

Gloucester City Council**Pay Policy Statement 2019/20****Introduction and Purpose**

Gloucester City Council employs approximately 220 staff which equates to 194.76 Full Time Equivalent staff (FTEs). Please note that this figure excludes casual and zero hours staff and is as at 1 January 2019. The provision of many of the Council's services is outsourced to the private or third sectors and some others are carried out by partner councils through shared service arrangements. Gloucester City Council remains responsible for these services. The Council's annual turnover is approximately £119m (gross expenditure as per Comprehensive Income and Expenditure Statement for 2017/18).

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". This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the 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 its most senior staff i.e. 'Chief Officers', as defined by the relevant legislation.
- the arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.

An original version of this policy statement was approved by the Council in 2012. This policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006. With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

Pay Structure

The Council's pay and grading structure comprises Grades A-H as 'Green Book' staff and 'Job Size 1 - 5' for posts as Chief Officer's roles. Director positions are paid at Job Size 5 (SMT1) with the Managing Director being paid at SMT2. Within each grade there are a number of salary / pay points. The Council uses a structure based around the nationally determined pay spine for grades A to H with all posts being evaluated under the HAY job evaluation scheme. For salary points above this, i.e. for Job Size 1 and above, grades are determined following evaluation under the HAY job evaluation scheme and are approved by the General Purposes Committee.

The Council's 'Green Book' Pay Structure (grades A-H) effective from 1 April 2019 is as set out in the table below. The 2019-20 pay scale reflects the nationally agreed 'Green Book' pay scale changes in terms of salary levels and associated scale points.

Grade	Spinal Column Points		Pay Scale	
	From	To	Minimum £	Maximum £
A	1	3	17,364	18,065
B	4	5	18,426	18,795
C	6	8	19,171	19,945
D	10	14	20,751	22,462
E	16	20	23,369	25,295
F	21	25	25,801	28,785
G	26	29	29,636	32,029
H	31	35	33,799	37,849

The Chief Officer pay scale is as set out below.

Grade	Job Size	Pay Scale	
		Minimum £	Maximum £
I	1	38,813	43,662
J	1	44,632	47,495
K	2	48,455	51,325
L	2	52,467	56,214
M	3	56,987	62,554
N	3	63,792	69,503
Job Size 4	4	72,130	79,722
Job Size 5 (SMT1)	5	85,358	94,343

The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases nationally determined in the pay spine.

Council posts are allocated to a grade within the Pay Structure based on the application of the Hay Job Evaluation scheme.

In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

In relation to progression within a post grade, with the exception of career grades which will usually require the achievement of some criterion before progression occurs, employees generally progress from the minimum spinal column point of their grade at April each year until they reach the maximum of their post grade. This is not the policy for posts at Chief Officer level (job size 1 and above), where progression within grades is subject to performance.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied if necessary to secure the best candidate as per the Council's Starting Salary Policy. From time to time it may prove appropriate to take account of the external pay market such as where difficulties in attracting applicants or retaining employees with particular

experience, skills and capacity occur. Where necessary, the Council will ensure the requirement for such market forces supplements is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate and timely data sources available from within and outside the local government sector.

Other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy.

Pay Awards

The Council's policy is to apply any nationally negotiated pay awards to employees at all levels of the Council. This will cover conditions of service in respect of both NJC for Local Government Services (Green Book) and NJC for Chief Officers (Blue Book).

An exception to this will be where employees have transferred to the Council under the Transfer of Undertaking (Protection of Employment) Regulations 2006 ('TUPE'), retaining statutory protection of the pay and conditions that applied with their previous employer. Any post-transfer local government pay award in such circumstances will not be automatically applied, but will be considered on a case-by-case basis and with due regard to equal pay legislation, including the Public Sector Equality Duty.

For 2019-20 the new national pay spine for Green Book employees incorporates the salary increases applicable under the second year of the two-year (2018-20) national pay award. This will be applicable from 1st April 2019.

For employees covered by the chief officers national conditions of service (Blue Book) a 2% increase will be applied to all salary points with effect from 1st April 2019. As with the Green Book pay award this represents the second year of a two-year (2018-20) national pay award.

