

## **1. PAY POLICY STATEMENT 2022/23**

### **Requirements**

- 1.1 The Councils are required to produce a Pay Policy Statement for each financial year under Section 38 of the Localism Act 2011.
- 1.2 Babergh and Mid Suffolk District Councils have a single organisational structure with harmonised pay, grades terms, and conditions of service and have a single pay policy statement that covers both Councils.
- 1.3 The Localism Act 2011 and supporting guidance provides information and detail on the matters that must be included within this statutory pay policy. However, they also emphasise that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be formally approved by Full Council. The statement must be published on the Councils' websites, and when setting the terms and conditions of those in Chief Officer posts, the policy must be complied with.
- 1.4 In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees, but at the same time needs to recognise that this is public money.
- 1.5 The Pay Policy Statement must include a policy on:
  - Level and elements of remuneration for each chief officer (for the Councils this is defined as Chief Executive, Strategic Director and Assistant Directors)
  - The remuneration of the Councils' lowest paid employees
  - The relationship between the remuneration of the Councils' chief officers and other officers
  - Other specific aspects of chief officers' remuneration, use of performance related pay and bonuses, termination payments and transparency.

### **Remuneration of Employees Who Are Not Chief Officers**

- 1.6 For employees subject to the National Agreement on Pay and Conditions of Service of the National Joint Councils for Local Government Services (commonly known as the 'Green Book'), the Councils currently use a total of 8 pay grades. Posts have been allocated to a pay band through a process of job evaluation.
- 1.7 Each grade has between 2 and 7 increments. The value of the pay increments (known as the 'Spinal Column Points') increases when the Councils are notified of pay awards by the National Joint Council (NJC) for Local Government

Services. In addition, the Councils review all pay levels every April to determine who is eligible for incremental progression.

- 1.8 There is also a group of staff on the 'National Agreement on Pay and Conditions of Services for Local Authority Craft and Associated Employees (commonly known as the 'Red Book')'. The Councils use a spot salary payment for this staff group of £29,179.
- 1.9 For the purposes of this Policy Statement, employees on the lowest increment within the Grade 1 pay band are defined as our lowest paid employees. This is because no employee of the Council is paid at an hourly salary level that is lower than this grade. On 31<sup>st</sup> March 2022, the full time equivalent (FTE) annual value of the lowest increment used within Grade 1 is £18,333. This rate exceeds the National Minimum Wage and the Living Wage set by the Living Wage Foundation. Apprentices are paid £9.41 per hour which is significantly higher than the National Minimum Wage rates for apprentices. This enables the Councils to attract and retain more apprentices.

### **Remuneration of Chief Officers**

- 1.10 The Councils share the following posts, which fall within the definition of 'Chief Officer' for the purposes of this Pay Policy:
- Chief Executive (the Councils' Head of Paid Service)
  - Strategic Director x 1
  - Assistant Directors x 9
- 1.11 These posts were evaluated in 2021/22 using the Local Government Senior Managers' evaluation scheme. Following recommendations by the East of England Local Government Association, based on current data on salary levels within the sector, the proposal to increase the salaries of the Strategic Director and Assistant Director posts was agreed and approved at Full Councils in March 2022, effective 1 April 2022.
- 1.12 The value of the incremental points (Spinal Column Points) within each of the pay grades will be increased by the pay awards notified from time to time by the Joint Negotiating Committees for Local Authorities.
- 1.13 Chief Executive
- The Chief Executive is the Councils' Head of Paid Service. As of 31 March 2022, the annual full time equivalent (FTE) salary range for the grade of this post is £120,548 to £140,275. There are five incremental points in the grade.
  - It is the Councils' policy that the FTE salary range for the post of Chief Executive will normally be no greater than 8 x the FTE salary range of a Grade 1 'Green Book' employee. This is well within the recommended multiplier of no more than 12 x the lowest paid employee.

- The Chief Executive also receives a Returning Officer fee in respect of District and Parish Council Elections, and a Deputy Returning Officer fee for County Council elections. Each Council has agreed a scale of fees for this function dependent upon the number of contests at any given election. Fees for conducting UK Parliamentary Elections, Police & Crime Commissioner Elections and national referenda are determined by way of a Statutory Instrument.

#### 1.14 Strategic Director and Assistant Directors

- The Strategic Director reports to the Chief Executive. The Assistant Directors report to the Strategic Director and the Chief Executive. Following the agreement at Full Council in March 2022, the annual FTE range for the Strategic Director grade will be £100,000 to £120,000 with effect from 1 April 2022. There are five incremental points in the grade.
- It is the Councils' policy that the FTE salary range for Strategic Director will normally be no greater than 7 x FTE salary range of a Grade 1 'Green Book' employee. The FTE salary for the Strategic Director does not exceed this range.
- The Assistant Directors report to the Strategic Director and Chief Executive. Following the agreement at Full Council in March 2022, the annual FTE range for the Assistant Director grade is £78,000 to £90,000 with effect from 1 April 2022. There are five incremental points in this grade.
- It is the Councils' policy that the FTE salary range for the Assistant Director posts will normally be no greater than 5 x the FTE salary range of a Grade 1 'Green Book' employee. The FTE salary for Assistant Directors does not exceed this range.

### **General Principles Applying to Remuneration of Chief Officers and Employees**

#### 1.15 Recruitment

- On recruitment individuals (including chief officers) will be placed on an appropriate pay increment within the pay grade for the post that they are appointed to. Access to appropriate elements of the Councils' Relocation Scheme may also be granted in certain cases when new starters need to move to the area.

#### 1.16 Pay Increases

- The value of pay increments within the grades may increase because of the Joint Negotiating Committee for Local Authorities negotiating pay rises. Individuals (including chief officers) may also progress within their pay grade. Individuals cannot progress beyond the top increment within their pay grade. Progression arrangements within the grade will be dependent upon competency and performance.

### 1.17 Termination of Office/Employment

- On ceasing to hold office or be employed by the Councils, individuals (including Chief Officers) will only receive compensation:
  - in circumstances that are relevant (e.g., redundancy)
  - that is in accordance with council policies on how to exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
  - that complies with the specific term(s) of a settlement agreement.

### 1.18 Additional Remuneration

- The Councils pay market supplements to some posts. A policy has been agreed to ensure that these are relevant, appropriate, and regularly reviewed.
- The Councils do not pay honoraria awards.
- The Councils pay Essential and Casual Car User allowances in accordance with agreed policy. Following review in 2019/20 Essential Car User allowances are now only paid to grades 6 and below. The rates for essential car user mileage are based on the rates set by the National Joint Consultative Council for Local Government Services. The Councils only apply the rates up to a 1199cc engine size; and do not pay the 1200cc to 1450cc (i.e., the top band). The rates for casual car user mileage are based on the rates set by HMRC. There are also rates in force for individuals who use their bicycle or motorcycle which are also based on the rates set by HMRC.
- Subsistence allowances that are paid are in accordance with our subsistence policy.
- None of the Councils' employees are paid a bonus or any other performance-related pay.

### **Gender Pay Gap**

1.19 Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Councils are required to report on their gender pay gap. The report based on data as of 31 March 2021 has been prepared, and this, with accompanying narrative, will be published on both the Councils' websites under the transparency requirements. The date for reporting is 31 March 2022.

1.20 As the two Councils are sovereign bodies, a report must be published for each Council, but the combined data is more relevant due to the workforce being fully integrated. This report does not have to be approved by Council, but when published will be available on each Council's website.