval of full Council to the payment of salary packages that will exceed £100,000. Under the Council's constitution (PartA4) the Appointments and Employment Sub Committee is responsible for adopting arrangements for the appointment of chief officers and 2<sup>nd</sup> tier JNC officers, having sought approval from Council to the payment of a salary package that exceeds £100,000 (or such amount as directed by the Secretary of State).
- 1.2 The job size of the post of Chief Executive and other senior management posts in the Council is determined by job evaluation using the Hay Job Evaluation process (the same methodology is used for all Hay graded Council jobs). Jobs are allocated to a pay band (grade) dependent on the Hay points established for each role. There are five senior manager pay scales to cover a range of Hay points. Each pay scale is made up of pay points. There is a separate pay band for the Chief Executive and the post is appointed on a spot salary within the band. An independent review of senior management pay bands carried out in 2007 established a pay range for each band. A subsequent review of senior manager pay in 2014 which reported to the Appointments and Employment Sub-Committee confirmed the current arrangements remain effective.
- 1.3 Any increase in pay will be in line with those negotiated nationally by Joint Negotiating Committees (JNC's) for Chief Executives and Chief Officers respectively as adopted locally. The pay policy, whilst agreed in advance of the financial year to which it relates, can be amended during the course of the year to incorporate a pay award negotiated nationally.
- 1.4 Where a pay band consists of a number of different salary points, progression is currently on an annual basis from 1 April each year subject to six months' service in that pay band and the maximum not being exceeded.
- 1.5 Senior staff are not differentiated from other members of staff in terms of remuneration on resignation or termination. The Council's arrangements for severance apply to this staff group.
- 1.6 Other conditions of service are those determined nationally by the JNC's specifically for these appointments or, as locally determined for all other Council staff except teaching staff.
- 1.7 The Council complies with the Code of Recommended Practice for Local Authorities on Data Transparency. Data is published on the Council's website on senior salaries above £50,000<sup>1</sup>. This data also shows the Senior Management posts with associated grade and pay band.

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<sup>1</sup> <https://www.southglos.gov.uk/council-and-democracy/performance/value-for-money/senior-officers-pay/>

## 2. Employee Pay and the definition of Lowest and Highest Paid Employees

- 2.1 The majority of the workforce is employed on National Conditions as determined by the National Joint Council for Local Government Services (commonly known as the 'Green Book'). Posts are allocated to a pay grade through the process of job validation. The values of the spinal column points in these pay grades are uprated by the pay awards notified from time to time by the NJC for Local Government Services unless a locally determined spinal column point is higher.
- 2.2 There are a small number of employees who are subject to conditions of service determined by the JNC for Youth & Community Workers. There are some specialist posts covered by the Soulbury Committee, NHS pay spine as well as a few historical grades.
- 2.3 The 'lowest' paid is defined as a full time employee on the lowest Hay pay grade which is paid at £17,364 per annum. These are the lowest paid employees other than apprentices in training who are currently paid the age related minimum wage during their apprenticeship or where a career-grade approach is taken for higher level apprenticeships the appropriate Hay grade.
- 2.4 The post of Chief Executive is the largest job size and is defined as the 'highest' paid post within South Gloucestershire Council.
- 2.5 The Chief Executive's salary is £165,306 per annum, which is 9.52 times the full-time salary of the Council's lowest paid employees whose salary is £17,364 per annum. This is calculated as follows: Chief Executive's salary (£165,306)/full time salary of lowest paid employees (£17,364). The Council's pay multiple (the ratio between the highest paid employee and the median basic salary across the Council) is 6.67:1. The median basic salary is £24,799. The mean basic salary is £28,100.<sup>2</sup>

## 3. Pay Principles

### 3.1 Pay Determination

- Base pay is determined by the role and its accountability using the Hay job evaluation methodology described above.
- Any allowances or enhancements to basic pay are made following the Council's published policies covering allowances, enhancements and premium pay such as honoraria.

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<sup>2</sup>Calculation – the mean is calculated by adding together all of the FTE salaries and dividing by the number of lines of data (headcount) to give the average salary value. The median is calculated by sorting into order the FTE salaries to find the middle salary value on the list. Data as at 31/12/2019. For reference, the Chief Executive's salary was 9.88 times more than the full time salary of the Council's lowest paid employees in the 2019/20 pay policy statement. The pay ratio was 6.79:1 in the 2019/20 statement. The median basic salary reported in 2019/20 was £23,866. The mean basic salary in 2019/20 was £27,341.

- As a general principle the Council avoids the use of market supplements and payments, but where these have been established as necessary to ensure staff with the right level of skills for the effective delivery of services are attracted and retained, this will be done in consultation with the Head of HR to make sure a consistent approach is taken across the Council.
- Incremental progression (i.e. movement through the column points within a grade) normally takes place on 1<sup>st</sup> April each year subject to minimum service requirements and the top of the grade not being exceeded.
- Where an increase in pay has been negotiated through the national negotiation framework, it will be implemented normally with effect from 1<sup>st</sup> April of the appropriate year. If negotiations are not concluded by 1<sup>st</sup> April the increase will be paid at the earliest opportunity together with back pay from 1<sup>st</sup> April.
- The Council currently does not apply performance-related pay or bonuses to any employee group.

### 3.2 Pay on Appointment

All appointments are normally made to the bottom of the pay grade at which the post has been evaluated. Managers have discretion to appoint at a higher scale point within the grade when necessary to secure the best candidate for the role.

### 3.3 Termination of Employment

On ceasing to be employed by the Council, any individual (including Chief Executive and Chief Officers) will only receive compensation:

- (a) in circumstances that are relevant (for example, redundancy); and
- (b) that is in accordance with our published policy on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS); and/or
- (c) that complies with the specific term(s) of a settlement agreement.

Redundancy payments were reviewed and capped in 2010. Payments are currently capped at twice the number of weeks required by Employment Rights Act and use actual weekly pay up to twice the statutory maximum at the time of calculation.

Any decision to re-employ an individual, who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. Individuals returning to the Council following a redundancy dismissal would be subject to the provisions of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999.

### 3.4 Ensuring consistency and equal pay

The Council seeks to ensure consistency through the following processes:

- The council introduced role profiles to ensure work is described in a consistent way across the organisation.
- All departments are provided with the same quality of internal support in the job evaluation process which is co-ordinated by an Hay trained Job Analyst
- Validation panels for role profiles comprise management and Trade Union representatives.
- The council is committed to the principle of equal pay for work of equal value. It published an Equal Pay Audit report in 2016 and this will be updated in January 2020: <http://www.southglos.gov.uk/jobs-and-careers/equal-opportunities-information/corporate-equality-and-diversity-policy/>
- The council published its second Gender Pay Gap report in March 2019. A new report will be published in March 2020: <http://www.southglos.gov.uk/jobs-and-careers/equal-opportunities-information/corporate-equality-and-diversity-policy/>