Chief Officers' Remuneration

The term 'Chief Officer' as used in this policy refers to those defined as such within the Localism Act 2011. The Chief Officer posts covered by this policy are therefore the Chief Executive and those posts which report directly to the Chief Executive, and also the next management tier below (excluding any secretarial, clerical or administrative support roles), as set out in the Council's constitution.

All references to 'Chief Officers' in this policy statement are therefore in respect of the above definition (i.e. to be distinguished from the potentially wider group of senior staff employed by the Council in posts subject to National Joint Council (NJC) for Chief Officers national conditions of service (also known as the Blue Book) – where this wider group of staff are referred to elsewhere in this policy they are not therefore to be construed as 'Chief Officers' as defined under the Localism Act).

The Chief Officer posts falling within the statutory definition are set out below, with details of their basic full-time equivalent (FTE) salary as at 1 April 2019.

a) Managing Director

The current salary of the post is £122,050 per annum. This is a joint role, with the Managing Director spending 50% of their time as a Commissioning Director for Gloucestershire County Council.

In addition to this, payments for returning officer duties are made to the Managing Director. For local elections (Parish, District and County) this remains in accordance with the scale of fees agreed by all authorities in Gloucestershire. Fees for Parliamentary, European and national referenda are set nationally.

b) Corporate Directors

The salaries of posts designated as Corporate Directors fall within a range between £83,685 rising to a maximum of £92,494. Progression through the range is subject to performance.

Management Posts currently members of the Senior Management Team also defined as 'Chief Officers' for pay policy purposes:

c) Heads of Place and Policy & Resources. Heads of Communities, and Cultural & Trading Services

The salaries of the posts of Head of Place and Head of Policy & Resources are designated as job size 4 and fall within the range of £72,130 to £79,722. Progression through the range is subject to performance. The salaries of the posts of Head of Communities and Head of Cultural & Trading Services are designated as job size 3 (Grade N) and fall within the range of £63,792 to £69,503.

Other Management posts reporting to the Senior Management Team

Given the revised management structure introduced by the council as part of 'Together Gloucester', the salaries of posts reporting to the Senior Management Team, cover a wider range than in previous years, including posts at job size 1 (grades I to J SCP 42-51). Progression through grades at Chief Officer level (job size 1 to job size 5) is not automatic and is based on performance.

Recruitment of Chief Officers

The Council's policy and procedures with regard to recruitment of Directors and Statutory Officers is set out within part 5 - section 10 and part 2 Article 8 of the Council's Constitution.

When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Vacancy Management and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the Pay Structure and relevant policies in place at the time of recruitment in addition to external market advice and the HAY job evaluation process. Where the Council is unable to recruit to

a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

Where the Council remains unable to recruit Chief Officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money and the benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers engaged under such arrangements.

Interim appointments

The Council will only make interim appointments in exceptional circumstances, subject to an approved business case and an IR35 tax assessment. For these purposes an 'interim' appointment will be an engagement other than through a regular contract of employment on standard Council terms and conditions of service (e.g. engagement through an agency or consultancy arrangement).

The Council is conscious of the need to secure value for money in the contractual arrangements for all appointments, including the need to ensure no one is inappropriately enabled to achieve a more favourable position in respect of their tax liabilities ('tax avoidance') than might otherwise apply. The Council will therefore have proper regard to this principle in applying the HMRC test for tax status under the IR35 tax provisions for 'off-payroll' engagements.

Additions to Salaries of Chief Officers

In addition to basic salary, set out below are details of other elements of current 'additional pay' provisions which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

- Fees paid for returning officer duties where identified and paid separately (see above);
- Market forces supplements in addition to basic salary where identified and paid separately (see above);
- Professional subscriptions are not normally paid for any staff;
- Honoraria or ex-gratia payments may only be made to staff including Chief Officers for undertaking additional duties outside of their substantive role for which they receive an amount reflective of the duration and nature of the work they undertake. For Chief Officers, such payments are rare and will only be made in accordance with the Council's relevant policy.

Subject to qualifying conditions, employees have a right to join the Local Government Pension Scheme.

The employee contribution rates are set nationally through the LGPS regulations whereas the employer contribution rates are set by Actuaries advising the Gloucestershire Pension Fund and are reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The employer's contribution rate for Gloucester City Council, set at the last triennial review, is 17%.

Payments on Termination

The Council's approach to discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the approved policy, will be up to 60 weeks' pay, depending upon length of service and age.

Furthermore, the Council will not re-employ Chief Officers either directly or under a contract for service (e.g.: in a consulting or advisory capacity) who have previously been made redundant by the Council.

Any other allowances arising from employment

The following allowances apply to all employees:

Payment for acting up or additional duties

Chief Officers are expected to be flexible in managing changing requirements. Therefore honoraria would only be paid in exceptional circumstances at this senior level.

In limited situations where an employee may be required to complete work of a higher graded post or undertake duties outside the scope of their role, the Council may consider a payment consistent with job evaluation principles. Any such payments are subject to review and are only for limited periods.

Unsocial hours payments

The Council does not make unsocial hours payments to Chief Officers

For other employees, the Council recognises that certain roles and services require employees to work unsocial hours, or be available to work and therefore on standby. In these circumstances the Council has a policy to provide additional payments or time off in lieu for eligible employees.

Recruitment and retention allowances

Whilst the Council does not currently apply any recruitment or retention allowances it has the scope to locally agree such payments if necessary. The General Purposes Committee would agree any such payments for post above Job Size 4 and for all other employees the decision would be made by the Head of Paid Service.

Car and motor cycle allowances

Reimbursement of approved business mileage is made in accordance with the Council's locally agreed mileage rates. These rates, which mirror the HMRC mileage allowance payments, are reviewed annually

Lowest Paid Employees

As part of agreed policy, the Council moved all grade A zero hours workers to the next scale point above the calculated "foundation living wage". With the introduction of the revised Green Book pay scale effective from 1 April 2019, the Council has further decided that no employee (excluding apprentices) will be paid less than scale point 3 of the new scale (£18,065 per annum, £9.36 per hour) and will therefore retain its commitment to pay above the foundation living wage rate.

Apprentices do not fall within the definition of 'lowest paid employees', as they are not part of the Council's approved staffing establishment and are employed under separate terms. However, they are paid slightly above the appropriate national minimum wage rate for apprentices.

The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the HAY job evaluation process used for determining pay and grading structures as set out earlier in this policy statement.

The relationship between the remuneration of Chief Officers and employees who are not Chief Officer.

The Council does not have a policy on pay multiples but recognises that the Hutton Review of Fair Pay in the Public Sector recommends a maximum ratio of the highest remunerated post compared with the lowest remunerated post of 1: 20.

In accordance with the Local Government Transparency Code (2014), the Council uses the principle of pay multiples to provide a wider understanding of the relationship between its highest and lowest paid employees. It recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council's workforce.

The multiples are as follows:

	Annual salary FTE	Multiplier
Highest paid taxable earnings	£94,343	
Median earnings	£38,813	2.43
Lowest earnings	£17,364	5.43

* Data is accurate as of the 1 March 2019.

As part of its overall and ongoing monitoring of alignment with external pay markets - both within and outside the sector, the Council will use available benchmarking information as appropriate. This will include the pay multiples as set out above.

Publication

Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:

- Salary, fees or allowances paid to or receivable by the person in the current and previous year;
- Any bonuses so paid or receivable by the person in the current and previous year;
- Any sums payable by way of expenses allowance that are chargeable to UK income tax;
- Any compensation for loss of employment and any other payments connected with termination;
- Any benefits received that do not fall within the above.

In addition to this pay policy statement, the key roles and responsibilities and employment benefits for each of our Senior Management Team members will be available on the Council's website www.gloucester.gov.uk.

Accountability and Decision Making

In accordance with the Constitution of the Council, the General Purposes Committee has delegated powers to monitor employment legislation and ensure that personnel procedures and guidelines in respect of recruitment, grievance and discipline are in place and up to date. The committee is also responsible for the contractual terms and conditions of the Managing Director, the Corporate Directors and the Monitoring Officer.

Appointment of the Managing Director is made by full council. Appointments of Corporate Directors and the Monitoring Officer are made by a councillor level selection committee of the Appointments Committee. All other appointments are made at Corporate Director level, delegated where appropriate to Heads of Service and Service Managers.

Policy review

This policy will be reviewed no later than 31 March 2020 and thereafter on an annual basis.

The Council may amend the policy at any time with Full Council approval. If any amendments are made the revised version will be published on the Council's website.